

**CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES, FIRM
CHARACTERISTICS, MARKET ORIENTATION, AND
PERFORMANCE OF LARGE-SCALE MANUFACTURING FIRMS IN
KENYA**

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Award of the Degree of Doctor of Philosophy in Business Administration,
School of Business, of the University of Nairobi**

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DECLARATION

I declare that the work contained in this thesis is my original work and has not been presented for the award of a degree in any other university or institution

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DEDICATION

This thesis is dedicated to my dear husband Patrick Mwai, my lovely children Santana Wangui, Trista Tamara and Nathaniel Kariuki, my mother Alice Kemuma Mogaka, my late Dad Simon Omanga, my brothers Masisa, Osiago and my sister Kemunto for their unwavering support and encouragement

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ABBREVIATION AND ACRONYMS

CRM:	Customer Relationship Management
GDP:	Gross Domestic Product
KAM:	Kenya Association of Manufacturers
KIRDI:	Kenya Industrial Research Development Institute
KNBS:	Kenya National Bureau of Statistics
MDG:	Millennium Development Goals
OA:	Organizational Assessment
R-A:	Resource Advantage theory
RBV:	Resource Based View
SDG:	Sustainable Development Goals

ABSTRACT

Given that the environment under which businesses operate have become more turbulent, the key issue the firms face is no longer simply about providing good quality products or services, but also retaining loyal customers who will contribute to long-term revenue to the firm. Customer Relationship Management as a business strategy identifies, cultivates and maintains long-term profitable relationships. The study therefore sought to explore the influence of CRM practices on performance of large-scale manufacturing firms in Kenya. The broad objective of this research was to establish the influence of customer relationship management Practices, firm characteristics and market orientation on performance of large-scale manufacturing firms in Kenya. Specific objectives focused on examining the moderation effects of firm characteristics and market orientation on the relationship between CRM practices and firm performance and establishing the joint effect of the three variables on performance. The study was guided by the positivist approach. Four hypotheses were formulated and tested through regression analysis. The study was anchored on three theories: resource advantage, relationship marketing and dynamic capabilities theories. The population of the study comprised large-scale manufacturing firms that were members of the Kenya Association of Manufacturers (KAM). A descriptive cross-sectional survey was used. Primary data was obtained using a structured questionnaire. The target population consisted of 225 large-scale manufacturing firms. Stratified random sampling was used. Data was analyzed through descriptive statistics, factor analysis and regression analysis. Results of Cronbach's Alpha test ranged from 0.842 to 0.880 and this confirmed the reliability of all the measurement scales used in the study. Results revealed that CRM practices and organizational performance had a statistically significant relationship at $F=4.824$ with $P\text{-value} = .031$. The results also revealed that market orientation was a strong statistical predictor of firm performance. It was also established that firm characteristics had a weak influence on firm performance compared to CRM practices and market orientation. In addition, the moderating effect of market orientation on the association between CRM practices and organizational performance was found to be statistically significant ($F=9.138$, $P\text{-value}<0.05$). The moderating influence of firm characteristics on the relationship between CRM practices and firm performance was also found to be statistically significant ($F=30.797$, $P\text{-value} <0.05$). The study elucidated the strength of market orientation on firm performance ($\beta=0.600$). Furthermore, the study supported findings of previous studies on the influence of CRM practices on firm performance. The outcomes of the investigations revealed that the joint effect of CRM practices, firm characteristics and market orientation on firm performance was statistically significant ($F=10.053$, $P\text{-value}=.002$). In addition, the study found that all variables had a positive and significant influence on performance. Further, the findings of the study support the theoretical link between CRM practices, firm characteristics, market orientation and performance. The results present varied inferences for policy and practice. Policy makers will use the findings of this study to come up with deliberate measures that will be aimed at enhancing customer centric strategies so as to ensure manufacturing firms are able to cater for the changing expectations of their customers. Customer relationship management practitioners will use the findings of this study to support the development of CRM practices and investing in market oriented strategies as they are more likely to yield better performance outcomes. Future researchers should consider using longitudinal research design to reexamine the changes in CRM practices and firm performance over time. In addition, forthcoming researchers should consider combining qualitative and quantitative study designs. Further, to include the views of customers about CRM practices, future studies need to sample respondents from both internal and external sources.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Customer Relationship Management (CRM) is progressively becoming significant to businesses as they strive to progress their marketing performance through customer acquisition, market share, and sales volume through long-lasting relationships with their customers. The current trends in global competition escalated by global melt down have led to the need for manufacturing firms to monitor how customers view their goods and services. In addition, globalization of businesses, internationalization, deregulation, information technology advances, shorter product lifecycle and structural modification of business procedures have led to introduction of the relationship paradigm that focuses on creating long-standing associations among consumers and suppliers.

Building a superior customer relationship management capability that involves creating and enhancing close customer relationships is projected to be one of the most significant source of superior firm performance in today's competitive business environment (Day, 2002). In addition, the usage of CRM practices by firms increases customer allegiance, retention and as a consequence improves customer fulfillment (Jarad & Palacios, 2011). In the same vein, Wu and Lu (2012) contend that CRM has a positive effect on four parts of business performance that include monetary, consumer, internal process, and learning and growth.

Moreover, market orientation stresses on a trade culture that put the consumer's importance first and organizational capabilities to produce, distribute and apply information about consumers and rivals (Kohli & Jowarski, 1990). Market oriented firms focus on adapting their products and services to the needs and expectations of their customers and to achieve this customer focus, a firm with a high degree of market orientation cultivates a set of shared values and beliefs about putting the customer first in business planning, and reaps results in form of a defendable competitive advantage, decreased costs and increased profits (Desphande, 1999). Delmar et al. (2003) revealed that firm performance patterns are associated to the demographic characteristics of the firm such as age. Chandler (1962) asserts that the size of the firm has gains to its performance.

The study is anchored on the resource advantage theory which is the universal theory of competition that supports market based theories among them relationship marketing theory of the firm and dynamic capabilities theory. The resource advantage theory points out that resources are tangible and intangible units presented to the business that facilitate it to yield resourcefully and successfully a market contribution that has significance for a particular market fragment (Hunt & Morgan, 1995). On the other hand, relationship marketing theory asserts that by implementing the practices of marketing, efficiency can be achieved through customer retention, effective customer reaction and allotment of resources between marketing associates (Parvatiyar & Sheth, 2001). The dynamic capabilities theory argues that to sustain competitive advantage in a highly volatile market, firms must continuously reconfigure their resources to create a series of short-term competitive advantage (Eisenhardt & Martin, 2000).

Kenya's manufacturing sector is among the key productive sectors of the economy identified under Kenya Vision 2030 as critical in stimulating economic growth and development due to its immense potential for wealth creation, employment generation and poverty eradication. In addition, the sector provides impetus towards achievement of Millennium Development Goals (MDG) on extermination of life-threatening poverty, food shortage and global partnerships for development both in the medium and long term (Kenya Vision, 2030). In the same vein, with regard to the Sustainable Development Goals (SDG) the industry is expected to promote inclusive and sustainable industrialization that will considerably increase the industry's segment of employment and gross domestic product (Beisheim, 2015). The performance of large-scale manufacturing firms in Kenya is of great concern because they play a substantial part in economic development. In addition, the competitiveness of any country's manufacturing sector is indeed a good measure of its overall competitiveness, because it has a bearing on the performance and growth of the economy.

1.1.1 Customer Relationship Management Practices

Grounded on the relationship marketing literature, the theoretical foundation of CRM suggests that instituting and sustaining long lasting relationships is at the core of the 'marketing concept' (Morgan & Hunt, 1994). Berry (1983) defines relationship marketing as appealing, retaining and improving consumer relations. Payne and Frow (2005) points out that CRM is widely seen as a rounded methodology of handling customer relationships and to generate shareholder value and further asserts that the terms CRM and relationship marketing are used interchangeably. Additionally, CRM is a commercial process in the

industrial marketing environment, which prepares the organizational structure to improve and survive in trading and is a strategic process of support against the competitors, providing value for the buyers and sellers in gaining excellent benefits (Mehrdad & Mohammadi, 2011).

Based on the analysis of the customer relationship literature, CRM implementation ordinarily encompasses four specific ongoing undertakings: customer centric organization configuration (Homburg, et al., 2000); managing knowledge through a comprehensive customer database and integration of customer information (Stefanou, et al., 2003); focusing on key customers (Vandermerwe, 2004); and the use of customer relationship management-based technology to manage customer contact platforms, analyze customer information and access customer information. Kotler and Armstrong (2004) assert that greater client relationship competence will be realized after these dimensions of customer relationship management work in harmony as a unit. Sin et al. (2005) hypothesized that customer relationship management is a multidimensional concept comprising of four broad behavioral apparatuses that include key customer relationship focus, customer centric organization configuration, customer information management and technology-based relationship management.

1.1.2 Firm Characteristics

Firm characteristics include internal features which have the capacity to positively or negatively influence firm performance. Zou and Stan (1998) describe firm characteristics as a firm's demographic and managerial variables, which in turn comprise part of the organization's internal environment. In a firm precise context, a firm's capability and constrictions greatly impact the choice of marketing tactic and ability to implement a selected strategy (Mahoney & Pandian, 1992).

According to O'Sullivan et al. (2009), firm characteristics such as business age, gauged by the cumulative period that the organization has been in existence; size of the firm gauged by the total personnel; and the firm's ownership structure have been used to measure the influence of firm characteristics on firm performance.

From the viewpoint of Child (1973), size is a function of the people in a firm and that the number of employees is the most used metric for measuring firm size. With respect to age, previous studies indicate that mature firms are more proficient, have enjoyed the paybacks of learning, are predisposed to less complications of newness (Le Mens et al., 2010), and consequently, enjoy outstanding performance. Furthermore, a research on ownership arrangement and organizational performance of fifty listed firms in Iran established a significant association amid business ownership and performance (Barzegar & Babu, 2008).

1.1.3 Market Orientation

The concept of Market orientation has been considered by numerous authors using different approaches and various dimensions and it is still an issue under debate. There are two different approaches that seem to prevail, one treating market orientation as behaviors and activities in an organization (Kohli & Jaworski, 1990), while the other regards it as an organizational culture that comprises three components: the extent of customer alignment, competitor alignment and inter-functional coordination (Narver & Slater, 1990). Additionally, other perspectives of market orientation comprise: decision making perspective (Shapiro, 1988), strategic standpoint (Ruekert, 1992) and customer alignment standpoint (Deshpande et al., 1993). Narver and Slater (1990) refers to market orientation as the organization dimension that successfully generates essential demeanors to facilitate

formation of greater values for consumers and thus, unremitting greater performance for business. Kohli and Jowarski (1990) demarcated market orientation as the arrangement of market intelligence, distribution of the intelligence across sections and organization-wide responsiveness to it.

The marketing concept forms the conceptual base for developing a definition of market orientation. In the current study market orientation is conceptualized according to (Kohli and Jaworski, 1990) as the organizational-wide generation of market intelligence relating to present and imminent requirements of clients, distribution of intelligence inside an organization and responsiveness to it. Market intelligence generation consists of activities that relate to assemblage and analysis of customer wants and factors that affect those intelligence wants. Intelligence distribution relates to the distribution of market information through horizontal and vertical channels within the sections of the firm through formal and informal networks while reaction relates to the concerted actions pursued as a result of generation and dissemination of market intelligence.

1.1.4 Firm Performance

Firm performance is a multifaceted concept composed of various related elements (Chakravarthy, 1986). According to Ricardo (2001), performance is the firm's capability to achieve its aims and objectives. Similarly, Perotti and Javier (2002) defines performance as the low-cost, efficiency and effectiveness of a particular action. Additionally, preceding studies have revealed that a superlative dimension of performance can best be achieved when non-financial and monetary measures of performance are used in a competitive environment (Hoque & James, 2000). In addition, Berrah et al. (2006) argue that the use of assorted performance indicators encompassing monetary and market measures is by and

large fairer to firms as it gives them an additional gain of providing superior protection against the magnitudes of uncontrollable externalities. Previous scholars have often used a special definition tailored to fit the individual research purpose (Chenhall & Langfield-Smith 2007).

Performance measurement plays an imperative role in translating an organization's strategy into desired actions and results (Kaplan & Norton, 2001). Performance has been identified and equated with effectiveness and efficiency (Rantanen & Holtari, 2000) and scrutinized through the angles presented in diverse frameworks, such as balanced score card which include; monetary, consumer, procedure and learning/growth which incorporates stakeholder fulfillment, tactics, procedures, competences and stakeholder input (Kaplan and Norton, 2001). In addition, Lusthaus et al. (1999) proposed the organizational assessment (OA) framework to measure performance and suggested that performance can be measured on effectiveness, efficiency, relevance and financial viability dimensions.

A number of authors have suggested that an integrated performance measurement approach should be applied to align the monetary and market measures in accordance with business strategy (Khan, 2010). In the same vein, Venkatraman and Ramanujam (1986) assert that performance of corporate firms is usually measured by both economic and non-economic indicators. On one hand the most popular financial performance measures are return on invested capital, productivity of assets, sales turnover, gross profit margin and net operating margin (Wan & Hoskisson, 2003). On the other hand, non-economic or market based measures of performance consists of market segment, acquirement of resources, capacity exploitation, output and efficacy, accessibility of information, introduction period of new merchandise and consistent work force (Tan et al., 2007).

1.1.5 Large-Scale Manufacturing Firms in Kenya

The manufacturing sector in Kenya has a high potential for employment creation and acts as a stimulus for growth in other sectors such as agriculture and thus offering significant opportunities for export expansion (KNBS, 2014). The manufacturing sector in Kenya contributes 10 percent to the country's GDP and employs over 2 million people (KAM, 2014). However, the Kenya Vision 2030 specifies that the segment ought to account for 20 percent of GDP (KNBS, 2015). Attaining this objective requires addressing some underlying constraints that hinder faster growth. These comprise high input purchase cost, decline in investment portfolio for some activities, transport infrastructure, high cost of credit and stiff competition from imports (KNBS, 2013).

Manufacturing firms in Kenya are classified into small, medium and large (KAM, 2015). Previous researchers have used different measures that include; the number of employees in the firm (Kidombo, 2007); capital employed (Sawyer, 1985); volume of sales turnover (Crossan, 2005) and a combination of all the indicators (Aosa, 1992). The current study focused on large-scale manufacturing firms registered with KAM (2015) which have more than 100 employees. Magutu (2013); Murgor (2014) in their study also classified manufacturing firms with more than 100 employees as large-scale. On the basis of this criterion, 513 firms were categorized as large-scale manufacturing firms.

1.2 Research Problem

The market environment is increasingly becoming complex with increased competition, globalization and dynamic customer needs, the manufacturing firms are increasingly adopting CRM practices as a source of competitive advantage which if properly implemented and institutionalized may impact positively on firm performance. Similarly, firm performance is also influenced by firm characteristics such as size and age (Barney, 1991). Furthermore, Javalgi et al. (2006) asserts that as the firm becomes increasingly market oriented the positive strategic outcomes of CRM, including fulfillment, allegiance, retention and ultimately improved lifetime benefits to the consumer. Wang and Feng (2012) contend that consumer centered management arrangements and CRM capability influence performance. Additionally, Ko et al. (2008) asserts that the size tend to affect how firms adopt new technologies as big companies lean towards adopting innovations more with ease than small ones for the reason that they have additional resources, they manage risk better and have buoyant infrastructures.

The large-scale manufacturing firms in developing countries such as Kenya play a critical role in economic development. In addition, the manufacturing sector is one of the large income earners in the country; contributing 10 percent of GDP (KNBS, 2015) and more success can be achieved if a firm is capable of creating sustainable and long-lasting customer relationships. Furthermore, the manufacturing sector is a key element for Kenya's economic development and it currently employs over two million people (KAM, 2014). Though the segment has blossomed over a while both in relation to its impact to the nation's GDP and job creation, the sector is still very small compared to that in developed countries (Awino & Gituro, 2011). According to Kenya Vision 2030 the large-scale manufacturing

firms should drive the Kenyan economy to global competitiveness. Similarly, owing to intensive competition manufacturers will need to consider employing various practices like customer relationship focus strategies, customer centric strategies, customer satisfaction and quality information among others to improve performance. However, much focus has been paid to the contribution of CRM practices to performance of service firms leaving the applicability of CRM philosophy in manufacturing a challenging task.

CRM practices and firm performance linkages have been studied both locally and globally however, most of the research has concentrated on the direct relationship between individual components of CRM practices and performance. In addition, research findings have been contradictory and mixed. For instance, while some empirical investigations indicate significant positive relationships between CRM practices and firm performance (Coltman et al., 2011); other studies have revealed a weak association (Aliyu et al., 2011) or non-significant relationship (Leverin & Liljander, 2006) while others suggest that CRM has a negative effect on firm performance (Krasnikov et al., 2010). Besides, previous studies on CRM have concentrated on direct association between components of CRM and firm performance (Verhoef, 2003; Swaminathan, 2004). For this reason, little is known about the indirect influence of CRM practices on performance.

Studies have been conducted to understand market orientation and its impact on an organisation's performance. Although some research have reported a positive direct linkage amid market orientation and the performance of the business. (Slater & Narver, 2000; Jaiyeoba, 2014); others have established a negative association between these two variables (Ghani & Mahmood, 2011); while others have reported mixed findings on the relationship (Shehu & Mahmood 2014).

Empirical evidence has not been able to clearly verify the association between firm characteristics and firm performance. On one hand, a study by Lundvall and Battese (2000) on the association between size of the firm and age with efficiency of Kenyan manufacturing firms revealed a positive relationship of the size of the firm and age with performance; while on the other hand, a study by Yasuda (2005) identified that the size of the firm and business performance had a negative association in a study carried among Japanese manufacturing firms. A study by Pervan, and Todoric (2012) on listed Croatian firms investigated the connection between firm ownership and performance and pointed out that the performance of foreign owned listed firms was better than locally controlled firms. The presence of ambivalent outcomes underpins the necessity for further research on the nature of the relationships between firm characteristics, market orientation and performance.

The studies that have been conducted in Kenya, have centered on the service sectors and even those that studied the manufacturing sector have also focused on different variables. Thuo (2010) carried out a study on CRM and its influence on competitiveness of 43 registered commercial banks in Kenya. The study concluded that CRM practices significantly influence competitiveness. The study focused on the banking sector and therefore there is need to carry out studies in other sectors and also include larger samples. More recently, Njeru and Munyoki (2014) conducted a research on the relationship between market orientation and firm performance of tour companies in Kenya and established a positive connection between market orientation and firm performance. The study concentrated on the direct connection of market orientation and performance thus

there is need to carry out more studies to test both the direct and indirect relationships in other sectors. Murgor (2014) carried out a study in the manufacturing sector and focused on external environment and performance of large scale manufacturing firms in Kenya. The outcomes established that external environment had an influence on firm performance.

Based on the empirical studies cited, the researchers focused on the direct relationship between CRM practices and firm performance. Conceptual frameworks that account for variations in firm performance such as CRM practices, firm characteristics and market orientation provide partial explanations. Studies on CRM practices have either been global or regional and tend to focus on individual CRM decisions variables, without exploring their combined influence on performance. Similarly, previous studies have focused on direct relationships between variables without assessing the influence of moderating variables in the relationships. This study therefore sought to ascertain: To what extent does firm characteristics and market orientation influence the relationship between CRM practices and firm performance of large-scale manufacturing firms in Kenya?

1.3 Research Objectives

The main objective of the study was to establish the influence of firm characteristics and market orientation on the relationship between CRM practices and performance of large-scale manufacturing firms in Kenya.

The specific objectives were:

- i. To establish the influence of CRM practices on performance of large-scale manufacturing firms in Kenya
- ii. To establish the influence of firm characteristics on the relationship between CRM practices and firm performance

- iii. To determine the influence of market orientation on the relationship between CRM practices and firm performance
- iv. To establish the joint influence of CRM practices, firm characteristics and market orientation on performance of large-scale manufacturing firms.

1.4 Value of the Study

The results of this study provides evidence-based integrated framework that links customer relationship marketing practices, firm characteristics, market orientation and firm performance. The connection between CRM practices and the performance of the firm has been studied in the setting of industries in industrialized nations. Nonetheless, little is acknowledged about the contribution of CRM to performance of manufacturing firms in the Kenyan context. The theoretical contribution of this study will provide useful information which will make significant impact to the field of CRM development and extend the existing knowledge in the best CRM practice in organizations.

The findings of this study will be used by policy makers on customer relationship decisions especially the recommendation of the best customer relationship practices to be adopted for enhanced firm performance. Further, the findings will be valuable to government and other customer service stakeholders in policy formulation at strategic level, implementation and appreciation of the role of a customer-centric management approach in business as a strategic tool for better firm performance. Therefore, the findings of the study will offer insights on formulation and enforcement of policies addressing regulation and customer relationship management practice within manufacturing firms in Kenya.

The study serves to inform the implementation of CRM programs in any type of organization including the manufacturing industry. The results of the study may further be used by managers to prioritize the implementation of the CRM practices. Managers of the large-scale manufacturing firms will benefit from the findings of this study by understanding the contribution of CRM practices, firm characteristics and market orientation to the performance of the firm. The research could be used as an analytical tool to determine zones within existing CRM systems which may be considered good practices or specific areas which may require improvement.

1.5 Definition of Terms

Customer Relationship Management: It is the process of appealing, retaining and improving customer relations.

Firm Characteristics: Firm's demographic and managerial variables, which in turn comprise part of the organization's internal environment

Market Orientation: It involves organizational-wide generation of market intelligence relating to present and imminent requirements of clients, distribution of intelligence inside an organization and responsiveness to it.

Joint Effect of Variables: Refers to independent variables taken together in an additional manner which creates a combined effect and generates organizational performance.

1.6 Structure of the Thesis

This thesis encompasses five chapters. Chapter one introduces the study and presents the fundamental constructs of the study, the research problem, objectives of the research and value of the research. Chapter two reviews the pertinent conceptual and empirical literature of the study variables and presents the existing research gaps. In addition, the chapter also presents a conceptual model and the hypotheses of the interactions of the study constructs.

Chapter three presents the research philosophy that was adopted for the study, research design, the population and sample of the study, the data collection method, the measurement aids used and an operationalization of the main study variables. A summary table of the indicators used to measure the key study variables and the data analysis model that was used in the study is also presented. Chapter four presents data analysis, presentation, interpretation and discussion of the research findings. Finally chapter five brings forth a summary of the study outcomes, contributions, conclusions and recommendations based on the findings. The chapter also pinpoints the shortcomings of the research and offers suggestions for further studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter contains theoretical foundations of the study and empirical review of CRM practices, market orientation as well as firm characteristics and performance of large-scale manufacturing firms. The chapter further discusses research gaps, conceptual framework as well as conceptual hypothesis.

2.2 Theoretical Foundation of the Study

The study is anchored on resource advantage theory which is a market based theory of competition. The resource advantage theory focuses on explaining organizational variables such as relationship marketing, firm characteristics and market orientation from competitive advantage point of view. Additionally, the theory overarches market based theories of competition which include relationship marketing theory and dynamic capabilities theory. The current study links the resource advantage theory, relationship marketing theory and dynamic capabilities theory; theoretical views in a unified framework so as to provide a more inclusive explanation of CRM practices, firm characteristics, market orientation and their influence on firm performance.

2.2.1 Resource Advantage Theory

Resource Advantage (R-A) theory is a broad theory of competition that describes the progression of competition (Hunt & Morgan, 1996). R-A theory is an ever changing, disproportion-provoking, rivalry course where invention and learning are endogenic where

business and customers do not have perfect information. The theory assumes that heterogeneous resources that are not perfectly portable when united with diversified consumer expectations, suggest noteworthy differences in the magnitudes, choices and intensities of success of businesses within the same industry.

Within the framework of this theory, CRM is one of the organizational capability whereas market orientation is associated with both informational and relational resources. A firm's relational capability contribute to its organization capital and because relational resources are heterogeneous and immobile, they can result in positions of competitive advantage that persevere through time, resulting in sustained superior performance. In addition, the theory places great emphasis on innovation that pushes firms to learn through appropriate market research, intelligence gathering, benchmarking and trial marketing. As explicated by Hunt (2000b) heterogeneous imperfectly mobile resources that include firm size and age, when combined with heterogeneous demand, imply significant diversity as to the size and levels of profitability of firms within the same industry, that include firm size are heterogeneous and imperfectly mobile. The theory has been critiqued for failing to recognize that perfect competition is the ideal competitive form and maintains that superior performance results from pro-competitive factors (Morgan, 2000).

2.2.2 Relationship Marketing Theory

The evolution of CRM originate from relationship marketing theory which is envisioned through advancing long-lasting customer relationships by shifting from transactional based business to stressing on bringing in new consumers and retaining existing ones through effective running of client interactions in order to cope with dynamic financial markets (Christopher et al.,1991). Morgan and Hunt (1994) pinpoints relationships benefits as a

significant precursor for the kind of affiliation commitment that characterizes consumers who involve in relational exchange. To successfully implement relationship marketing grounded approaches, managers should pinpoint and fulfill the wants and needs of workers, that is, they must have an internal market orientation (Ling & Yen, 2001).

Relationship marketing theory notes that collaborative relations entail substantial transfer of technology and information distribution among partners (Lam, 1997). As an outcome, efficacious relationship marketing strategies regularly necessitate firms to embrace inter-organizational information structures such as electronic data swapping systems and to form organizational practices that are advantageous to knowledge usage and sharing. Some critics of the relationship marketing theory argue that it fails to acknowledge the ecological and environmental challenges of risk society (Beck, 1992). The theory was considered appropriate for this study as it captures the main variables being tested on their effect on performance of large-scale manufacturing firms.

2.2.3 Dynamic Capabilities Theory

The dynamic capabilities theory is an extension of the resource-based view (RBV) theory of the firm. In addition, it discourses the flaws of the resource based view theory. The RBV theory has been critiqued for failing to account for environmental dynamism and how firms should react when faced with obsolescing resources. The dynamic capabilities theory asserts that the core of dynamic capabilities line of attack is that competitive attainment ascends from the unceasing growth, alignment and reconfiguration of firm's specific assets (Teece, 2006). The dynamic capabilities enable business enterprises to create, develop and protect those intangibles assets that lead to lasting existence and life of the organization.

The dynamic capabilities theory argues that resources and capabilities are constantly being developed inside the organization. Subsequently, Barney (1991) opines that firms

resources are all possessions, competences, organizational practices, business features, information knowledge among others controlled by the business that allow the business to comprehend and apply tactics that progress its competence and effectiveness. Relationships generally are deliberated to be the resources of the firm (Hall, 1992) and hence customer relations, in particular, can similarly be regarded as a weighty resource which can significantly influence the performance of the firm. Capabilities that deliver ways of adjusting to the changes in the business environment that include consumer demands, advent of novel markets and competitive variations (Sinkula et al., 1997). The theory has been critiqued of having confusing definitions that make it difficult to capture the constructs (Winter, 2003).

2.3 Customer Relationship Management Practices and Firm Performance

The existing literature point towards the influence of CRM practices on an organization's performance. To elucidate this link, a case study by Ryals (2005) found that CRM activities resulted in 250 percent increase in profitability. In the same vein, a study by Jayachandran et al. (2005) found that CRM procedures positively influence customer satisfaction. Additionally, Akroush et al. (2011) carried out a research to examine the strength of the connections between CRM application components and business performance in Jordan's financial service organizations. Using quantitative method, data was collected through a survey among thirty firms in the Jordanian market. The study outcomes established a substantial positive connection between CRM application components and firm performance that encompassed financial and marketing performances.

Liu (2007) conducted an exploratory study of 'best practices' in the area of CRM strategy among Taiwanese domestic banks. His study concluded that implementation CRM involves modifications in many facets of enterprises which includes; interaction network organization; enterprise-wide organization; consumer data monitoring and information technology organization. In addition, Swaminathan (2004) carried out an investigation on the how CRM is connected with performance. The researcher conducted a random sampling from the directory of Hong Kong coming out with 1223 service companies. The study concluded that there are four magnitudes of CRM, three of these four dimensions (key consumer focus, organizing around CRM and managing knowledge) directly and indirectly affect performance. However, the fourth dimension (technology) did not lead to increased customer gratification and loyalty in the long run. The empirical research reviewed does not incorporate most of the practices suggested by the literature as key requirements for effective CRM implementation. There is therefore need to conduct an empirical study utilizing elaborate CRM implementation practices.

2.4 Customer Relationship Management Practices, Firm Characteristics and Firm Performance

Firm characteristics tend to give an organization, distinctive or comparative advantage over competitors, because it enables them to display uniqueness that cannot be easily replicated by competitors. Consequently, adopting CRM tends to give a firm distinctive or relative advantage over competitors because it facilitates effective communication with customers and in understanding their needs and wants (Gronroos, 2000). Ang and Buttle (2006) carried out a study on 732 Australian companies of different sizes and industries and established that bigger firms are considerably more probable to use CRM software to assist in customer acquirement, retention and improvement than smaller companies due to the sheer magnitude of their customers.

Empirical evidence reveals mixed findings on firm characteristics and performance relationship. A study by Kinoti (2012) established a moderating effect of organizational characteristics measured in terms of age and size of the firm and type of industry and ownership on the corporate image and performance of ISO 9000 and 14000 certified firms in Kenya. In addition, an investigation on ownership arrangement and organizational performance of fifty biggest Iranian listed firms from Tehran Stock Exchange established a positive connection between type of firm ownership and performance (Babu & Barzegar, 2008). On the contrary, a study by Thuo (2010) to establish the connection between CRM and competitiveness of banks operating in Kenya, observed that features like age and size of an organization did not directly influence competitiveness of banks nor moderate the CRM and marketing productivity. The empirical research presents mixed results on the moderating effects of firm characteristics and therefore the need to conduct an empirical study utilizing elaborate CRM implementation practices in other sectors.

2.5 Customer Relationship Management Practices, Market Orientation and Firm

Performance

The extant literature indicates that CRM practices have an effect on firm performance. Rust et al. (2000); Berry (1995) among others have argued that CRM implementation improves organizational performance. In addition, Kohli and Jaworski (1990) saw the generation of marketing knowledge, its dissemination, and organizational response to it, as key aspects of an organization's market orientation. Furthermore, findings by Min et al. (2002) indicated that information technology, the use of CRM and resources delivers business change and can positively influence market orientation by supporting the marketing activities. According to Liyun et al. (2008) knowledge management has a positive effect on market orientation.

Preceding studies offer ambivalent outcomes on the association between customer relationship management, market orientation and performance. On one hand, previous investigations on the link between market orientation and performance have established a positive association between the two variables. (Narver & Slater, 1990; Zebal & Saber, 2014; Njeru and Munyoki, 2014). On the other hand, other investigations have established a negative connection between market orientation and business performance (Pelham, 1997; Ghani & Mahmood, 2011). More recently, Owino (2014) carried out a study which established the indirect effect of market orientation on culture and firm performance. The study findings indicated that market orientation had a mediating effect on the relationship. An investigation by Mohamad et al. (2015) to establish how market orientation affected the association between customer relationship management and performance of 364 Malaysian food manufacturing firms established that market orientation positively influenced the association between the two variables. The presence of such ambivalent outcomes underlines the necessity for more research on the nature and magnitude of the association between customer relationship management, market orientation and performance.

2.6 Customer Relationship Management Practices, Marketing Orientation, Firm Characteristics and Performance

Several studies have been conducted on CRM practices, market orientation and firm characteristics. However, most studies have either focused on these concepts individually and their direct influence on firm performance with few studies considering the indirect influence on these variables. Investigations on market orientation have focused on the

direct effect of market orientation on firm performance (Narver & Slater, 1990; Kohli & Jowarski, 1990). Furthermore, previous studies have shown that firm characteristics on one hand, have influence on CRM practices adoption (Ko et al., 2008). While on the other hand, investigations by Peltier et al. (2009) and Sophonthummapharn (2009) indicated that organizational characteristics have no influence on CRM implementation.

Empirical studies on CRM and firm performance are currently skewed towards the developed countries making it difficult for developing countries such as Kenya and other sub-Saharan countries to generalize the relationship between the variables (Ngambi & Ndifor, 2015). Furthermore, research findings have been contradictory and mixed. On one side, a study by Krasnikov et al. (2010) using a sample of US commercial banks established a negative connection amid CRM implementation and performance. On the other side, a study by Coltman et al. (2011) observed that CRM when combined with appropriate resources contributes positively to organizational performance, while a research by Aliyu et al. (2011) on Malaysian Call Centers revealed that CRM had a weak influence on firm performance. Empirical literature provides evidence of studies on CRM practices, firm characteristics, market orientation and the relationship between each of these variable with firm performance.

2.7 Summary of Knowledge Gaps

Variables in this study have previously been considered in other studies; the variables have been operationalized differently, played different roles and provided varying findings. The conceptual gaps related to how variables in this study differ from the previous studies. The contextual gaps relate to different contexts in which the variables in the current study may have been studied as well as other variables that have been researched in similar context as that of this study. Methodological gaps relate to population of study, sample size as well as data analysis methods.

Table 2.1 summarizes previous studies, highlighting their findings and knowledge gaps in terms of methodological, conceptual well as contextual ones. The focus of this study is also pointed out in the table.

Table 2.1 Summary of Literature and Knowledge Gaps

Study	Focus of Study	Findings	Knowledge Gaps	Focus of the Study
Njeru & Munyoki (2014)	Market orientation, external environment and performance of tour firms in Kenya	The findings of the study established that market orientation and firm performance had a positive association.	<ul style="list-style-type: none"> • Did not test the indirect influence of market orientation • Focused on the service sector 	<ul style="list-style-type: none"> • Indirect effect of market orientation was tested • The study focused on the manufacturing sector
Owino, (2014)	Organizational culture, Marketing Capabilities, Market Orientation, Industry Competition and performance of Microfinance institutions in Kenya	Empirical study confirmed market orientation influences the association between Organizational culture and firm performance	<ul style="list-style-type: none"> • The study focused on micro finance institutions. • Study focused on the mediating effects of market orientation 	<ul style="list-style-type: none"> • The study focused on large-scale manufacturing firms • Study focused on the moderating effects of market orientation
Kinoti (2012)	The influence of Corporate image and organizational characteristics on connection between Green Marketing Practices and performance of ISO certified organization	Empirical study confirmed the moderating effects of firms characteristics on organizational performance	The study was limited to performance of ISO certified organizations	<ul style="list-style-type: none"> • The study focused on firms in the manufacturing industry
Akroush et al.(2011)	Investigated the strength of the linkages between CRM implementation and performance of Jordanian financial service organizations	Findings indicated that there is a positive and significant connection between CRM implementation components and performance financial service organizations	<ul style="list-style-type: none"> • The study did not test for the moderating effects of market orientation and firm characteristics • The study used structural path model analysis to test the hypotheses 	<ul style="list-style-type: none"> • The study tested for the moderating effects of firm characteristics and market orientation • The study used multivariate statistical analysis to test the hypotheses

Table 2.1 contd...

Study	Focus of the Study	Findings	Knowledge Gaps	Focus of the Current Study
Coltman etal. (2011)	CRM and firm performance among 50 companies from diverse service industries	It was observed that CRM when combined with appropriate resources and capabilities contributes to firm performance	<ul style="list-style-type: none"> • The study used quantitative Structural Equation Modelling 	<ul style="list-style-type: none"> • The study used multivariate statistical analysis
Thuo (2010)	Customer relationship management and competitiveness of commercial banks in Kenya	Empirical study confirmed that there is significant positive linear relationship between CRM practices and organizational competitiveness	<ul style="list-style-type: none"> • The study context was limited to the banking sector. • Moderating effect of market orientation was not tested • Study used a small sample size of 43 firms 	<ul style="list-style-type: none"> • This study focused on manufacturing sector • The study examined the moderating effect of market orientation • The study focused on 513 firms
Babu & Barzegar, (2008)	The influence of ownership structure on performance of fifty listed firms in Iran.	The study established a positive link amid the ownership of the firm and financial performance of the firm.	<ul style="list-style-type: none"> • The study focused on one organizational characteristic (ownership) • Tested for financial performance only 	<ul style="list-style-type: none"> • The study included other firm characteristics (age, size, ownership) • Study tested for both financial and non-financial measures of performance
Liu (2007)	“Best practices” in the area of CRM strategy among Taiwanese domestic banks	Embracing CRM requires changes in interaction network organization; enterprise-wide organization; consumer raw information monitoring and information technology organization.	<ul style="list-style-type: none"> • Exploratory study • Focused on CRM components only • Study required for developing country context 	<ul style="list-style-type: none"> • Descriptive cross sectional survey was be conducted • The direct and indirect relationship of CRM practice and firm performance was tested • Focused on developing country context

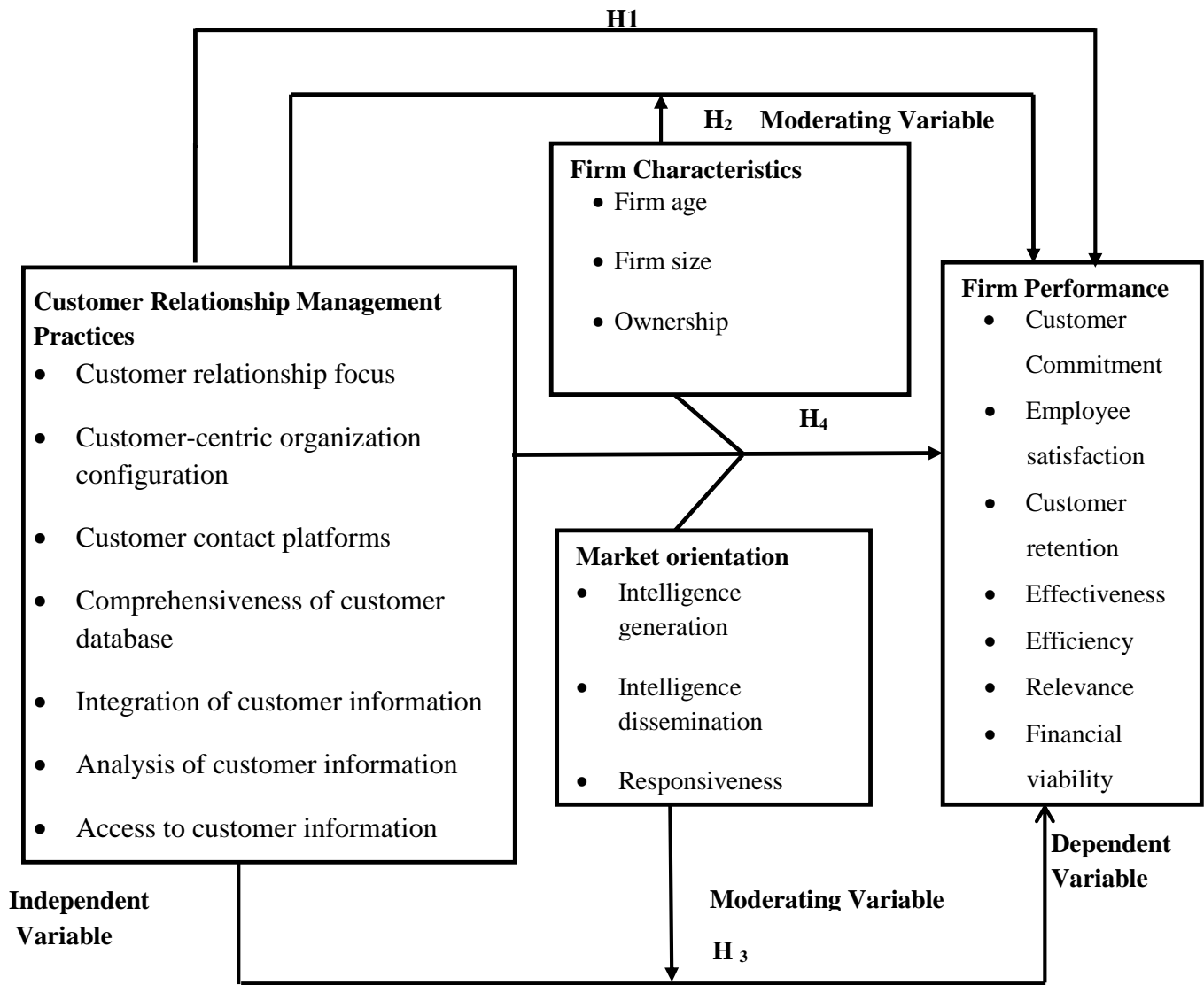
Table 2.1 contd...

Study	Focus of the Study	Findings	Knowledge Gaps	Focus of the Current Study
Ang & Buttle (2006)	Organizational factors and their influence in adoption of CRM in various companies in U.S and Australia	Established that organizational size and age influenced adoption of CRM practices	<ul style="list-style-type: none"> • Used few indicators of organizational characteristics 	<ul style="list-style-type: none"> • The study included firm age, size, and ownership as indicators of organizational characteristics.
Swaminathan (2004)	The Relationship between CRM and performance (Customer outcomes) among 1223 service companies in Hong Kong	The study concluded that CRM has an influence on Performance (Customer outcomes)	<ul style="list-style-type: none"> • Study focused on non-financial outcomes • Study focused on the service sector 	<ul style="list-style-type: none"> • The study focused on both financial and non-financial outcomes • The study focused on the manufacturing sector
Verhoef, (2003)	The study of scope of CRM's effect on both customer retention and the development of customer stake among 2300 insurance customers	Study established that both consumer's wish to outspread his/her affiliation with the organization and his dependence on the consumer-loyalty programs positively affect the growth of customer's market share	<ul style="list-style-type: none"> • Study focused on non-financial performance indicators • The study used longitudinal research design 	<ul style="list-style-type: none"> • Study focused on both financial and non-financial performance indicators. • Descriptive cross sectional survey was used
Lundvall and Battese (2000)	Link between organization size and age with efficiency of Kenyan manufacturing companies,	The study revealed a positive relationship of firm size and age with performance	<ul style="list-style-type: none"> • Study focused on one area of performance (efficiency) 	<ul style="list-style-type: none"> • The study incorporated both the financial and non-financial measures of performance
Narver & Slater (1990)	Market orientation and firm performance	Found strong association between market orientation and firm performance	<ul style="list-style-type: none"> • Did not test for indirect influence of market orientation 	<ul style="list-style-type: none"> • Indirect influence of market orientation was tested

2.8 Conceptual Framework

The proposed model is represented in terms of the relationship between CRM practices and firm performance. CRM practices element is conceptualized as the independent variable and firm performance is conceptualized as the dependent variable. The conceptual framework shows direct and indirect relationships among CRM practices, firm characteristics, market orientation and firm performance. Firm characteristics and market orientation are hypothesized as having a moderating influence on the association between CRM practices and firm performance. Finally, CRM practices, firm characteristics and market orientation are expected to jointly influence firm performance.

Figure 2.1: Conceptual Model



2.9 Conceptual Hypotheses

From the reviewed literature and the relationship depicted in the conceptual model in figure 2.1, the conceptual hypotheses of the study were;

- H₁:** There is a significant relationship between CRM practices and performance of large-scale manufacturing firms in Kenya.
- H₂:** The relationship between CRM practices and performance of large-scale manufacturing firms in Kenya is moderated by firm characteristics.
- H₃:** The relationship between CRM practices and performance of large-scale manufacturing firms in Kenya is moderated by market orientation.
- H₄:** The joint effect of CRM practices, firm characteristics and market orientation on performance of large-scale manufacturing firms in Kenya is statistically significant.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section describes the research philosophy which directed the study, research design, the population of the research, sampling design, the data collection method, operationalization of the study variables, reliability and validity of the research instrument and the data analysis techniques. Finally, included in the chapter is a summary of the key indicators used to measure the research variables and the analytical model.

3.2 Research Philosophy

A research philosophy refers to the viewpoint on the methods that are applied to collect raw information about a certain phenomenon and how the same data should be examined and applied. It explains assumption that people make about nature of reality (Babbie, 2010). The dominant philosophical paradigms in social sciences are phenomenology and positivism. Phenomenological research is more subjective, assumes the existence of multiple realities that can only be studied holistically and the researcher is a participant observer. It focuses on the meaning of social phenomenon rather than its measurement and seeks to understand and explain the study issue within the context. The researcher gathers information and perceptions through inductive and qualitative methods.

Positivism philosophy is based on the designed methodology to enable generalization and quantifiable observations and to evaluate the results with the use of statistical methods. Under positivist approach, research begins with theory then data is collected to either support or refute the theory (Creswell, 2012). The philosophy assumes that there is no absolute truth; research is the procedure of making assertions and then refining or deserting

some of them for other claims. The current study was guided by positivism research philosophy which involves objective testing of empirical hypotheses that are formulated on predictions of objected phenomena and also enables the operationalization of various hypotheses and generalization of the results

3.3 Research Design

Research design refers to the way a study is planned and conducted, the procedure and techniques employed to answer the study questions (Saunders et al., 2007). The proposed study adopted a descriptive, cross-sectional survey. Cross-sectional design was found to be suitable for various reasons. First, the overall objective of the research was to establish whether significant associations existed among the study variables. Secondly, information provided was for large populations and third, the research questions required collection of information on firm-specific resources which are intangible in nature. In addition, Mugenda (2003) and Denzin and Lincoln (2003) contend that cross-sectional research is suitable where the general objective is to ascertain if substantial relations among variables exist at particular point in time.

The descriptive research design is considered appropriate for this study as it allows for collection of data from samples and drawing of objective conclusions (Cooper & Schindler, 2006). In addition, descriptive cross-sectional survey design is considered robust for determining effect of relationship studies and suitable for research that purpose to examine a phenomenon, condition, problem, attitude or subject by bearing in mind a cross-section of the population at one point in time (O'Sullivan et al., 2009) and therefore its adoption for this study. The descriptive cross-sectional design has been previously used in comparable studies by numerous researchers including (Narver & Slater, 2000); (Munyoki, 2007) and Owino (2014).

3.4 Population of the Study

The target population of the research comprised large-scale manufacturing firms in Kenya that were registered members of the Kenya Association of Manufacturers (KAM) for the year ended December 2014. According to KAM (2015) five hundred and thirteen (513) firms were categorized as large-scale. These firms have been categorized into twelve sectors as presented in appendix V. The main drive behind selecting companies of this nature is that they more probable to reveal extensive links among the study indicators and furthermore apply the best CRM practices in the manufacturing industry. In addition, they epitomize a heterogeneous population which will upsurge the generalizability of the results.

The population of the study was picked up from varied sectors in the manufacturing industry, the researcher used two central repository of information namely: Kenya Association of Manufacturers (KAM) and Kenya Industrial Research Development Institute (KIRDI). The study adopted the KIRDI (1997) classification which indicates that large manufacturing firms in Kenya have more than 100 employees. The KAM directory provides a list of 805 manufacturing firms. Out of this, 513 are classified as large-scale manufacturing firms. The target population for this study was therefore 513 manufacturing firms with over 100 employees. The unit of analysis was the organization. The main reason for choice of these firms is that they are likely to well established CRM systems and practices as well they represent a heterogeneous population which will increase the generalizability of the results.

3.5 Sampling Design

The study adopted stratified random sampling which permitted for making of probability centered on confidence estimates of various parameters (Cooper and Schindler, 2003). The following formula recommended by Israel (2009) was used to establish the sample size.

$$n = N/1+N (\epsilon)^2$$

Where:

N = Sample size,

N = Population size,

ϵ = Error term (0.05)

$$n = 513/1+513(0.05)^2$$

$$n = 225$$

From the above calculation, the suitable sample size for the present study was two hundred and twenty five (225) large-scale manufacturing firms. Proportionate sampling technique was applied to pinpoint the preferred sample from each stratum as shown in appendix V. The sample size for each stratum was computed using the following formula $n=N/\Sigma N \times 225$.

Where:

n = Number of firms required from each stratum

N= Total number of firms from each stratum

ΣN = Population size

To ensure sectorial and geographical representation, simple random sampling was applied to choose firms from each stratum. Selected firms from each sector are presented in Appendix VI. The sample size was therefore 225 firms.

3.6 Data Collection

Primary data was collected using a semi-structured questionnaire (Appendix II). A five point likert-type rating scale stretching from 1 to 5 – denoting required responses for different questions was used. This instrument was broken down into parts A, B, C and D to enable collection of relevant data. Section A was to establish the manufacturing firm background information, section B part focused on CRM practices, section C dealt with market orientation, and sections D was used to seek information on large-scale manufacturing firm's performance.

The target respondents were top managers of large-scale manufacturing firms in Kenya. The questionnaire targeted the Chief Executive Officer, Marketing Manager and Finance Manager. The choice of these interviewees was informed by the nature of their jobs which makes them perform a vital part in decision making and defining the business future. In addition, they are involved in strategic planning and execution at corporate level and are best placed to answer research questions. The questionnaire was administered through electronic mail and the drop and pick up later method. Two trained research assistants assisted in collecting the questionnaires after initial contact with the firms. To increase the rate of response, an introductory letter from the University of Nairobi clarifying the intention of the study accompanied the questionnaires. The respondents were assured anonymity and confidentiality. Follow up was done through telephone calls and personal visits. Questionnaires which were not received after five reminders were considered to be non-response.

3.7 Reliability and Validity Tests

Reliability denotes the steadiness or stability of a measurement under a variety of conditions (Nunnally, 1978). A pilot study to pretest the questionnaire was conducted using five firms that were randomly selected from the list of large-scale manufacturing firms in Kenya with similar characteristics as the target population but did not participate in the final survey to measure the consistency of measurement scales. Reliability was established via internal consistency method through calculating Cronbach's alpha. Bryman and Bell (2011) emphasize that Cronbach's alpha point out the average of all probable split-half reliability coefficients. Cooper and Schindler (2006) suggest that Cronbach's alpha ranging from 0.7 to 0.9 is considered good for reliability test. Therefore, in this study, alpha of 0.7 and beyond was interpreted to imply satisfactory reliability.

Validity estimates how precisely the data gotten during research characterizes a particular variable or construct (Doodley, 2003). Validity concerns the exactness and significance of inferences which are grounded on research results (Bryman & Bell, 2011). The various types of validity consist of face validity, concurrent validity, predictive validity, convergent validity and construct validity (Babbie, 2010). Validity concerns were addressed in the current study. For instance, senior members of teaching staff in marketing were used to test face validity this is because they are conversant with the field of marketing. Content validity addresses the level at the measuring tool covers representative sample of the domain aspects being measured, in this study this was tested by adoption of measurement gauges that already exist in literature, construct validity focuses on the measuring tool and assesses its degree of measuring the philosophical construct it is intended to measure. To examine empirically the interrelationship among items and to ascertain clusters of items that share adequate variation to justify their existence as a factor or construct be measured by the instrument factor analysis was used.

3.8 Operationalization of Study Variables

In this study, variables were operationalized in accordance with previous studies and recommendations (Sekaran, 2007). This section provides operationalization of the variables under study which includes the independent, moderating and dependent variables. The dependent variable firm performance was measured using; customer commitment, employee satisfaction, customer retention, customer effectiveness, efficiency, relevance and financial viability.

The independent variable was CRM practices which incorporated customer relationship focus, customer centric organization configuration, customer connection platforms, comprehensiveness of customer database, integration of customer data, analysis of customer information and access to customer data. The moderating variables were market orientation (intelligence generation, intelligence dissemination, responsiveness) and firm characteristics (firm age, firm size and firm ownership). The operationalization of the research variables is summarized in Table 3.1.

Table 3.1: Operationalization of the Study Variables

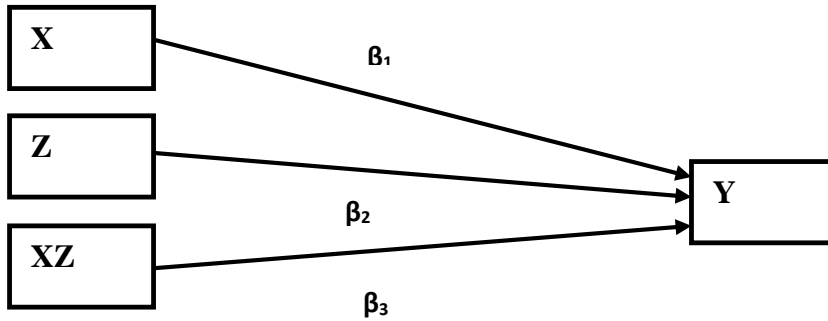
Variable	Indicators	Measurement scale	Supporting Literature	Questionnaire items
CRM practices (independent)	<ul style="list-style-type: none"> • Customer relationship focus • Customer Centric organization configuration • Customer interaction platforms • Comprehensiveness of customer database • Integration of customer information • Analysis of customer information • Access to customer information 	Five point likert type rating scale	Thuo (2010), Sin et al (2005), Reinartz et al. (2004), Croteau & Li, (2003), Jayachandran et al. (2005)	Section B
Firm Characteristics (Moderating variable)	<ul style="list-style-type: none"> • Firm age • Firm size • Firm ownership 	Direct Measure	Kinoti(2012)	Section A
Market Orientation (Moderating Variable)	<ul style="list-style-type: none"> • Intelligence generation • Intelligence dissemination • Responsiveness 	Five point likert type rating scale	Owino (2014), Kohli & Jaworski (1990)	Section C
Firm Performance (Dependent Variable)	<ul style="list-style-type: none"> • Customer commitment • Employee satisfaction • Customer satisfaction • Customer retention • Effectiveness • Efficiency • Relevance • Financial viability 	Five point likert rating scale	Njeru (2013), Munyoki (2007), Kohli & Jowarski (1990) Murgor (2014)	Section D

3.9 Data Analysis and Analytical Models

Data was examined using descriptive and inferential statistics. Descriptive statistics encompassed measures of central tendency and spread that included; the mean, standard deviation and coefficient of variation. In order to investigate the pattern of connections between the constructs of CRM practices, market orientation, firm characteristics and firm performance as stated in the hypothesis, multivariate statistical analysis was employed. Pearson Moment Correlation (r) was derived to demonstrate the nature and strength of the connection among the variables of the study. Statistical procedures by means of correlations, regression, and analysis of variance are founded on the postulation that data trails a normal distribution. These analysis have statistical errors that include Type I error that occurs when a null hypothesis is incorrectly rejected and Type II which occur when a null hypothesis is incorrectly retained and these errors need to be checked. The output of a normal Q-Q plot was used to graphically establish through a visual test the normality of data.

The relationship connecting the independent and dependent variables was scrutinized for linearity. The assumption of homoscedasticity was tested by visual investigation of the standardized residual by the regression standardized predicted value. Multicollinearity exists when there is a strong association between two or more predictors in a regression model. Variance inflation factor (VIF) was used to diagnose the collinearity of the data. Moderation was examined in accordance with the procedures suggested by Baron and Kenny (1986). Figure 3.1 shows the moderation path diagrams where X is the independent variable (CRM practices), Z is the moderating variables (Firm Characteristics and market orientation), and Y the dependent variable (Firm performance).

Figure 3.1: Moderation Path Diagram



X= CRM Practices, **Z**= (Firm Characteristics and Market Orientation) **Y**= Firm Performance, **XZ**= The product of **X** (CRM Practices) and the moderator variables **Z**(Firm Characteristics and Market orientation) β_1 = The effect of **X** on **Y** , β_2 = The effect of **Z** on **Y** , β_3 = The effect of **XZ** on **Y**

Table 3.2: Research Objectives, Hypotheses and Data Analytical Model

Objective(s)	Hypotheses	Data Analytical Methods	Interpretation of Results
1) To establish the relationship between CRM practices and firm performance	H ₁ : CRM practices have a positive influence on firm performance	<p>Simple Regression Analysis</p> $y = f(\text{CRM practices}), y = \beta_0 + \beta_1 \text{CM} + \varepsilon_1$ <p>Where: y = Composite score of performance CM = Composite score of customer relationship management β_0 = Regression constant β_1 = Regression coefficient ε_1 = Error term</p>	<ul style="list-style-type: none"> • R^2 to assess how much change in firm performance due to CRM practices • To conduct F test to assess overall robustness and significance of the simple regression model • Beta (β) to establish the involvement of each predictor variable to the significance of the model • P –Value < 0.05 to check on statistical significance
2) To establish the influence of firm characteristics on the relationship between CRM practices and firm performance	H ₃ : The relationship between CRM and performance of large-scale manufacturing firms in Kenya is moderated by firm characteristics	<p>Stepwise Regression Analysis</p> <p>Step 1 : $y = \beta_0 + \beta_{21} \text{CM} + \varepsilon_2$</p> <p>Step 2 : $y = \beta_0 + \beta_{21} \text{CM} + \beta_{22} \text{FC} + \varepsilon_2$</p> <p>Step 3: $y = \beta_0 + \beta_{21} \text{CM} + \beta_{22} \text{FC} + \beta_{23} \text{Z} + \varepsilon_2$</p> <p>where:</p> <p>$y$ = Composite score of performance CM = Composite score for CRM practices FC = Composite score for Firm Characteristics Z = Interaction term of CRM practices and firm characteristics β_0 = Regression constant, $\beta_{21} \dots \beta_{23}$ = Regression coefficients ε_2 = error term</p>	<ul style="list-style-type: none"> • To determine R^2, conduct F test to assess the significance of the model • Significant change in adjusted R^2 upon introduction of the interaction term Z confirms a moderating effect • P –Value < 0.05 to assess whether step 1 to 3 are statistically significant

Table 3.2: contd...

<p>3) To establish the influence of market orientation on the relationship between CRM practices and firm performance</p>	<p>H₂: The relationship between CRM and performance of large-scale manufacturing firms in Kenya is moderated by market orientation</p>	<p>Stepwise Regression Analysis Step 1 : $y = \beta_0 + \beta_{31}CM + \varepsilon_3$ Step 2 $y = \beta_0 + \beta_{31}CM + \beta_{32}MO + \varepsilon_3$ Step 3 $y = \beta_0 + \beta_{31}CM + \beta_{32}MO + \beta_{33}U + \varepsilon_3$ where: y= Composite score of performance CM= Composite score for CRM practices MO=Composite score for Market Orientation U= Interaction term of CRM practices and market orientation β_0= Regression constant, $\beta_{31} \dots \beta_{33}$= Regression coefficients ε_3 = error term</p>	<ul style="list-style-type: none"> • To determine R², conduct F test to assess the significance of the model • Significant change in adjusted R² upon introduction of the interaction term U confirms a moderating effect. • P –Value < 0.05 to assess whether step 1 to 3 are statistically significant
<p>4) To establish the influence of firm characteristics and market orientation on the relationship between CRM practices and firm performance</p>	<p>H₄:The joint effect of CRM practices, market orientation, firm characteristics on performance of large-scale manufacturing firms in Kenya is statistically significant</p>	<p>Multiple Regression Analysis $y = \beta_0 + \beta_{41}CM + \beta_{42}MO + \beta_{43}FC + \varepsilon_4$ where: y= Composite score of performance CM= Composite score for customer relationship management practices MO=Composite score for market orientation FC =Composite score for firm characteristics β_0= Regression constant, $\beta_{41} \dots \beta_{42} \dots \beta_{43} \dots \beta_{44}$= Regression coefficients ε_4 = Error term</p>	<ul style="list-style-type: none"> • R² change to measure how much of the dependent variable's variation is due to its association with the independent variable • F- test to evaluate overall robustness and significance of the regression model • P –Value < 0.05 to assess to check on statistical significance

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF THE RESULTS

4.1 Introduction

The broad objective of this investigation was to establish the effect of customer relationship management practices, firm characteristics, market orientation on performance of large-scale manufacturing firms in Kenya. To establish this objective, four specific objectives were set and corresponding hypotheses formulated. Primary data was collected and examined to assist in determining the relationships between the variables. The data analyzed was obtained through a structured questionnaire. For each variable, statements describing the indicators were available to research participants in a 5 point likert-type rating measure that expected them to point out the degree to which the statements applied in their organizations. This chapter presents summary of findings, presentation and interpretation of the results.

4.2 Response Rate

The study adopted a descriptive cross-sectional survey that targeted large-scale manufacturing firms that are registered with Kenya Association of Manufacturers (KAM). The population of manufacturing firms was approximately 513 firms, a sample of 225 firms was drawn by means of stratified random sampling technique. The questionnaires were sent to 225 firms and a total of 179 firms responded, however, questionnaires from 3 firms were incomplete and this brought the total number of firms that responded to 176 translating to a response rate of 78 percent. This represented an adequate response rate for precision and confidence required in research. This is a higher response rate than those of similar studies conducted; 51 % by Munyoki (2007), 60 % by Njeru (2013) and 54.7 Murgor (2014).

4.3 Reliability and Validity Tests

4.3.1 Reliability Tests

Reliability is a measure of the level to which data collection instruments gives dependable outcomes of data after recurrent trials (Nunally, 1978). A measure is considered to be dependable when it is able to show the degree to which it is able to measure without bias and thus this confirms the dependability of the measurement across items contained in a tool and across time. This means for a measure to be dependable it is required to show a sign of steadiness and reliability while measuring the constructs and it should also be able to evaluate the goodness of that measure.

The dependability of the research instruments was measured using Cronbach's alpha coefficient to assess the level of homogeneity within the instrument items and the extent to which they reflected the fundamental construct(s). A computed alpha varies between 1 denoting perfect internal reliability and 0 denoting no internal reliability. While Cronbach (1951) provided a limit of 0.5 as an acceptable minimum, other scholars (Nunnally, 1978; George & Mallery, 2003) advocate for 0.7 as minimum cut off point. The Cronbach Alpha for the main variables in the conceptual framework were reliable registering a score that stretched from 0.842 to 0.880 as shown in Table 4.1. This indicates that the data collected using the instrument was reliable for analysis.

Table 4.1: Summary of Reliability Tests on Study Variables

Description	Cronbach's Alpha	No of Items	Decision
Customer relationship management practices	.842		Reliable
Market orientation	.880	42	Reliable.
Organizational performance	.864	26	Reliable
Overall	.862	54	Reliable

Source: Primary data (2016)

4.3.2 Validity Tests

Validity reveals the magnitude to which a measurement tool estimates what it is projected to gauge and also indicates how precisely the data obtained represents the variables of the study (Sekaran, 2000). Three kinds of validity were considered relevant in this study; construct validity; content validity and face validity. Face validity is the degree to which an investigation is subjectively observed as covering the concept it implicates to measure, to enhance face validity, senior members of teaching staff in marketing were used to evaluate the instrument.

Content validity measures the level to which the content of the items sufficiently characterizes the universe of all pertinent items under investigation (Cooper and Schindler, 2006) and this was enhanced through extensive literature review. In addition, content validity was also established by carrying out a pilot test on selected managers of five manufacturing firms that did not form part of the population and the outcomes were used to adjust the measurement tool so as to improve the degree of precision. Construct validity was established using factor analysis. To extract the factors the principal component analysis was used and the factors were rotated through varimax rotation method. Thirteen factors were loaded on CRM practices construct. Nine factors loaded on market orientation and firm performance was represented by seventeen factors. It was established that factors for all the variables under this study were uni-dimensional. Consequently, the measures were considered both reliable and valid indicators of the constructs of the study. The results are presented in Appendix VII.

4.4 Diagnostic Tests

Parametric tests are significance tests which assume a normal distribution of the data. In order to confirm that the assumptions of parametric data analysis were met before the data was subjected to further analysis, the normality, multicollinearity and homogeneity of the data were tested.

4.4.1 Normality

Normality is required to perform parametric tests. Most of statistics procedures such as correlation, regression, t-tests and Analysis of Variance are grounded on assumptions that the data is normally distributed (Ghesami & Zahediasl, 2012; Altman & Bland, 1995). However for sample sizes that are 40 and above, a deviation from normality would not cause significant problems, meaning that parametric procedures can be used even if the data is not normally distributed (Pallant, 2007). Normality was tested using the Shapiro-Wilk test (1965). The outcomes are contained in Table 4.2.

Table 4.2: Tests for Normality using Shapiro-Wilk Test Statistic

	Shapiro-Wilk		
	Statistic	Df	Sig.
Customer relationship management practices	.979	176	.222
Firm characteristics	.972	176	.083
Market orientation	.982	176	.355
Organisational performance	.982	176	.340

Source: Primary data (2016)

The Shapiro-Wilk test is a test of normality where a resulting p-value indicates normality (Shapiro-Wilk, 1965). From the outcomes, the null hypothesis will be rejected since data is normally dispersed with p-value below 0.05 at a confidence interval of 95% thus rejecting the assumption of normality for the distribution. The P values for all the variables were above 0.05 hence they were considered normal distributions.

4.4.2 Linearity

Linearity defines the dependent variable as a linear function of the predictor variables (Darlington, 1968). If the connection between the dependent and the independent variables is not linear, the results of the regression analysis may over or under estimate the true relationship and increase the chances of Type I and Type II errors (Osborne & Waters, 2002).

Relationships are considered linear when they are consistent and directly proportional to each other (Tabachnick & Fidell, 2006). The linearity of the data was demonstrated by plotting a Quantile-Quantile (Q-Q) plot. If the linearity assumption is encountered, the standardized residuals will scatter randomly around horizontal line which epitomizes standardized residuals equaling zero. The linearity tests indicated that all observed values lied along the line of best fit. The outcomes are presented in appendix VIII.

4.4.3 Test of Multicollinearity

Multicollinearity exists when there is a strong correlation between two or more predictors in a regression model. Multicollinearity, or the presence of highly correlated independent variables, does not affect the predictive capabilities of the model as a whole, but does

influence the strength of the single variables (Kleinbaum et al., 2007). Multicollinearity was tested by computing Variance Inflation Factors (VIF). Jensen and Ramirez (2013) used a cut-off point of 10 as proposed by Neter et al. (1985) to determine the presence of multicollinearity. While VIF values below 10 suggest that multicollinearity is not likely to be an issue, values over 5 can result in complications construing regression results (Hair et al., 2011). The VIF values of the study variables ranged from 1.469 to 2.617, this was below the recommended threshold thus showing that multicollinearity was not displayed in the data set. Similarly the reciprocal of the VIF should be above 0.2, if the tolerance of one of the variables is equal or less than 0.2 then collinearity is present. The outcomes are shown in Table 4.3.

Table 4.3 Multicollinearity Test of Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
Customer relationship management practices	.382	2.617
Firm characteristics	.681	1.469
Market orientation	.457	2.188

a. Dependent Variable: Firm performance
Source: Primary data (2016)

As indicated in Table 4.3 the tolerance values for all the variables were above 0.2 therefore the assumption of non-existence of multicollinearity was not violated.

4.4.4 Homogeneity Test

Homoscedasticity assumption means that the variance around the regression line is the similar for all values of the predictor variable. One of the assumptions of Anova and other parametric tests is that the within-group standard deviations of the groups are the same implying that they exhibit homoscedasticity, if the standard deviations exhibit heteroscedasticity, the probability of obtaining a false positive result even though the null hypothesis is correct may be greater than the anticipated alpha level (McDonald, 2014). This study used Barlett's test for homoscedasticity to test the null hypothesis that the standard abnormalities of the measurement variable are the same for the different groups. Bartlett's test is usually used when test to see if it's appropriate for a parametric test (Montgomery, 1997). The findings for the homogeneity test of variance are presented in Table 4.4, 4.5 and 4.6 below.

Table 4.4: KMO and Bartlett's Test for Customer Relationship Management

Practices

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.645
Bartlett's Test of Sphericity	Approx. Chi-Square	1375.814
	Df	780
	Sig.	.000

Source: Primary data (2016)

Table 4.5: KMO and Bartlett's Test for Market orientation

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.631
Bartlett's Test of Sphericity	Approx. Chi-Square	602.044
	Df	300
	Sig.	.000

Source: Primary data (2016)

Table 4.6: KMO and Bartlett's Test for Firm Performance

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.516
Bartlett's Test of Sphericity	Approx. Chi-Square	2341.830
	Df	1431
	Sig.	.000

Source: Primary data (2016)

The KMO and Bartlett's test outcomes displayed in Table 4.4, 4.5 and 4.6 indicate the fitness of the data for factor analysis. Kaiser-Meyer-Olkin measure of sampling adequacy for the three variables (customer relationship management, market orientation and firm performance) is greater than 0.5. Kaiser (1974) recommends 0.5 and above as acceptable value for KMO.

4.5 Demographic Profile of Respondent

The demographic profile of the respondent covered information about length of service of the respondents, gender and age. Results of the respondents are presented in the subsequent sub-sections.

4.5.1 Length of Service of Respondents

The study sought to establish the respondents' length of service in their current organization. This is an important characteristic as it helps organization planners to estimate the labor turnover in the organization and to be in the right frame of mind to plan manpower requirement of the origination at any given point in time. Table 4.7 gives the length of service of employees of the large-scale manufacturing firms as gathered by the researcher.

Table 4.7: Individual Respondents Length of Service

No of Years	Frequency	Percent
0-5 years	104	59.0
6-10 years	40	22.7
11-15 years	25	14.2
16-20 years	5	3
Above 21 years	2	1.1
Total	176	100.0

Source: Primary data (2016)

From Table 4.7, out the total number of the respondents, 59 percent had been working in the organization from between 0-5 years, 22.7 percent have been working for between 6 - 10 years and 14.2 percent between 11-15 years. Those who have worked over 16 years account for 3 percent. Given that majority of employees have worked in the company for less than five years implies there is a high mobility among them. There is a tendency to seek for better job opportunities and employees quit whenever an opportunity presents itself.

4.5.2 Respondent's Gender

The study sought to establish the gender of the respondent. The respondents gender in this study was relevant due to the immense role that gender plays when it comes to the type of work both male and female engage in. It is against this background that respondents were asked about their gender. The purpose was to get perspectives from both sides of the gender divide. The frequency distributions of respondents by gender are presented in Table 4.8.

Table 4.8: Respondent's Gender

Gender	Frequency	Percent
Male	120	68.2
Female	56	31.8
Total	176	100.0

Source: Primary data (2016)

Table 4.8 reveals that 68.2 out of a hundred of the respondents were male while 31.8 percent were female. The results established that there were more males than females and this indicates that the males still dominate the top management positions in the large-scale manufacturing sector. Although the percentage of women in management positions is smaller than males in the large-scale manufacturing firms, previous studies have indicated that females in leadership are linked with higher profits. According to a study by Calyst (1997) of the fortune 500 organizations, where the topmost 100 organizations by profits are two times likely to have more females on board compared to the top 100 lowermost companies. Additionally, Campbell and Vera (2008) in their study on firms in Spain using panel data analysis established that gender has a positive influence on firm value.

4.5.3 Respondent's Age

Respondent's age was assessed to understand their distribution among top management in the large-scale firms. Individual's age is expected to influence strategic decision making choices and perspectives (Hitt & Tyler, 1991). The frequency distribution of the research participants by age is presented in Table 4.9.

Table 4.9: Respondent's Age

Age bracket	Frequency	Percent
Below 25 years	9	5.1
26 - 35 years	77	43.7
36-45 years	74	42.0
46-55 years	14	8
Above 55 years	2	1.2
Total	176	100.0

Source: Primary data (2016)

As shown in Table 4.9, more than three quarter (90.8 %) of the respondents in the top management were between the age of 26 years and 45 years while the respondent below 26 years and above 46 years accounted for 9.2 %. This point outs that most of the respondents are in the early adult to adult years, it is the period of time where they have gained work experiences and have taken further trainings to establish their careers.

4.6 Respondent Firm Characteristics

Descriptive statistics were used to analyze the firm's characteristics. Firm characteristics comprised age, size and ownership structure. The responses are presented in the following subsections.

4.6.1 Ownership Structure of the Firm

The respondents were asked to indicate the ownership structure at three levels: fully locally owned, fully foreign owned and jointly Kenyan and foreign owned. Table 4.10 presents the findings on ownership structure of the firm.

Table 4.10: Ownership Structure of the Firm

Type of Ownership	Frequency	Percent
Fully locally owned	65	36.9
Fully foreign owned	14	8
Jointly Kenyan and foreign owned	97	55.1
Total	176	100.0

Source: Primary data (2016)

As shown in Table 4.10, 55.1 % of local large-scale manufacturing firms are jointly locally and foreign owned while 36.9 % are fully locally owned while only 8% are fully foreign owned. The results indicate that majority of firms are jointly Kenyan and foreign owned.

4.6.2 Distribution of Respondents by Age

Age was gauged on the basis of how long the firm had been in operation. Age of firm is likely to have implication on its performance. As firms operate over the years, it establishes and strengthens itself as a going concern which builds its chances of good performance.

Table 4.11 presents the results on the age of the firm.

Table 4.11: Number of Years the Firm has been in Operation

Years	Frequency	Percent
Up to 5 years	6	3.4
5-10 years	20	11.3
11-15 years	14	8
16-20 years	21	12
over 20 years	115	65.3
Total	176	100.0

Source: Primary data (2016)

Table 4.11 indicates that 65.3 percent of the large-scale manufacturing firms have been in existence of over 20 years. The results indicate that most organizations have been in operation for over 20 years hence have well developed processes and systems. The findings are consistent with other previous studies conducted in the large-scale manufacturing firms' context (Kidombo, 2007; Busienei, 2013) which indicate that most of the large-scale manufacturing companies have been in operation for over 20 years.

4.6.3 Distribution of Firms by Subsectors

Large-scale manufacturing firms are classified into twelve key sectors. Table 4.12 presents the results of distribution of firms by sector of the economy.

Table 4.12 Distribution of Firms by Subsector

Sub Sector	Frequency	Percent
Building and construction	5	2.8
Chemical and allied products	21	11.9
Energy, electrical and electronics	11	6.3
Food, beverages and tobacco	45	25.6
Leather and foot wear	2	1.1
Metal and allied	17	9.7
Motor vehicle and accessories	6	3.4
Paper and board sector	20	11.3
Pharmaceuticals and medical equipment	6	3.4
Plastics and rubber	22	12.5
Textile and apparels	16	9.2
Timber, wood and furniture	5	2.8
Total	176	100.0

Source: Primary data (2016)

As shown in the results in Table 4.12 above all subsectors of the large-scale manufacturing firms were represented in the study hence chances of misrepresentation were minimized. Firms operating in the food, beverage and tobacco had the largest portion accounting for 25.6 percent followed by plastic and rubber that accounted for 12.5 percent, chemical and allied (11.9 percent), paper and board (11.3 percent), metal and allied (9.7 percent), energy, electrical and electronics (6.3 percent), building and construction (2.8 percent), motor vehicle and accessories (3.4 percent) timber, wood and furniture had 2.8 percent while leather and foot wear had 1.1 percent. These findings indicate the diverse nature of large-scale manufacturing firms. The results are similar with previous studies in which food, beverage and tobacco had the largest representation. (Kidombo 2007; Magutu, 2013).

4.6.4 Company Size

The investigation wanted to measure the size of the firm using the number of permanent workers employed. The company size locally is defined in terms of number of workers. Micro firms have 10 or less workers, small firms have 11-50, medium-sized firms have 51-100 and large firms have above 100 employees (KIRDI, 1997). The reason for studying firms with over 100 employees and above is that they are likely to have well established customer relationship management systems. Table 4.6 shows the outcomes on the number of permanent workers in the selected firms.

Table 4.13: Number of Permanent Employees

No of Employees	Frequency	Percent
100-200	38	21.6
201-300	29	16.5
301-400	24	13.6
Over 401 years	85	48.3
Total	176	100.0

Source: Primary data (2016)

The results in Table 4.13 point out that 21.6 out of a hundred of the large-scale manufacturing firms had between 100 and 200 employees. The results established that 16.5 percent had between 201 and 300 while 13.6 percent had between 301 and 400 and 48.3 percent had above 401 employees. This finding is consistent with a previous study by Kidombo (2007) who gauged the size of the firm in relations to the number of personnel and established that 58.9 percent had less than 250 employees.

4.7 Descriptive Statistics for Customer Relationship Management

The study required to establish the degree of customer relationship management of participating large-scale manufacturing firms. The respondents were questioned on the degree to which they agreed with several statements concerning activities their organizations engaged in so as to establish their level of customer relationship management practices. The questions covered 43 question items. The items measured by a 5 point rating gauge with the highest response being 5 representing to a very large extent and lowest response being 1 representing not at all. The respondents were requested to specify the magnitude to which every statement matched how they handled customer relationship

management in their organization. CRM practices was measured as a composite index of customer relationship focus, extent of customer centric organization configuration, customer contact platforms, comprehensiveness of customer database incorporation of customer information, analysis of customer information and access to customer information.

The outcomes are displayed in Table 4.14 to 4.21

Table 4.14: Respondents Scores on Extent of Customer Relationship Focus/Orientation

Extent of customer relationship focus/orientation		N	Mean Score	Std. Deviation	Cv %
1	Keeping clients is considered to be a main concern	176	4.46	0.697	15.62
2	Our firm considers good customer relations as an asset to the business	176	4.45	0.750	16.86
3	The senior management in our firm underscores the significance of client interactions	176	4.42	0.845	19.11
4	The personnel in our firm are given freedom to take action to satisfy customers	176	4.23	0.755	17.84
5	Our organization shares information about Our customers internally among departmental members	176	4.27	0.817	19.13
Average		176	4.37	0.773	17.712

Source: Primary data (2016)

The first item on the scale sought to find out the whether retaining customers is considered to be the main concern for the targeted firms. A mean score of 4.46 and coefficient of 15.62 were obtained. The results indicate that in most firms retaining customers is a major focus. This implies that in most of the manufacturing firm's customer retention is considered a priority.

The second item aimed at finding out the extent to which large scale manufacturing firms consider customer relationships to be a valuable asset. The results (Mean score =4.45, Cv = 16.86 %) indicate that in most of large-scale firm's customer relationship are considered to be important. Items 3 tested the extent to which the senior management underscores the importance of customer interactions. The results (Mean score= 4.42, Cv=19.11) indicate that the top management emphasized on customer relationships within the firm.

Item 4 sought to establish whether employees are given freedom to take action to satisfy the firm's customers. The results (Mean score=4.23, Cv=17.84%) indicate that majority of the firms give their employees the freedom to satisfy their customers. This implies that employees are facilitated to meet the needs of the firm's customers. Item 5 pursued to establish the degree to which the organization shares information about their customers internally among departmental members, with the results (Mean score=4.27, Cv= 19.13%). The results indicate that majority of the firms advocated for information about their customers to be shared internally among the departments. Aspects of customer-centred organizational configuration/structure address the extent to which an organization organizes its systems around the customer. Respondents were requested to point out the degree to which their structures were organized around the customers. The outcomes are shown in Table 4.15.

Table 4.15: Respondents Scores on Aspects of Customer-Centered Organizational Configuration/structure

Aspects of Customer-Centered Organizational Configuration/structure		Statistic	Mean	Std. Deviation	Cv (%)
1	We lay emphasis on customer desires while scheming trade practices	176	4.36	0.683	15.68
2	In our firm trade progressions are planned to enrich the superiority of customer connections	176	4.40	0.566	12.87
3	We consolidate our business around customer-based groups as opposed to product based groups	176	4.38	0.490	11.17
4	Numerous serviceable areas harmonize their undertakings to enrich the superiority of consumer involvement	176	4.35	0.641	14.75
5	Our personnel are encouraged to pay attention to customer relations	176	4.41	0.673	15.26
6	Our personnel receive enticements grounded on client gratification processes	176	3.99	0.798	20.00
7	A key benchmark used to assess our client interaction on our personnel is the quality of their associations with customers	176	4.06	0.811	19.96
Average		176	4.09	0.666	15.67

Source: Primary data (2016)

The outcomes in Table 4.15 indicate that the highest ranked item on aspects of customer-centered configuration was item 5 regarding whether personnel were encouraged to focus on customer relationships with a mean score = 4.41. This is closely related with item 2 (mean score= 4.40) and item 3 (mean score= 4.38) which focused on the organization's ability support customer focused systems by having business processes that put the customer first and organizing their company products around customer-based groups as opposed to product based groups.

Customer contact platforms/touch points assessed the extent to which the organization had put systems that would enable it to interact with its customers. The outcomes are displayed in Table 4.16

Table 4.16: Respondents Scores on Customer Contact platforms/touch points

	Customer Contact platforms/touch points	N	Mean	Std. Deviation	Cv (%)
1	In our organization we have retail outlets	176	4.04	0.763	18.91
2	We use telephony services to reach our customers	176	4.38	0.825	18.83
3	In our organization we have an effective sales force	176	4.44	0.749	16.88
4	We use direct marketing to reach our customers	176	4.12	0.806	19.57
5	Our organization uses digital means to reach its online customers	176	4.27	0.817	19.13
6	We use Mobile services to interact with our customers	176	4.47	0.716	16.00
	Average	176	4.07	0.779	18.22

Source: Primary data (2016)

The outcomes in Table 4.16 shows that the highest mean score on the scores in customer contact platforms/touch points was obtained from item 6 which assessed the extent to which the organizations used mobile services to interact with their customers (Mean Score= 4.47). These findings imply that most of the firms used mobile services to interact with their customers. The mean scores and standard deviation on comprehensiveness of the customer database are shown in Table 4.17

Table 4.17: Respondents Scores on Comprehensiveness of Customer Database

Comprehensiveness of customer database		N	Mean	Std. deviation	Cv %
1	Our organization keeps online customers purchase data	176	4.33	0.733	16.91
2	Our organization keeps offline customer purchase data	176	4.24	0.840	19.80
3	In our organization we have customer contact platforms information	176	4.35	0.753	17.32
4	We have customer feedback data (complaints, compliments)	176	4.28	0.719	16.79
5	In our organization we keep records on customers who purchase different products from our firm	176	4.35	0.803	18.48
6	We maintain data from outside the firm (such as competitor information and information from marketing research)	176	4.21	0.779	18.52
7	We maintain internal records on firm finances (such as sales, profits and expenditure).	176	4.54	0.697	15.35
8	We keep data about our suppliers (such as list of supplies, items purchased and prices)	176	4.56	0.695	15.22
9	We keep current personnel data (personnel credentials and familiarity, job description, job appraisals)	176	4.44	0.713	16.08
10	We have advertisements response data (customer received from specific ads or other referrals)	176	3.92	0.834	21.25
	Average	176	4.20	0.459	10.626

Source: Primary data (2016)

Table 4.17 indicates that there was a general agreement among the respondents on the importance of having a comprehensive data base for customers within the organization. Item 8 which was investigating the extent to which large-scale manufacturing firm kept information about their suppliers had the highest score (Mean Score=4.56). The results indicate that majority of the respondent agreed that maintaining supplier data was important to the firm. However the response on how these firms deal with advertisement data had the lowest score (Mean Score= 3.92). This implies that though large-scale manufacturing firms invest in advertising, there is still a loop-hole in terms how well they follow up on their customer’s response about the advertisements. The overall mean score for comprehensiveness of customer database was =4.20 which indicated that firms had comprehensive data base to a great extent. The descriptive statistics results for integration of customer information are displayed in Table 4.18

Table 4.18: Respondents Scores on Integration of Customer Information

Integration of Customer information		N	Mean	Std. Deviation	Cv (%)
1	We assimilate client information from the numerous functions that interrelate with clients	176	4.32	0.634	14.68
2	We integrate client data from within and outside the firm.	176	4.33	0.677	15.63
3	In our organization assimilation of client information is done from diverse interaction networks	176	4.36	0.702	16.11
4	We mix information collected from numerous sources for each customer	176	4.36	0.664	15.23
Average		176	4.16	0.670	15.413

Source: Primary data (2016)

Table 4.18 represents the responses on the question item that was measuring the extent to which the organization had integrated customer information. The overall mean score was 4.16 indicating that the large-scale manufacturing firms had to a great extent assimilated customer information within the firm. Item 3 and 4 had the highest score of a similar mean score of 4.36 implying that majority of the firms assimilated information collected from different communication channels and various sources about their customers. The respondents also were in agreement on the importance of integration customer data from the different functions that interrelate with customers and also information from both internal and external sources as reflected on item 1 (Mean Score =4.32, Cv=14.68%) and item 2 (Mean Score=4.33, Cv=15.63%). The descriptive statistics results for respondents' scores on analysis of customer information are shown in Table 4.19.

Table 4.19: Respondents Scores on Analysis of Customer Information

Analysis of Customer Information		N	Mean	Std. Deviation	Cv (%)
1	We analyze information about customers on a regular basis	176	4.21	0.745	17.71
2	Our top managers periodically analyze and interpret the gathered information on customers	176	4.17	0.780	18.72
3	Members of different departments regularly meet to analyze customer related changes	176	3.97	0.755	19.01
4	Our organization has procedure, tools and guidelines to be used in customer information analysis	176	4.06	0.762	18.74
Average		176	4.04	0.761	18.845

Source: Primary data (2016)

The outcomes of the descriptive analysis on responses regarding analysis of customer information are presented in Table 4.19 above. The results indicates that majority of large-scale manufacturing firms analyzed information about their customers on regular basis (Mean Score=4.21, Cv=17.71%). With regard to item 2 the respondent were in agreement that the top managers periodically analyzed and interpreted information gathered about customers (Mean Score= 4.17, Cv=18.72%). Similarly, item 4 established that majority of the large-scale manufacturing firms have procedures, tools and guidelines that are used in customer information analysis (Mean Score=4.06, Cv=18.74).

Additionally, the overall mean score at 4.04 for analysis of customer information indicated that majority of the respondents were in agreement that they carried out activities that contributed to high level of customer information analysis. The access to customer information is important to the firm as it allows the firm to come up with more customer centric strategies. In this study these customer information factors were captured on the extent to which they influence performance. The findings are displayed in Table 4.20.

Table 4.20: Respondents Scores on Access to Customer Information

Access to Customer Information		N	Mean	Std. Deviation	Cv (%)
1	In our firm, accessibility of important client information is made easy for workers.	176	4.21	0.745	17.71
2	Our firm has made it easy for workers to obtain client information collected by other departments.	176	4.09	0.742	18.14
3	In our firm, workers always have contact with current client information	176	3.85	0.740	19.24
4	In our firm employees are provided with the information required for handling customer relations	176	3.87	0.762	19.68
Average		176	4.08	0.747	18.69

Source: Primary data (2016)

The results shown on Table 4.20 indicated that overall respondents agreed that access to customer information was important to the firm with a mean score of 4.08. The most influential factor was captured on item 1 that sought to find out how easy it was for the workers to access vital information within the organizations with a mean score (Mean score=4.21, Cv= 17.71). All the other statements had mean scores that were above 3.0, implying that employees could access information even when it was collected by other departments within the organization (Mean score=4.09, Cv=18.14), employees have access to current information (Mean score=3.85, Cv= 19.68%), employees are provided information required to handle customers (Mean score=3.87, Cv=19.68 %). The findings imply that access to customer information is highly enhanced by large-scale manufacturing firms in order to enhance competitive advantage within the industry.

Overall results for customer relationship management indicate that the highest mean score was recorded in the extent of customer relationship focus/orientation at 4.37 with Cv of 11.08% indicating a general agreement among the respondents regarding customer relationship focus. The lowest mean was observed in analysis of customer information at 4.04 with a Cv of 20.71 meaning there was general consensus among large-scale manufacturing firms that analysis of customer information was not highly rated compared to other factors regarding customer relationship management practices. In addition, the highest Cv was also observed with analysis of customer information at 20.71% indicating that there was greater variability among the respondents regarding this variable. The overall mean for CRM practices was 4.24 meaning to a great extent large-scale manufacturing firms practice customer relationship management and there was a general agreement among the majority of the respondents. The overall mean scores of CRM practices variables are presented in Table 4.21

Table 4.21: Summary of Customer Relationship Management Practices

Customer Relationship Management		N	Mean	Std. Deviation	Cv (%)
1	Extent of customer relationship focus/orientation	176	4.37	0.484	11.08
2	Aspects of customer-centered organizational configuration/structure	176	4.09	0.574	14.05
3	Customer contact platforms/touch points	176	4.07	0.574	14.09
4	Comprehensiveness of customer database	176	4.20	0.524	12.47
5	Integration of customer information	176	4.16	0.834	20.05
6	Analysis of customer information	176	4.04	0.837	20.71
7	Access to customer information	176	4.08	0.678	16.63
	Average	176	4.24	0.643	15.58

Source: Primary data (2016)

The outcomes from Table 4.21 indicate that the extent of customer relationship focus/orientation recorded the highest means amongst the variables that were measuring CRM practices at mean score of 4.37 indicating that majority the respondents were in agreement that focusing on enhancing customer relationships within the firm was important to the firm. The lowest mean score of 4.04 was observed in analysis of customer information which was over 3 indicating that analysis of information was also key to most of the firms. The overall mean score was 4.24 which imply that majority of the respondents agreed to a great extent that they were carrying out activities that relate to CRM practices in their respective firms.

4.8 Descriptive Statistics for Market Orientation

Market orientation has been regarded as a culture of the firm that necessitates customer fulfillment be placed at the epicenter of business processes and consequently produces higher value for customers and exceptional performance for the organization (Liu et al., 2002). The investigation pursued to establish the degree to which large-scale manufacturing firms were market oriented. Market orientation comprises of three components namely: intelligence gathering, intelligence dissemination and responsiveness. The study covered variables that were according to Kohli and Jowarski (1990) contributed to market orientation. A 5-point likert type rating gauge was used to measure the variables. The gauge ranged from 1 at the extreme end standing for “not at all” to 5 which signified “to a very large extent”. The gauge was designed to measure the level to which large-scale manufacturing firms have adopted market orientation. Mean scores for each item were computed and the outcomes are shown in the subsequent sub-sections.

4.8.1 Intelligence Gathering

Intelligence gathering denotes the generation of information about the market. Kohli and Jowarski (1990) debate that intelligence generating activities should be supported in all sections and at all ranks of the organization and that this should not be left to the marketing department. While the marketing department will execute old-style market research and customer fulfillment inquiries, employees in other departments within the firm will easily obtain other kinds of reports regarding clients and their inclinations and experiences, about technological improvements and so on. Intelligence gathering was measured using an 8 question items. Outcomes of descriptive analysis are displayed in Table 4.22.

Table 4.22: Respondents Scores on Intelligence Gathering

Intelligence Gathering		N	Mean	Std. Deviation	Cv (%)
1	We carry out market research at least once a year	176	3.96	0.860	22
2	We monitor customer satisfaction regularly	176	3.87	0.795	21
3	Our Senior managers from every department regularly interact with existing and future customers	176	3.95	0.771	20
4	We collect customer complaints daily	176	4.03	0.720	18
5	We communicate with customers on a regular basis	176	4.28	0.662	15
6	Our sales people are trained to spot and report marketing intelligence	176	4.10	0.766	19
7	Our firm is quick in identifying the variations in consumer's inclinations.	176	4.09	0.793	19
8	We seek customer views about our products	176	3.97	0.805	20
Average		176	4.03	0.772	19.25

Source: Primary data (2016)

Items 1 to item 8 pursued to establish the extent to which the firms were interacting with customers, these items had a high mean scores ranging from between 3.87 and 4.28. A mean score of 3.96 and a coefficient of 22% were obtained for item 1 while on item 5 a mean score of 4.28 and a coefficient of variation of 15% were obtained. The results show that large-scale manufacturing firms were engaged in regular communications and interactions with customers. The frequency of interaction with customers is an indication of good relationships between the customer and firm.

4.8.2 Intelligence Dissemination

The dissemination of market intelligence refers to how and to what level the generated market intelligence is communicated to other employees within the organization so as to create a mutual understanding and fusing focus within the firm. The dissemination is imperative in order for the organization to react successfully to new information about the market. Dissemination of market intelligence is a necessary step that enables relevant actors to access and utilize market information for the purpose of making decisions. Intelligence dissemination was measured using an 8 question items. A 5 point likert-type rating gauge stretching from 1 to 5 was used. Findings are displayed in Table 4.23

Table 4.23: Respondents Scores on Intelligence Dissemination

Intelligence Dissemination		N	Mean	Std. Deviation	Cv (%)
1	We hold interdepartmental gatherings at least once every three months to deliberate market tendencies and progresses	176	4.22	0.816	19.35
2	Marketing employees in our organization devote time discoursing client's impending requirements with our other sections within the firm	176	4.17	0.633	15.19
3	We hold joint opportunity analysis on new product development process	176	4.18	0.679	16.24
4	The top management in our firm consistently analyses the rivals strengths and feebleness	176	3.97	0.837	21.06
5	The firm's sales people share information about our clients and rivals consistently within the organization.	176	4.24	0.793	18.68
6	Information on client fulfillment is disseminated at all ranks in our business at systematic intervals	176	4.00	0.806	20.15
7	There is negligible interaction between marketing and other sections within the firm regarding market changes	176	4.08	0.818	20.07
8	Our marketing department sporadically distributes documents that deliver information on our consumers	176	3.74	0.797	21.28
Average		176	4.07	0.673	16.34

Source: Primary data (2016)

The outcomes presented in Table 4.23 demonstrate that the mean scores for items ranged from 3.74 to 4.24. Item 5 recorded the highest score (Mean= 4.24, Cv= 18.68 %). The item was aimed at establishing the extent to which sales people share information within the organization concerning customers. It was also established that in majority of the firm's employees in sales shared information about customers openly within the firm. The findings implies that dissemination of market intelligence was encouraged by the management of large-scale manufacturing firms in Kenya.

4.8.3 Responsiveness

Responsiveness refers to the combined efforts made by the organization to conform to the circumstances in the market that involve choosing target markets, developing products and services. Efficient application of marketing intelligence improves the quality of marketing decisions and hence higher chances organizational success. Research participants were questioned on the extent to which they responded to information within the firm. The outcomes are displayed in Table 4.24.

Table 4.24: Respondents Scores on Responsiveness

Responsiveness		N	Mean	Std. Deviation	Cv %
1	Our organization uses digital means to reach its online customers	176	4.27	0.817	19.13
2	We respond fast to our competitors product development initiatives	176	3.99	0.798	20.00
3	It takes us long to adopt on how to react to our rivals price deviations	176	3.99	0.764	19.17
4	We continuously review our products to certify that they comply with changing client needs and preferences	176	3.92	0.849	21.65
5	All departments within our organization regularly hold meetings to react to variations in the business environment	176	4.12	0.806	19.57
6	If a major rival were to introduce an rigorous program directed to our clients, we would immediately device a reaction strategy	176	3.87	0.779	20.12
7	We respond to customer complains in a coordinated manner	176	3.97	0.789	19.86
8	When we discover that our clients would like us to alter products or services, the concerned subdivisions take intensive efforts to do so	176	4.08	0.802	19.67
9	The product lines are subject to in-house politics than actual market wants	176	3.99	0.830	20.81
Average		176	3.99	0.804	20.00

Source: Primary data (2016)

The outcomes in Table 4.24 display that the overall mean score observed for statements on responsiveness was 3.99 indicating that large-scale manufacturing firms in Kenya responded moderately on issues pertaining market intelligence. Organizations using digital means to reach their online customers had the highest mean score (Mean score=4.27, Cv=19.13%) followed by the item 5 on how regularly organizations held meetings to react to

variations in the business environment (Mean score=4.12, Cv=19.57%) with item 6 on how the firm would respond if a major rival were to launch a rigorous program directed to their clients, the item on implementing a reaction strategy revealed the lowest mean score (Mean score=3.87, Cv=20.12%). The results also revealed that despite the high mean scores, low variations amongst the organizational were also observed.

Item 4 that sought to identify the degree to which the firm reviewed its products to certify that they comply with the changing client needs and preferences and item 9 on whether the product lines depend on internal politics were the main concern for most firms with standard deviations of 0.849 and 0.830 respectively. Most firms concentrated on responding fast to competitor's prices changes. The overall mean scores of market orientation variables is presented in Table 4.25

Table 4.25: Summary of Market Orientation

Market Orientation	N	Mean	Std. Deviation	Cv %
Intelligence gathering	176	4.03	0.457	11.35
Intelligence Dissemination	176	4.07	0.425	10.45
Responsiveness	176	3.99	0.449	11.24
Average	176	4.03	0.444	11.01

Source: Primary data (2016)

From Table 4.25, It is observed that intelligence dissemination had the highest mean among the variables measuring market orientation at mean score =4.07 indicating that these activities were largely carried out by most respondents in large-scale manufacturing firms. The lowest mean score among the variables measuring market orientation was 3.99 on

responsiveness indicating that deployment of market orientation was a limiting factor. The overall mean score for market orientation was 4.03 implying that majority of the firms carried out the activities regarding market orientation to a great extent.

4.9 Descriptive Statistics for Firm Performance

Performance management can be demarcated as a continuous procedure of improving individuals, team and organizational performance (Bussim, 2012). Performance management has to be the core of all organizations since it gives strategic direction on how resources are going to be distributed towards the achievement of set goals and objectives.

4.9.1 Customer Commitment

Customer commitment can be delineated as a pledge by the customers towards a business and the possessions allied to the firm that include its products. Consumer commitment similarly embraces the impression that clients are allowed to give their emotional state of mind on products and their interest to continue being faithful to the product's brand and also to intentionally make consistent consumptions of its merchandise (Ogba & Tan, 2009). Aaker (1997) proposed that robust brands with elevated value in the consumer's mind will attract a big number of dedicated patrons, translating to recurrent and constant collaboration and interaction among clients and the firm. More committed clients yield to an affirmative image of the connection, and these clients display robust plans to keep the relations (Du Plessis, 2010). Customer commitment represents the effectiveness of the firm in delivering value to its customers. Table 4.26 summarizes the level of customer commitment as perceived by the management of the firm.

Table 4.26: Respondents Scores on Customer Commitment

Customer Commitment		N	Mean	Std. Deviation	Cv %
1	We have loyal customers in our firm	176	4.27	0.767	17.98
2	We often receive complimentary phone calls/letters/emails from our customers	176	3.82	0.849	22.22
3	We generate new customers in our firm on a regular basis	176	3.92	0.786	20.03
4	We have good structures to support customer relationship management	176	4.09	0.742	18.14
5	We have repeat purchases from our customers	176	4.33	0.617	14.24
6	In our organization we get customers from referrals regularly	176	4.17	0.746	17.90
7	Our customers stand with our firm in difficult times	176	4.27	0.638	14.95
8	Our customers talk positively about our products to other customers	176	4.09	0.742	18.14
9	Our customers are always proud of the quality of our service	176	4.13	0.843	20.42
Average		176	4.12	0.654	15.96

Source: Primary data (2016)

The outcomes in Table 4.26 above indicate that the mean score used to measure customer commitment was 4.12. The overall mean score of 4.12 (to a great extent) shows that most respondents were in agreement that their organization was to a great extent committed to its customers. The organization's ability to have loyal customers also revealed that majority of the firms highly value loyalty from their customers (Mean score=4.27, Cv=17.98%). Further the lowest score on customer commitment was revealed on item number 3 (Mean score=3.82, Cv= 22.22%) indicating that the organizations received compliments from customers to a moderate extent.

4.9.2 Employee Satisfaction

Workers are more loyal and dynamic when they are satisfied and this in turn positively affects customer satisfaction and productivity (Hunter & Tietyen, 1997). Employee satisfaction is demarcated as the amalgamation of affective reaction to the variance in discernments of customer expectations compared to what they obtain. (Cranny et al, 1992). The results on the level of employee satisfaction are displayed in Table 4.27.

Table 4.27: Respondents Scores on Employee Satisfaction

Employee Satisfaction		N	Mean	Std. Deviation	Cv %
1	Employees of this firm make personal sacrifices if it were important for the firm's well being	176	4.14	0.697	16.84
2	The connections between the firm and its workers are weak	176	4.00	0.756	18.90
3	Generally, workers are proud to work for this firm	176	4.01	0.764	19.05
4	Our employees have little or no commitment for this firm	176	4.24	0.809	19.06
5	Employees feel as though their future is closely connected to that of this firm	176	4.15	0.807	19.43
6	Employees often go above and beyond the call of duty to ensure the well-being of our firm	176	4.31	0.726	16.86
7	We have lower employee turnover than that of our competitors	176	4.08	0.734	18.02
8	Our employees are highly motivated	176	4.14	0.697	16.84
9	Our employees share common goals with those of our company	176	4.13	0.762	18.46
Average		176	4.13	0.588	14.24

Source: Primary data (2016)

The outcomes in Table 4.27 point out that the overall mean score of the nine statements used to measure employee satisfaction was 4.13. This implies that the management of large-scale manufacturing firms recognizes the importance of employee satisfaction since it affects their performance which affect organizational performance positively. The item

on “bonds between the firm and its employees are weak” had the lowest mean score of 4.00 and Cv= 18.90%. This implies that respondents felt that the bonds between the company and employees were not very strong. Item 4 sought to test the employee’s commitment towards the firm, and the item had the highest mean score of 4.24 indicating that the commitment level of the employee to the firm was high.

4.9.3 Customer Retention

Customer retention has a direct influence on the long-term worth and this helps in creating more cost-effective opportunities for businesses that search for development or those that search to guard themselves against market contraction occasioned by fluctuations in the business environment (Gee et al, 2008). Backing up this viewpoint, Lombar (2009) argues that in the present day the stress on businesses to maintain clients is fueled by the business environment in which client acquirement is sluggish. The respondents’ scores on customer retention are displayed in Table 4.28

Table 4.28: Respondents Scores on Customer Retention

Customer retention		N	Mean	Std. Deviation	Cv %
1	We don’t have repeat customers in our firm	176	4.26	0.746	17.53
2	We promptly respond to our customer needs	176	4.44	0.524	11.82
3	Our customers feel safe in their transaction when dealing with us	176	4.60	0.493	10.70
4	We enjoy committed customers in our firm	176	4.58	0.570	12.46
	Average	176	4.47	0.583	13.12

Source: Primary data (2016)

Table 4.29 results reveal that an aggregate mean of 4.47 was obtained. There was a general agreement among the respondents that management of large-scale manufacturing firms recognizes the importance of customer retention. Item 4 that sought to test whether organizations enjoy having committed customers had the uppermost mean score of 4.58 implying that majority of the respondent were in agreement regarding the importance of committed customers to the organization. The lowest overall mean score was on how promptly the respondents felt they responded to their customer need that obtained a mean score of 4.44.

4.9.4 Effectiveness

The concept of organizational effectiveness is otherwise called organizational success or organizational worth which is associated with goal attainment. According to Onwuchekwa (1999), an investigation into effectiveness is to evaluate how well an organization is doing in relation to some set standards. The results on effectiveness are displayed in Table 4.29.

Table 4.29: Respondents Scores on Effectiveness

Effectiveness		N	Mean	Std. Deviation	Cv %
1	The mission statement, and other official papers offer the purpose for our business survival.	176	4.21	0.779	18.52
2	The mission is operationalized through our current training program aims, goals and actions	176	4.19	0.685	16.34
3	Objective and subjective pointers are used to capture the principle of our mission	176	4.15	0.774	18.64
4	An arrangement is in place to measure effectiveness of our firm	176	4.31	0.726	16.86
5	Our firm closely monitors its effectiveness	176	4.28	0.622	14.53
6	The firm uses feedback to improve itself	176	4.28	0.579	13.52
	Our products and services are highly rated	176	4.19	0.646	15.40
7	We are able to meet all our customers' needs	176	4.18	0.575	13.77
8	The mission is well-known and approved by our employees	176	4.14	0.801	19.35
	Average	176	4.22	0.773	18.37

Source: Primary data (2016)

Table 4.29 shows that item 4 had the highest score (Mean score=4.31, CV=16.86%). This indicates that in majority of the large-scale manufacturing firms have an arrangement in place to measure the effectiveness of the firm. While the lowest score was revealed by item 9 that sought to test whether the mission is well-known and approved to by our employees.

4.9.5 Efficiency

Efficiency of a firm can be demarcated as the maximization of a set of output given a set of inputs or minimization of a set of inputs for a given output (Saranga & Phani, 2004) in a decision making unit. Table 4.30 below presents the results for efficiency as revealed by the study. The outcomes on efficiency are shown in Table 4.30.

Table 4.30 Respondents Scores on Efficiency

Efficiency		N	Mean	Std. Deviation	Cv %
1	We make best use of our staff members to the best of their abilities	176	4.29	0.667	15.52
2	We make maximum use of physical facilities (building etc.)	176	3.86	0.716	18.55
3	We make optimum use of financial resources	176	4.01	0.747	18.62
4	We monitor timelines of service delivery	176	3.97	0.644	16.21
5	Superior managerial systems are in place to support efficiency of the firm	176	4.29	0.686	15.97
6	Yard stick contrasts are made of the development attained in our firm	176	4.41	0.568	12.89
7	We don't have idle capacity in our organization	176	4.15	0.646	15.56
8	We retrench when there is no much work	176	3.64	0.738	20.27
Average		176	4.08	0.677	16.70

Source: Primary data (2016)

The results in Table 4.30 display that the average mean score for efficiency measure was 4.08. Item 1 that pursued to establish the level to which the business uses the staff members to the best of their abilities jointly with item 5 that sought to establish whether the organization had high quality administrative system to support efficiency of the firm revealed the highest mean score of 4.29. The lowest score was on item 8 that indicated that most firms did not retrench when there was no much work. The results suggest that the large-scale manufacturing firms to great extent agree on the utilization of organizational resources efficiently to support the running of the firm.

4.9.6 Relevance

Relevance is the degree to which the organization's stakeholders contemplate the company is significant to their needs. Customers judge the relevance of products or services by buying them, employees by working hard, shareholders by buying and holding shares. Ongoing relevance is central to the long term viability of any organization and its relevance is dramatically linked to the reaction of the market to the goods, services and information the organization provides to the market. Financial relevance relates to the ability of an organization to keep its key stakeholders satisfied and the ability to innovate and create new and more effective situations as result of insight and new knowledge (Senhenkege et al, 1994). The results on relevance are displayed in Table 4.31.

Table 4.31: Respondents Scores on Relevance

Relevance		N	Mean	Std. Deviation	Cv %
1	Our firm carries out stakeholder satisfaction survey on regular basis	176	4.08	0.698	17.13
2	Our firm introduces new products and services regularly	176	3.81	0.722	18.96
3	We monitor changes in partner/stakeholders attitudes	176	3.97	0.738	18.57
4	Our firm screens its reputation regularly	176	3.85	0.722	18.78
5	The firm creates or adapts to novel technologies	176	3.69	0.708	19.18
6	We regularly monitor and adapt to the business environment	176	3.97	0.683	17.19
7	Our products and services reflect changing customer needs and wants	176	4.05	0.737	18.19
Average		176	3.92	0.715	18.29

Source: Primary data (2016)

The findings in Table 4.31 reveal that financial relevance in large-scale manufacturing firms is moderately applied with mean = 3.92. Item 1 had the highest score (Mean score=4.08, Cv=17.13%) implying that majority of the respondents were in agreement that stakeholder satisfaction is key to organizational success thus carried out stakeholder satisfaction on a regular basis. Item 5 that sought to establish the extent to which large-scale manufacturing firms adapt to new technologies had the lowest score (Mean score=3.69, Cv=19.18%). The results imply that, to a moderate extent, the large-scale manufacturing firms monitor changes in their customer requirements and external environment to remain relevant.

4.9.7 Financial Viability

Financial viability refers to how viable the organization is not only in the short quarter's results but also remained profitable in the long-term. The organization should have the ability to generate enough cash to pay its expenses and be profitable that is the organization should have the ability to create, supply and deliver products or services useful to customers (Henke, 1992). Therefore, short-term financial viability is influenced to a large extent by how effectively the organization manages liquidity. Assessing an organization's financial position is an increasingly important aspect of evaluating the organization's overall performance. In simple terms, to survive an organization must generate at least the amount of resources that it expends. Table 4.32 summarizes the results of financial viability of large-scale manufacturing firms.

Table 4.32: Respondents Scores on Financial viability

Financial viability		N	Mean	Std. Deviation	Cv %
1	Our firm monitors finances on a regular basis	176	4.53	0.659	14.56
2	We have more assets than liabilities	176	4.22	0.714	16.94
3	Our firm keeps a reasonable cash flow to use during difficult times	176	4.01	0.730	18.18
4	Our firm consistently has more revenue than expenses	176	4.15	0.757	18.23
5	Our firm diversifies levels of funding sources	176	4.19	0.704	16.78
6	Our firm rarely gets short/long term loans from financial institutions	176	4.29	0.686	15.97
7	Our staff are among the best paid in this industry	176	4.06	0.727	17.88
8	We pay our suppliers on time	176	4.18	0.716	17.13
	Average	176	4.21	0.622	14.82

Source: Primary data (2016)

The outcomes in Table 4.32 reveal that the average mean for financial viability in large-scale manufacturing firms was 4.21. There was a general agreement among the respondents that activities regarding financial viability were carried out within their organizations to a great extent. This is indicated by item on ‘firm monitors finances on a regular basis’ with a (Mean=4.53, Cv=14.56%) and ‘firm rarely gets short/long term loans from financial institutions’ with a (Mean 4.29, Cv=15.97 %). Table 4.33 below presents a summary of mean scores and standard deviations for firm performance as revealed by the study.

Table 4.33: Summary of Firm Performance

Firm Performance	N	Mean	Std. Deviation	Cv
Customer Commitment	176	4.12	0.437	10.60
Employee satisfaction	176	4.13	0.341	8.25
Customer retention	176	4.47	0.404	9.03
Effectiveness	176	4.22	0.446	10.57
Efficiency	176	4.08	0.371	9.09
Relevance	176	3.92	0.359	9.15
Viability	176	4.21	0.458	10.89
Average	176	4.12	0.402	9.65

Source: Primary data (2016)

The outcomes in Table 4.33 display overall mean score on firm performance of large-scale manufacturing firms was 4.12. Customer retention revealed the highest score (Mean=4.47, Cv=9.03%) followed by effectiveness with a score (Mean=4.22, Cv=10.57%). This implies that the large-scale manufacturing firms focus on customer retention and effectiveness of processes within the organization. Relevance had the lowest score (Mean=3.92, Cv=9.15%). The results of the mean scores on the composite variables are presented in Table 4.34.

Table 4.34: Mean Scores and Standard Deviations of all Study Variables

Variables	N	Mean	Std. Deviation	Cv %
Customer relationship management practices.	17	4.24	0.322	7.60
Firm characteristics	176	4.09	0.574	14.03
Market orientation	176	4.03	0.357	8.85
Firm performance	176	4.16	0.276	6.62

Source: Primary data (2016)

The outcomes presented in Table 4.35 indicated that the mean scores of the study variables stretched from 4.03 to 4.16. Customer relationship management recorded the highest score (Mean=4.24, Cv=7.60%). The outcomes indicate that majority of the large-scale manufacturing firm's rate highly in overall customer relationship management. The coefficient of variation of 7.6 percent demonstrates that majority of respondents were in agreement regarding the activities that enhance customer relationship management. Firm characteristics and firm performance variables demonstrated the highest dispersion which is demonstrative of the variability in size, age and growth of the large-scale manufacturing firms.

4.10 Correlation Analysis

A correlation examination of all the study variables was carried out to determine the relationships that existed between them. To determine the magnitude to which disparity in the dependent variable was expounded by independent variables, coefficients of determination (R^2) whose value lies between 0 and 1 was calculated. The nearer the R^2 is to 1 the better the fit of the regression line to the actual data (Field, 2009). Correlation was used to test for significant relationship between the constructs. The analysis is presented in Table 4.35.

Table 4.35: Correlation Analysis

		Customer Relationship Management Practices	Firm Characteristics	Market Orientation	Firm Performance
Customer relationship management practices	Pearson Correlation Sig. (2-tailed) N	1 176			
Firm characteristics	Pearson Correlation Sig. (2-tailed) N	.332** .003 176	1 176		
Market orientation	Pearson Correlation Sig. (2-tailed) N	.548** .000 176	.443** .000 176	1 176	
Firm performance	Pearson Correlation Sig. (2-tailed) N	.244* .031 176	.426** .000 176	.480** .000 176	1 176

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

* . Correlation is significant at the 0.05 level (2-tailed).

Source: Primary data (2016)

The outcomes resulting from the correlation analysis are summarized in Table 4.35 show a moderate and significant correlation between CRM practices and market orientation $r=.548$, $p<.05$ and weak but significant correlation with firm performance $r=.244$, $p<.05$. Firm performance had a positive relationship with all the variables and all the relationship was found to be significant.

4.11 Tests of Hypotheses

This section presents results of hypotheses and elucidations of the associations amid the different factors of the study. The hypotheses describe the relationship between variables of the study as conceptualized and presented in the conceptual model. The study focused

on four objectives and four corresponding hypotheses. The hypotheses which were tested comprised the influence of CRM practices (Independent variable) on firm performance (dependent variable), the moderation of firm characteristics on the relationship between CRM practices and firm performance, the moderating influence of market orientation on CRM practices and firm performance and the joint effect of CRM practices, firm characteristics, market orientation on performance of large-scale manufacturing firms in Kenya.

The relationships between CRM practices, firm characteristics, market orientation and organizational performance were tested using inferential statistics that included simple linear regression and multiple regression analysis that were performed to ascertain the association among the study variables. A composite index for each of the study variables was calculated as the summation of the responses divided by the total number of measurement items. CRM practices was measured as a composite index of customer relationship focus, customer centric organization configuration, customer interaction platforms, comprehensiveness of customer database, integration of consumer information, analysis of customer information and access to customer information.

Firm characteristics were measured as a composite index of firm age, size and type of ownership while market orientation was computed as a composite score of intelligence generation, intelligence dissemination and responsiveness. Firm performance was computed as a composite index of customer commitment, employee satisfaction, customer satisfaction, customer retention, effectiveness, efficiency, relevance and financial viability.

The variables were measured using likert-type rating scale extending from one (1) = not at all to five (5) to a very great extent and 3 was the mid-point (moderate) and an aggregate mean score for each variable was computed. All hypotheses were tested at 95%, 99% confidence level ($\alpha=.05, .001$).

4.11.1 Customer Relationship Management Practices and Performance

The investigation pursued to identify the effect of CRM practices on performance. The measures required respondents to rate the degree to which the given statements on CRM practices and firm performance matched their perceived performance measures in the specified area, using a gauge of 1 to 5 with 1 representing “not at all” and 5 representing “to a very great extent”. The main objective of the research was therefore to determine the effect of CRM practices on firm performance.

H₁: There is a relationship between CRM practices and Firm Performance

The data used to test this hypothesis was collected using 42 question items measuring CRM practices and 54 items measuring organizational performance. The respondents were questioned on the extent to which statements relating to CRM and firm performance matched with their practice on a gauge of 1 to 5 where 1 signified ‘not at all’ and 5 signified ‘to a very great extent’. Outcomes of regression analysis for the association between CRM practices and firm performance are contained in Table 4.36.

Table 4.36: Regression analysis Outcomes for the Relationship between CRM Practices and Firm Performance

(a) Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.244 ^a	.060	.047	.53211		
(b) ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.366	1	1.366	4.824	.031 ^b
	Residual	21.519	175	.283		
	Total	22.885	174			
(c) Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
(Constant)	1.754	1.007		1.742	.085	
CRM practices	.516	.235	.244	2.196	.031	
a. Dependent Variable: Firm performance						
b. Predictors: (Constant), CRM practices						

Source: Primary data (2016)

The results in Table 4.36 reveal that CRM practices explain 6 % of the variability in large-scale manufacturing firms firm performance $R^2=0.06$ with 94 % being explained by other variables not captured in the study. The regression model was significant at $F= 4.824$ with $P \text{ value}=.031$ that is below 0.05 denoting that the null hypothesis was rejected. This means that the null hypothesis was rejected implying that CRM practices has a significant influence on organizational performance. Additionally, the beta coefficient indicates that CRM practices makes a significant contribution at $\text{Beta}=0.516$, $t=2.196$, $p<0.05$) and is therefore a good predictor of firm performance. The regression model that explains the variation in firm performance as result of the direct influence of CRM practices can thus be stated as follows:

$$Y = 1.754 + .516\text{CRM}$$

Where:

Y= Firm performance

CRM= Customer Relationship Management

The regression coefficient of 1.754 under constant indicates the value of firm performance when CRM practices is at zero while a unit upsurge in CRM practices would result to a 0.516 upsurge in firm performance of large-scale manufacturing firms. On the basis of these findings, it is concluded that CRM practices contribute significantly to the prediction of firm performance of large-scale manufacturing firms.

4.11.2 Customer Relationship Management Practices, Firm Characteristics and

Firm Performance

The second hypothesis sought to determine the influence of firm characteristics on the association between CRM practices and overall firm performance. Although the studies have been done on the effects of firm characteristics on firm performance, studies on the moderating influence of firm characteristics on the association amid CRM practices and firm performance are still limited. The study assessed whether firm characteristics moderated the relationship between CRM practices and firm performance. To assess the moderating influence of firm characteristics on CRM practices and organizational performance the following hypothesis was tested:

H₂: The relationship between Customer Relationship Management Practices and firm Performance is moderated by Firm Characteristics.

To test this hypothesis the moderating influence was computed using stepwise analysis as recommended by Baron and Kenny (1986). This involved testing the main effect of independent variable (CRM practices) and moderator (firm characteristics) on dependent variable (firm performance) and the effect of the interaction term between CRM practices and firm characteristics on organizational performance. Moderation is assumed to exist when the effect of interaction between the CRM practices and firm characteristics on firm performance test is significant. Complete moderation is said to occur when the causal effect of the independent variable on the dependent goes to zero with the introduction of the moderator (Baron & Kenny, 1986). The second hypothesis was formulated that sought to assess the moderating influence of firm characteristics on association between CRM practices and firm performance.

The regression results for the moderation effects of firm characteristics on the connection between CRM practices and firm performance are presented in Table 4.37.

Table 4.37: Regression Results for the Relationship between CRM Practices, Firm Characteristics and Firm Performance

(a) Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.647 ^a	.418	.403	.38407	.418	26.956	2	175	.000
2	.745 ^b	.555	.537	.33806	.137	22.804	1	174	.000
(b) ANOVA^a									
Model		Sum of Squares	Df	Mean Square	F	Sig.			
1	Regression	7.953	2	3.976	26.956	.000 ^b			
	Residual	11.063	174	.148					
	Total	19.016	176						
2	Regression	10.559	3	3.520	30.797	.000 ^c			
	Residual	8.457	172	.114					
	Total	19.016	175						
(c) Coefficients^a									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.			
		B	Std. Error	Beta					
1	(Constant)	-.969	.731		-1.326	.189			
	CRM practices	.867	.180	.450	4.822	.000			
	Firm characteristics	.293	.081	.338	3.622	.001			
2	(Constant)	7.360	1.859		3.959	.000			
	CRM practices	-.931	.408	-.483	-2.279	.026			
	Firm characteristics	-1.775	.439	-2.051	-4.045	.000			
	Interaction term (CRM practices and Firm characteristics)	.448	.094	2.863	4.775	.000			
a. Dependent Variable: Firm performance									
b. Predictors: (Constant), Firm characteristics, CRM practices									
c. Predictors: (Constant), Firm characteristics, CRM practices, Interaction term (CRM practices and Firm characteristics)									

Source: Primary data (2016)

Table 4.37 shows that the model 1 is significant (F=26.956 p-value < 0.05, Adjusted R²=.403) implying that CRM practices and firm characteristics jointly explain 40.3% of the variation in firm performance. Similarly, upon the introduction of the interaction term, the model is still significant (F=30.797, p-value < 0.05) implying that firm characteristics significantly moderates the association between CRM practices and firm performance. The ANOVA outcomes for the moderating influence of firm characteristics on the association between CRM practices and firm performance reveals F statistics for CRM practices (F=26.956) implying that the regression model explaining the connection between CRM and firm performance is significant. The introduction of firm characteristics to the model yields F statistics of 30.797. This shows that the model is significant.

From the results of the study, the regression model that predicts variations in firm performance as a result of moderation effect of firm characteristics was fitted as follows:

$$Y=7.360+.867 \text{ CRM}+ .293\text{FC} + .448\text{CRM*FC}$$

Where:

Y= Firm Performance

CRM= Customer Relationship Management Practices

FC= Firm Characteristics

CRM*FC= Interaction term of CRM practices and Firm Characteristics

7.360 = y- intercept; constant

0.867 = an estimate of the expected increase in firm performance of large-scale manufacturing firms corresponding to an increase in CRM practices

0.293 = an estimate of the expected increase in firm performance of large-scale manufacturing firms corresponding to an increase in firm characteristics

0.448 = an estimate of the expected increase in firm performance of large-scale manufacturing firms resulting from the interaction of firm characteristics and CRM practices.

The above results show that firm characteristics have a positive and statistically significant contribution to the relationship between CRM practices and performance of large-scale manufacturing firms. The regression coefficient of 0.867 infers that a unit change in CRM practices would result to a 0.867 change in performance of large-scale manufacturing firms while a unit upsurge in firm characteristics would result to a 0.293 growth in firm performance of large-scale manufacturing firms. The coefficient of 0.448 indicates the change in firm performance of large-scale manufacturing firms when CRM practices and firm characteristics interact with each other.

4.11.3 Customer Relationship Management Practices, Market Orientation and Firm Performance

The study assessed whether market orientation influenced the association between CRM practices and firm performance. Market orientation was conceptualized as a moderating variable in the association between CRM practices and firm performance. Moderation looks at the interaction effect between X (independent variable) and Z (moderating variable) and if the influence is significant in forecasting Y (firm performance). Moderation implies an interaction where introducing a moderating variable changes the course or magnitude of the association between the two variables. To test for the moderating effect of market orientation (Z) on CRM practices (X) and firm performance (Y) relationship the following hypothesis was tested.

H₃: The relationship between CRM practices and Firm Performance is moderated by Market Orientation.

To determine the influence of market orientation on the association between CRM practices and firm performance, a hypothesis was formulated to test for the moderating influence of market orientation on CRM practices and firm performance.

Regression outcomes for the moderating effects of market orientation on the relationship between CRM practices and Firm performance are displayed in Table 4.38

Table 4.38: Regression analysis results for CRM practices, Market Orientation and Firm performance

(a) Model Summary									
Model	R	R Square	Adjusted Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.480 ^a	.230	.210	.48457	.230	11.230	2	175	.000
2	.520 ^b	.270	.241	.47503	.040	4.044	1	174	.048
(b) ANOVA^a									
Model		Sum of Squares	Df	Mean Square	F	Sig.			
1	Regression	5.274	2	2.637	11.230	.000 ^b			
	Residual	17.611	173	.235					
	Total	22.885	175						
2	Regression	6.186	3	2.062	9.138	.000 ^c			
	Residual	16.698	173	.226					
	Total	22.885	176						
(c) Coefficients^a									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.			
		B	Std. Error	Beta					
1	(Constant)	1.158	.928		1.247	.216			
	CRM practices	-.056	.256	-.027	-.219	.827			
	Market orientation	.755	.185	.494	4.080	.000			
2	(Constant)	6.065	2.605		2.329	.023			
	CRM practices	-.982	.524	-.465	-1.873	.065			
	Market orientation	-.587	.692	-.384	-.848	.399			
	Interaction term (CRM practices and Market orientation)	.260	.129	1.194	2.011	.048			
a. Dependent Variable: Firm performance b. Predictors: (Constant), Market orientation, CRM practices c. Predictors: (Constant), Market orientation, CRM practices, Interaction term (CRM practices and Market orientation)									

Source: Primary data (2016)

The outcomes presented in Table 4.38 show that market orientation and CRM practices together elucidate 21% of the change in firm performance ($R^2=.210$). Upon the introduction of the interaction term, the model is significant at $p=0.048$ implying that market orientation significantly moderates the relationship between CRM practices and firm performance. The regression coefficients for CRM practices and market orientation factors were statistically significant ($\beta=.260$, $p\text{-value}=.048$). This indicates that market orientation had a moderating effect on the association between CRM practices and firm performance.

From the research findings the regression model explaining the variations in firm performance

$$Y = 6.065 -.056CRM+.755MO+.260CRM*MO$$

Where:

Y = Firm performance

CRM = Customer Relationship Management

MO = Market Orientation

CRM*MO = Interaction term between Customer Relationship Management and Market Orientation

6.065 = y-intercept; constant

-0.56 = an estimate of the expected decrease in organizational firm performance of large-scale manufacturing firm corresponding to an increase in CRM practices

0.755 = an estimate of the expected increase in organizational firm performance of large-scale manufacturing firms corresponding to an increase in market orientation

0.0260 = an estimate of the expected increase in organizational performance of large-scale manufacturing firms resulting from the interaction of CRM practices and market orientation.

The above results shows that market orientation have a positive and statically significant contribution to the connection between CRM practices and firm performance of large-scale manufacturing firms. The regression coefficient of 0.056 implies that a unit change in CRM practices would result to a 0.056 decrease in firm performance of large-scale manufacturing firms while a unit upsurge in market orientation would lead to a 0.755 upsurge in organizational performance of large-scale manufacturing firms. In addition, the coefficient of 0.260 indicates that change in organizational performance when CRM practices and market orientation interact with each other.

4.11.4 Joint Effect of CRM practices, Firm Characteristics, Market Orientation on Firm Performance

The research pursued to establish the combined influence of CRM practices, firm characteristics, market orientation on firm performance. One hypothesis was established from the literature reviewed and the conceptual framework. To test the hypothesis of joint effect multiple regression was computed.

H₄: Customer Relationship Management Practices, Firm Characteristics, Market Orientation and Firm Performance

The outcomes of the regression analysis to test the joint effect of CRM practices, firm characteristics and market orientation on firm performance are summarized in Table 4.39

Table 4.39: Regression analysis results for CRM practices, Firm Characteristics, Market Orientation and Firm performance

(a) Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.244 ^a	.060	.047	.53211	.060	4.824	1	175	.031
2	.440 ^b	.194	.172	.49601	.134	12.466	1	174	.001
3	.538 ^c	.290	.261	.46873	.096	9.984	1	173	.002
(b) ANOVA^a									
Model		Sum of Squares	Df	Mean Square	F	Sig.			
1	Regression	1.366	1	1.366	4.824	.031 ^b			
	Residual	21.519	173	.283					
	Total	22.885	174						
2	Regression	4.433	2	2.216	9.009	.000 ^c			
	Residual	18.452	173	.246					
	Total	22.885	175						
3	Regression	6.626	3	2.209	10.053	.000 ^d			
	Residual	16.258	172	.220					
	Total	22.885	175						
(c) Coefficients^a									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.			
		B	Std. Error				Beta		
1	(Constant)	1.754	1.007		1.742	.085			
	CRM practices	.516	.235	.244	2.196	.031			
2	(Constant)	1.410	.944		1.495	.139			
	CRM practices	.244	.232	.115	1.050	.017			
	Firm characteristics	.368	.104	.388	3.531	.001			
3	(Constant)	1.039	.899		1.155	.252			
	CRM practices	.130	.249	.061	.520	.025			
	Firm characteristics	.259	.104	.273	2.481	.015			
	Market orientation	.600	.190	.392	3.160	.002			
a. Dependent Variable: Organisational performance b. Predictors: (Constant), CRM practices c. Predictors: (Constant), CRM practices, Firm characteristics d. Predictors: (Constant), CRM practices, Firm characteristics, Market orientation									

Source: Primary data (2016)

Model 1 show the outcomes of examination when only CRM is used in the model ($R^2=.060$, Adjusted $R^2= .047$, $p<0.05$). these outcomes imply that 6% of the variability in firm performance is explained by CRM practices, while 94% of the variation is not elucidated by the model, indicating that there are other influences in the model that were not captured. The outcomes are statistically significant. The beta coefficient is positive .516; $t=21.96$, $p<0.05$ indicating that one unit variation in CRM practices is associated with .516 unit change in the connection between CRM practices and firm performance. The outcomes divulge that CRM practices have a moderately robust and positive influence on firm performance. The value of $F= 4.824$, $p<.05$ is statistically significant inferring that the data fit the model adequately.

Model 2 introduces firm characteristics in the model ($R^2= .172$, $p<0.05$). These outcomes indicate that 17.2 % of the variability in firm performance is jointly elucidated by CRM practices and firm characteristics to predict firm performance. 82.8% of the variation is not elucidated by the model, inferring that there could be other influences that were not captured in the regression model. The beta coefficient is positive .368; $t=3.160$, $p<0.05$ denoting that one unit variation in firm characteristics is associated with positive .368 unit variation in the association between CRM practices and firm performance. The outcomes were statistically significant. The F ratio infers that the overall regression model is statistically significant at $F=9.009$, $p<0.05$.

Model 3 brings in all the variables (CRM) practices, firm characteristics and market orientation) when market orientation is presented to the model to predict firm performance ($R^2 = .261$ $p < 0.05$). These outcomes indicate that 26.1 % of the variability in firm performance is elucidated by the model. The model points out that 73.9% of the variability in firm performance is not elucidated by the model, denoting there could be other influences not captured by the model. However the outcomes are positive and significant. The beta coefficient is .600, $t = 3.160$ $p < 0.05$ indicating that one unit variation in the variables is associated with a positive change of .600 in firm performance. Similarly the relationship is statistically significant.

As displayed in Table 5.7 Above, F ratio ranged from 4.824 at $p = 0.031$ in model 1 to $F = 10.053$ at $p < 0.00$ in model 3. These outcomes illustrate that the regression models were statistically significance and consequently fit for prediction. The result also indicate that the joint effect of CRM practices, firm characteristics and market orientation was greater than the effect of each individual variable on firm performance ($R^2 = .261$). Thus hypothesis four was confirmed.

The regression model that was used to estimate firm performance taking into consideration the joint effect CRM practices, firm characteristics, market orientation on firm performance is as follows:

$$Y = 1.039 + .516\text{CRM} + .368\text{FC} + .600\text{MO}$$

Where:

Y = Firm Performance

CRM= Customer Relationship Management

FC= Firm Characteristics

MO= Market Orientation

1.039 = y – intercept; constant

.516= an estimate of the expected increase in firm performance of large-scale manufacturing firms corresponding to upsurge in CRM practices

0.368= an estimate of the expected decrease in firm performance of large-scale manufacturing firms corresponding to increase in firm characteristics

0.600 = an estimate of the expected decrease in firm performance of large-scale manufacturing firms corresponding to increase in market orientation

From the above model the regression coefficient of .516 implies that a unit change in CRM practices would result to a .516 increase in firm performance of large-scale manufacturing firms. In addition, a unit upsurge in firm characteristics would result to a 0.368 upsurge in firm performance of large-scale manufacturing firm while a coefficient of 0.600 indicates the unit change in firm performance resulting from one unit change in market orientation. Grounded on the results it can therefore be concluded that CRM practices, firm characteristics and market orientation combined have a statistically significant influence on organizational performance of large-scale manufacturing firms.

4.12 Discussion of Findings

The key theme of the current research was to examine the influence of firm characteristics and market orientation on the connection between CRM practices and firm performance. To achieve the objectives of the investigation, four hypotheses were formulated and examined and the outcomes were presented. The outcomes showed that there is a significant influence of CRM practices on performance of large-scale manufacturing firms in Kenya

4.12.1 Customer Relationship Management Practices and Performance of Large-Scale Manufacturing Firms

The influence of CRM practices on performance of firms has attracted significant research attention. CRM is a practice that focuses on all phases of pinpointing consumers, producing consumer information, building customer relations and influencing their perception of the firm and its goods (Ngambi & Ndifor, 2015). In order to manage customer relationships more efficiently, CRM focuses on successfully turning information into intelligent business information. More satisfaction from customers creates security and decreases loss of customers, customer satisfaction is also seen as an important element in creating profitability (Wang & Yang, 2004). Ku (2010) stresses that CRM realization entails both technology structures and efficient service. In addition, it also involves having appropriate process dealings and thus the accomplishment of CRM enactment depend on the dynamic participation of personnel and the firm itself. Previous studies have indicated that the positive influence of CRM organization on firm performance (Akrouch et al., 2011)

Research has further shown that, 5% escalation in customer retention leads to a 95% rise in the overall value of the firm (Greenberg, 2002). CRM is a strategic essential for all firms since its effective execution leads to improved customer satisfaction, loyalty and increase in sales (Wu et al., 2009). Payne and Frow (2004) consider CRM as an indispensable tool for businesses that require progression and thus recognizing the main dimensions of CRM is imperative.

An analysis of literature revealed that most research carried out on CRM practices tend to focus on the service sector with limited number of studies focusing on the manufacturing sector. Akroush et al. (2011) suggested that further research on CRM be conducted on other sectors to ascertain the ability of CRM to generate value for firms in other sectors. The study heeded this call by studying CRM practices and performance of large-scale manufacturing firms in Kenya. In addition, previous investigations have conveyed a positive connection between CRM practices and firm performance (Coltman et al., 2011) while others on the association amid CRM practices and performance established a negative association (Krasnikov et al., 2010).

The current study established that CRM practices significantly influence firm performance. 6 percent of the variation in firm performance was expounded by CRM practices ($R^2=.06$, $P<0.05$). Thus, the hypothesized connection between CRM practices and firm performance was supported. The findings of study demonstrated significant connection between CRM practices and firm performance. These findings are consistent with results obtained by Akroush et al., (2011) and Jayachandran et al. (2005) that established a positive and significant influence of CRM practices on organizational performance. Additionally, Thomas and Sullivan (2005) support these findings adding that CRM is a way of increasing firm's profitability through its ability to enhance customer's continuous patronage. But, the subject of whether or not CRM is beneficial to firms remains an unsettled debate. Reimann et al. (2010) believe that CRM indirectly enhances firm performance through the firm's business strategy, while on the other hand others like Gulati and Oldroyd (2005) feel such investments do not yield any substantial returns due to the high failure rate. Literature has revealed that the high failure rate in CRM implementation is caused by constant changes

in the business environment. Egan (2011) added that the speed at which technologies keep changing is actually what frustrates the implementation process. However, Ang & Buttle (2006) revealed that it is only intelligent implementation of CRM that can yield enhancements in firm performance.

4.12.2 Customer Relationship Management Practices, Firm Characteristics and Performance of Large-Scale Manufacturing Firms

Several studies have focused on exploring the moderating effects of firm characteristics on other relationships with hardly any examinations focusing on the influence of firm characteristics on CRM practices and firm performance. Furthermore, a review of literature reveals several studies focusing on the moderating effect of market turbulence (Sin et al., 2005), continuous product development (Oladele, 2012) industry commoditization (Zahra and Covin, 1993), on the connection amid CRM practices and firm performance. Although studies relating to the moderating influence of firm characteristics on the association between CRM practices and firm performance are limited. In terms of firm characteristics, much literature regarding the adoption of CRM practices acknowledges that firm characteristics such as age and size of the firm perform a part in embracing CRM practices (Ko et al., 2008).

The result of the study indicate that 40.3 percent of the variation in firm performance was elucidated by CRM practices and firm characteristics. The overall model ($F= 30.797$, $P<0.05$) was significant. The beta coefficients were CRM practices ($\beta=.867$ $t=4.822$, $P<0.05$) and firm characteristics ($\beta= .293$, $t=.3.622$, $P<0.05$) were statistically significant. The findings reinforced the moderating influence of firm characteristics on the connection between CRM practices and firm performance. The moderation of firm characteristics on the association between CRM practices and firm performance was supported.

Although literature relating to the moderating influence of firm characteristics on the association between CRM practices and firm performance is limited, it has remained contended that size of the firm has advantages in their performance, large firms tend to operate at low costs due to scale and scope of economies advantages (Chandler, 1962). The findings show that firm features that include the size of the firm, type of ownership and age indicate firm experience and have an impact on indicators of organisational performance such as efficiency effectiveness, customer loyalty. Previous studies have elucidated mixed results on the influence of firm characteristics on firm performance. Coad et al. (2010) found confirmation that as firms improve with age, because mature firms are observed to have progressively increasing levels of productivity and higher revenue. While most of the studies have proved the existence of a significant negative relationship between firm characteristics and firm performance: Salman & Yazdanfar (2012); Dogan (2013), other studies have also established that there is no significant connection between firm characteristics and firm performance (Stiewarld, 2009). Further, the findings of the study support theoretical and empirical evidence on the link between CRM practices, firm characteristics and their influence on firm performance. One chief contribution of this investigation is that CRM practices and firm characteristics account for 40.3 percent of the variation in organizational performance.

4.12.3 Customer Relationship Management Practices, Market Orientation and Performance of Large-Scale Manufacturing Firms

Numerous investigations have focused on the examining the linkage between market orientation and performance (Ghani & Mahmood, 2011; Zebal & Saber, 2014; Njeru and Munyoki, 2014) while little research have focused on establishing the moderating effects

of market orientation on the association between CRM practices and firm performance. The current study demonstrates that market orientation moderates the connection between CRM practices and firm performance.

This results backs the opinion that market oriented firms and their personnel tend to be extra probable towards identifying and embracing the outcomes of market orientation that bring forth the rewards of CRM that include intelligence production, intelligence distribution and reaction inside the CRM system (Kohli et al., 1993). This infers that organizations that are not extensively market oriented may perhaps fail to realize the entire relations value that result from the enactment of CRM systems. The findings accentuates the vital role played by market orientation as an important influence in fruitful enactment and implementation of CRM practices. In the same vein, CRM implementation by an organization gives value to customer connections via precise implementation of CRM practices, the associations with clients can also improve. Of specific attention is the outcome that market orientation influences and forecasts the strength of firm performance via implementation of CRM.

Although CRM practices and market orientation individually contributes towards firm performance, market orientation makes a bigger influence than CRM practices when interacting together. In order to establish and cultivate customer relationships, a market oriented culture in an organization is seen as a necessity. The findings underscore the significance of market orientation as a crucial element in fruitful execution of a CRM system. These outcomes support Gummesson's (2004) opinion that customer relationship is basically the practical use of relationship marketing ideologies that include technical competences necessary to achieve success.

The effect of market orientation functioning via CRM could aid in expounding the differing outcomes of CRM studies and market orientation. CRM execution does not at all times confirm positive outcomes or fruitful execution (Arnold, 2002; Doherty & Lockett, 2007) and market orientation is not consistently regarded as a useful predictor of firm performance (Langerak, 2003). The findings of the current study show that businesses with a robust market orientation tend to magnificently embrace and implement CRM practices to bring forth market oriented significance to clients, thereby improving relationship strength and performance. In contrast, organizations with a weak market orientation are less probable to magnificently implement CRM practices to produce consumer worth and increase CRM strength. The inference is that for a firm to successfully enjoy the benefits of CRM, both CRM and market orientation have to work together since none of them is adequately valuable on its own.

4.12.4 Joint Effect CRM practices, Firm Characteristics, Market Orientation on Performance

Findings of the research revealed that the joint influence of CRM practices, firm characteristics and market orientation on firm performance was statistically significant. The research found that all the variables had a positive and significant effect on performance. Market orientation, CRM practices and firm characteristics in that order were found to have statistically significant effect on performance. The outcomes of the investigation showed that firm characteristics and market orientation moderated the association between CRM practices and firm performance.

The outcomes of the investigation signify the importance of enhancing CRM practices in driving organizational performance. As indicated by the findings of the study, the better the degree of market orientation within the business the more superior the CRM practices embracing inside the organization. The results backs the understanding that market oriented businesses together with their personnel are more probable to recognize and embrace their integral market rewards of CRM practices that include intelligence production, intelligence distribution and responsiveness within CRM practices (Kohli et al., 1993). The results of the study points out that, organizations having a robust market orientation are more probable to effectively embrace and apply CRM practices to bring market oriented worth to consumers and thereby improving relationship strength and performance. According to Wright et al., (2002) CRM is a concept that enhances worth to the sense of consumer orientation. The confirmation from this research points out that CRM practices can deliver a suitable means, as well as offers a reaction passage to intermingle with clients, after which market orientation can fruitfully affect the connection strength and firm performance.

The outcomes of the present research confirms the assumption on the Resource Advantage theory, that denotes that technological development where customer relationship management practices are grounded governs the capital/labour ratio in economic growth within the firm and most of the technological growth that pushes profitable development stalks from activities of revenue driven firms (Hunt & Morgan 1996). The outcomes of the present study further confirms that resources are considerably heterogeneous across organizations and imperfectly movable and this was confirmed from the current study in that although CRM practices were being practiced in the large-scale manufacturing industry in Kenya, the influence of the practices was varied across the firms. This is in line

with the assumption of the Resource Advantage theory that denotes that each and every firm has an assortment of resources that is at least in some ways exceptional and these imperfectly mobile firm resources are not commonly, easily, or readily bought or sold in the market place.

Table 4.40 shows a summary of tests of hypotheses for the four hypotheses, results and conclusions.

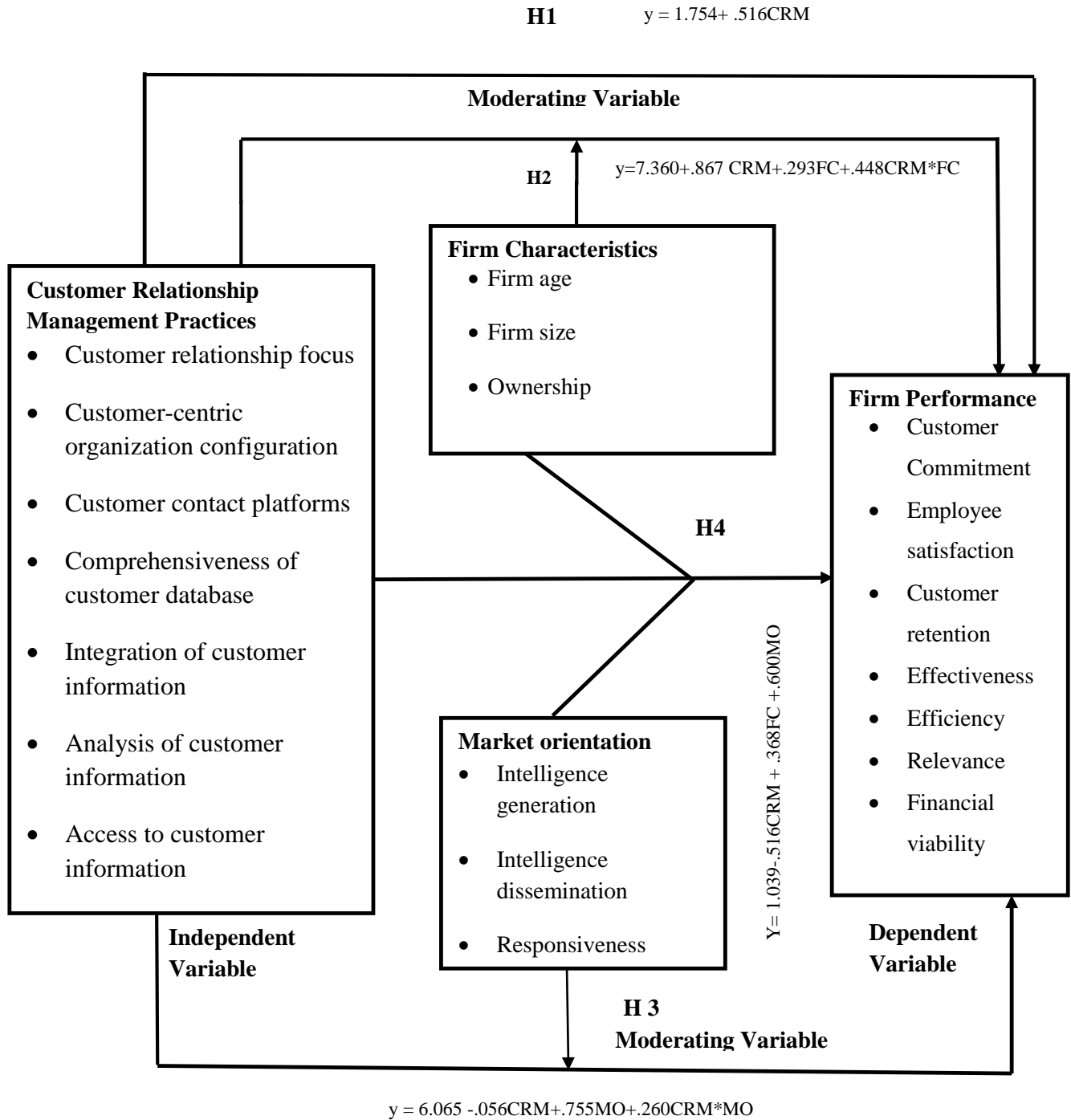
Table 4.40 Summary on Tests of Hypotheses, Results and Conclusions

Hypotheses	R²	(p-value)	F statistic	Conclusion
H ₁ : There is a significant relationship between CRM practices and firm performance	.060	P<0.05	4.824	Supported
H ₂ : The relationship between CRM practices and firm performance moderated by firm characteristics	.537	P<0.05	30.797	Supported
H ₃ : The relationship between CRM practices and firm performance moderated by market orientation	.241	P<0.05	9.138	Supported
H ₄ : The joint effect of CRM practices, firm characteristics and market orientation on performance is statistically significant.	.261	P<0.05	10.053	Supported

4.13 Summary and Presentation of Empirical Model

This chapter presented the findings from the analytical tests carried out to verify the research objectives and subsequent hypotheses of the investigation. The outcomes of the statistical analysis were carried out, interpreted and presented. From the regression analysis the study established that CRM practices significantly influence firm performance and this relationship is moderated by firm characteristics and market orientation. The results further showed that the combined influence of customer relationship management, firm characteristics and market orientation on organizational performance was positive and statistically significant. The empirical conceptual model is displayed in Figure 4.1

Figure 4.1: Revised Empirical Model



4.14 Summary of the Chapter

The preceding sections have presented the results of the study. Data analysis involved descriptive statistics, establishment of associations between variables and testing of hypotheses using statistical analysis. The study established that CRM practices significantly influences firm performance and this relationship is moderated by firm characteristics and market orientation. The outcomes further showed that market orientation was a strong predictor of performance. The results also indicated that CRM practices, firm characteristics and market orientation conjointly had a statistically significant effect on firm performance. The next chapter presents discussion, summary of findings, conclusion resulting from the findings and recommendations.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the study findings, discussions, conclusions and recommendations. The chapter further provides the implications of the findings for theory, policy and managerial practice. Finally, the chapter discusses the limitation of the study and provides a roadmap for future studies.

5.2 Summary

The main objective of the study was to establish the influence of firm characteristics and market orientation on the relationship between CRM practices and performance. Four specific objectives were formulated and examined using four major hypotheses. The population of the study comprised large-scale manufacturing firms in Kenya that were members of KAM. Data for testing the hypotheses was obtained from primary sources. The data was processed through descriptive statistics, factor analysis and regression analysis.

The study established that majority of the large-scale manufacturing firms in Kenya have been operating for more than 20 years suggesting the though the sector is fairly old in Kenya but still has potential for growth. The extent to which large-scale manufacturing firms were practicing customer relationship management practices is evidenced by the extent of customer relationship orientation within the firms. In addition, the presence of comprehensive customer database in most of the firm is an indication that most firms have put systems in place that enhance their customer-oriented strategies.

The study established that CRM practices had a significant positive influence on performance. Further analysis revealed that market orientation had greater influence on performance than any of the CRM practices and firm characteristics. In addition, the presence of market orientation was supported by high levels of intelligence gathering and dissemination within the large-scale manufacturing firms. Similarly, it was established that firm characteristics and market orientation had a moderating effect on the association between CRM practices and firm performance. In harmony with the expectation, it was found that CRM practices, firm characteristics and market orientation altogether, had greater influence on performance outcomes.

5.3 Conclusion

The study tested a conceptual model based on market based theories of competition. Primary data was collected from the top management of large-scale manufacturing firms and secondary sources were used to empirically test the conceptual hypotheses. The outcomes obtained show that CRM practices have significant direct influence on firm performance. However the low contribution of CRM practices to performance is partly attributed to the enthusiasm generated around CRM which has yielded only a selection of relationship winners but most firms are yet to realize the benefits of acquiring and implementing expensive CRM systems (Reinartz et al., 2004). In addition, one of the reasons for the disappointing results of the implementation of CRM initiatives is the overemphasis of CRM as a technological solution as opposed to a strategic way of enhancing long-term customer relationships within the large-scale manufacturing firms.

In the current business environment customers are considered to be a fundamental component of all marketing engagements, and the current study ascertained that CRM is at the core of firms marketing strategies as they strive to be responsive to the needs and wants of their customers better than competitors. These marketing strategies requires firms to focus on plans that enhance effective intelligence gathering, dissemination and responsiveness within the firms. In addition, the findings of the study illustrate that market oriented culture should be considered when evaluating the effectiveness of investing in CRM and besides for CRM implementation to be successful the entire organization must embrace the value of continuous creation of superior value for customers.

The research likewise investigated the moderating influence of firm characteristics and market orientation on the association between CRM practices and firm performance. The outcomes established that firm characteristics and market orientation had a moderating effect on the connection among CRM practices and firm performance. The study brought fourth findings that have important theoretical value to scholars and managers in the large-scale manufacturing industry. The results of the study have signified the importance of adoption CRM practices and the role these practices play in enhancing organizational performance. In addition, the degree of market orientation that subsists inside the firm has an influence on the adoption of CRM practices.

Though significant outcomes were obtained for the moderating influence of firm characteristics on the connection between CRM and performance it is important for more studies investigating the indirect influence of firm characteristics to be carried out in other sectors. Additionally, even though both CRM practices and market orientation had an independent and positive influence on performance, market orientation had a greater

contribution to performance compared with CRM practices. Based on results of joint effect tests, it was concluded that the combined influence of CRM practices, firm characteristics and market orientation on performance is significant. Therefore, the combined effect of CRM practices creates a combined effect that delivers superior firm performance.

5.4 Contributions of the Study

The current study investigated the association between CRM practices, firm characteristics, market orientation and performance. The moderating effects of firm characteristics and market orientation were also investigated. The research results present the contributions to theory, policy and practice.

5.4.1 Contributions to Theory

This research makes a noteworthy input to the theories underpinning this study. The study provided a unique opportunity for expanding theoretical and empirical development of the resource advantage, relationship marketing and dynamic capabilities theory to explain the process through which enhancement of customer relationship management practices within a firm leads to improved performance. In addition, the resource advantage theory suggest that a firm's relational capability contribute to its organization capital (Morgan, 2000), the current study confirmed that customer relationship management practices forms part of a firms relational resources that result in positions of competitive advantage that result to superior performance within the firm.

This study supports the relationship marketing theory propositions that suggest that the effective implementation of relationship marketing strategies necessitate firms to embrace inter-organization information structures to form organizational practices that are advantageous to knowledge usage and sharing that lead to improved firm performance. Additionally, dynamic capabilities theory asserts that the core competitive attainment ascends from the alignment and reconfiguration of an organization's specific resources (Teece, 2006). The current research further confirms that customer relations are significant resources to the organizations that significantly influence performance.

Lastly, the research departed from the conventional approach of testing direct connection between market orientation and performance by testing the moderating influence of market orientation on the association between CRM practices and firm performance. It was established that market orientation had a moderating influence on the relationship between CRM practices and firm performance. Additionally, the research revealed a statistical significance of the moderation effects of firm characteristics on the association between CRM practices and firm performance. Finally, the study established that CRM practices, firm characteristics and market orientation jointly influenced greater performance.

5.4.2 Contributions to Policy

The economic significance of the manufacturing sector in Kenya particularly with reference to the implementation of the vision 2030 and effective management of customer relationships among large-scale manufacturing firms would play a key role in accelerating the growth in this sector. The sector is fairly dynamic and has considerable productivity growth potential, meaning that it is capable of employing large numbers of workers, which is important especially given the Kenya's demographic trends without sacrificing

productivity. With the manufacturing sector having been recognized as one of the key productive sectors under the Kenya vision 2030, there is need for government to facilitate competitiveness of the country's manufacturing sector so as to enhance its expansion and productivity as the country endeavors to be a worldwide competitive and flourishing country.

The current study has revealed that CRM practices have direct and positive influence on performance of large-scale manufacturing firms surveyed in Kenya. Policy-makers in the manufacturing sector may support the large-scale manufacturing firms by offering deliberate policy measures that are aimed at enhancing customer relationship management, efficiency, employee satisfaction to ensure that large-scale manufacturing firms are able to cater for the changing expectations of their customers.

5.4.3 Contributions to Practice

From a practical perspective, the study revealed that managers need emphasize on CRM practices, market orientation and firm characteristics to achieve superior performance. Furthermore, the study has demonstrated that by developing CRM practices and investing in market oriented strategies, organizations are more likely to experience better performance outcomes. The study has shown that by being market oriented, large-scale manufacturing firms can improve their performance. The study has also broken ground by establishing the nature of the relationship between CRM practices, firm characteristics and market orientation in Kenyan manufacturing industry. Therefore, managers of large-scale manufacturing firms stand to gain from the study by bridging performance gaps and strengthening strategic factors that hold greatest potential in influencing performance

5.5 Limitations of the Study

Despite the significant relationship between CRM practices, firm characteristics and market orientation and firm performance, the research had a number of shortcomings with regard to methodological issues that need to be considered when interpreting results. The study attempted to address methodological challenges including reliability of instruments. Reliability was addressed by adopting established measurement scales that are already documented in literature and testing their reliability as well as validity.

The second limitation was that the research used a cross-sectional research design whereby the research participants were questioned just once to assess their perspectives of the issues under study. The choice of a cross-sectional design was due to the advantages it offers in terms of time, control and cost as well as the fact that some previous studies on CRM strategy (Coltman, 2007, O'Sullivan & Abela, 2007) have used this research design. Hence whereas CRM and firm performance in general have an implicit dynamic nature, this study presents a cross-sectional view. There is a likelihood that different results would have been obtained if longitudinal research design was adopted in measuring the relationship between the study variables.

Thirdly, distinctive of most empirical approach study, the outcomes of this research are grounded on self-reported data of the best informed employees from the top management. Although top managers are adequate for valid and reliable data (Tan & Lischert, 1994) assert that information generated by a firm is only one source of information about the levels of CRM and organizational performance within the organization, the other sources include sources that are external to the firm. Fourthly, the study was limited to large-scale

manufacturing firms that were members of KAM. Therefore, the findings of the study cannot be generalized beyond the defined population. Finally, the fact that the study focused on a single industry also confines the probability of generalizing the research results. Although the industry specificity of a study enhances its internal validity, thoughtfulness ought to be taken when generalizing the results to other industries.

5.6 Recommendations of the Study

Though the findings indicate that CRM practices contribute positively to performance of large-scale manufacturing firms its contribution was minimal. It is recommended that managers of large-scale manufacturing firms give more attention to building their CRM practices through training their staff on customer centric strategies, integration of customer information within the organizational systems and analysis of customer information.

This research delivers confirmation that the business degree of market orientation will influence the embracing of CRM practices and thus delivering flawless progressions for gathering, analyzing, applying and communicating consumer information is significant in constructing healthier consumer relations. Thus managers are required to dedicate more time to guarantee customer relationship management handlers are able to understand and comprehend the practicality of its process and to increase worth to their works and at the same time realize the competence of CRM practices to recognize consumer expectations. For businesses bearing in mind CRM implementation, it would be sensible to cultivate a market oriented culture as this may influence the successful implementation of CRM practices.

5.7 Suggestions for Further Research

This thesis makes an important contribution in the understanding of the effect of CRM practices on firm performance. It further brings out some of the factors that influence the connection between CRM practices and firm performance. Arising from this research, a number of recommendations are made for further research. Further studies should seek to establish the antecedents of CRM practices this would aid in enhancing a better understanding of the determinants of CRM practices in firms thereby permit organizations to make informed decisions with regard to CRM investments.

Secondly, with the cross-section research design as was used in this study, only assumptions may be made about long-term profitability implications. Therefore, forthcoming studies could use a longitudinal methodology as it is more vigorous in defining the causality relationships particularly in investigations that are generally dynamic and long term in nature. Thirdly, forthcoming researchers may combine information from both internal sources (senior managers), external sources such as customers, competitors and distributors on its CRM strategies instead of relying only on internal sources. Fourthly, future researchers may consider studying the mediating influence of market orientation on the relationship between CRM practices and organizational performance. Finally, it would be interesting to establish other variables that are likely to moderate or intervene the connection between CRM practices and firms performance.

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APPENDICES

Appendix I: Researcher Letter of Introduction

Lydia Kerubo Mwai

University of Nairobi School of Business,
P. O. Box 30197 – 00100,
NAIROBI.

24th March 2016

To Whom It May Concern,

Dear Sir/Madam,

RE: REQUEST FOR ACADEMIC RESEARCH DATA

I am a Doctor of Philosophy (PhD) candidate in the Department of Business Administration, School of Business, and University of Nairobi. As part of the requirements for the award of the degree, I am expected to undertake a research study on an identified contemporary topic. I am requesting for your participation in a study that examines “**Customer Relationship Management Practices (CRM), Firm Characteristics, Market Orientation and Performance of Large-Scale Manufacturing Firms in Kenya**”.

Since your firm is part of the population of interest, we hereby request for participation in the study. The attached questionnaire will take about twenty minutes to complete. Kindly answer all the questions as completely as possible. The research results will be used for academic purposes only and will be treated with utmost confidentiality.

Should you require the summary of this study, kindly indicate so at the end of the questionnaire. Your co-operation will be appreciated.

Yours sincerely,

Lydia Kerubo Mwai,

Doctoral Candidate,

E-mail: lydiakmwai@gmail.com

Appendix II: University Letter of Introduction



**UNIVERSITY OF NAIROBI
COLLEGE OF HUMANITIES & SOCIAL SCIENCES
SCHOOL OF BUSINESS**

Telephone: 0129-396808 Ext 306

P.O. Box 30197
Nairobi, KENYA

17th March, 2016

TO WHOM IT MAY CONCERN

Dear Sir/Madam,


**INTRODUCTORY LETTER FOR RESEARCH
LYDIA KERUBO MWAJ – REGISTRATION NO. D80/93941/2014**

The above named is a registered PhD candidate at the University of Nairobi, School of Business. She is conducting a study on *“Customer Relationship Management Practices, Firm Characteristics, Market Orientation and Performance of Large Scale Manufacturing Firms in Kenya”*.

I request your organisation to assist the student with necessary data which forms an integral part of the research project. The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your co-operation will be highly appreciated.

Thank you.



Dr. Mary Kinoti
Associate Dean, Graduate Business Studies
School Of Business

MK/m

Appendix III: Questionnaire

Dear Respondent,

The purpose of this questionnaire is to collect data to establish the role of Customer Relationship Practices, Firm Characteristics, and Market Orientation on performance of large-scale manufacturing firms in Kenya. The data collected will be used for academic purposes only and will be treated with strict confidentiality. Kindly spare some time to respond to the questions. Your cooperation in the data collection exercise is highly appreciated.

NAME OF YOUR ORGANIZATION (OPTIONAL) _____

SECTION A

(i) RESPONDENT'S PROFILE

1. Please indicate the position you hold in the company _____

2. How long have you been in this position in terms of years (Tick (√) as appropriate)
0 - 5 years [] 5-10 years [] 11-15 years []
16-20 years [] Above 20 years []

3. Please indicate your gender (Tick (√) as appropriate): Male [] Female []

4. Please indicate your age (Tick (√) as appropriate):
Below 25 years [] 26- 35 years [] 36 – 45 years [] 46-55 years [] Above
55 years []

(ii) FIRMS CHARACTERISTICS

5. Ownership structure (Tick (√) as appropriate)
Fully Locally owned [] Fully foreign owned []
Jointly Kenyan and foreign owned []
Others (please specify).....

6. How many years has the firm been operating in Kenya? (Tick (√) as appropriate)

Up to 5 years [] 5-10 years [] 11-15 years []

16-20 years [] Over 20 years []

7. In which sub-sector (s) does your firm belong (Tick (√) as appropriate)

1. Building, Construction and Mining

[]

11. Textile and Apparels

[]

2. Chemical and Allied products

[]

12. Timber, Wood and Furniture

[]

3. Energy, Electrical and Electronics

[]

4. Food, Beverages and Tobacco

[]

5. Leather and Foot wear

[]

6. Metal and Allied

[]

7. Motor Vehicle and Accessoires

[]

8. Paper and Board sector

[]

9. Pharmaceuticals and Medical

Equipment []

10. Plastic and Rubber

[]

8. What is the number of people employed by your organization? (Tick (√) as appropriate)

No of employees of employees employed	Up to 100 employees	101-200	201-300	301-400	Over 401 employees

PART B: CRM PRACTICES

Please indicate with a tick (√) the extent to which your organization is customer oriented

9	Extent of customer relationship focus/orientation	To a very great extent (5)	To a great extent (4)	To a moderate extent (3)	To a Small extent (2)	Not at all (1)
a)	Keeping clients is considered to be a main concern					
b)	Our firm considers good customer relations as an asset to the the business					
c)	The senior management in our firm underscores the significance of client interactions					
d)	The personnel in our firm are given freedom to take action to satisfy customers					
e)	Our organization openly shares information about our customers internally among departmental members					
10	Aspects of Customer-Centered Organizational Configuration/structure					
a)	We lay emphasis on customer desires while scheming trade practices					
b)	In our firm trade progressions are planned to enrich the superiority of customer connections					

	Aspects of Customer-Centered Organizational Configuration/structure contd....	To a very great extent	To a great extent	To a moderate extent	To a Small extent	Not at all
		(5)	(4)	(3)	(2)	(1)
c)	We consolidate our business around customer-based groups as opposed to product based groups					
d)	Numerous serviceable areas harmonize their undertakings to enrich the superiority of consumer involvement					
e)	Our personnel are encouraged to pay attention to customer relations					
f)	Our personnel receive enticements grounded on client gratification processes					
g)	A key benchmark used to assess our client interaction on our personnel is the quality of their associations with customers					
11	Customer Contact platforms/touch points					
a)	In our organization we have Retail outlets (such as branches and satellite centers)					
b)	We use various Telephony services to reach our customers (such as landline, telex, facsimile, call centre contact					
c)	In our organization were have an effective Sales force (such as relationship managers, account representatives and customer service staff)					
d)	In our organization we use direct marketing to reach our customers (such as direct mail)					
e)	Our organization use digital means to reach its online customers (such as email, website, interactive digital TV)					
f)	We use mobile services to interact with our customers (such as mobile telephony, short messages service(SMS)					
12	Comprehensiveness of customer database					
a)	Our organization keeps online customers purchase data history					
b)	Our organization keeps offline customers purchase data history					

12	Comprehensiveness of customer database cont'd	To a very great extent (5)	To a great extent (4)	To a moderate extent (3)	To a Small extent (2)	Not at all (1)
c)	In our organization we have customer contact platforms information					
d)	We have customer feedback data (complaints, compliments)					
e)	In our organization we keep records on customers who purchase different products from our firm					
f)	We maintain data from outside the firm (such as competitor information and information from marketing research)					
g)	We maintain internal records on firm finances (such as sales, profits and expenditure).					
i)	We keep data about our suppliers (such as list of supplies, items purchased and prices)					
j)	We keep current personnel data (personnel credentials and familiarity, job description, job appraisals)					
k)	We have advertisements response data (customer received from specific ads or other referrals)					
13	Integration of Customer information					
a)	We assimilate client information from the numerous functions that interrelate with clients					
b)	We integrate client data from within and outside the firm					
c)	In our organisations assimilation of client information is done from diverse interaction networks					
d)	We mix information collected from numerous sources for each customer					
14	Analysis of Customer Information					
a)	We analyze information about customers on a regularly basis.					
b)	Our firm has made it easy for workers to obtain client information collected by other departments					
c)	Members of different departments regularly meet to analyze customer related changes					

	Analysis of Customer Information Contd.	To a very great extent	To a great extent	To a moderate extent	To a Small extent	Not at all
		(5)	(4)	(3)	(2)	(1)
d)	Our organization has procedures, tools and guidelines to be used in customer information analysis					
15	Access to Customer Information					
a)	In our firm, accessibility of important client information is made easy for workers.					
b)	In our firm, workers can obtain vital client information even when other sections within the firm have collected it					
c)	In our firm, workers always have contact with current client information					
d)	In our firm employees are provided with the information required for handling customer relations					

SECTION C: MARKET ORIENTATION

Please indicate with tick (√) the extent to which you agree with the following statements

16	Intelligence gathering	To a very great extent	To a great extent	To a moderate extent	To a Small extent	Not at all
		(5)	(4)	(3)	(2)	(1)
a)	We carry out market research at least once a year					
b)	We monitor customer satisfaction regularly					
c)	Our Senior managers from every department regularly interact with existing and future customers					
d)	We collect customer complaints daily					
e)	We communicate with customers on a regular basis					
f)	Our sales people are trained to spot and report marketing intelligence					
g)	Our firm is quick in identifying the variations in consumers' inclinations.					
h)	We seek customer views about our products					

17	Intelligence dissemination	To a very great extent (5)	To a great extent (4)	To a moderate extent (3)	To a Small extent (2)	Not at all (1)
a)	We hold interdepartmental gatherings at least once every three months to deliberate market tendencies and progresses					
b)	Marketing employees in our organization devote time discoursing client's impending requirements with our other sections within the firm					
c)	We hold joint opportunity analysis on new product development process					
d)	The top management in our firm consistently analyses the rivals strengths and feebleness					
e)	The firm's sales people share information about our clients and rivals consistently within the organization.					
f)	Information on client fulfillment is disseminated at all ranks in our business at systematic intervals					
g)	There is negligible interaction between marketing and other sections within the firm regarding market changes					
h)	Our marketing department sporadically distributes documents that deliver information on our consumers					
18	Responsiveness					
a)	Our organization uses digital means to reach its online customers					
b)	We respond fast to our competitors product development initiatives					
c)	It takes us long periods to adopt on how to react to our rivals price deviations					
d)	We continuously review our products to certify that they comply with changing client needs and preferences					
e)	All departments within our organization regularly hold meetings to react to variations in the business environment					
f)	If a major rival were to introduce an rigorous program directed to our clients, we would immediately device a reaction strategy					
g)	We respond to customer complaints in a coordinated manner					
h)	When we discover that our clients would like us to alter products or services, the concerned subdivisions take intensive efforts to do so.					

	Intelligence dissemination contd.	To a very great extent (5)	To a great extent (4)	To a moderate extent (3)	To a Small extent (2)	Not at all (1)
i)	The product lines are subject to in-house politics than actual market wants					

SECTION D: FIRM PERFORMANCE

Please indicate with a tick (√) the extent to which you agree with the following statements

19	Customer Commitment	To a very great extent (5)	To a great extent (4)	To a moderate extent (3)	To a Small extent (2)	Not at all (1)
a)	We have loyal customers in our firm					
b)	We often receive complimentary phone calls/ letters/ emails from our customers					
c)	We generate new customers in our firm on a regular basis					
d)	We have good structures to support customer relationship management					
e)	We have repeat purchases from our customers					
f)	In our organization we get customers from referrals regularly					
g)	Our customers talk positively about our products to other customers					
h)	Our customers stand with our firm in difficult times					
i)	Our customers are always proud of the quality of our service					
20	Employee satisfaction					
a)	Employees of this firm make personal sacrifices if it were important for the firm's well being					
b)	The connections between the firm and its workers are weak					
c)	Generally, workers are proud to work for this firm					
d)	Our employees have little or no commitment to this firm					
e)	Employees feel as though their future is closely connected to that of this firm					

	Employee satisfaction contd...	To a very great extent (5)	To a great extent (4)	To a moderate extent (3)	To a Small extent (2)	Not at all (1)
f)	Employees often go above and beyond the call of duty to ensure the well-being of our firm					
g)	We have lower employee turnover than that of our competitors					
h)	Our employees are highly motivated					
i)	Our employees share common goals with those of our company					
21 Customer retention						
a)	We don't have repeat customers in our firm					
b)	We promptly respond to our customer needs					
c)	Our customers feel safe in their transactions when dealing with us.					
d)	We enjoy committed customers in our firm					
22 Effectiveness						
a)	The mission statement, and other official papers offer the purpose for our business survival.					
b)	The mission is operationalized through our current training program aims, goals and actions					
c)	Objective and subjective pointers are used to capture the principle of our mission					
d)	An arrangement is in place to measure effectiveness of our firm					
e)	Our firm closely monitors its effectiveness					
f)	The firm uses feedback to improve itself					
g)	Our products and services are highly rated					
h)	We are able to meet all our customers' needs					
i)	The mission is well-known and approved by our employees					
23 Efficiency						
a)	We make best use of our staff members to the best of their abilities					
b)	We make maximum use of physical facilities (buildings, equipment etc.)					
c)	We make optimum use of financial resources					
d)	We monitor timelines of service delivery					

	Efficiency contd....	To a very great extent (5)	To a great extent (4)	To a moderate extent (3)	To a Small extent (2)	Not at all (1)
e)	Superior managerial systems are in place to support efficiency of the firm					
f)	Yard stick contrasts are made of the development attained in our firm					
g)	We don't have idle capacity in our organization					
h)	We retrench when there is no much work					
24	Relevance					
a)	Our firm carries out stakeholder satisfaction survey on regular basis					
b)	Our firm introduces new products and services regularly					
c)	We monitor changes in partner/stakeholders attitudes					
d)	Our firm screens its reputation regularly					
e)	The firm creates or adapts to novel technologies					
f)	We regularly monitor and adapt to the business environment					
g)	Our products and services reflect changing customer needs and wants					
25	Financial viability					
a)	Our firm monitors finances on a regular basis					
b)	We have more assets than liabilities					
c)	Our firm keeps a reasonable cash flow to use during difficult times					
d)	Our firm consistently has more revenue than expenses					
e)	Our firm diversifies levels of funding sources					
f)	Our firm rarely gets short/long term loans form financial institutions					
g)	Our staff are among the best paid in this industry					
h)	We pay our suppliers on time					

THANK YOU FOR YOUR TIME, PARTICIPATION AND COOPERATION

Appendix IV: Selected Firms

Sector: Building, Construction and Mining (5)	
Bamburi Cement	
ARM Cement Ltd	
East African Portland Cement	
Flamingo Tiles (Kenya) Ltd	
Mombasa Cement Ltd	
Sector: Chemical and Allied Products (21)	
Basco Products(K) Ltd	Tata Chemicals Magadi Ltd
Bayer East Africa Ltd	MEA ltd
Berger-Kenya Paints Ltd	Milly Glass Works ltd
Blue Ring Products Ltd	Reckitt Benckiser (E.A) Ltd
BOC Kenya Ltd	Twiga Chemical Industries
Colgate Palmolive Industries Ltd	United Chemical Industries
HacoTigerbrands Industries Ltd	Vitafoam Ltd
Henkel Kenya Ltd	Cooper K-Brands Ltd
Interconsumer Products Ltd	Crown Berger(K) Ltd
Johnsons Diversey EA Ltd	Cussons E.A Ltd
Crown Gases Ltd	Kenya Flourspa Co. Ltd
Chrysal Africa Limited	Kel Chemicals
Sector: Energy, Electrical and Electronic(11)	
Module Engineering Systems Ltd	Synergy-Pro
Nationwide Electrical Industries	Vivo Energy Kenya Ltd
PC TL Automation Ltd	Libya Oil Kenya Limited
Pentagon Agencies	Manufacturers and Suppliers (K) Ltd
East Africa Cables Ltd	Marshalls Fowler (Engineers) Ltd
Sector: Food, Beverages and Tobacco (45)	
Bakers Corner ltd	Kenblest Ltd
Beverage Services (K) Ltd	Kenchic Ltd
Bidco Africa Ltd	Kenlab Suppliers ltd
Bio Food Products	Kenstate Products
British American Tobacco Kenya Ltd	Kenya Meat Commission
Broadway Bakery	Kenya Nut Company
Brookside Dairy Limited	Kenya Nuta Company
C. Dormans	Kenya Orchards Limited
	Kenya Planters Cooperative Union
Cadbury Kenya Ltd	Kenya Seed Company
Candy Kenya Ltd	Kenya Seed Company
East African Malt Ltd	Proctor and Gamble Ea Ltd
East African Seed Co. Ltd	Pwani Oil Products Ltd
Edible Oil Products	Rafiki Millers Ltd
Eldoret Grains Ltd	Rift valley Bottlers Ltd
Equator Bottlers Ltd	Sameer Dairies Limited

Excel Chemicals	Sigma supplies
Farmers Choice	South Nyanza Sugar Company Ltd
Githunguri Dairy Farmers Co-operative Society	Spectre International Ltd
Glaciers Products Ltd	Super Bakery Ltd
Global Allied Industries Ltd	
Karirana Estate Ltd	
Kenafric Bakery	
Kenafric industries Ltd	
Sector: Leather and Foot Wear (2)	
Athi River Tanneries Ltd	
Bata Shoe Company (K) Ltd	
Sector: Metal and Allied (17)	
Apex Steel Rolling Mill	Atlantic Ltd
ASL Limited Steel Chains	Brollo Kenya Ltd
ASP Company	Eldoret Farm Machinery
Bhachu Industries Ltd	Southern Engineering Co. ltd
Booth Extrusions Limited	Specialised Engineer Co. Ltd
Devki Steel Mills Ltd	Steel Structures Ltd
Kitchen King Ltd	Steelmakers Ltd
Hobra Manufacturing	Corrugated Sheets Ltd
Welding Alloys Ltd	
Sector: Motor Vehicle And Accessories (6)	
Associated Battery Manufacturers Ltd	
Bhachu Ltd	
Chui Auto Spring Industries Ltd	
General Motors East Africa Ltd	
Impala Glass Industries Ltd	
Kenya Grange Vehicle industries Limited	
Sector : Paper and Board (20)	
Allpack Industries	Kartasi Industries
Associated Paper and Stationery	Kenya Paper Mill Ltd
Bags & Balers Manufacturers	Kenya Ritho Printers
Carton Manufacturers	Kitabu Industries Ltd
Central Packaging Factory	Packaging Africa Ltd
Chandaria Industries	Panesar Industries Ltd
Creative Print House	Paperbags Limited
East Africa Packaging Industries Ltd	Polysack Ltd
General Printers ltd	Tetra Pack
Unified Bag Converters Ltd	
United Bags Manufacturers Ltd	
Sector: Pharmaceutical and Medical Equipment (6)	
Alpha Medical Manufacturers Ltd	
Beta Healthcare International Ltd	

Biodeal Laboratories Ltd	
Cosmos ltd	
Cosmos Pharmaceuticals	
Dawa Limited	
Sector: Plastic and Rubber (22)	
ACME Container Ltd	Packaging Masters Ltd
Afro Plastics(K) Ltd	Plastics and Rubber Industries Ltd
Cables and plastics ltd	Poly Propelin Bags Ltd
Complast industries	Polyflex Industries Ltd
Coninx industries ltd	Polythene Industries Ltd
Darshan plastics ltd	Premier Industries Ltd
Dynaplas ltd	Prestige Packaging Ltd
Elson plastics of Kenya	Pyramid Packaging Ltd
Plastics and Rubber Industries Ltd	Qplast Industries Ltd
Raffia Bags (K) ltd	Packaging Masters Ltd
Rubber products ltd	
Sameer Africa ltd	
Sector: Textile and Apparels (16)	
Africa Apparels EPZ Ltd	Sunflag Textiles & Knit Wear Ltd
Altex EPZ Ltd	Taitung Garments EPZ ltd
Mirage Fashion wear EPZ Ltd	Tarpo Industries Limited
Mombasa Towel Manufacturers	Thika Cloth Mills
Ngecha Industries	Tigra Knit Ltd
Premier Knitwear Ltd	Tristar Ltd
Sameh Textile Industries	United Textile Industries Ltd
Spinners & Spinners Ltd	Summit Fibres Ltd
Sector: Timber, Wood and Furniture(5)	
Eldema (K) Ltd	
Fine Wood Works Limited	
Furniture International Limited	
Hwan Sung Industries (K) Ltd	
Kenya Wood Ltd	

Appendix V: Large Scale Manufacturing Firms in Kenya

Sector: Building, Construction and Mining (15)			
1	Bamburi Cement	11	Ceramics Manufacturers Ltd
2	Brush Manufacturers	12	Kenya Glassworks Ltd
3	Central Glass Industries Ltd	13	Mombasa Cement Ltd
4	African Diatomite	14	Kay Salt Ltd
5	ARM Cement Ltd	15	Koto Housing Kenya Ltd
6	BuyamaBuiding Materials		
7	Building and Construction Concepts		
8	East African Portland Cement		
9	Flamingo Tiles (Kenya) Ltd		
10	Glenn Investments Ltd C/0 The Mehta Group Ltd		
Sector: Chemical and Allied Products (62)			
1	Anffi Kenya Ltd	26	Galaxy Paints and Coatings Co. Ltd
2	Basco Products(K) Ltd	27	Grand Paints Ltd
3	Bayer East Africa Ltd	29	HacoTigerbrands Industries Ltd
4	Berger-Kenya Paints Ltd	30	Henkel Kenya Ltd
5	Blue Ring Products Ltd	31	Interconsumer Products Ltd
6	BOC Kenya Ltd	32	Johnsons Diversey EA Ltd
7	Buyline Industries Ltd	33	KAPI Limited
8	Carbacid (Co2) Ltd	34	Sadolin Paints E A Ltd
9	Canon Chemicals Limited	35	Sana Industries
10	Coates Brothers EA Limited	36	Sara Lee Kenya Limited
9	Continental Products Ltd	37	Sera Coatings Int. Ltd
11	Colgate Palmolive Industries Ltd	38	Strategic Industries Limited
12	Cooper K-Brands Ltd	39	Superfoam Ltd
12	Crown Berger(K) Ltd	40	Syngenta East African Ltd
13	Crown Gases Ltd	41	Tri-Clover Industries (K) Ltd
14	Chrysal Africa Limited	42	Tata Chemicals Magadi Ltd
15	Cussons E.A Ltd	43	MEA ltd
14	Kenya Flourspa Co. Ltd	44	Milly Glass Works ltd
15	Kel Chemicals	45	Murphy Chemicals Ltd
16	Magadi Soda Co. Ltd	46	Oasis Limited
17	Maroo Polymer Ltd	47	Odex Chemicals
18	Match Masters Ltd	48	Orbit Chemicals Ltd
19	Desbro Kenya Limited	49	Osho Chemical Industries Ltd
20	E. A. Heavy Chemicals (1999) Ltd	50	Pan Africa Chemicals Ltd
21	Elex Product Ltd	55	Pfizer Laboratories Ltd
22	European Perfumes and Cosmetics Ltd	56	PolyChem East Africa Ltd
23	Eveready Kenya Ltd	57	Procter & Gamble EA Ltd

24	Faaso Exporters Ltd	58	PZ Cussons Ltd
25	Foam Mattresses	59	Reckitt Benckiser (E.A) Ltd
		60	Twiga Chemical Industries
		61	United Chemical Industries
		62	Vitafoam Ltd
Sector: Energy, Electrical and Electronic(32)			
1	Afro Plastics Ltd	21	Mecer East Africa Ltd
2	Biogas Power Holdings (EA) Ltd	22	Module Engineering Systems Ltd
3	Amedo Centre Kenya Ltd	23	Nationwide Electrical Industries
4	AssaAbloy East Africa Ltd	24	PC TL Automation Ltd
5	Aucma Digital Technology Africa Ltd	25	Pentagon Agencies
6	Avery(East Africa) Ltd	25	Power Engineering International Ltd
7	Baumann Engineering Limited	26	Power Technics Ltd
8	Centurion Systems Limited	27	Reliable Electrical Engineers Ltd
10	East Africa Cables Ltd	28	Sanyo Armco (K) Ltd
11	Holman Brothers	29	Solar Works East Africa
12	IberAfrica Power (EA) Ltd	30	Specialised Power Systems Ltd
13	International Energy Technik Ltd	31	Synergy-Pro
14	Kenwestfal Works Ltd	32	Vivo Energy Kenya Ltd
15	Kenya Power and lighting Co. Ltd		
16	Kenya Scale Co. Ltd/ Avery Kenya Ltd		
17	Kenya Shell Ltd		
18	Libya Oil Kenya Limited		
19	Manufacturers and Suppliers (K) Ltd		
20	Marshalls Fowler (Engineers) Ltd		
Sector: Food, Beverages and Tobacco (130)			
1	Acquamist Limited	75	Kenya Sweets ltd
2	Africa Spirits Limited	76	Kenya Tea Development Agency
3	Agro Chemical and Food Ind. Ltd	77	Kenya Tea Packers Ltd
4	Alliance One Tobacco Kenya Ltd	78	Kenya Wine Agencies Ltd
5	Alpha Fine Foods	79	Keroche Industries Ltd
6	Alpha fine Foods Ltd	80	Kevian Kenya Limited
7	Alpine Coolers Ltd	81	Kinagop Dairy Ltd
8	Aquamist Ltd	82	Kisii Bottlers
9	Bakers Corner ltd	83	Krystalline Salt Ltd
10	Beverage Services (K) Ltd	84	Kuguru Food Complex
11	Bidco Africa Ltd	85	Kwality Candies & Sweets Ltd
12	Bio Food Products	86	London Distillers
13	British American Tobacco Kenya Ltd	87	Mabroukie Tea Factory
14	Broadway Bakery	89	Manji Food Industries

15	Brookside Dairy Limited	90	Mastermind Tobacco
16	C. Dormans	91	Mayfeeds Kenya Ltd
17	Cadbury Kenya Ltd	93	Melvin Marsh International
18	Candy Kenya Ltd	94	Menengai Oil Refineries Ltd
19	Capwell Industries Ltd	95	Milly Fruit Processors Ltd
20	Carlton Products (E.A) Ltd		Mini Bakeries (Nbi) Ltd
21	Centrofood Industries Ltd	96	Mjengo Ltd
22	Chemelil Sugar Company ltd	97	Mombasa Maize Millers
23	Coast Maize Millers	98	Mount Kenya Bottlers Ltd
24	Coast Silos (K) Ltd	99	Mumias Sugar Company Ltd
25	Coastal Bottlers Ltd	100	Mzuri Sweets Ltd
26	Coca-cola East and Central Africa ltd	101	Nairobi Bottlers Ltd
27	Crown Foods Ltd	102	Nas Food Processing Ltd
28	Deepa Industries	103	Nestle Foods Ltd
29	Del monte Kenya Ltd	104	New Kenya Cooperative Creameries Ltd
30	Diamond Industries Ltd	105	Njoro Canning Factory (Kenya) Ltd
31	Dorman & Company Ltd	106	Norda Industries ltd
32	DPL Festive Ltd	107	Nzoia Sugar Company Ltd
33	Dutch Water Ltd	108	Patco Industries Ltd
37	East African Sea Food Ltd	109	Pearl Industries Ltd
38	East African Breweries Ltd	110	Pembe Flour Mills
39	East African Caning Limited	111	Premier Oils Mills
40	East African Malt Ltd	112	Proctor and Gamble Ea Ltd
41	East African Seed Co. Ltd	113	Pwani Oil Products Ltd
42	Edible Oil Products	114	Rafiki Millers Ltd
43	Eldoret Grains Ltd	115	Rift valley Bottlers Ltd
44	Equator Bottlers Ltd	116	Sameer Dairies Limited
45	Excel Chemicals	117	Sigma supplies
46	Farmers Choice	118	South Nyanza Sugar Company Ltd
47	Githunguri Dairy Farmers Co-operative Society	119	Spectre International Ltd
48	Glaciers Products Ltd	120	Super Bakery Ltd
50	Global Allied Industries Ltd	121	Tri-Clover Industries
51	Gold Crown Foods (EPZ) Ltd	122	Trufoods
52	Happy Cow Ltd	123	Tuzo Milk
53	Heritage Foods Kenya Ltd	124	Umoja Beverage Manuf. Ltd
54	Highlands Cannery Ltd	125	Unga Group Ltd.
55	Highlands Mineral Water Company Limited	126	United Distillers and Vintners
56	House of Manji	127	United Millers Ltd

57	Jambo Biscuits	128	Williamson Tea
58	James Finlay Kenya Ltd	130	Wrigleys (EA) Ltd
59	Jetlak Foods Ltd		
60	Kabianga Dairy Ltd		
61	Kapa Oil		
62	Karirana Estate Ltd		
63	Kenafric Bakery		
64	Kenafric industries Ltd		
65	Kenblest Ltd		
66	Kenchic Ltd		
67	Kenlab Suppliers Ltd		
68	Kenstate Products		
69	Kenya Meat Commission		
70	Kenya Nut Company		
71	Kenya Nuta Company		
72	Kenya Orchards Limited		
73	Kenya Planters Cooperative Union		
74	Kenya Seed Company		
Sector: Leather and Foot Wear (7)			
1	Athi River Tanneries Ltd	5	Sandstorm Africa Limited
2	Bata Shoe Company (K) Ltd	6	Leather Industries of Kenya Ltd
3	C & P Shoe Industries Ltd	7	Umoja Rubber Products Ltd
4	Budget Shoes Limited		
Sector: Metal and Allied (50)			
1	Allied Metal Services Ltd	27	Nampak Kenya Ltd
3	Amalgamated Industries Ltd	28	Napro Industries Limited
4	Apex Steel Rolling Mill	29	Nairobi and Steel Products
5	ASL Limited Steel Chains	30	Orbit Engineering Ltd
6	ASP Company	31	Roll Mill Kenya Ltd.
7	Bhachu Industries Ltd	32	Sanvik Kenya Limited
8	Booth Extrusions Limited	33	Sheffield Steel Systems Ltd
10	Corrugated Sheets Ltd	34	Southern Engineering Co. ltd
11	Crystal Industries Ltd	35	Specialised Engineer Co. Ltd
12	Davis & Shirliff Ltd	36	Steel Structures Ltd
13	Devki Steel Mills Ltd	37	Steelmakers Ltd
14	East African Foundry Works Ltd	38	Steelwool (Africa) Ltd
15	Elite Tools Ltd	39	Warren Enterprises Ltd
16	Friendship Container Manufacturers	40	Welding Alloys Ltd
17	General Alluminium Fabricators Ltd	41	Atlantic Ltd
18	Gopitech (Kenya) Ltd	42	Brollo Kenya Ltd

19	Heavy Engineering Ltd	43	Eldoret Farm Machinery
20	Insteel Limited	44	Ganglong International Company Ltd
21	J. F, McCly Ltd	45	Grief East Africa Ltd
22	Kehar Sing & Co Ltd	46	Hobra Manufacturing
23	Kens Metal Industries ltd	47	Kenya General Industries
24	Metal Crowns Limited	48	Kenya United Steel Company(2006)ltd
25	Morris & Co. Ltd	49	Kitchen King Ltd
26	Naciti Engineering Works Ltd	50	Laminate Tube Industries
Sector: Motor Vehicle And Accessories (17)			
1	Associated Battery Manufacturers Ltd	11	Pipe Manufacturers Ltd
2	Bhachu Ltd	12	Sameer (EA) Ltd
3	Chui Auto Spring Industries Ltd	13	Sohanasons Ltd
4	General Motors East Africa Ltd	14	Theevan Enterprise
5	Impala Glass Industries Ltd	15	Toyota East Africa Ltd
6	Kenya Grange Vehicle industries Limited	16	Unifilters Kenya Ltd
7	Kenya Vehicle Manufacturing Ltd	17	VarsaniBrakeLinings Ltd
8	Labh Singh Harnam Sing Ltd		
Sector : Paper and Board (60)			
1	Allpack Industries	35	De La Rue Currency and Security
2	AssociatedPaper and Stationery	36	D.L Patel Press Kenya ltd
3	Bags &BalersManufacturers	37	East african paper converters ltd
4	Carton Manufacturers	38	Economic industries ltd
5	Central Packaging Factory	39	Ellams products
6	Chandaria Industries	40	English press ltd
7	CreativePrint House	41	Essential manufacturing
8	East Africa Packaging Industries Ltd	42	Euro packaging ltd
9	General Printers ltd	43	Fortune printers and stationers ltd
10	Kartasi Industries	44	General Printers ltd
11	Kenya Paper Mill Ltd	45	Graphic and allied ltd
12	Kenya Ritho Printers	46	Highland paper mills ltd
13	Kitabu Industries Ltd	47	Interlabelsafrika ltd
14	Packaging Africa Ltd	48	Kenafric diaries manufacuturers ltd
15	Panesar Industries Ltd	49	Kenya stationers ltd
16	Paperbags Limited	50	Kim-fay east africa ltd
17	Polysack Ltd	51	Modern lithographic (k) ltd
18	Tetra Pack	52	Nation media group lt printing plant
19	Unified Bag Converters Ltd	53	National printing presss

20	United Bags Manufacturers Ltd	54	Packaging manufacturers (1976) ltd
21	Adpak International ltd	55	Paper house Kenya ltd
22	Allpack Industries	56	Pressmaster ltd
23	Andika industries ltd	57	Printwell industries
24	Associated Paper and Stationery ltd	58	Punchlines ltd
25	Bag and envelope converters	59	Ramco printing works ltd
26	Brand printers ltd	60	Sketchers design promoters ltd
27	Cempack solutions ltd		
28	Colour labels ltd		
29	Colour packaging ltd		
30	Colourprint ltd		
31	Soloh Worldwide inte enterprises ltd		
32	Standard Group ltd		
33	Statpack industries ltd		
34	Twiga stationers and printers ltd		
Sector: Pharmaceutical and Medical Equipment (16)			
1	Alpha Medical Manufacturers Ltd	12	Norbrook Laboratories Ltd
2	Beta Healthcare International Ltd	13	Novelty Manufacturing Ltd
3	Biodeal Laboratories Ltd	14	Pharmaceutical Manufacturing Co.
4	Cosmos ltd	15	Pharm Access Africa Ltd
5	Cosmos Pharmaceuticals	16	Revital Healthcare (EPZ) Ltd
6	Dawa Limited		
7	Glaxosmithcline Beecham		
8	KAM pharmacy		
9	Laboratory and Allied Ltd		
10	Macs Pharmaceutical Ltd		
11	Medivert Products Ltd		
Sector: Plastic and Rubber (63)			
1	ACME Container Ltd	32	Cables and plastics ltd
2	Afro Plastics(K) Ltd	33	Complast industries
3	Allpack(K) Ltd	34	Coninx industries ltd
4	Bobmill Industries	35	Darshan plastics ltd
5	Elgitread (Kenya) Ltd	36	Dynaplas ltd
6	Elgon Kenya Limited	37	Elson plastics of kenya
7	General Plastics Ltd	38	Five star industries ltd
8	Haco Industries Ltd	39	Flair Kenya ltd
9	Kamba Manufacturing (1986) Ltd	40	Foam Matress
10	Kenpoly Manufacturers Ltd	41	Jumbo Chem
11	Kentainers Ltd	42	Kenploymanufacturers ltd

12	King Plastics Kenya Ltd	43	Kenya suitcase manufacturers ltd
13	Kingsway Tyres&Automart Ltd	44	Kinpash enterprises ltd
14	Malplast Industries	45	Laneebe plastic industries ltd
15	Metro Plastics Kenya Ltd	46	Mombasa polythene bags ltd
16	Nairobi Plastics Ltd	47	Nakuru plastics ltd
17	Ombi Rubber Rollers Ltd	48	Plastic Electricons
18	Packaging Industries Ltd	49	Polly propelin bags ltd
19	Packaging Masters Ltd	50	Princewareafrica (Kenya) ltd
20	Plastics and Rubber Industries Ltd	51	Prosel ltd
21	Poly Propelin Bags Ltd	52	Raffia Bags (K) ltd
22	Polyflex Industries Ltd	53	Rubber products ltd
23	Polythene Industries Ltd	54	Sameer Africa ltd
24	Premier Industries Ltd	55	Sanpac Africa ltd
25	Prestige Packaging Ltd	56	Silver Coin imports ltd
26	Pyramid Packaging Ltd	57	Singh Retread ltd
27	Qplast Industries Ltd	58	Springbox Kenya ltd
28	Safepak Ltd	59	Samaria industries ltd
29	Top Tank	60	Thermopak ltd
30	TreadsettersTyres Ltd	61	Top pak ltd
31	Betatrad (K) ltd	62	Uni-plastics ltd
32	Bluesky industries ltd	63	Vyatu ltd
Sector: Textile and Apparels (48)			
1	Africa Apparels EPZ Ltd	29	Mirage Fashion wear EPZ Ltd
2	Altex EPZ Ltd	30	Mombasa Towel Manufacturers
3	Alpha Knits Limited	31	Ngecha Industries
4	Baraka Apparels (EPZ) ltd	32	Premier Knitwear Ltd
5	Bedi Investments	33	Sameh Textile Industries
6	Bhupco Textile Mills Limited	34	Spinners & Spinners Ltd
7	Blankets Industries Ltd	35	Sunflag Textiles & Knit Wear Ltd
8	Blue Plus Limited	36	Taitung Garments EPZ ltd
9	Brother Shirts Factory	37	Tarpo Industries Limited
10	Embalishments Ltd	38	Thika Cloth Mills
11	Fantex (K) Ltd	39	Tigra Knit Ltd
12	FulchandManek& Bros Ltd	40	Tristar Ltd
13	Image Apparels ltd	41	United Textile Industries Ltd
14	J.A.R Kenaya	42	Summit Fibres Ltd
15	Kapric Apparels Ltd	43	Straighline enterprises
18	Kenya Trading (EPZ) Ltd	44	Long – Yu Ltd
19	Kenya Uniform Ltd	45	Rupa Mills Ltd

20	Kifaru Textile Mills	46	New wide garments (K)
21	Kikoy Co. Ltd	47	Rivatex (East Africa Ltd)
22	Rupa Mills Ltd	48	Mega Pack Ltd
23	Leather Industries of Kenya		
25	Le-Stud Limited		
26	Londra Limited		
26	Megh Cushion Industries		
27	Metro Impex Ltd		
28	Midco Textiles Ea Ltd		
Sector: Timber, Wood and Furniture(13)			
1	Eldema (K) Ltd	9	Shamco Industries Ltd
2	Fine Wood Works Limited	10	TimSales Ltd
3	Furniture International Limited	11	WoodMakers Kenya Ltd
4	Hwan Sung Industries (K) Ltd	12	Woodtex Kenya Limited
5	Kenya Wood Ltd	13	Umoja Manufacturers Ltd
6	Newline Ltd		
7	Transpaper Kenya Ltd		
8	Rosewood Office Systems Ltd		

(Source: KAM, 2015)

Appendix VI: Sampling Strata

Large-Scale manufacturing sectors	Population	% Proportionate Sampling $P_n = \frac{N}{\text{Total population}} * \text{Sample}$
Building, Construction and Mining	15	5
Chemical and Allied products	62	21
Energy, Electrical and Electronics	32	11
Food, Beverages and Tobacco	130	45
Leather and Foot wear	7	2
Metal and Allied	50	17
Motor Vehicle and Accessoires	17	6
Paper and Board sector	60	20
Pharmaceuticals and Medical Equipment	16	6
Plastic and Rubber	63	22
Textile and Apparels	48	16
Timber, Wood and Furniture	13	5
Total	513	176

(Source: KAM, 2015)

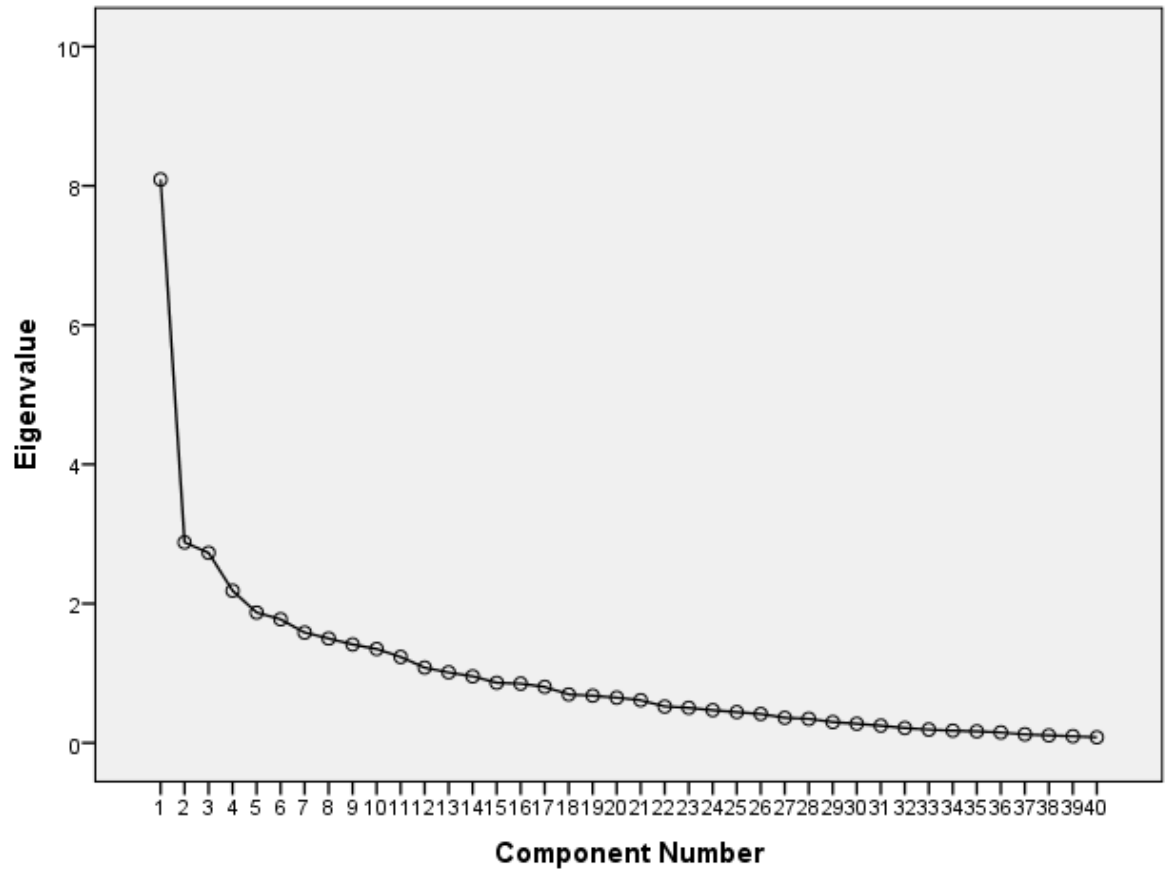
Appendix VII: Factor analysis

Factor analysis results for Customer Relationship Management practices

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.090	20.226	20.226	8.090	20.226	20.226	3.328	8.321	8.321
2	2.880	7.200	27.426	2.880	7.200	27.426	2.945	7.363	15.684
3	2.730	6.824	34.250	2.730	6.824	34.250	2.658	6.645	22.329
4	2.186	5.464	39.714	2.186	5.464	39.714	2.463	6.158	28.487
5	1.872	4.681	44.395	1.872	4.681	44.395	2.427	6.067	34.553
6	1.775	4.438	48.833	1.775	4.438	48.833	2.301	5.753	40.306
7	1.585	3.962	52.795	1.585	3.962	52.795	2.186	5.466	45.772
8	1.499	3.747	56.542	1.499	3.747	56.542	2.010	5.025	50.797
9	1.414	3.534	60.076	1.414	3.534	60.076	2.005	5.014	55.811
10	1.349	3.372	63.448	1.349	3.372	63.448	1.786	4.466	60.277
11	1.234	3.085	66.533	1.234	3.085	66.533	1.667	4.167	64.443
12	1.081	2.702	69.235	1.081	2.702	69.235	1.526	3.815	68.259
13	1.012	2.531	71.766	1.012	2.531	71.766	1.403	3.508	71.766
14	.956	2.390	74.156						
15	.863	2.159	76.315						
16	.851	2.127	78.442						
17	.805	2.012	80.454						
18	.696	1.741	82.194						
19	.678	1.694	83.888						
20	.649	1.623	85.511						
21	.613	1.532	87.043						
22	.522	1.306	88.349						
23	.503	1.258	89.607						
24	.471	1.177	90.784						
25	.442	1.105	91.889						
26	.416	1.039	92.928						
27	.360	.900	93.828						
28	.345	.863	94.691						
29	.298	.746	95.437						
30	.275	.689	96.126						
31	.248	.620	96.745						
32	.214	.535	97.280						
33	.192	.479	97.759						
34	.175	.438	98.197						
35	.165	.413	98.611						
36	.150	.375	98.986						
37	.123	.308	99.293						
38	.107	.268	99.561						
39	.096	.240	99.801						
40	.080	.199	100.000						

Extraction Method: Principal Component Analysis.

Scree Plot



Rotated Component Matrix^a

	Component												
	1	2	3	4	5	6	7	8	9	10	11	12	13
Keeping clients is considered to be a main concern	-.118	.031	.012	.081	.091	-.078	.140	.059	.010	.800	.100	-.003	.097
Our firm considers good customer relations as an asset to the the business	-.081	-.121	.043	.186	-.059	-.162	.780	.115	.088	.038	.028	.169	.141
The senior management in our firm underscores the significance of client interactions	.091	.254	.033	-.062	-.130	.195	.621	-.154	-.136	.098	-.122	-.069	-.336
The personnel in our firm are given freedom to take action to satisfy customers	.192	.785	-.010	-.069	.069	-.096	.002	-.134	.179	-.057	.170	-.010	-.187
Our organization shares information about our customers internally among departmental members	.149	.707	-.091	.068	.044	.072	.170	.139	-.057	.090	.199	-.010	.138
We lay emphasis on customer desires while scheming trade practices	.161	.150	-.082	-.027	.566	.132	.011	-.040	.173	.314	-.195	.350	.237
In our firm trade progressions are planned to enrich the superiority of customer connections	.031	.032	.063	-.013	.085	.026	.046	-.077	-.093	.080	.100	.041	.827
We consolidate our business around customer-based groups as opposed to product based groups	.127	.244	.008	-.052	.002	-.123	.005	.103	.066	.062	.820	.058	.106
Numerous serviceable areas harmonize their undertakings to enrich the superiority of consumer involvement	-.060	.187	.028	-.133	.244	.344	.437	.051	.004	.232	.381	.336	-.031
Our personnel are encouraged to pay attention to customer relations	.084	.388	-.138	-.058	.106	.163	.604	.094	.110	-.052	-.089	-.098	.213
Our personnel receive enticements grounded on client gratification processes	-.033	.376	.100	.027	.485	.249	.146	-.050	.040	-.436	.105	.148	.125
A key benchmark used to assess our client interaction on our personnel is the quality of their associations with customers	.142	.441	.076	-.128	.628	.033	.118	.233	.008	-.264	-.031	.017	-.007

In our organization we have retail outlets	.033	-.062	.126	-.044	.804	.051	-.060	.070	.096	.103	.080	-.042	.062
We use telephony services to reach our customers	.146	.144	.043	.053	.096	-.026	.014	.709	.106	.288	-.043	.087	-.071
In our organization we have an effective sales force	.049	.257	.155	-.226	.225	.207	.191	.407	.564	.071	.007	-.120	-.106
We use direct marketing to reach our customers	-.014	.446	.288	.031	-.086	.136	.031	.213	.524	.322	-.061	.029	.112
Our organization uses digital means to reach its online customers	.162	.614	.255	.114	.101	.082	.168	.047	-.102	.001	-.070	.464	.067
We use Mobile services to interact with our customers	.104	.048	-.053	.259	-.004	.225	.085	.352	-.045	-.089	.205	.635	.039
Our organization keeps online customers purchase data	-.170	-.202	.049	.034	-.011	.553	-.178	.025	.353	-.027	.412	.147	.049
Our organization keeps offline customer purchase data	.104	-.114	.270	-.017	-.014	.182	.046	.716	.106	-.192	.150	.041	-.047
In our organization we have customer contact platforms information	.147	.074	.225	.014	.235	.276	.104	.455	.227	.023	.313	.223	.252
We have customer feedback data (complaints, compliments)	.094	.236	.214	.218	.165	.166	.516	.066	.274	.141	.249	.118	-.058
In our organization we keep records on customers who purchase different products from our firm	.042	.110	.009	.060	.036	.819	.094	.121	.001	-.004	-.103	.181	.005
We maintain external data (such as competitor intelligence reports, consultants reports, marketing research)	.287	.001	.156	.235	.214	.628	.109	.097	.051	-.149	-.071	-.141	.009
We maintain internal records on firm finances (such as sales, profits and expenditure).	-.074	-.049	.146	.776	.033	-.089	.181	.102	.016	-.033	-.014	-.011	.064
We keep data about our suppliers (such as list of supplies, items purchased and prices)	-.038	.190	.022	.735	-.257	.158	-.099	.013	-.009	-.075	-.103	.149	-.107
We keep current personnel data (personnel credentials and familiarity, job description, job appraisals)	.142	-.117	.028	.676	.000	.276	.045	-.133	.212	.325	.069	.040	.076

We have advertisements response data (customer received from specific ads or other referrals)	.087	.002	.438	.479	.395	.084	-.022	-.112	.020	.220	.106	.047	-.247
We assimilate client information from the numerous functions that interrelate with clients	.082	.128	.789	.094	.050	.010	.068	.186	.047	.066	-.094	.063	-.034
We integrate client data from within and outside the firm.	.098	-.100	.761	.177	.103	.105	-.011	.037	.008	-.180	.163	-.101	.113
In our organisations assimilation of client information is done from diverse interaction networks	.309	.339	.416	.342	.110	.180	.098	.270	.181	-.046	-.070	-.086	.284
We mix information collected from numerous sources for each customer	.531	.231	.256	.213	.101	.288	-.016	-.001	-.028	-.083	.340	-.247	.085
We analyze information about customers on a regular basis	.696	.208	.160	.038	.033	.298	-.078	.107	-.210	.106	.186	-.115	-.028
Our top managers periodically analyses and interpret the gathered information on customers	.763	.071	.032	-.114	-.133	-.001	.039	.166	.053	-.013	.017	.065	.018
Members of different departments regularly meet to analyze customer related changes	.421	-.026	.540	-.085	-.013	-.004	-.053	.146	.129	.072	.013	.115	.034
Our organization has procedure, tools and guidelines to be used in customer information analysis	.188	-.036	.008	.214	.127	-.003	.059	.122	.766	-.080	.110	.003	-.100
In our firm, accessibility of important client information is made easy for workers.	.591	.175	.243	.072	.086	-.043	.178	-.007	.249	.000	-.141	.203	.206
Our firm has made it easy for workers to obtain client information collected by other departments.	.675	.124	-.011	.054	.365	.004	-.043	.073	.118	-.164	-.006	.027	-.166
In our firm, workers always have contact with current client information	.536	.024	.244	.081	.147	-.091	.018	-.070	.252	-.390	.105	.332	.125
In our firm employees are provided with the information required for handling customer relations	.387	-.055	.346	-.094	.234	.060	.184	-.135	.354	.010	.006	.381	.010

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser

Normalization.

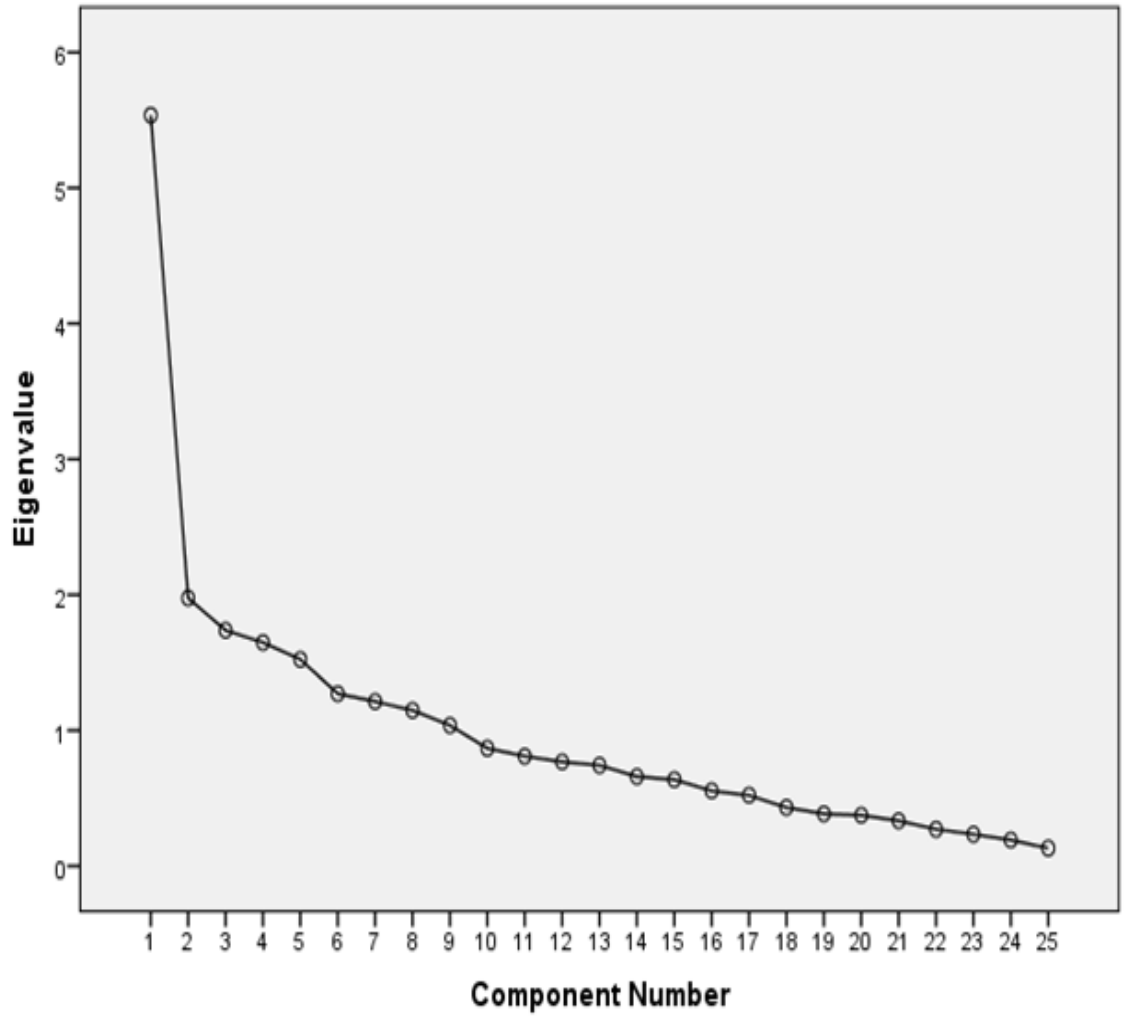
a. Rotation converged in 19 iterations.

Factor analysis results for Market Orientation

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.537	22.149	22.149	5.537	22.149	22.149	2.499	9.997	9.997
2	1.976	7.903	30.052	1.976	7.903	30.052	2.346	9.382	19.380
3	1.738	6.951	37.003	1.738	6.951	37.003	2.293	9.171	28.550
4	1.648	6.594	43.597	1.648	6.594	43.597	1.997	7.988	36.538
5	1.523	6.093	49.691	1.523	6.093	49.691	1.939	7.755	44.292
6	1.270	5.080	54.771	1.270	5.080	54.771	1.819	7.275	51.568
7	1.213	4.852	59.623	1.213	4.852	59.623	1.595	6.378	57.946
8	1.148	4.591	64.214	1.148	4.591	64.214	1.317	5.269	63.215
9	1.037	4.148	68.363	1.037	4.148	68.363	1.287	5.147	68.363
10	.867	3.469	71.832						
11	.810	3.239	75.071						
12	.768	3.072	78.142						
13	.742	2.970	81.112						
14	.659	2.637	83.749						
15	.637	2.547	86.297						
16	.554	2.217	88.513						
17	.521	2.085	90.598						
18	.431	1.724	92.323						
19	.385	1.540	93.862						
20	.374	1.495	95.357						
21	.334	1.334	96.692						
22	.271	1.083	97.775						
23	.234	.935	98.710						
24	.191	.765	99.475						
25	.131	.525	100.000						

Extraction Method: Principal Component Analysis.

Scree Plot



Rotated Component Matrix^a

	Component								
	1	2	3	4	5	6	7	8	9
We carry out market research atleast once a year	.084	.031	.697	.019	.171	.152	.032	-.049	.238
We monitor customer satisfaction regularly	.197	.182	.783	-.062	.167	.084	-.007	.094	-.158
Our Senior managers from every department regularly interact with existing and future customers	.213	.308	.244	.383	.137	.325	-.007	-.206	-.211
We collect customer complaints daily	.210	.007	.665	.302	-.088	-.037	.123	.120	.292
We communicate with customers on a regular basis	.704	.074	.059	.103	.366	-.193	.049	-.158	.179
Our sales people are trained to spot and report marketing intelligence	.722	.013	.308	.039	-.016	.198	.183	.038	-.087
We are quick to detect changes in consumer preferences	.689	.056	.090	-.116	-.084	.416	-.044	.112	.104
Our firm is quick in identifying the variations in consumers' inclinations.	.697	.144	.065	.208	.065	-.014	.099	.150	.001
We seek customer views about our products	.321	.596	-.025	-.057	-.228	.413	-.011	-.108	.048
We hold interdepartmental gatherings at least once every three months to deliberate market tendencies and progresses	.198	.522	.109	-.084	.371	.086	.046	-.308	.248
Marketing employees in our organization devote time discoursing client's impending requirements with our other sections within the firm	.009	.775	.117	.293	.008	-.039	-.028	.076	-.047
We hold joint opportunity analysis on new product development process	.224	.531	-.073	-.222	.042	-.175	.556	.051	.197
The top management in our firm consistently analyses the rivals strengths and febleness	.055	.575	.119	-.005	.122	-.043	.184	.590	-.008

The firm's sales people share information about our clients and rivals consistently within the organization.	.321	.209	-.249	.110	.362	.344	.230	.201	-.364
Information on client fulfillment is disseminated at all ranks in our business at systematic intervals	-.116	.455	.438	.030	.231	.231	.285	-.049	-.220
There is negligible interaction between marketing and other sections within the firm regarding market changes	.064	.035	.144	.512	.128	.053	.521	-.058	-.382
Our marketing department sporadically distributes documents that deliver information on our consumers	.126	.020	.091	-.026	-.063	.160	.786	-.031	.140
We respond fast to our competitors product development initiatives	.082	.018	.174	.735	.023	.122	.143	.015	.203
It takes us long periods to adopt on how to react to our rivals price deviations	.059	.087	-.124	.795	.053	.032	-.223	.117	.012
We continuously review our products to certify that they comply with changing client needs and preferences	.106	.061	.187	.168	.190	.147	.187	.083	.675
All departments within our organization regularly hold meetings to react to variations in the business environment	.097	.243	.040	.197	.337	.631	.135	.054	.246
If a major rival were to introduce an rigorous program directed to our clients, we would immediately device a reaction strategy	.074	-.098	.233	.102	.210	.716	.086	.146	-.008
We respond to customer complaints in a coordinated manner	.031	-.043	.337	.015	.705	.140	.084	-.044	-.009
When we discover that our clients would like us to alter products or services, the concerned subdivisions take intensive efforts to do so	.081	.087	.017	.094	.774	.175	-.125	.192	.113
The product lines are subject to in-house politics than actual market wants	.108	-.069	.043	.073	.068	.148	-.087	.770	.065

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

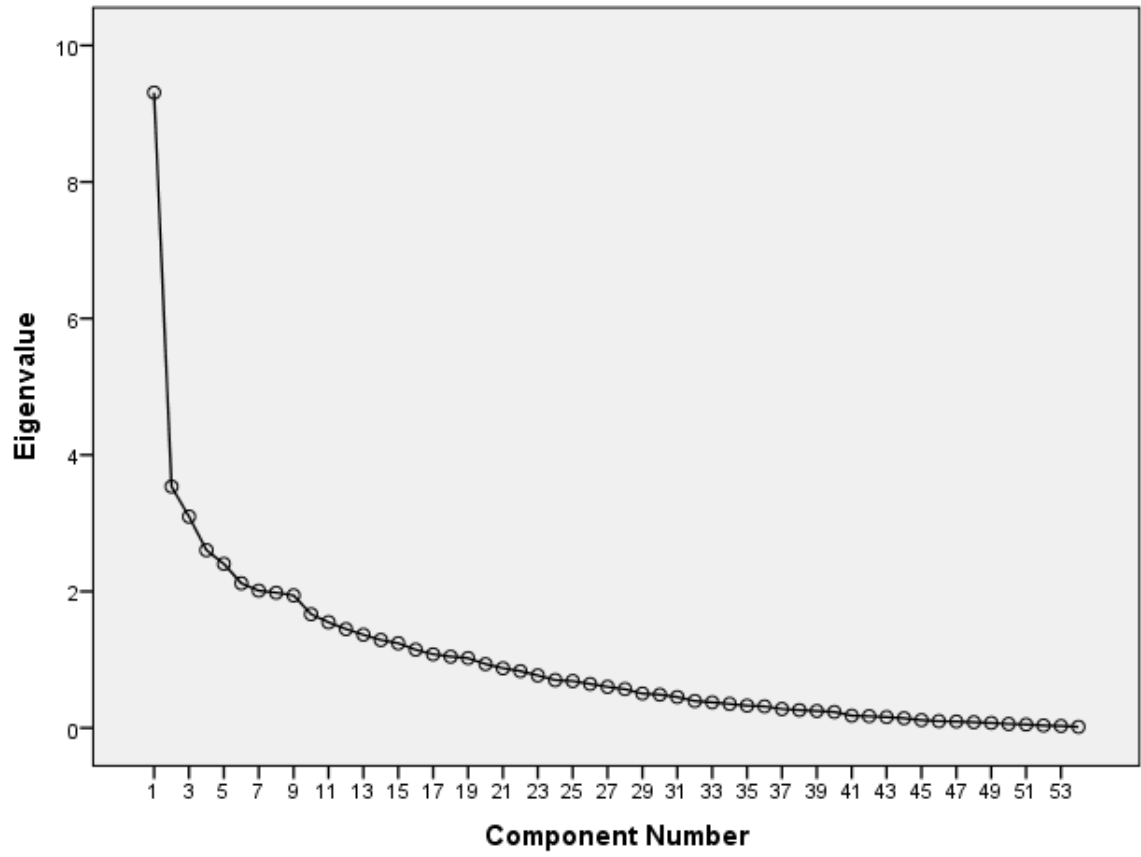
a. Rotation converged in 17 iterations.

Factor analysis results for Firm Performance

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.310	17.241	17.241	9.310	17.241	17.241	3.621	6.705	6.705
2	3.537	6.550	23.791	3.537	6.550	23.791	3.035	5.620	12.325
3	3.097	5.735	29.525	3.097	5.735	29.525	3.018	5.589	17.914
4	2.605	4.824	34.349	2.605	4.824	34.349	2.738	5.070	22.985
5	2.404	4.452	38.801	2.404	4.452	38.801	2.721	5.039	28.024
6	2.119	3.924	42.725	2.119	3.924	42.725	2.614	4.841	32.864
7	2.011	3.724	46.449	2.011	3.724	46.449	2.416	4.474	37.338
8	1.982	3.670	50.119	1.982	3.670	50.119	2.414	4.471	41.809
9	1.942	3.596	53.715	1.942	3.596	53.715	2.216	4.103	45.912
10	1.667	3.087	56.802	1.667	3.087	56.802	2.210	4.092	50.004
11	1.548	2.867	59.669	1.548	2.867	59.669	1.982	3.671	53.675
12	1.448	2.682	62.350	1.448	2.682	62.350	1.973	3.655	57.329
13	1.365	2.528	64.878	1.365	2.528	64.878	1.946	3.604	60.933
14	1.289	2.386	67.264	1.289	2.386	67.264	1.862	3.449	64.382
15	1.241	2.298	69.563	1.241	2.298	69.563	1.805	3.342	67.724
16	1.146	2.122	71.685	1.146	2.122	71.685	1.683	3.117	70.842
17	1.080	1.999	73.684	1.080	1.999	73.684	1.535	2.843	73.684
18	1.045	1.934	75.619						
19	1.023	1.895	77.513						
20	.935	1.732	79.245						
21	.874	1.619	80.864						
22	.833	1.542	82.407						
23	.769	1.424	83.830						
24	.700	1.297	85.127						
25	.686	1.271	86.398						
26	.644	1.193	87.591						
27	.601	1.114	88.705						
28	.568	1.052	89.757						
29	.503	.932	90.689						
30	.488	.904	91.593						
31	.453	.839	92.432						
32	.394	.729	93.162						
33	.375	.694	93.855						
34	.352	.652	94.507						
35	.327	.606	95.113						
36	.315	.584	95.697						
37	.277	.513	96.209						
38	.262	.485	96.695						
39	.249	.460	97.155						
40	.234	.434	97.589						
41	.179	.331	97.920						
42	.171	.317	98.237						
43	.159	.294	98.532						
44	.142	.263	98.795						
45	.114	.212	99.007						
46	.100	.184	99.191						
47	.094	.174	99.365						
48	.083	.154	99.519						
49	.073	.135	99.654						
50	.059	.108	99.762						
51	.049	.090	99.852						
52	.035	.065	99.917						
53	.028	.052	99.970						
54	.016	.030	100.000						

Extraction Method: Principal Component Analysis.

Scree Plot



	Component																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
We have loyal customers in our firm	.435	.129	.034	.063	.405	.019	.078	-.054	-.278	.093	-.348	-.009	-.054	-.233	.066	.072	.189
We often receive complimentary phone calls/letters/emails from our customers	.363	.057	.325	.042	.119	.237	-.210	-.283	.211	.159	-.188	-.058	.091	.073	.070	.272	.005
We generate new customers in our firm on a regular basis	.387	.152	.062	.063	.370	.330	-.049	.171	.174	-.177	.106	-.251	.051	-.206	-.126	.007	-.151
We have good structures to support customer relationship management	.370	.041	-.099	.378	.299	.213	.160	.231	-.213	-.038	-.050	.165	-.058	.141	.120	.134	-.034
We have repeat purchases from our customers	.363	.118	-.260	-.059	.480	.020	-.184	-.084	-.219	.082	.138	-.290	-.025	-.023	-.153	-.266	-.097
in our organization we get customers from referrals regularly	.509	-.184	.094	.016	.561	.161	-.016	.077	.019	-.042	.000	.120	-.172	.050	-.100	-.143	.045
Our customers stand with our firm in difficult times	.465	-.260	-.060	-.147	.303	.043	.110	.434	-.051	-.115	.065	-.195	-.255	.293	.023	-.058	.071
Our customers talk positively about our products to other customers	.544	-.007	-.383	-.054	.132	.235	-.037	-.042	.050	.124	-.030	.154	.202	.012	-.122	-.022	-.121
Our customers are always proud of the quality of our service	.405	.087	-.319	-.367	.312	.120	.078	.152	.184	.319	.005	.095	.087	.013	-.125	-.144	-.075
Employees of this firm make personal sacrifices if it were important for the firm's well being	.140	-.058	.059	-.207	-.224	.171	.271	-.026	-.419	.372	.228	.059	.292	.338	-.063	-.036	-.035

The connections between the firm and its workers are weak	-.013	.155	.074	-.023	.098	.350	-.049	.111	.325	.310	.250	.182	-.367	.242	-.162	.091	.205
Generally, workers are proud to work for this firm	.351	.051	.248	-.240	-.167	.238	.194	-.261	.037	-.202	.261	.222	-.126	-.081	-.131	.216	-.106
Our employees have little or no commitment for this firm	.128	.054	-.009	.066	.316	.024	.667	.093	.055	-.073	-.183	.145	.005	.021	.271	.139	-.064
Employees feel as though their future is closely connected to that of this firm	.311	-.122	.215	-.457	.063	.063	-.051	.127	.174	-.072	-.070	.457	-.042	.237	-.126	.073	-.171
Employees often go above and beyond the call of duty to ensure the well-being of our firm	.398	-.016	-.120	-.260	-.092	.278	.150	.035	.089	-.506	.077	-.174	.261	.118	-.128	.083	.102
We have lower employee turnover than that of our competitors	.252	-.057	.353	-.193	-.168	.330	.036	-.093	-.241	-.334	.246	.253	.104	-.153	.032	-.041	.304
Our employees are highly motivated	.237	-.277	.503	.012	-.016	.080	-.090	.401	.083	.052	.195	-.065	-.012	-.122	.255	.016	.203
Our employees share common goals with those of our company	.333	-.204	.439	-.002	-.158	.051	-.046	.089	.006	.026	-.186	.005	.019	.128	.225	-.235	-.033
We don't have repeat customers in our firm	.443	-.329	.389	-.333	-.038	.068	-.024	.104	.038	.015	.058	-.152	.130	.170	.213	.061	-.201
We promptly respond to our customer needs	.378	-.311	.084	.170	-.183	.181	.208	-.209	.342	.056	-.269	-.054	-.133	.022	-.094	-.069	-.135
Our customers feel safe in their transaction when dealing with us	.344	-.024	.146	-.304	-.020	.157	.438	-.303	.384	.227	.013	-.110	.006	-.075	.036	-.099	.060
We enjoy committed customers in our firm	.466	.018	-.021	-.240	-.154	.002	.323	-.367	.189	-.054	-.034	-.405	-.122	.061	.004	-.097	.125

The mission statement, and other official papers offer the purpose for the business survival.	.459	-.206	-.375	-.083	-.254	.298	-.058	-.031	-.068	.103	-.228	-.112	.153	-.180	-.093	.137	-.055
The mission is operationalized through our current training program aims, goals and actions	.310	-.428	-.257	-.066	-.326	.010	-.241	.300	.065	.151	-.152	.030	.068	-.105	-.292	.191	-.106
Objective and subjective pointers are used to capture the principle of our mission	.456	-.441	-.346	.105	-.272	.097	.113	.264	-.006	.216	.067	.077	.017	-.070	-.022	.119	.018
An arrangement is in place to measure effectiveness of our firm	.580	-.364	-.281	-.108	-.169	.180	-.012	-.088	-.254	.077	.063	.067	-.290	.030	-.032	-.170	-.077
Our firm closely monitors its effectiveness	.443	-.207	-.405	-.292	-.003	.199	.080	-.056	-.346	-.029	.179	.100	-.134	-.075	.151	-.010	.125
The firm uses feedback to improve itself	.584	-.230	-.162	.094	.165	.113	-.021	-.194	.017	.126	.177	-.063	.045	-.192	.173	-.185	.014
Our products and services are highly rated	.567	-.006	-.301	.233	-.142	.214	-.167	.074	.189	-.233	.038	.004	-.114	.092	.010	-.167	.213
We are able to meet all our customers' needs	.438	-.366	.187	.381	.003	.073	-.238	-.216	.119	.089	.167	.049	-.169	-.068	.022	.068	.057
The mission is well-known and approved by our employees	.448	-.387	.002	.347	-.099	.313	-.055	-.088	-.108	.276	.103	-.027	.262	-.036	.228	.057	.122
We make best use of our staff members to the best of their abilities	.532	.026	-.077	-.055	-.282	.027	.154	.021	-.005	-.222	.176	.025	-.230	-.357	.150	.008	-.182
We make maximum use of physical facilities (building etc.)	.020	.404	-.388	.005	.117	.024	-.252	.048	.238	-.003	.143	-.016	.244	.245	.394	.189	-.039

We make optimum use of financial resources	.481	.367	-.203	-.036	.074	.360	.086	-.282	-.070	.077	.169	-.115	-.023	.219	-.028	.178	.094
We monitor timelines of service delivery	.244	.329	-.320	-.133	-.134	.193	.219	.406	.281	-.122	-.028	.063	.110	-.205	-.033	-.010	.066
Superior managerial systems are in place to support efficiency of the firm	.430	-.048	-.007	.425	-.140	.299	.334	.191	.030	-.008	-.099	-.081	-.120	.272	-.031	.204	.030
Yard stick contrasts are made of the development attained in our firm	.565	-.043	-.143	.084	-.040	.313	-.389	.059	.208	-.147	-.064	.033	.067	-.019	-.101	.146	.294
We don't have idle capacity in our organization	.402	.027	.363	.246	-.012	.343	-.061	.014	.047	-.152	-.097	-.093	.043	.097	-.365	-.043	-.176
We retrench when there is no much work	.319	.443	.173	.227	.022	.247	.124	.166	.219	.146	.310	.146	.177	-.234	.057	-.128	-.192
Our firm carries our stakeholders satisfaction survey on regular basis	.326	-.093	.326	.245	.058	.373	.013	-.085	-.199	.140	.256	-.139	.156	.101	-.256	.048	.001
Our firm introduces new products and services regularly	.134	.328	.195	.469	-.131	.300	.272	.016	-.182	.062	.044	-.016	-.162	-.068	-.287	.044	.023
We monitor changes in partner/stakeholders attitudes	.465	.377	-.064	.274	-.141	.141	.112	.085	-.154	-.157	.047	.213	.145	.110	-.089	-.097	.219
Our firm screens its reputation regularly	.503	.029	-.055	.435	.085	.181	-.040	-.128	-.016	-.197	.083	-.065	.124	.018	.119	-.062	-.249
The firm creates or adapts to novel technologies	.203	-.419	-.008	.223	.280	.204	.177	-.179	.081	-.055	-.150	.358	.216	-.064	.028	.107	-.043
We regularly monitor and adapt to the business environment	.429	.274	.012	.151	-.401	.146	-.177	.097	.281	.047	.154	-.040	-.120	.204	.224	-.196	-.175

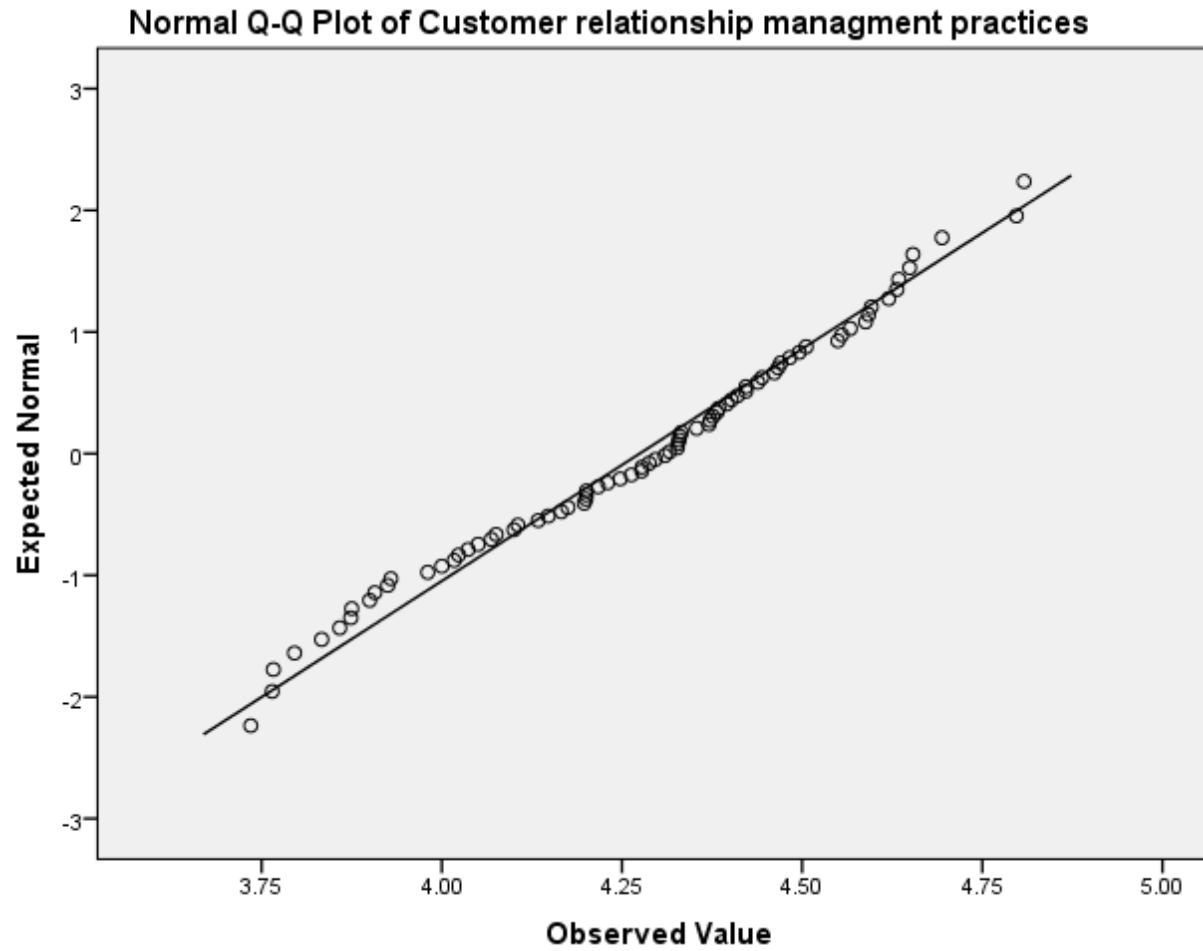
Our products and services reflect changing customer needs and wants	.415	-.278	-.011	-.143	.259	.222	-.198	-.293	.033	-.349	.037	.001	-.058	.048	.039	.247	-.119
Our firm monitors finances on a regular basis	.498	.218	-.015	.049	-.065	.148	-.050	-.218	.251	.029	-.263	.204	.153	.042	-.066	-.329	.289
We have more assets than liabilities	.571	.426	.126	-.201	-.027	.015	-.336	-.213	-.236	.007	-.043	.205	-.054	.111	.045	.046	-.020
Our firm keeps a reasonable cash flow to use during difficult times	.529	.554	-.011	-.044	-.142	.088	-.012	-.152	-.092	.116	-.040	.128	.052	-.060	-.002	.074	-.162
Our firm consistently has more revenue than expenses	.538	.390	.038	-.026	-.159	.137	-.145	.169	-.274	-.028	-.123	-.048	-.263	-.084	.067	.070	-.230
Our firm diversifies levels of funding sources	.425	.328	.115	-.145	-.124	.072	-.086	.023	-.140	.194	-.457	-.044	-.255	-.040	.201	.077	.102
Our firm rarely gets short/long term loans from financial institutions	.384	-.067	.318	-.090	-.070	.103	-.026	.209	-.247	-.191	-.313	.005	.256	.108	-.007	-.338	-.075
Our staff are among the best paid in this industry	.380	.084	.475	-.235	.203	.115	-.119	.212	.075	.242	.104	.085	.010	-.308	-.077	.022	.059
We pay our suppliers on time	.513	.244	.228	-.209	-.012	.043	.048	.220	-.077	.083	-.021	-.401	.193	-.060	-.065	.270	.174

Extraction Method: Principal Component Analysis.

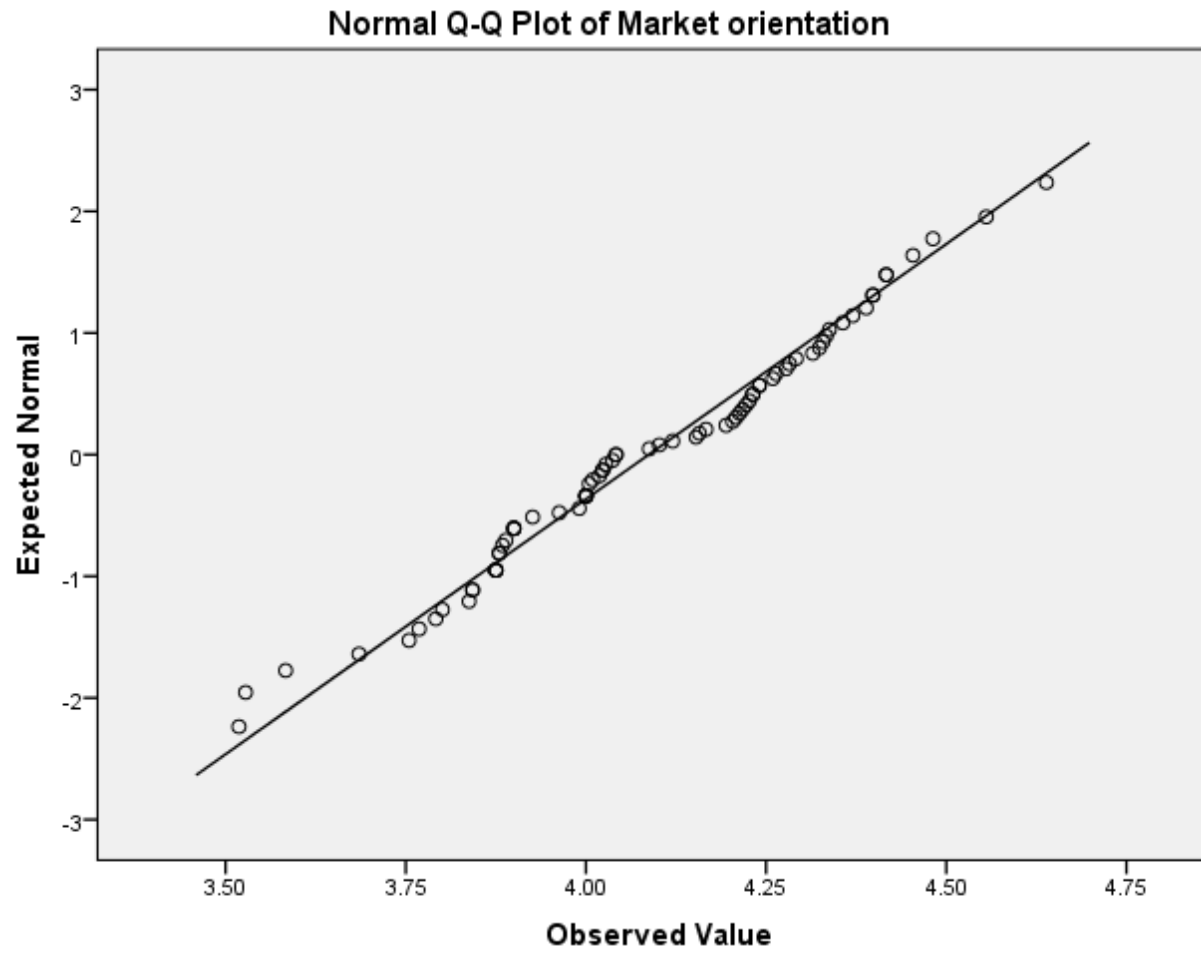
a. 17 components extracted.

Appendix VIII: TESTS FOR REGRESSION ANALYSIS ASSUMPTIONS

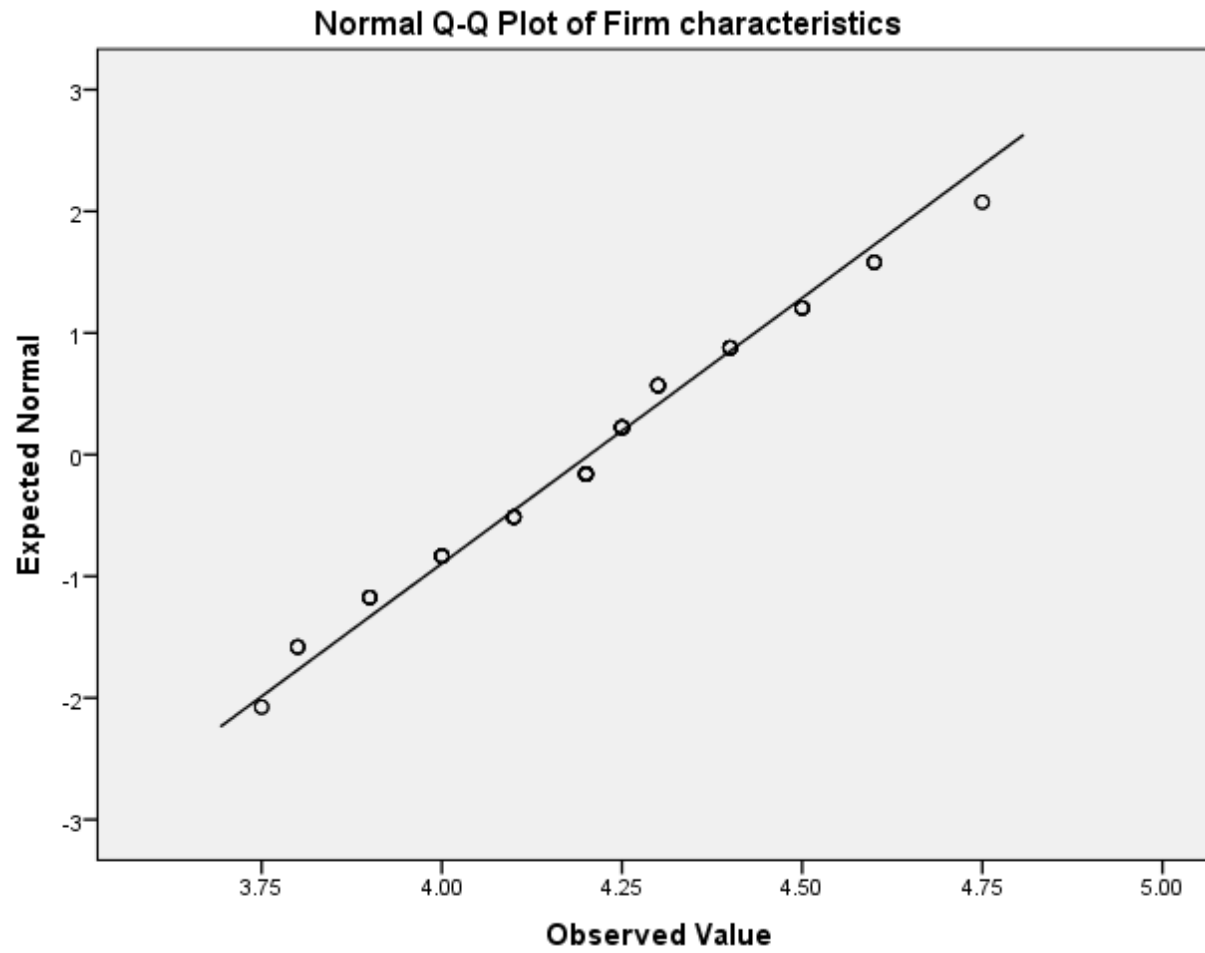
Q-Q plot of Customer Relationship Management Practices



Q-Q plot of Market Orientation



Q-Q plot of Firm Characteristics



Q-Q plot of firm performance

