FACTORS ENHANCING THE GROWTH OF CUSTOMER RELATIONSHIP MANAGEMENT.

THE CASE OF SAFARICOM CORPORATE CUSTOMERS WITHIN NAIROBI.

BY
KARANJA GRACE WAMAITHA
L50/60491/2010

A PROJECT REPORT IN PARTIAL FULFILMENT FOR THE REQUIREMENTS OF THE MASTER OF ARTS DEGREE IN PROJECT PLANNING AND MANAGEMENT OF THE UNIVERSITY OF NAIROBI

2013

DECLARATION

I, the undersigned declare that this project report is my original work and it has never been submitted to any other University or Institutional of higher learning for the award of academic credit.

Signature:…………………………   Date:…………………………..

Karanja Grace Wamaitha

L50/60491/2010

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

Signature:………………………..   Date:……………………………

Dr. Guantai Mboroki

Senior Lecturer, School of Continuing and Distance Education

University of Nairobi

ACKNOWLEDGEMENTS

I must express my sincere thanks first to my supervisor, instructor and mentor, Dr. Mboroki Guantai for his guidance and patience while undertaking this project and to all my colleagues who have made this project possible. Many have encouraged me to keep going, and in particular, I am grateful to those who have so freely shared with me their own experiences in project writing.

Special thanks must go to my beloved parents. Mr. and Mrs. Karanja and siblings, Mary and Judy who invested many word processing hours so willingly and efficiently.

My own warmest thanks goes to all my friends Sandra and Stephen and to my colleagues, Samuel and Elvis who read the project and through these they came up with comments and words of wisdom which have been very useful in developing this project.

I acknowledge with deep gratitude the various libraries, the Safaricom's Resource Centre and University of Nairobi library for the various resources they provided.

I am grateful to God from whom all good things come. I thank Him for blessing me with all physical, mental and spiritual resources that I needed to write this project.

DEDICATION

I dedicate this project to my family and friends. Also, to the youth, the future and hope for human kind.

TABLE OF CONTENTS

CHAPTER TWO

LITERATURE REVIEW 6

CHAPTER THREE

RESEARCH MEHODOLOGY 51

LIST OF FIGURES

LIST OF TABLES

ABSTRACT

Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value.

Due to the competition arising from liberalization of telecommunication services in Kenya, Safaricom as a mobile services provider needs to develop strategies on ways it can enhance growth of customer relationship management for its corporate clients to make it more competitive and attractive. The interest in focusing on long-term and profitable customers and the need to better understand their behaviours have changed the view of marketers about the marketplace. Traditionally, they have been trying to acquire new customers and the currently other firm's customers, which needed heavy price-oriented promotions and mass advertising rephrase. Today, customers have access to a variety of services and products and when their needs are not easily met; by one player they can choose those companies that provide them the level of services that they require. Many studies show that the cost of acquiring new customers is six times much greater than the cost that firms pay for retaining current ones. (Ang & Buttle, 2006).

The study assessed to find out the factors which enhance the growth of customer relationship management in Safaricom's corporate customers. The study employed descriptive method and utilize both quantitative and qualitative data. In order for Safaricom to respond to the key findings of this study, there is need for Safaricom to reduce the cost of its products and services i.e on voice and data products, adhere strictly to the Service Level Agreement with its corporate customers(SLA), improve on the network coverage, improve on speed especially at the retail outlets, introduce more loyal programs and enable new customers to enjoy loyalty programs like the bonga matrix, enable more simplicity in terms of procedures within the company noting that simplicity is one of the core values within the business and improve on the postpay billing timelines, since customers frequently experience this monthly Also, employees within the company stated that frequent training is important so that they can be equipped with more skills, learn on the right escalation matrix within the company and understand fully the company's products and services. However Safaricom should also note that most of the respondents rated it to be the best in innovation and its good reference of availability of products and services.

CHAPTER ONE

Introduction

This chapter presents the background of the study, statement of the problem that shows the research gap, purpose and objectives of the study. It also provides the research questions and significance of the study, basic assumptions, and limitations/delimitations, organization of the study and definition of terms used.

1.1 Background of the study

The foundation for customer relationship management (CRM) was laid during the 1980s. During this time, it was referred to as being database marketing. The term "database marketing" was used to refer to the procedure of creating customer focus groups that could be used to speak to some of the customers of the company (Cook S. 2000). The clients who were extremely valued were pivotal in communicating with the firm, but the process became quite repetitive, and the information that was collected via surveys did not give the company a great of information. Even though the company could collect data through surveys, they did not have efficient methods of processing and analyzing the information. As time went on, companies begin to realize that all they really needed was basic information. They needed to know what their customer purchased, how much they spent, and what did with the products they purchased.

The 1990s saw the introduction of a number of advances in this system. It was during this time that term Customer relationship management was introduced. Unlike previous customer relationship systems, CRM was a dual system. Instead of merely gathering information for the purpose of using for their own benefit, companies started giving back to the customers they served. Many companies would begin giving their customers gifts in the form of discounts, perks, or even money. The companies believed that doing this would allow them to build a sense of loyalty in those who brought their products (Cook S. 2000).

Customer relationship management concept became very popular during the 1990s in Africa. It offered long term changes and benefits to businesses that chose to use it. The reason for this is because it allowed companies to interact with their customers on a whole new level. While CRM is excellent in the long term, those who are looking for short term results may not see much progress (Dick 1994).

Therefore, Customer relationship management is the system that is responsible for introducing things such as frequent flyer gifts and credit card points. Before CRM, this was rarely done. Customers would simply buy from the company, and little was done to maintain their relationship. Before the introduction of CRM, many companies, especially those that were in the Fortune 500 category, didn't feel the need to cater to the company. In the minds of the executives, they have tremendous resources and could replace customers whenever it became necessary. While this may have worked prior to the 1980s, the introduction of the Information Age allowed people to make better decisions about which companies they would buy from, and

global competition made it easier for them to switch if they were not happy with the service they were getting (Guenther, 2005).

Today, Customer relationship management is being used to achieve the best of both worlds. Companies want to maintain strong relationships with their clients while simultaneously increasing their profits. The CRM systems of today could be called "true" CRM systems. They have become the systems that were originally envisioned by the pioneers of this paradigm. Software companies have continued to release advanced software programs that can be customized to suit the needs of companies that compete in a variety of different industries. Instead of being static, the information processed within modern CRM systems is dynamic. This is important, because we live in a world that is constantly changing, and an organization that wants to succeed must constantly be ready to adapt to these changes (Guenther, 2005).

'Safaricom is the leading mobile operator in Kenya' former Safaricom CEO Michael Joseph. It has a wide range of affordable and state - of the art services accessible to as many people as possible throughout the country. Network roll-out, innovative products and services and value added services demonstrating the company's capacity and ability to deliver in the fast growing telecommunication market (Adelaar 2005).

Safaricom was formed in 1997 as a fully owned subsidiary of Telcom Kenya. In May 2000, Vodafone group of the United Kingdom, the world's largest telecommunication company, acquired a 40% stake and management responsibility for the company(Adelaar,2000). Its main competitors are Airtel Kenya, Essar's YU and Orange wireless. The introduction of new players in the Kenyan mobile market has created strong competition. These rivals have been using various strategies to win a large percent of customers in the market for example reducing costs on voice calls, Yu introducing free calls to its subscribers, introduction of low data rates as a strategy used by Orange wireless to capture heavy internet users.

Therefore, the purpose of this study is to establish the factors that would enhance growth of customer relationship management (CRM) in Safaricom for the purpose of gaining a competitive edge in the market and to cut down any churns by focusing on strong effective customer relationship management.

Winer (2001), argues that CRM is a business process that enables an organization to adopt a methodical manner of dealing with customers and their relationships on a bigger scale through its employees. Its aim is to increase profits, keep existing customers, gaining new ones and compete for customers on globalized market. It also builds strong, long-term relationships in such a way that both firms and the customer get the most of the exchange providing both parties with long term benefits.

Customer relationship management is an ever-evolving area. Keeping up with trends is absolutely critical to staying in the game. Most companies are constantly seeking newer, more effective and cost efficient customer care techniques to engage both existing and potential customers. A few years back, front office customer care was seen to be ineffective as people at the front desk were not knowledgeable about the customer's needs and one seeing the top manager(s) was a problem either because of the company's beauracratical structure as a result of the different roles in the organization's hierarchy. But nowadays things are different. A company like Safaricom is gearing up to serve its customer efficiently and effectively through its diverse management style that it operates in, that is, democratic management style dubbed as Safaricom 2.0. (http://safintranet/index.php?id=435).

This management style aims at building customer loyalty which involves building and sustaining a relationship with a customer which leads to the repeated purchase of products and services over a given period of time. This customer base allows the company to devote their energies to other business matters.

1.2. Statement of the problem

Research shows the same result such as slight increase in customer retention rates results in substantial growth in income of firms. Companies try to use unique strategies to retain their current customers instead of customer acquisition which needs more investments.

Researchers argue that the profit loyal customers generate, is over twice more than the profit generated by new ones (Winer, 2001). To maintain this, new and different tools and mindset are

required (Winer, 2001). Also considering human and organizational resources as much as technological capabilities is necessary to manage good relationships with the customers (Keramati et al., 2008).

But Safaricom is focused more in acquiring new customers instead of retaining the existing for the purpose of increasing its market share as well as increasing its profits as a result of competition. (http://safintranet/Safaricom20/index.html). However, its guiding policy has touched on retaining its customers but in actual sense the implementation of this policy has not been fully effected. This study will therefore bring in question; how can a company enhance profitability through its customer relationship management, through a policy of acquisition of new customers instead of a policy that gears towards retention of existing customers.

1.3 The purpose of the study.

The purpose of the study was to investigate the factors that enhance the growth of CRM in Safaricom

1.4 The research objectives
The study was guided by the following objectives:-

1) To establish how customer satisfaction enhances the growth of CRM in Safaricom.
2) To establish how employee training enhances the growth of CRM in Safaricom.
3) To find out how customer acquisition enhances the growth of CRM in   Safaricom.

1.5 The research questions
The study pursued to answer the following research questions:-

1) How does customer satisfaction can enhance the growth of CRM for Safaricom corporate customers?
2) How does employee training can enhance the growth of CRM for Safaricom corporate customers?

3) How does customer acquisition can enhance the growth of CRM for Safaricom corporate customers?

1.6 The scope of the study

The study is going to cover the customer relationship management team within the Enterprise business unit department at Safaricom and their corporate clients within Nairobi.

1.7 Significance of the study.

The study contributed to the understanding of the factors that enhance the growth of CRM and recommends ways and means to improve on it.

Safaricom on the other hand would benefit by identifying factors that would promote growth in order to gain a competitive advantage over its competitors. The outcome of the study was also meant to benefit the employee's i.e the relationship management/ sales team as well as the customers.

The study also purposed to contribute to the existing marketing knowledge and will provide a basis for future research to those interested to do further research in areas of customer relationship management.

1.8 Limitations of the study.

The behaviors towards the research by some respondents in answering the questionnaires would have affected the outcome of the study. Fear among the employees of the victimization if they give untrue or negative picture of the subject in their organization but the researcher tried to overcome this by clearly confirming to the respondents that the information given was strictly confidential.. Also, misunderstanding of the questionnaires by the clients and the employees hence giving irrelevant or wrong information was overcome by taking the respondents through the questionnaire.

1.9 Basic assumptions.
In carrying out this study, the below three assumptions were taken into consideration.

1. That through effective customer care, there will be growth of customer relationship management.

2. That the information that will be given will be true.

3. That involvement of employees in decision making would make them have a sense of belonging and are motivated thus the quality of decision making and work also improves.

1.9.1 Delimitation of the study.

The study was focused on the corporate customers in Nairobi area. This is because most of Safaricom's platinum corporate customers are centralized in Nairobi; therefore this reflected a true picture of the other platinum customers in other urban areas.

1.9.2 Organizational of the study.

In this report, chapter one gives introduction to the study. Chapter two outlines review of literature focusing on key factors that enhance the growth of customer relationship management. Chapter three highlights research methodology relevant for this study. Chapter four deals with data analysis, presentation and interpretation, and chapter five focuses on the summary of

findings, discussion, conclusions and recommendations. Relevant references are also included together with relevant appendices.

1.9.3 Operational definition of terms.

Customer acquisition- is the process of acquiring new customers for business or converting existing prospect into new customers.

Customer retention- is the process of keeping a client's business rather than have the client use competitors' services or products.

Employee training- is the process of acquiring/developing the skills required in the diversification and competitiveness in the market for purpose of benefiting the employees and for the company.

External customer- this is an outside organization or individual that receives a product or a service from the company

Internal customer- these are people or groups of people within your company that receive or make use of the products and services produced by the company.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter, based on the research problem presented in the introduction chapter,

The chapter will review the essential part of the literature concerning CRM as well as investigate the factors that enhance growth of Customer relationship management. These are: Customer satisfaction, employee training and customer retention.

2.1 Concept of customer relationship management.

In the past three decades, due to liberalization and privatization the entire telecommunications industry has become a dynamic service industry subject to increasing competition with huge growth potential(Graack, 1996). In recent years, in some Asian countries the number of mobile subscribers even passed the number of fixed-line subscribers (Fink, et al 2003). Hence, the strategic behavior of telecommunications companies has attracted so much attention in recent years, both in the academic literature and in the popular press. In Bangladesh the scenario is not much different as its socioeconomic profile offers the industry a tremendous opportunity to expand. (Fink, et al 2003).

According to (Sharp & Sharp, 2002) currently the number of major telecommunications companies operating in Kenya is four but the aggressive competition has forced the incumbent telecommunications companies or mobile operators to reconfigure their strategy and business to sustain or improve their competitive advantage. In this emerging market customers are not that loyal to one particular private telecommunication company. Hence, the major private telecommunication companies forced to consider how to create a loyal customer base that will not be eroded even in the face of fierce competition.

Therefore, these telecommunication companies must realize the necessity of studying and understanding various antecedents viz. service quality, switching cost, trust, corporate image, and customer satisfaction) of customer loyalty which might help them to develop a loyal customer base (Sharp & Sharp, 2002).

High quality service helps to generate good customer relationship management and growth of market share by soliciting new customers, and improved productivity and financial performance; (Andereson, Fornell, & Lehmann, 2003). Customer relationship management (CRM) is now adopted as a necessity and its methods and experiences are applied in many industries because of its great role in becoming more customer focused to deal with the competitions between

companies and to retain their current and loyal customers to gain more profit and reduce the costs (Newell, 2000). Nowadays, CRM is one of the most growing trends in the telecommunication industry, especially in electronic environment and high investments have been spent on its technologies in order to keep the customers satisfied. In today's competitive markets, an aggressive competition between telecommunication industries is seen more than in the past. The applications of customer-centric strategies and programs of customer relationship management (CRM) help telecommunication companies to build long-term relationships with customers and result in increasing the firm's income. Therefore, in this sector, CRM is of strategic significance because of the effects it has on customer satisfaction and retention which is the final goal in any successful businesses (Blery 2006).

Boyle (1990), states that, the growth of CRM has enabled firms in coming up with better management strategies, overall cost reduction and enhancement of sales. CRM addresses customer responses and identifies the market trends and uses information to advocate marketing plans. As observed by (Sheth and Parvatiyar 1995), developing customer relationships has historical antecedents going back into the pre-industrial era. Much of it was due to direct interaction between producers of agricultural products and their consumers. Similarly, artisans often developed customized products for each customer. Such direct interaction led to relational bonding between the producer and the consumer. It was only after the advent of mass production in the industrial era and the advent of middlemen that interaction between producers and consumers became less frequent leading to transaction oriented marketing. In other words, the production and consumption functions became separated leading to the marketing functions being performed by middlemen, and middlemen, in general, are oriented towards economic aspects of buying since the largest cost is often the cost of the goods sold. (Sheth and Parvatiyar 1995),

According to (Baker 2007),in recent years however, several factors have contributed to the rapid development and evolution of CRM. These include the growing disintermediation process in many industries due to the advent of sophisticated computer and telecommunication technologies that allow producers to directly interact with end-customers. For example, in many industries such as the airline, banking, insurance, computer software, or household appliances industries

and even consumables, the de-intermediation process is fast changing the nature of marketing and consequently making relationship marketing more popular.

Bethke 1994 adds that databases and direct marketing tools give these industries the means to individualize their marketing efforts. As a result, producers do not need the functions formerly performed by middlemen. Even consumers are willing to undertake some of the responsibilities of direct ordering, personal merchandising, and product use related services with little help from the producers. The de-intermediation process and consequent prevalence of CRM is also due to the growth of the service economy. Since services are typically produced and delivered at the same institution, it minimizes the role of middlemen. Between the service provider and the service user an emotional bond also develops creating the need for maintaining and enhancing the relationship. It is therefore not difficult to see that CRM is important for scholars and practitioners of services marketing (Bethke 1994).

Customer Relationship Management (CRM) can be defined as the development and maintenance of mutually beneficial long-term relationships with strategically significant customers (Baker 2007). CRM according to (Gould, G., 1995) is an enhanced value process, which identifies, develops, integrates and focuses the various competencies of the firm to the 'voice' of the customer in order to deliver long-tern superior customer value, at a profit to well identified existing and potential customers. Shani and Chalasani (1992) have defined CRM as "an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value added contacts over a long period of time" (p. 44). Jackson (1985) applies the individual account concept in industrial markets to suggest CRM to mean, "Marketing oriented toward strong, lasting relationships with individual accounts"

Customer relationship management focuses on strengthening the bond between customers and the firm by maximizing the value of the relationship for the benefit of both the customer and the firm. As a business philosophy, CRM is based upon individual customers and customized products and services supported by open lines of communication and feedback form the participating firms that mutually benefits both by buying and selling organizations. The buying and the selling firms enter into a 'learning relationship', with the customer being willing to

collaborate with the seller and grow as a loyal customer (Bendapundi 2002). In return, the seller works to maximize the value of the relationship for the customer's benefit. With the objective of most businesses today being to create and maintain loyal customers at a profit, CRM provides the platform for seeking competitive advantage by embracing customer needs and building value-driven long-term relationship. Whereas (Shahin &Nikneshan, 2008) add that, CRM has attracted the expanded attention of practitioners and scholars. More and more companies are adopting customer-centric strategies, programs, tools, and technology for efficient and effective customer relationship management. They are realizing the need for in-depth and integrated customer knowledge in order to build close cooperative and partnering relationships with their customers.

Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value. According to (Doyle and Roth 2001), Customer relationship management enables an organization to work in a competitive environment and manage to supersede competitor efforts with its customer centric approach. It carefully studies customer attitudes and ingrains customized approaches in the business activities. It is gaining importance as a management tool globally and is ranked as the second most important management tool. On account of CRM benefits, its position as the customer centric strategy of the decade is slowly gaining ground. Despite the huge costs involved companies prefer to opt for it on account of the tremendous benefits of CRM.

Elsewhere (Ang & Buttle, 2006) add that CRM is about creating the process that promotes longer more beneficial customer relationship. Creating beneficial customer relationships entails a better knowledge of customers. Analysis of a given customer's profile and every interaction with that customer will provide predictive information on his or her behaviour and how he or she prefers to be treated. Only after this has been completed, will a company be prepared to personalize that customer's experience through all customer touch points. The purposes of CRM are to boost profitability, revenue, and customer satisfaction. A company wide set of tools,

technologies, and procedures support the association with the customers to raise sales. CRM is primarily a strategic business and process issue rather than a technical issue.

According to (Shahin &Nikneshan 2008), CRM consists of three components:

Customer – The customer is the only source of the company's present profit and future growth. However, a good customer, who supplies more profit with less resource, is always limited since customers are well informed and the competition is fierce. Information technologies can provide the abilities to distinguish and manage customers.

Relationship – The relationship between a company and its customers involves continuous bi-directional communication and interaction. The relationship can be short-term or long-term, continuous or discrete, and repeating or one-time. Relationship can be attitudinal or behavioral. Even though customers have a positive attitude towards the company and its products, their buying behavior is highly situational.

Management – CRM involves continuous corporate change in culture and process. The customer information collected is transformed into corporate knowledge that leads to activities that take advantage of the information and the market opportunities. CRM requires a comprehensive change in the organization and its people.

Ang & Buttle(2006), discuss that, the starting point of a relationship involves a deep understanding of why customers would want a relationship with you as a provider of value. The answer, stated simply, is that a sustained relationship with you must itself provide additional value to the customer. The growing adoption of a customer relationship management system is evidence that more and more providers are trying to put the customer's interest at the heart of their business by integrating marketing, customer support, and other functions to maximize added value in a dialogical relationship. CRM is a holistic approach to the generation, production and representation of a value-creation system (marketing, customer service and logistics).

The aim is to move the supply chain nearer to the customer to link customer needs and more directly into the management of supplies, design, manufacturing, packaging, transport, and the ultimate purpose of all this – profitable exchange. The technology captures and provides

information about interaction history, enabling a consistency of experience for valuable customers in all interactions – inquiry, order, delivery, maintenance, upgrade and so on. CRM systems can send customers reminders about essential servicing and tailored offerings based on past trading history and personal information profiles (Ang & Buttle, 2006). Customer relationship management is built on relationship marketing philosophy and redefines the relationship between companies and their customers. Some researchers have defined CRM as a competitive strategy companies adopt to focus on their customer's needs, but others regard it as a discipline to concentrate on development and automation of business process in companies. However, despite the variety of definitions of CRM, they all intend to build customer relationship to create superior value for both the customers and firms (Shahin &Nikneshan, 2008). Today, companies have realized that the cost of acquiring new customers is far greater than the cost of retaining existing profitable customers. Therefore, with the help of CRM strategies, they are trying to build better and customized relationships with existing customers in order to increase customer satisfaction and build customer loyalty (Ang & Buttle, 2006).

Elsewhere, (Winer 2001) considers the customer retention as the final goal of firms practicing CRM programs. He suggests that if firms want to deliver their customers the performance they expect, a comprehensive set of relationship programs is a necessity. He implies that these programs include customization, service quality, customer service, rewards programs, community building, and loyalty programs. The emergence of new channels and technologies is significantly altering how companies interface with their customers, a development bringing about a greater degree of integration between marketing, sales, and customer service functions in organizations. For practitioners, CRM represents an enterprise approach to developing full-knowledge about customer behaviour and preferences and to developing programs and strategies that encourage customers to continually enhance their business relationship with the company. (Winer 2001)

2.1.1 The benefits of effective customer relationship management.

Dimitriadis and Stevens (2008), state that the popularity of CRM is due to its fundamental and increased focus on customers. CRM benefits include:

- its ability to help to ensure excellent customer service as it is aware of customer needs and is able to react to them effectively.

- It enables an organization to anticipate and respond to its customers needs in the right way.

- It is a business strategy that applies to almost every organization; therefore almost all organizations stand to gain from its use.

- Customers are motivated to return again and again as they receive good customer service and continue to do business

- Since acquiring a new customer is far more costly than retaining an existing customer more and more companies are turning to CRM as it is able to achieve this. Companies need this in order to stay competitive.

- Many forms of advertising are not as effective as they need to be. CRM enables a company to target their audience more precisely and gain customer retention, all at a lesser cost. CRM helps your business as it lets you do more for your customer and gain more from them.

- CRM delivers company-wide access to customer information.

- Using CRM applications can lead to increases in revenue from almost all areas.

- Reductions in operating costs is a by product of CRM implementation.

- Simplification of marketing and sales processes is achieved in organizations implementing CRM by their understanding of customer needs

- Better customer service is achieved through improved responsiveness and understanding. This builds customer loyalty and decreases customer loss.

- CRM enables a company to build a database about its customers so that management, salespeople etc could access information, match customer needs with plans and offerings, render better customer service etc.

- It enables an organization to create detailed profiles such as customer likes/dislikes etc.

- CRM gains the trust of customers by meeting their needs in a more personalized way.

- CRM delivers personalized, informed service that customers expect. This is because of a system that contains and provides a complete profile of the customer, including all past and present behaviour patterns.

- A higher percentage of cross-selling is possible in companies opting for CRM

- With globalization CRM offers companies a chance at increased customer loyalty, higher margins and customer retention
- Companies achieve more success in attracting new customer on account of their quicker and more efficient responses to customer leads and customer information.
- CRM helps an organization to develop better communication channels
- CRM helps an organization to collect vital data, like customer details etc. This data can be used for customer interaction.
- Companies opting for CRM find it easy to identify new selling opportunities.
- The traditional systems used by Customer Service, Sales and Marketing can now be done away with and the gaps filled with CRM implementation

2.2 Customer satisfaction towards enhancing growth of customer relationship management.

According to (Payne 2005), customer satisfaction refers to the extent to which customers are happy with the products and services provided by a business. Customer satisfaction measures how well a company's products or services meet or exceed customer expectations. These expectations often reflect many aspects of the company's business activities including the actual product, service, company, and how the company operates in the global environment. Customer satisfaction measures are an overall psychological evaluation that is based on the customer's lifetime of product and service experience.

Gaining high levels of customer satisfaction is very important to a business because satisfied customers are most likely to be loyal and to make repeat orders and to use a wide range of services offered by a business (Payne 2005). Knowing what your customer wants then makes it possible to tailor everything you do to pleasing the customers e.g. providing the goods that customers want, in the packaging that they want, in retail outlets which are convenient to use and well placed creating good customer relationship management (Dimitriadis and Stevens 2008).

Many researchers have looked into the importance of customer satisfaction. Kotler (2000) defined satisfaction as: "a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations".

Hoyer and MacInnis (2001), said that satisfaction can be associated with feelings of acceptance, happiness, relief, excitement, and delight. In order to achieve customer satisfaction, organisations must be able to satisfy their customers' needs and wants (La Barbera and Mazursky, 1983). Customers' needs state the felt deprivation of a customer (Kotler, 2000). Whereas customers' wants, according to Kotler (2000) refer to "the form taken by human needs as they are shaped by culture and individual personality".

There are many factors which lead to high levels of customer satisfaction including: Products and services which are customer focused and hence provide high levels of value for money, customer service giving personal attention to the needs of individual customers and after sales service, that is, following up the original purchase with after sales support such as maintenance and updating (for example in the updating of computer packages).

What is clear about customer satisfaction is that customers are most likely to appreciate the goods and services that they buy if they are made to feel special. This occurs when they feel that the goods and services that they buy have been specially produced for them or for people like them (Bakos and Dellarocas, 2002). According to (Domingo and Hui 2003), customer satisfaction is the key to success. You want customers to be happy with the products and services you provide. If they feel they have received good value for their money, your business will prosper. Getting your customers to tell you what's good about your business, and where you need improvement, helps you to be sure that your business measures up to their expectations.

In today's highly competitive environment, companies need an extra edge, and many `have found that high quality customer service can make the difference in winning and retaining customers or losing them. Research shows that organizations which employ customer satisfaction research that goes beyond customer satisfaction, loyalty and retention measurements to identifying and measuring perceived customer value can deliver much more return for their research investment (Domingo and Hui 2003). In addition, (Fournier and Yao 1997) state that, ccustomer satisfaction measurement can help you to maintain or gain competitive advantage by identifying areas for improvement. If customer satisfaction survey results are acted upon, the end result should be increased trial (generated by positive word-of-mouth advertising), and, of course, increased customer retention. Improved service levels can increase the value of your services to the customer; thereby reducing the role that price plays in the value equation. Customer satisfaction levels can be measured using survey techniques and questionnaires. By determining which

factors produce the highest perceived value by customers, research can provide the knowledge to both correct deficiencies in today's customer service and assist in building high value strategic, customer service offerings for the future. The Customer Satisfaction survey questionnaires can help you learn about the perceived value of services and how your company stacks up against its primary competitors in delivering on the critical value factors (Dimitriadis and Stevens 2008)

The Customer Satisfaction survey program should focus on measuring customer perceptions of how well your organization delivers on the critical success factors and dimensions of the business as defined by the customer; for example, service promptness, courtesy of staff, responsiveness, understanding of the customer's problem, etc (Gefen, 2002). In addition, don't forget to follow up on the comments you receive. If you have to change a procedure, tell an employee how you want things done, pick a new delivery service, do it. And advertise the fact that you did. Send thank you notes to the customers whose comments caused you to make a change. Let them know that you can do an even better job because they took the time to help you improve.

Building and deploying a customer satisfaction survey solution is simple and fast. The Survey team will work with you to identify key elements of your customer interactions which need to be analyzed, and develop a question set to measure your customer's perceptions of these key elements (Gefen, 2002). The entire process is web based, allowing easy and fast access for your customers and quick response for your organization. Responses will be automatically calculated and presented in an easy to read format in real time, enabling you to prioritize and focus on those areas of your business which need development. (Gould, G., 1995).

2.2.1 Satisfaction Measurement for better customer relationship management.: Overall Measures of Satisfaction.

According to Avlonitis and Karayanni,(2000), ssatisfaction measures involve three psychological elements for evaluation of the product or service experience: cognitive (thinking/evaluation), affective(emotional-feeling/like-dislike) and behavioral(current/future actions). Customer satisfaction usually leads to customer loyalty and product repurchase. But measuring satisfaction

is not the same as measuring loyalty. Satisfaction measurement questions typically include items like: An overall satisfaction measure (emotional): how satisfied are you with 'product A"?

Satisfaction is a result of a product related experience and this question reflects the overall opinion of a consumer's experience with the product's performance. Note that it is meaningful to measure attitudes towards a product that a consumer has never used, but not satisfaction for a product or brand that has never been used.

a) A loyalty measure (affective, behavioural): Would you recommend "product A" to your family and friends?

b) A series of attribute satisfaction measures (affective and cognitive): How satisfied are you with the "taste" of product A? How important is "taste" to you in selecting this product?

   Satisfaction and attitude are closely related concepts. The psychological concepts of attitude and satisfaction may both be defined as the evaluation of an object and the individual's relationship to it. The distinction is that satisfaction is a "post experience" evaluation of the satisfaction produced by the product's quality or value. (Scott 2007),

c) Intentions to repurchase (behavioral measures): Do you intend to repurchase product A?

   Satisfaction can influence post-purchase/post-experience actions other than usage (such as word of mouth communications and repeat purchase behavior). Additional post-experience actions might include product or information search activity, changes in shopping behavior and trial of associated products.(Scott 2007).

As shown in Figure 1 below, customer satisfaction is influenced by perceived quality of product and service attributes, features and benefits, and is moderated by customer expectations regarding the product or service. Each of these constructs that influence customer satisfaction need to be defined by the researcher (Scott 2007).

Figure 1: Customer satisfaction
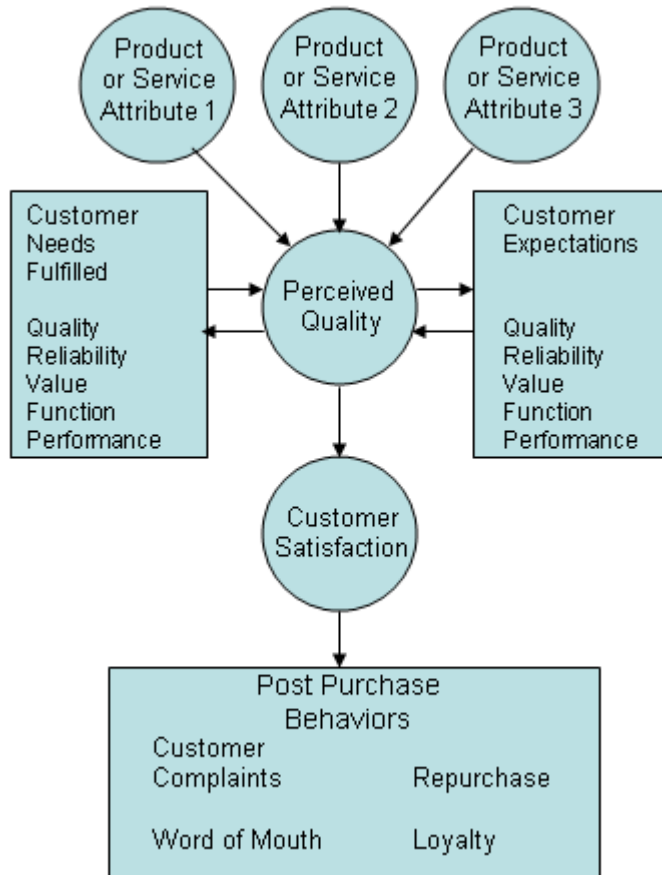
Satisfaction Measurement: Affective Measures of Customer Satisfaction

A consumer's attitude (liking/disliking) towards a product can result from any product information or experience whether perceived or real. Again, it is meaningful to measure attitudes towards a product or service that a consumer has never used, but not satisfaction. (Bakos 2002)

Satisfaction Measurement: Cognitive Measures of Customer Satisfaction

A cognitive element is defined as an appraisal or conclusion that the product was useful (or not useful), fit the situation (or did not fit), exceeded the requirements of the problem/situation (or did not exceed). Cognitive responses are specific to the situation for which the product was purchased and specific to the consumer's intended use of the product, regardless if that use is correct or incorrect.

Satisfaction Measurement: Behavioral Measures of Customer Satisfaction

Bakos (2002) argues that it is sometimes believed that dissatisfaction is synonymous with regret or disappointment while satisfaction is linked to ideas such as, "it was a good choice" or "I am glad that I bought it." When phrased in behavioral response terms, consumers indicate that "purchasing this product would be a good choice" or "I would be glad to purchase this product." Often, behavioral measures reflect the consumer's experience individuals associated with the product (i.e. customer service representatives) and the intention to repeat that experience.

Figure 2: Satisfaction measurement
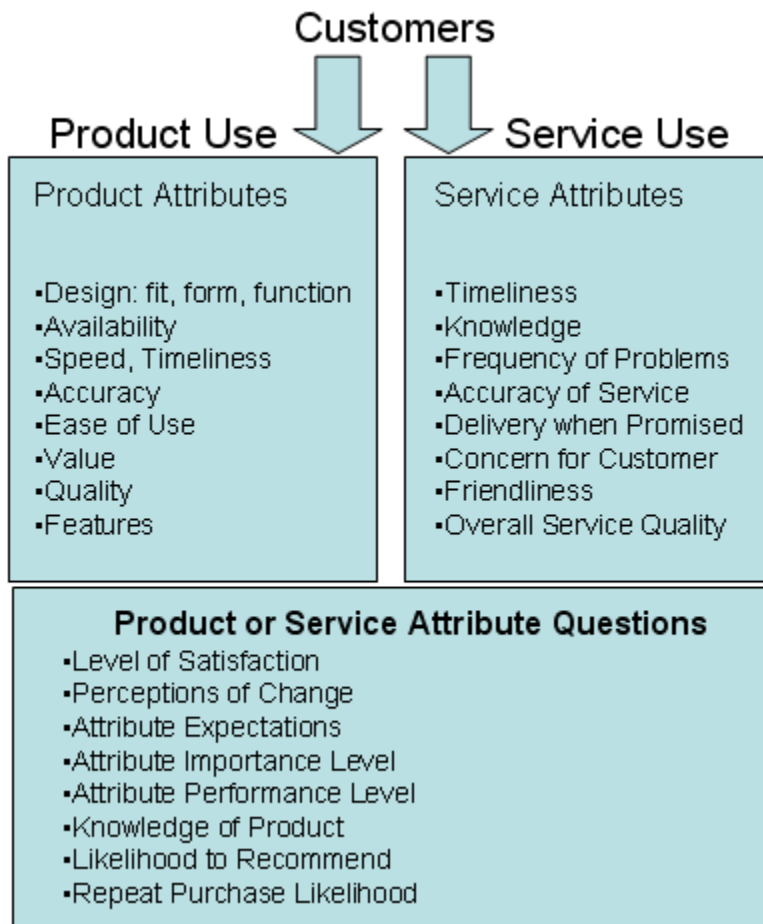
Satisfaction measurement Bakos (2002)

Satisfaction Measurement: Expectations Measures

Hoffman and Novak (1998), discuss that, many different approaches to measuring satisfaction exist in the consumer behavior literature. Leonard Berry in 2002 expanded previous research to

refine ten dimensions of satisfaction, including: Quality, Value, Timeliness, Efficiency, Ease of Access, Environment, Inter-departmental Teamwork, Front line Service Behaviors, Commitment to the Customer and Innovation. Berry's dimensions are often used to develop an evaluative set of satisfaction measurement questions that focus on each of the dimensions of customer satisfaction in a service environment. A diagnostic approach to satisfaction measurement is to examine the gap between the customer's expectation of performance and their perceived experience of performance. This "satisfaction gap" involves measuring both perception of performance and expectation of performance along specific product or service attributes dimensions. Customer satisfaction is largely a reflection of the expectations and experiences that the customer has with a product or service. However expectations also reflect that influences the evaluation of the product or service. When we make major purchases, we research the product or service and gain information from the advertising, salespersons, and word-of-mouth from friends and associates. This information influences our expectations and ability to evaluate quality, value, and the ability of the product or service to meet our needs. Avlonitis and Karayanni (2000).

Satisfaction Measurement: Perceived Quality Measures

Perceived quality is often measured through three measures: overall quality, perceived reliability, and the extent to which a product or service meets the customer's needs. Customer perceptions of quality are the single greatest predictor of customer satisfaction. Hoffman and Novak (1998),

Satisfaction Measurement: Perceived Value Measures

Perceived value may conceptually refer to the overall price divided by quality or the overall quality divided by price. Perceived value is measured in many ways including overall evaluation of value and expectations of price that would be paid, The consumer behavior literature shows that price is a primary indicator of quality when other attributes and benefits are relatively unknown. However when repeat purchases are made in some product categories, price may be reduced in importance. (Hoffman and Novak 1998),

Satisfaction Measurement: Customer Loyalty Measures

Customer loyalty reflects the likelihood of repurchasing products or services. Customer satisfaction is a major predictor of repurchase, but is strongly influenced by explicit performance evaluations of product performance, quality, and value.

According to (Scott 2007), the best timing for measuring customer satisfaction and building customer satisfaction surveys depends on the kind of product or service provided, the kinds of customers served, how many customers are served, the longevity and frequency of customer/supplier interactions, and what you intend to do with the results.

Scott (2007), further explains that there are three very different approaches both produce meaningful and useful findings:

- **Post Purchase Evaluation** — Satisfaction feedback is obtained from the individual customer at the time of product or service delivery (or shortly afterwards). This type of satisfaction survey is typically used as part of a CRM and focuses on having a long term relationship with the individual customer

- **Periodic Satisfaction Surveys** — Satisfaction feedback from groups of customers at periodic intervals to provide an occasional snapshot of customer experiences and expectations.

- **Continuous Satisfaction Tracking** — Satisfaction feedback is obtained from the individual customer at the time of product or service delivery (or shortly afterwards). Satisfaction tracking surveys are often part of a management initiative to assure quality is at high levels over time.

According to (Fillone et al 2005), Satisfaction surveys are developed to provide an understanding of customers' expectations and satisfaction for purpose of better business relationship. Satisfaction surveys typically require multiple questions that address different dimensions of the satisfaction concept. Satisfaction measurement includes measures of overall satisfaction, satisfaction with individual product and service attributes, and satisfaction with the benefits of purchase. Satisfaction measurement is like peeling away layers of an onion-each layer reveals yet another deeper layer, closer to the core.

All three methods of conducting satisfaction surveys are helpful methods to obtain customer feedback for assessing overall accomplishments, degree of success, and areas for improvement.

2.2.2 Factors that affect customer's satisfaction

There are many factors that affect customer satisfaction. According to (Hokanson 1995), these factors include friendly employees, courteous employees, knowledgeable employees, helpful employees, accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service.

Figure 3: Factors that affect customer's satisfaction
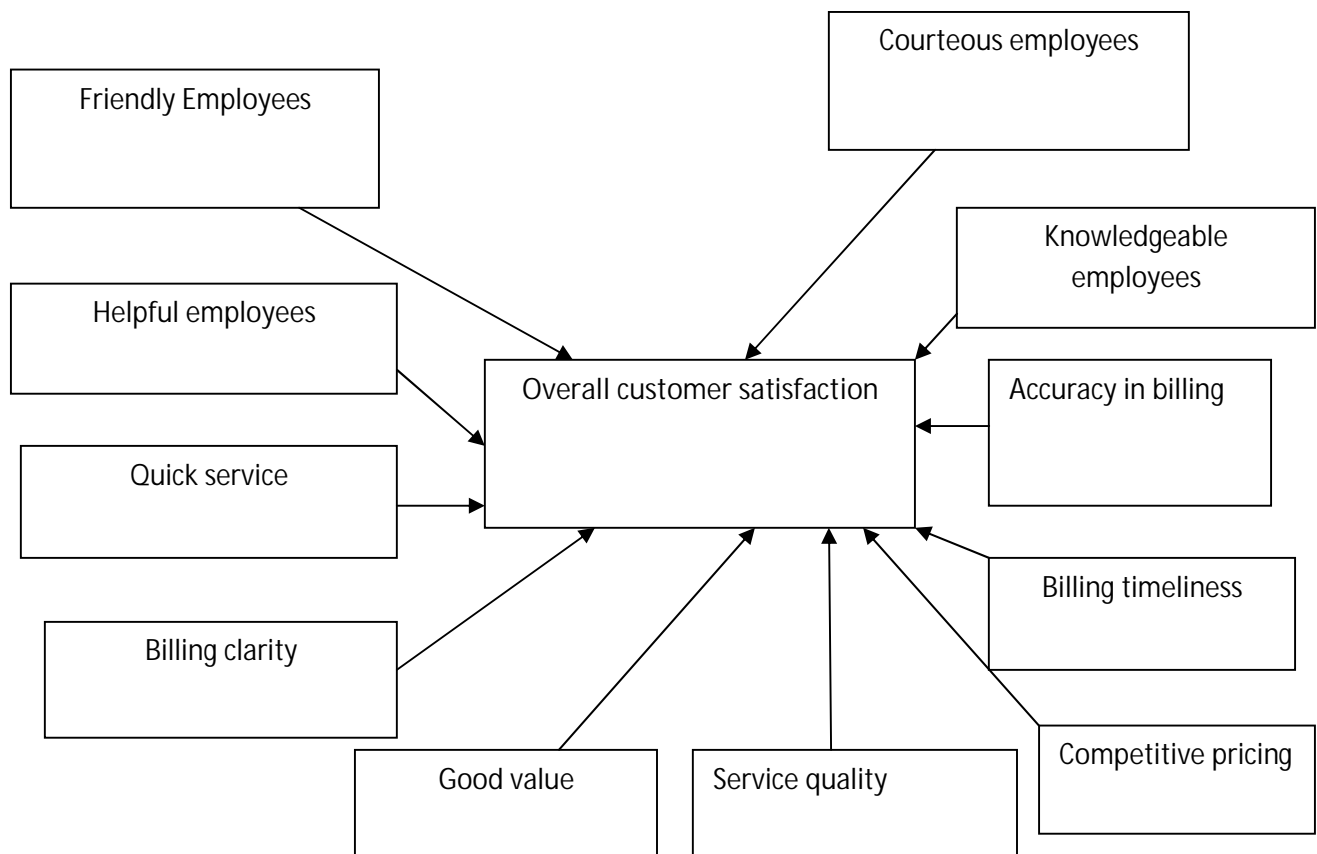
2.2.3 Effect of Customer Satisfaction on Profitability

Customer satisfaction does have a positive effect on an organization's profitability. According to (Hoyer and MacInnis 2001), satisfied customers form the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty, and positive word of mouth.

Zairi (2000), there are numerous studies that have looked at the impact of customer satisfaction on repeat purchase, loyalty and retention. They all convey a similar message in that:

a) Satisfied customers are most likely to share their experiences with other people to the order of perhaps five or six people. Equally well, dissatisfied customers are more likely to tell another ten people of their unfortunate experience.

b) Furthermore, it is important to realize that many customers will not complain and this will differ from one industry sector to another.

c) Lastly, if people believe that dealing with customer satisfaction/complaint is costly, they need to realize that it costs as much as 25 percent more to recruit new customers".

Aaker (1995) said that the strategic dimension for an organization includes becoming more competitive through customer satisfaction/brand loyalty, product/service quality, brand/firm associations, relative cost, new product activity, and manager/employee capability and performance.

2.2.4 Consequences of Customer Satisfaction and Dissatisfaction

The consequences of not satisfying customers can be severe. According to (Hoyer 2001), dissatisfied consumers can decide to: -

- Discontinue purchasing the good or service,
- Complain to the company or to a third party and perhaps return the item
- Engage in negative word-of-mouth communication.

2.3 Employee training skills towards enhancing the growth of CRM

According to (Oliver 1993), management training to improve managerial performance and operational training to develop the competence of workers enhance organizational competitiveness. Skilled managers can develop effective strategies, and carry the people in the organization with them in implementing the strategies. And trained employees can deliver what customers want, and provide them the kind of support that will bring the customers back again and again.

A skill is different from knowledge. Skill can be defined as the proficiency to apply the knowledge in practical situations and produce desired results. The highly skilled person is able to produce such results repeatedly (Oliver 1993). Whereas (Hyken, 2004), states that, acquiring skills typically require a basis of conceptual knowledge and specific practical experience. While vocational training provides the conceptual background and even some hands-on projects, it is through actual on-the-job training or apprenticeships that employees acquire the specific skills to carry out specific tasks. Another dimension of skill involves acquiring familiarity with the practices and environment of a particular organization. Induction training of new employees is designed to acclimatize the employee to the organization and its ways of doing things (Hyken, S., 2004).

According to (Oliver 1993), employee training is essential for both new and existing employees of any business. In order for employees to perform their jobs well and under the policies of your company, it is important to give them the information and tools they need to be responsible, productive team members. Employee training is an excellent way to do this in a group or individual setting. Knowing the benefits of employee training can help to implement effective and successful training programs. One of the key benefits of employee training is that employees are able to learn new skills or improve their existing skills in an area of business. Improved skills directly translate into reduced costs, improved productivity, and increased efficiency for businesses. They also improve morale and may even motivate employees to become more efficient and productive. This is a real win-win situation for businesses in all industries. Another benefit of employee training is increased morale .Employees who perform below what is expected often experience a loss of morale or a sense of failure. Many employees who are not performing well are in that situation because they never got the tools or information needed to be successful in their jobs. Offering training can help employees become more confident in their skills and abilities, leading to increased morale and better self-esteem (Aaker (1995)). Employee training can also have a positive impact on your company's sales. Because employees influence customers during the sales process, teaching them successful sales techniques will help your employees close more sales and bring more money in for your business. It can also help you to eliminate negative habits that have cost your company sales in the past. (Boyle, D., 1990).

The purpose of the training and development, not only on the ordinary employees but as well as to their executives, is to develop the skills required in the diversification and competitiveness in the market. The benefits will fall entirely for the employees and for the company. The target of the program being implemented in the companies is ultimately expected to contribute in the achievement of the objectives of the companies, increase the competency in the market, and improve the living conditions of the employees (Stewart, 2003).

Stewart, (2003) further explains that the benefits of an effective employee training include improved customer relationship, profitability and more positive attitudes toward profit orientation; enhanced employees' job knowledge and skills; high morale of the work force. As for the individual, training helps the individual in making better decisions and effective problem solving; it enables him or her to internalize and operationalize motivational variables of recognition, achievement, growth, responsibility and advancement; and it aids in encouraging and achieving self-development and self-confidence. Furthermore, training improves communication between groups and individuals; aids in orientation for new employees and those taking new jobs through transfer or promotion; provides information on equal opportunity and affirmative action; provides information on other governmental laws and administrative policies; and improves interpersonal skills (Craven 1997).

The importance of employee training has long been recognized as crucial issue for businesses to the extent that employee-training programs are effective therefore, companies are able to avoid wasteful spending and improve performance and productivity (Ford et al., 1997). Thus, a key consideration for virtually all business is the expected return provided the organization for its training investment. As it has been suggested that organizations are likely to increase their reliance upon and utilization of employee training programs in years to come, the effectiveness of training interventions in organizations is likely to become even more salient in the future (Blanchard and Thacker 2003). Training goes hand-in-hand with productivity, quality, flexibility, and automation in the best performing firms. According to (Sims 1998), the systematic process of training consists of planned programs designed to improve competence and performance at the individual, group, and/or organizational levels. The scope of training initiatives vary and include operator, technical, sales, customer service, and various levels of leadership (Noel 1999).

2.3.1 Customer Service training

According to (Vandermerve 1993), ccustomer service training is not just for employees; managers must be trained in this capacity as well. Customer service training includes many basic elements of other trainings, such as conflict resolution, communication and problem-solving, but is geared toward customer-based issues rather than those of the company or employee. Managers will need to make customer-centric decisions when employees are unsure or unable to, within allowable limits set by company policy. Any employee who interacts with a customer - either an internal customer or external - is a candidate for customer service training. In addition to customer service representatives, this includes other positions such as receptionists, sales representatives technical support representatives, field service technicians, etc (Vandermerve, 1993).

Sekaran (2003) adds that, there are several benefit that accrue to an organization when employees are trained in customer service skills: Employees who are properly trained and who demonstrate professional customer service skills can improve customer relationship management and customer loyalty. This, in turn, helps the business retain customers and improve profits as it costs less to retain a customer than to acquire a new one. In addition, customers who are pleased are more open to additional sales messages and are more likely to refer others as potential customers. Employing good listening skills and questioning techniques can shorten the interaction time with customers. This allows an organization to serve more customers in less time, possibly with fewer staff. Being able to clearly explain next steps in a process and confirming that the customer is satisfied will decrease the number of callbacks or return customers. (Smith et al 1999) states that research has shown that improving first contact resolution is one of the primary drivers of customer satisfaction. Teaching the same customer service skills to all personnel, allows them to have a common process and language for dealing with customers. This allows business to brand the interaction and make excellent service part of their offering to the customer, thereby adding value.(Sekaran, U.,2003).

In addition (Gould, G.,1995) suggests that iinvesting in employees through training makes employees feel valued and improves motivation. In addition, when employees treat customers well by using proper customer service skills, they are more likely to be treated well in return.

Both these factors can help to increase employee loyalty and reduce turnover, thereby lowering costs.

2.3.2 Knowledge of products and services

According to (Thompson, A. 2002), knowledge is power and for retailers, product knowledge can mean more sales. It is difficult to effectively sell to a consumer if we cannot show how a particular product will address a shopper's needs. Read on to learn some of the benefits of knowing the products you sell. Thompson adds that, having a thorough understanding of the products and services can allow a retailer to use different techniques and methods of presenting the product to customers. Stronger communication skills will allow a salesperson to recognize and adapt a sales presentation for the various types of customers. Elsewhere, (Wall and Berry 2007), suggests that Seeing someone completely enthusiastic about a product is one of the best-selling tools. As you generate excitement for the product, you remove any uncertainty the product may not be the best solution for that customer. The easiest way to become enthusiastic is to truly believe in the product.

If a customer isn't fully committed to completing a sale, the difference may simply be the presence (or lack) of confidence a salesperson has towards the product. Becoming educated in the product and its uses will help cement that confidence which can also be built by enough training or refresher courses of the products and services of the company (Wall and Berry, 2007). Gaining product knowledge can be done through effective training sessions as it is It is important to understand how the product is made, the value of the product, how the product should and can be used, and what products work well together (Aslanian, 2001). Others include: pricing structure, styles, color's or models available ,history of the product ,any special manufacturing process ,how to use the product ,product distribution and delivery servicing, warranty and repair information. Having all this at hand will at least create better customer relationship management. (Aslanian, 2001)

2.3.3 Staff Professionalism.

According to (Baker, 2007), in organizations, fulfilling customer satisfaction is very important. It is a part of staff jobs. Customers do not ask for too much, it is enough if staff can provide them

with clear information, courtesy, the ability to answer them politely and the service can easily be accessible. In service oriented organizations, staffs have a big responsibility to treat customers well. Staff must be professional in dealing with customers. There is no emotional influence in delivering services to customers. Professionalism is the combination of all the qualities that are connected with trained and skilled people (Cambridge Advance Learner's Dictionary, 2007). Staff professionalism refers to the ability, capability and courtesy in dealing with customer. The personal qualities and values among individual public officials are key factors that need, team spirit and close rapport among employees of an organization undoubtedly, this impact on productivity and the quality of service rendered by an agency. (Muhammad 1997).

Staff needs to be helpful, polite, respectful and knowledgeable when dealing with customers. Staff professionalism can lead to effective customer relationship management. Customer need to deal with knowledgeable, friendly, respectful and helpful staff. According to (Gerson 1993), service and quality performance that results in customer satisfaction and retention can only be provided by competent and qualified people. Based on Gerson's study, in order to deliver good and quality service, organization must have good staff. They need to be trained to deliver quality service professionally. This is because people view front liners as the representatives of an organization.

Past research found that staff professionalism is one of the factors that lead to customer satisfaction. (Gabbot 1998). Professionalism is the staff abilities that can provide a valuable service to customer and operate with no self-interest. In staff professionalism it must have responsibility, know-how and know-why, problem solving perseverance, and need to have a values toward high quality services. (Ticker 2004)

Cook (2000) in her research states that customers want to deal with people whom they can trust, are knowledgeable, technically able and at the same time friendly and polite to customers. In her research also found that the memorable to the customer in terms of service experience is the personal touch rather than material aspects of the service. The research proves that staff plays an important role in service. Their attitudes, knowledge and communication make up staff professionalism. If staff does not have those skills, it can make customer dissatisfied. (Hyken 2004). In recent years, interpersonal skills have also become an important feature in the service

sector, partly because of the importance currently placed on business ethics. Staff needs to communicate well to the customers. Communication plays important role in service counter. Staff must be nice to customer and well communicate. It well will make them satisfy with service counter. According to (Oliver 1993), communication between staff and customer represent one of those factors of customer satisfaction and quality of service. Parasuraman, Ziethaml and Berry (1985) include communication as dimension of service quality and formative component of customer expectations in order to improve service.

2.4 Customer acquisition towards enhancing the growth of CRM.

Schreiber(2000), defines customer acquisition as a process of acquiring new customers for business or converting existing prospect into new customers. The importance of customer acquisition varies according to the specific business situation of an organization. This process is specifically concerned with issues like acquiring customers at less cost, acquiring as many customers as possible, acquiring customers who are indigenous and business oriented, acquiring customers who utilize newer business channels etc. The whole process should concentrate on following considerations:

- Primarily it is important to determine and focus on psychology of customers, like how the customers feel and think and then selecting the product segment to be presented to them.

- Concentrating on how the customers are influenced by the surrounding environment like the business culture, technology, media etc.

- Analysis of customer behavior and tendency while buying specific range of product.

- Studying the customer's limitation of knowledge processing power which influence the decision making power.

- Finally it's very important to engage best strategies for effectively convincing new customers and improving marketing campaigns.

Customer acquisition techniques change with technological changes. There is always a need to optimize and upgrade the traditional ways of marketing channels available. Exploring new methods to entertain customers is important to remain in competition and have high acquisition rate (Laurent 1999). Acquiring a customer depends on how effectively the organization is able to build a comprehensive relationship with that customer. When suppliers have healthy relationship with customers, the revenue of the organization always increases as customers tend to buy more and more. There is possibility that a satisfied customer seek to buy special category of related products apart from the regular ones from that particular supplier. For instance if a satisfied and loyal customer has a home insurance policy from an insurance company then there are positive chances that he could also insure his property and car if he is fully satisfied with the services of that insurance company. This will definitely result in growth of business (Zemke 2001).

According to (Zemke 2001), while acquiring, the nature of response provided to acquisition is the key aspect to create an impressive opinion in customer's mindset. Hence, the suppliers should always have prompt, responsive and experienced executives to serve customers. For example, if a customer calls and asks about some critical features of any product and the executive fails to explain it or being non-responsive to most of his questions then the customer could probably divert his way to some other organization for better response which could definitely result in end of the deal and relationship with that customer. Improving customer acquisition is the primary challenge which an organization faces. Hence it is important to identify critical approaches to enhance customer acquisition power. This includes acquiring more number of customers or more number of attractive customers at low cost. One of the best strategies to acquire new customers is performing promotional campaigns (Guenther 1999).

These campaigns should be efficient and well-targeted to customers. Encouragement of customer referrals can also attract new customers. It is always a cost-free advocacy by customers to provide referrals to supplier when they feel satisfied and encouraged and when they have a healthy relationship with customers. These referrals or customer's reference of other customers act like a piece of cake for suppliers as there is no cost and struggle involved in this (Guenther 1999).

Laurent (1999) adds that, for enhancing the revenue, the organization should always balance the number of customers acquired with number of customers who divert to different organizations

failing to which will definitely effect the economic growth of the organization. Customer acquisition and customer retention are important issues for any company today. A simple definition of "customer acquisition" is the process of acquiring or obtaining new customers, and/or converting prospects to customers. "Customer retention" is the process of keeping, sustaining, and/or grow ing the relationship your customers have with your company and its products and services (Laurent 1999). These activities become more involved for business-to-business, value-added, manufacturing, and technology companies that create and distribute complex products and services that require training and specific product knowledge in order to use the product or service effectively. Using a learning management system to deliver web-based training and support for complex products and services has several advantages (Sherden 1994). Customer acquisition can sometimes prove to be quite a difficult task. Customers are getting smarter nowadays and its not that easy to get them into buying products. They always look for total value before anything else. Sometimes, even products with really good quality get dismissed because cost usually takes the upper hand. (Laurent 1999)

2.4.1 A practical process for effective customer acquisition.

According to (Sherden 1994), to ensure customer acquisition, a business must first identify who the decision makers are. There would be no use to market to people who cannot make the decision to purchase. They can only provide support and influence in making the purchase but the final decision is not up to them. Thus, the target must be those who have the final say. After identifying the decision maker, the sales person must next empower him or herself with the profile of the potential customer. This is helpful so that the potential would have the impression that the salesperson is really sincere in his or her intentions. Customer profiling also helps salespeople to identify which gets that customer best. As the salesperson meets up with the customer, too many promises should be veered away from. Customers would expect a lot from a first time buy and if a business cannot deliver as promise, there would definitely be no next time transaction (Sherden 1994).

2.4.2) Customer retention.

Customer retention refers to keeping a client's business rather than have the client use competitors' services or products. Businesses want to reduce customer defections to their competitors because a reduction in their market share and profits could result. Customer service retention is a popular marketing strategy as it involves focusing on meeting or exceeding clients' expectations in order to maintain their loyalty (Sonne 1999).

Mququ (2006) states that, customer retention refers to the percentage of customer relationships that, once established; a small business is able to maintain on a long-term basis. It is a major contributing factor in the net growth rate of small businesses. For example, a company that increases its number of new customers by 20 percent in a year but retains only 85 percent of its existing customers will have a net growth rate of only 5 percent (20 percent increase less 15 percent decrease). But the company could triple that rate by retaining 95 percent of its clients. When people feel loyal to a certain brand or business, they're less likely to be persuaded by a competitor's ads and offers. Maintaining customer retention through loyalty programs is a method commonly used by many businesses today. A loyalty program typically involves a free membership card and rewards for purchases (Agrawal 2008)

Retaining customers is good for a firm's economic health . Customer retention can have a
direct influence upon profitability (Andaleeb 1998). The reward incentives may be for extra discount prices or prizes that can be obtained for point rewards. For example, many airlines give air miles points that may be saved for free air travel or prizes such as luggage or a complimentary night's hotel stay. If consumers are collecting points towards items they want, they're likely to keep using the products or services of the company offering the promotion. In this way, customer retention can be achieved (Richard 1980).

2.4.3) Customer Acquisition versus Customer Retention
Ralph (1990), adds that, why is retaining customers so often given such short shrift (and resources) compared to obtaining new ones? Are companies unsure of the level of their satisfaction with their products or services and therefore uncomfortable in approaching customers to buy more? Are sales' compensation programs more heavily weighted to acquiring new business? Has there been turnover in the sales staff and companies have accounts which no longer have an account manager or salesperson assigned to? Whatever the reasons it's obvious

that attention to a customer retention program will pay dividends in diamonds to those wise enough to make the investment. Frederick Reichheld of Bain & Company reports that:

- Over a 5 year period businesses my lose as many as 1/2 of their customers over a 5 year period.
- Acquiring a new customer can cost 6 to 7 times more than retaining an existing customer.
- Businesses that boosted customer retention rates by as little as 5% saw increases in their profits ranging from 5% to a whopping 95%.

Fornell (1998) argues that, it costs six times more to get a prospect to buy from you than it does to resell to an existing customer. Acquiring new customers is costly, and in many cases, the money earned on the first sale doesn't even cover the acquisition costs. In fact, many studies have shown that it costs six times more to get a new customer than it does to keep an existing one, and that it's 16 times easier to sell to an existing customer than to a new one. (Garvin 1998)

Zemke (2001) adds that, real money, in this case, profits comes from the additional sales of the products and services that you make to your customers on the 'back end'. If you happen to sell a limited number of products or services to your customers, or sell to them on an infrequent basis, or if what you sell can be duplicated by another product or service offered by a competitor, your business can only achieve a fraction of its potential. And, as the economy gets more and more competitive, if you don't have additional sources of income, your business could head into financial disaster.

Why Should Customers And Prospects Do Business With You, Rather Than Your Competition?

Everett (1993) adds that If you really want your business to be as successful as it can be, to thrive and not just survive and to maximize the investment you've made in it, you've got to continually find ways to offer your customers unique advantages they can't get anywhere else. And when you do, you'll gain your customers' loyalty, motivate them to do more business with you, keep them as customers for a long time and inspire them to tell their other business associates and friends about you. In other words, if you can give your customers unique, compelling and profitable reasons to do business with you over and over again, they'll not only keep you in

business, they'll make you incredibly wealthy and successful in the process. Your existing or past clients or customers have already had at least one buying experience with you, so they are familiar with you. If you've done your job well, and made them feel special, the likelihood of them doing business with you again is greatly enhanced. Trust and credibility have already been established. Now all you need to do is make them an enticing offer. On the other hand, new prospects… those who haven't had the same buying experience with you, require much more time, effort and money to bring them to the same point of trust as your current customers. (Jones 1995). To get new prospect's attention, this can be achieved through ads, sales letters, newsletters, postcards, telemarketing campaigns and a variety of other types of media. (Izah et al 2007).

Thereafter (Hyken 2004), adds that nurture the customer, hold their hand, and walk them step-by-step through the trust-building phase just to get them up to the first level of trust that your current customers were at when they began doing business with you. A company has to lead them up to the Loyalty Ladder, from Suspect to Prospect, then on to Shopper, and eventually to Customer, Client, advocate and finally, to raging fan. All this takes time and money but its encouraged to try so because the he average business loses about 19% of its customer base each year. This means that a company must get 10% more new customers each year just to stay even. The above statement explains why so many businesses are struggling today and why they spend so much time, effort and money trying to attract new customers to do business with them.

Now, most business owners are good technicians. That is, they know how to effectively produce or acquire the products they sell and if they run their businesses fairly efficiently, they manage to get by. But they do it at a level far below where they could and should be operating (Denton 1999). Make sure your business has established corporate credit, this will help with any business lending requests if you are in need. In the meantime, implement these strategies and you will never need to borrow money again (Hayes 1998).

2.4.4 Acquiring new customers is expensive

 Acquiring a new customer costs about five to seven times as much as maintaining a profitable relationship with an existing customer"(Gould 1995). According to (Gocek 2007), some

companies acquire new customers at a small profit, but that is usually the exception rather than the rule. It is far more likely that companies will pay from $5, $100, $250 and more to acquire new customers. These figures then start moving the discussion in the direction of lifetime value. Why? Because it will take many years of sales (and more marketing investment dollars) before a profit is turned from a new customer that comes on board at a cost.

Gerson (2005), quotes Ralph of *Ovation Marketing that* acquiring a new customer costs five to seven times as much as maintaining a profitable relationship with an existing customer. Businesses already own and posses the names and addresses of their best customers, the ones who know them and trust them., most often we have a vehicle in place that easily allows us to contact them and them to pay us for our services. Spending money with us is something these customers have done frequently in the past and their commitment to us can range from mildly satisfied users of our products and services to raging, passionate fans. These businesses often have vehicles in place that allow them to inexpensively keep their brands in front of customers. They routinely send bills or products where it is easy to include additional information about the superiority of their brands and products and discuss (in a very direct way) the great working relationship they share with the customer. They should be talking to them on the phone and via email so they can ask, "How's our performance, or what additional services could we provide or improve upon?(Gabbot 1998)

Still, many companies choose to seek out new customers rather than communicate weekly with their best customers. Perhaps in part because we envision those customers with which we have no relationship spending money with our competitors and so perhaps it fuels our competitive juices to steal market share. I'm not sure of the psychological reasons behind it, but from a dollars-and-cents position, it makes far more sense to wine and dine those established, best customers and names you own then to pay costly acquisition expenses seeking new relationships with those you have not yet met. (Fogli 2006)

Getting new customers and keeping the old ones can be a hard task. There are always companies who will offer great incentives to new customers that will end up stealing your customers. You have to make sure you treat your current customers with respect, keep your prices competitive, and give incentives to stay with you (Fen 2006). In order to attract new customers make sure

your company offers a competitive new rate for new customers. To get the most possible customers, you might want to offer something at a lower price than what your competitors are offering. Make sure the product and services are advertised frequently (Gocek 2007).

Customers will also switch to a different company for a little discount just because of how they were treated as a customer. Make sure you are really treating them like a client and not just another person that pays them money. Get their opinions on how you can improve as a company, and show them respect (Carr 1996). To help keep your customers, give them a discount for being with them for a long time. When a customer stays with a company for a while, they begin to feel loyalty to it. They will want to stay with the company because of that bond. However, they will leave if it means a lot less money they have to pay (Accenture 2006),

Give your existing customers incentives too. Give them a really great rate on a product, send them a coupon in the mail, or do something else. It doesn't have to be huge, but something that's enough to keep them from switching to another company (Rowley 2000). Many companies will offer a special plan or price for something every once in a while. Cell phone companies will often create a new plan and have it available for a month or so. It is a way for existing customers to change their plans and get a better rate. Do something like that for your company. It will allow the existing customers to get something great like the new customers (Sheth 2003)

Macintosh (1997), adds that,iIt may not seem that important to keep the old customers when you can just get new ones and they will eventually just come back to you, but it is actually really beneficial. Customers who have been with the company are loyal to you. They are also more willing to work with you if something goes wrong. They will be more willing to negotiate fairly. They usually won't make ridiculous requests. New customers can be great too. They boost sales and help to bring in more revenue. If you are getting a ton of new clients and losing a ton too, you won't end up having very good profits. Getting new customers and maintaining existing customers is very important (Reinartz 2002).

Peterson (2002) states that statistically, it is seven times easier to maintain an existing client than is to go out and get a new client. On a common sense level, it just makes a good business strategy to try to maintain as many existing clients as you can. This will allow you to plan ahead

and budget more for the future. The following are a few more reasons for maintaining existing clients.

A. Lower Cost of Retention versus Marketing.

Morgan (2005) argues that, it costs less to keep an existing client content, over marketing your services to a new client. This is true in almost every other business model known to man, and it especially holds true for freelancing. For example if an existing client has a concern with their e-commerce site that be solved with a quick email, what did that email cost you? Your five-minute email just saved your client five hours of headache and worry. That five-minute email is worth its file size in gold to the client. It keeps your existing client content and didn't cost you anything**.**

Figure 4: Lower Cost of Retention versus Marketing
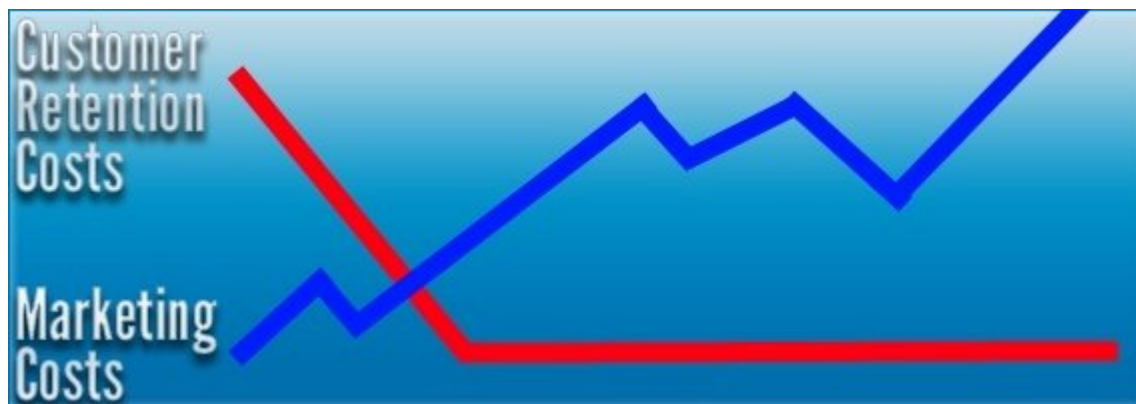
B. It Keeps Your Name in Their Mouths.

By keeping in touch with existing clients, it keeps your name in their mouths, in this case referrals! A happy customer is the best marketing that anyone can have. Michael LaBoeuf said it best, "A satisfied customer is the best business strategy of all." (Morgan 2005)

C. Keep the Lines of Communication Open.
In this day and age, there are almost limitless ways to keep in touch with your existing clients. From old school mailers and newsletters to a quick twitter direct message, reaching out to a client should be quick, thought out, and never perceived as a tedious task (Morgan 2005).

2.4.5 Strategies for Retaining Customers

According to (Heide 2004), one basic customer retention strategy available to small business owners involves focusing on employee retention and satisfaction. A company with a high turnover rate may not be able to maintain strong personal relationships with its customers. Even if relationships are established, the customer may decide to take its business to a new company when its contact person leaves. At the very least, high turnover creates a negative environment and reduces the quality of service provided to customers. In order to reduce turnover, it is important to provide employees with career development opportunities and high degrees of involvement in the business (Herzberge 2003). Another possible strategy for retaining customers involves institutionalizing customer relationships. Rather than just providing contact with individual employees, a small business can provide value to customers through the entire company. For example, it could send newsletters or provide training programs in order to become a source of information and education for customers. It may also be possible to establish membership cards or frequent-buyer programs as direct incentives for customer retention. (Gronroos 1990)

Some companies may be able to use electronic links to improve the service they provide to customers. For example, e-mail connections could be used to provide updates on the status of accounts, electronic order systems could be used to simplify reordering and reduce costs, and online services could be used to provide general information (Ghosh 1998). Customer retention programs are particularly important in volatile industries—those characterized by fluctuating prices and product values. In this situation, superior service may discourage but not prevent customer defections. Some strategies that may be useful to companies in volatile industries include providing stable prices over the customer life cycle, basing prices on the overall cost and profitability of the customer relationship, and cross-selling additional products and services. All of these strategies are intended to minimize the changes and problems customers experiences, thus making them want to maintain the business relationship (Geyskens et al 2002). Keeping more customers in your installed base is a sure-fire way to grow more quickly and handsomely increase profits (Dwyer (2001). However, effective customer retention strategies are easy to embrace but difficult to implement. Basu (1994) states that, to retain more customers, highly effective organizations should do the following:

1) Consider customer retention a key performance indicator. As a core business metric, customer retention is an invaluable business tool for the management team. The ability to accurately measure customer retention (churn) on a regular basis quantifies the ROI of customer retention.

2) Get regular customer retention "physicals." Every organization can benefit from regular customer retention audits that assess current and past customer retention efforts and the effect of business process, corporate culture, measurement systems and technology utilization. This applies for those just starting to focus on customer retention, as well as those that have focused on customer retention for some time.

3) Build the business case for customer retention initiatives. Improving customer retention can be as simple as making it an executive priority or it can involve investing in new initiatives. Understanding the costs and benefits of customer retention programs allows organizations to appropriately prioritize investments.

Chow (1997) adds that, other types of companies who deal with clients individually will want to practice different customer retention strategies. For instance, be sure to stay in touch with customers who have worked with the business in the past; place phone calls or send emails to remind them of the company's presence. Studies show that it's much less expensive for a company to spend money on customer retention than on acquiring new clients. Even smaller strategies, such as holding a customer appreciation day or remembering client birthdays, help in creating consumer loyalty (Berry 2002). In other cases (Ekinci 2000) adds that, when it comes to customer retention programs, the company will then give him a card or some other item to keep record of the number of visits he has and will provide the free item to reward his loyalty. Customer retention programs are important in business for a company to maintain its customer base. When people feel loyal to a certain brand or business, they're less likely to be persuaded by a competitor's ads and offers. Maintaining customer retention through loyalty programs is a method commonly used by many businesses today. A loyalty program typically involves a free membership card and rewards for purchases.

2.4.6) Customer Relationships as key to marketing strategy

Churchil (1996) discusses that, it's possible to increase your sales by 50% without increasing your marketing budget. He argues that business owners often make the costly mistake of servicing a customer once then assuming "they'll stay" as a customer or client without maintaining and growing that relationship. A year later that business owner wonders what happened to that customer and where they went. Why haven't they heard from them? Did they leave? If so why?

Czepiel (1993) adds that, there are many reasons a customer or client may leave you:

- They felt your pricing was too high or unfair.
- They had an unresolved complaint.
- They took a competitors offer.
- They left because they felt you didn't care.

The last two make up the majority of why a client or customer will no longer use your service or buy your products. After all it means they are an inactive client because they felt you didn't care about them and your competitor did. Customers often purchase your service or product because they have developed a relationship with you, they owned another product or yours, or they were referred to you by a friend or associate. When faced with the above facts why is it businesses spend 80% of their marketing dollars going after new customers and clients rather than nurturing, retaining, and maintaining the customer relationships they already have? (Czepiel 1993).

Carroll et al (1999) adds that, before you spend your time and money going after new customers and clients you do not currently have a relationship wit, h consider the following statistics:

- Repeat customers spend 33% more than new customers.
- Referrals among repeat customers are 107% greater than non-customers.
- It costs six times more to sell something to a prospect than to sell that same thing to a customer.

From what has been stated, the marketing dollars will go further if you use it to build, nurture, and develop your customer relationships. Therefore this means, building these relationships just

means treating your customers and clients as if they truly are your strategic partners and showing them that you truly care about them (Oliver 1993). It's important to try to satisfy customers with the right products and services, supported by the right promotion and making it available at the right time and location. Customers can easily detect indifference and insincerity and they simply will not tolerate it. Long-term client and customer loyalty is a long-term challenge that a firm must strive for every day and with every transaction no matter how big or small (Payne et al (1993). Reichheld (1990) argues that, while a growing business needs to constantly capture new customers, the focus and priority should be on pleasing your existing customer base. Companies that fail to nurture and retain their customer base ultimately fail. They will also spend twice as much to get new clients as you will in maintaining your existing customer base. Moreover they will also be limited in their ability to attract new clients if they can't hold onto and satisfy their existing customers and clients. The bottom line is that one of the key components in marketing and business growth is to spend the majority of y time and effort nurturing customer relationships, so a company can acquire business from existing clients and customers. This is a strategy that will move you forward in increasing your sales by 50% without increasing your budget (Guather 1999).

"Of course, growth is just one of the benefits experienced by companies with superior retention rates," William A. Sherden explained in an article for *Small Business Reports.* "Your profits also should improve considerably when customers stay on board for longer periods of time. The cost of acquiring customers and putting them on the books generally runs two to four times the annual cost of serving existing customers. So the longer you keep customers, the more years over which these one-time costs can be spread" (Sherden 1994). A variety of strategies are available to small business owners seeking to improve their customer retention rates. Of course, the most basic tools for retaining customers are providing superior product and service quality. High quality products and services minimize the problems experienced by customers and create goodwill toward the company, which in turn increases customers' resistance to competitors' overtures. (David 2000). However, it is important that small business owners not blindly seek to improve their customer retention rate. Instead, they must make sure that they are targeting and retaining the right customers—the ones who generate high profits. "In short, customer retention should

never be a stand-alone program, but rather part of a comprehensive process to create market ownership," (Snell 2000).

According to (Anderson et al 1992), the first step in establishing a customer retention program is to create a time line of a typical customer relationship, outlining all the key events and interactions that occur between the first contact with and the eventual loss of the customer. The next step is to analyze the company's trends in losing customers. Customer defections may be related to price increases or to a certain point in the relationship life cycle, for example. Finally, small business owners can use the information gathered to identify warning signs of customer loss and develop retention programs to counteract it.

2.5 Theoretical framework

Kano model of customer satisfaction demonstrates that blindly fulfilling customer requirements has risk associated with it if the product/service provider is not aware that there are different types of customer requirement (Agrawal 2008). Without this understanding and measurement, providers risk:

- Providing superfluous quality
- Wowing the customer in one area, and driving them to competitors in another
- Focusing only on what customers say, and not what they think

This model of customer requirements directs the product/service provider to pay attention to two dimensions and three types of customer requirement (Payne and Frow 2005). The first dimension is need fulfillment. Measure the degree to which the customers' requirements are fulfilled. The dimensions range, naturally, from completely unfulfilled to completely fulfilled (Agrawal 2008).

According to (Bendapudi and Leone 2002), the second dimension is the customers' subjective response to the first dimension. It is the dependent variable of customer satisfaction. This may range from "irate" to "delighted" .This model of customer satisfaction predicts that the degree of customer satisfaction is dependent upon the degree of fulfillment, but is different for different types of customer expectations.

Expected

Expected requirements are those that are so obvious to the customer that they do not state requirements overtly. They are normally very obviously essential to the customer that stating these requirements is a bit silly. When these requirements are not met, the customer says nothing, and probably doesn't even notice. When these features or services are not present, the customer complains. Continually improving on meeting these kinds of needs will not elicit customer loyalty or delight. Example: Telephone dialtone. If it is slow in coming or missing, customers are not happy. When it is present, the customer does not notice, much less become loyal to the provider (Roland 1998).

Normal

This is also sometimes referred to as "fundamental" quality. Customers overtly state these needs and are quite cognizant of them. When these needs are met, customers are satisfied, when they are not met, customers are dissatisfied. For many types of requirements in this category, it is possible to deliver more than customer requirements and generate additional perceived benefit. Example: Price, performance, delivery.

Delightful

Customers have needs that they are not aware of. These are referred to as "latent" needs. They are real, but not yet in the customers' awareness. If these needs are not met by a provider, there is no customer response. They are not dissatisfied, because the need is unknown to them. If a provider understands such a need and fulfills it, the customer is rapidly delighted. Some articles describe this kind of need fulfillment as having "attractive" quality. It delights and excites customers and inspires loyalty.(Rust 1993)

Figure 5: Kano Model

Kano's model
of customer satisfaction
as a function of need
fulfillment
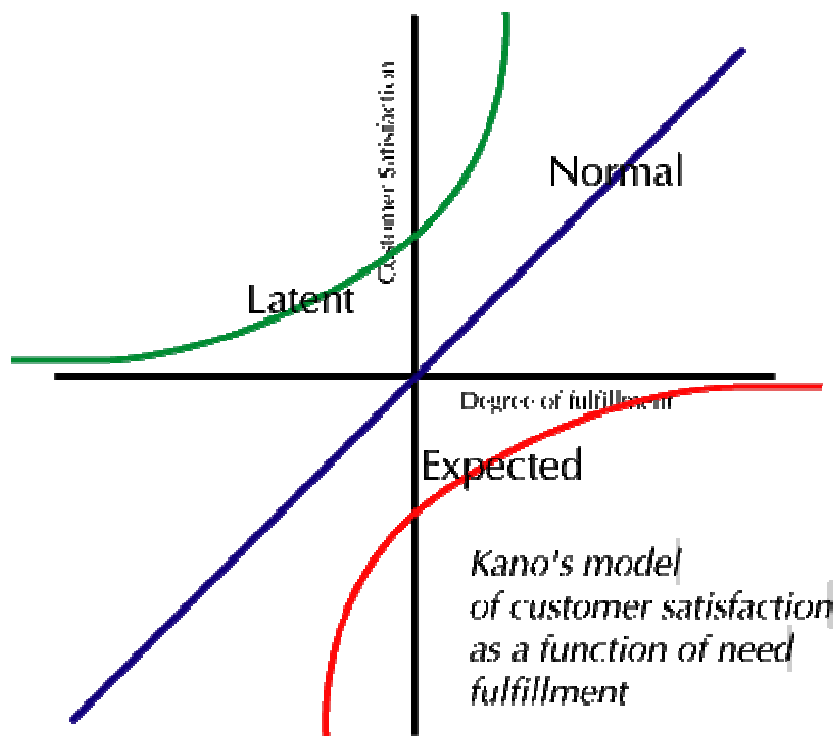
The Kano model (Agrawal 2008).

Measurement

A company needs to discriminate between these types of need in order to offer successful products and services and to avoid risks associated with having a weakness on one type of quality that detracts from strength in another (Agrawal 2008).

The basic tool is a two-sided question. The same question is asked in the positive and in the negative case. Example

- Positive question: How do you feel if our product has feature X?
- Negative question: How do you feel if our product does not have feature X?

The respondent is presented with four choices in response to these two questions:

- I like it
- It is normally that way (that feature is expected).
- I don't care.
- I don't like it.

According to (Scott 2007), measuring satisfaction and building a satisfaction survey requires at least a basic knowledge of the satisfaction measurement literature, combined with your own customer satisfaction experiences. This brief tutorial provides such an introduction to the theoretical and methodological underpinnings of satisfaction research.

Effective marketing focuses on two activities: retaining existing customers and adding new customers. Customer satisfaction measures are critical to any product or service company because customer satisfaction is a strong predictor of customer retention, customer loyalty and product repurchase hence enhances the growth of Customer Relationship Management. it is required for staff to attend customer care courses as part of in-service training. Communication skill is important for staff in dealing with customers (Desouza 2001)

According to (Collier, 1998), customers find counter service's staff in public agencies unfriendly and unprofessional. (Carr 1996) stated that public organization front liner is not welcome and unfriendly compared to private organization. Surveys all too frequently reveal that users are reluctant to ask for help, partly because they do not want to look foolish and uninformed and partly, for a variety of reasons, because they do not see staff as approachable. Staff needs to be polite, friendly and always need to be able to behave in a courteous, patient and tactful manner. They also need to give customers their full attention during the interaction.

2.6) The Conceptual framework

Independent variables

V1: Customer Satisfaction

Moderating variable

Government policies/CCK

V2: Employee training skills

Dependent variable

Growth of customer relationship management.

```
┌─────────────────────┐
│ V3: Customer        │
│ acquisition         │
│                     │
│          ┌──────────┼──────────────────┐
│          │          │          __      │
│       ┌──┘   Intervening variables     │
└───────┼──┐          │                  │
        │  │   Competition               │
        │  └──────────┘                  │
        └────────────────────────────────┘
```
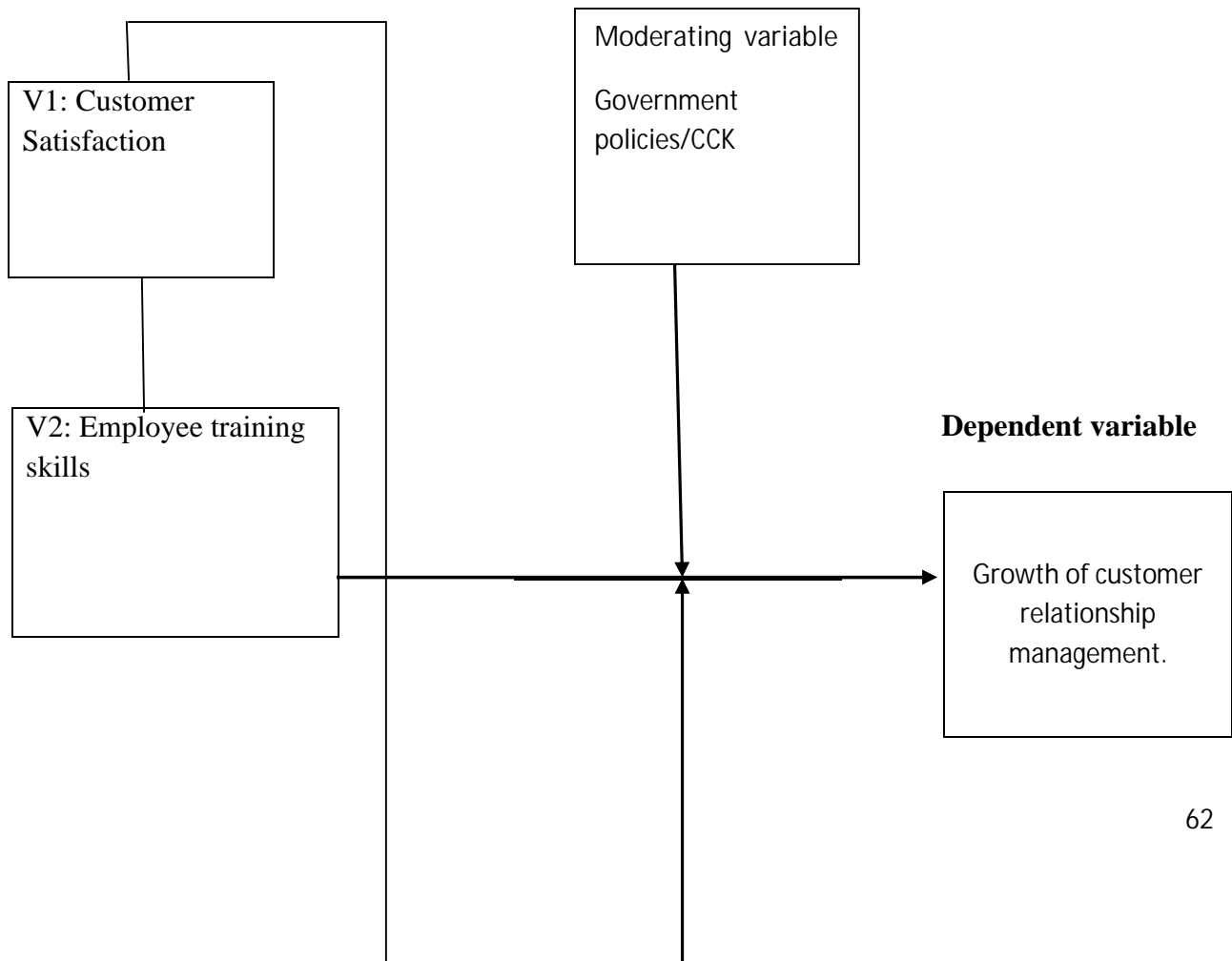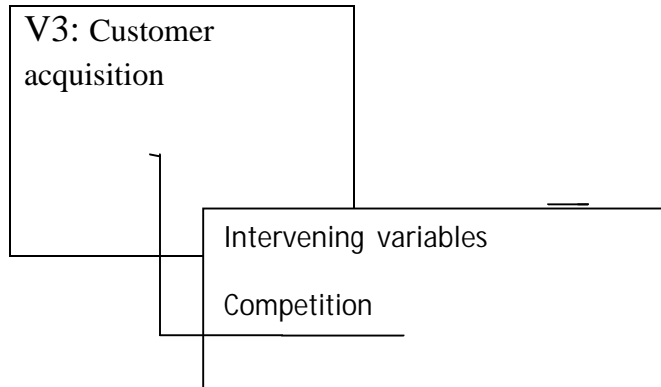
Figure 6: The conceptual frame work.

2.7) Conclusion

This chapter provides a review of literature based on key factors that would enhance the growth of customer relationship management and provides justification of why such factors should be studied in Safaricom. Key factors discussed include; customer satisfaction, employee training skills and customer acquisition. The chapter outlines the Kano model of customer's satisfaction which is the most frequently used theoretical model for explaining customer requirements. Finally, the conceptual framework that outlines dependent and independent variables as well as intervening and moderating variables in this project, are presented. The next chapter is focused on the research methodology which guided the study.

CHAPTER THREE
RESEARCH METHODOLOGY

3.0 Introduction

This chapter covers the methodology of this report. It discusses the research design, target population, sampling procedures, sample size, research instruments, validity and reliability of the instruments and data collection and analysis procedure.

3.1 Research design.

The research design is a master plan which shows the method that the researcher is going to use to gather data. According to (Baxter 2008), he defines the research design as the essential parameters of a research project including factors such as its basic approach(qualitative or quantitative), the sample or target to be interviewed or observed, numbers of interviews or observations, research locations, questionnaires and materials to be introduced.

The purpose of employing the descriptive method was to describe the nature of a condition, as it takes place during the time of the study and to explore the cause or causes of a particular condition, as it takes place during the time of the study .Therefore, the research design is based on the descriptive design. This is because the researcher described how customer satisfaction, employee training and service quality will enhance growth of customer relationship management. The study aimed at collecting information from respondents on their attitude, opinions and social views in relation to growth of Customer relationship management in Safaricom. The study also aimed at finding solutions of ways to enhance the growth of CRM in Safaricom.

3.2 The target population.

Population is defined as a group of individual's persons, objects, or items from which samples are taken for measurement. (Baxter 2008). The target population for this study is 404 respondents, which is inclusive of the Enterprise business department and its corporate platinum customers.

3.3 Sampling design.

Sampling is the act, process, or technique of selecting a suitable sample, or a representative part of a population for the purpose of determining parameters or characteristics of the whole population. Hence, sampling design is referred to as the process of making a plan of the sample studies, selection of the sample, and collection of the sample data and the preparation of the final results based on the sample study (Creswell 2000). In this study, the design was guided by the population of the employees of the Enterprise business unit and its corporate platinum customers.

3.3.1 Sampling Techniques

Statistical sampling techniques are the strategies applied by researchers during the statistical sampling process (Farrell, 2008). This process is done when the researchers aims to draw conclusions for the entire population after conducting a study on a sample taken from the same population. It addresses three key concerns; representativeness, practicability, and sampling risks. This study adopted stratified random sampling.

3.3.2 Sample size selection.

The sample size selection has been derived from Yamane Taro's formular as stated below.

n- Sample size

N- Target population

0.05- Error.

$$n = \frac{N}{1+ N(0.05)^2}$$

The Enterprise business department has 200 employees while its platinum customers are 68 each with three contact persons that act as a link between the company and Safaricom therefore bringing to a sample size of 200.

$$n= \frac{404}{1+404(0.05)^2}$$

Therefore the sample size is 200.

3.4 Data collection methods.

The researcher used two main sources of data collection.

Primary data sources- this was derived from the answers given by the respondents through the self-administered questionnaires prepared by the researcher.

Secondary data sources- this was derived from the findings stated in published documents and literatures related to the problem. Data was also collected from the firms' journals, their quarterly reports and magazines. This helped the researcher to know how much the organization has said or done in relation to growth strategies.

3.4.1 Data collection instruments

For effective collection of data, the data collection instruments used for the study were questionnaires and personal interview.

The questionnaire was designed for both the customers and for the employees (Enterprise business department). The use of a questionnaire had been chosen because of confidentiality in answering questions. The questions contained both structured and none structured type of questionnaire.

66

The study also involved use of scheduled interviews with both closed and open ended questions for clarification of some answers.

3.4.2 Validity and reliability

Reliability.

According to Creswell (2000), reliability is the consistency of your measurement, or the degree to which an instrument measures the same way each time it is used under the same condition with the same subjects. In short, it is the repeatability of your measurement. A measure is considered reliable if a person's score on the same test given twice is similar. It is important to remember that reliability is not measured, it is estimated. The questionnaire was pretested with some of the target population before full administration to the selected sample size.

Validity

Validity, on the other hand, involves the degree to which you are measuring what you are supposed to, more simply, the accuracy of your measurement. It is my belief that validity is more important than reliability because if an instrument does not accurately measure what it is supposed to, there is no reason to use it even if it measures consistently (reliably).(Joppe 2000)

Wainer and Braun (1998) state that, validity is the extent to which the instrument measures what it purports to measure.it determines whether the research truly measures that which was intended to measure or how truthful the research results are.

The first level of validation involved review of key variables with the guidance from my supervisor. This was enhanced by preparing easy to understand instruments, free from ambiguity as well as pre-testing the instruments before full application.

3.5 Data analysis method/technique.

The information was collected carefully, edited, coded and presented on graphs and tables through SPSS by using statistical tools like percentages, correlation and regression to generate various relationships. Conclusions and recommendations will be drawn from the analyzed data.

3.6 Ethical considerations.

This report has quoted its source of information and the researcher did not disclose any confidential information that was given to her during the study.

3.7 Summary

This chapter outlines research methodology used in this study in order to test three key independent objectives on relation to the dependent variable.

Table 1: Operationalization of variables Table

Objective	Variable	Indicator	Measurement	Variable type	Data collection method	Data analysis
To establish how customer satisfaction can enhance the growth of CRM in Safaricom	Independent variable: Customer satisfaction	Number of postpay products Quality of products and services Mission statement of the company	Level of satisfaction Repeat purchase Quality of product Design of product Staff	Nominal data	Interviews Customer visits Customer satisfaction survey reports	Descriptive statistics.

			responsiveness			
To establish how employee training can enhance the growth of CRM in Safaricom	Independent variable: Employee training	Level of training Level of education Number of training levels Duration of training.	Product knowledge Reliability of returning calls Staff professionalism Courtesy from staff	Nominal /ratio	Interviews Questionnaires	Descriptive statistics.
To find out how customer acquisition can enhance the growth of CRM in Safaricom	Customer acquisition	Availability of customer loyalty programmes Contracts renewals	Customer retention tools Customer retention strategies Quality of service	Ratio/N ominal	Interviews Questionnaires	Descriptive statistics

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.0 Introduction

This section of the report focuses on data analysis, presentation and interpretation based on the data collected or report from the questionnaires. It provides overview of respondents' demographic characteristics and factors that enhance the growth of customer relationship management the case of Safaricom corporate customers. The sections are based on the three independent variables.

4.1 Background information

This section aimed at analyzing the distribution of respondents in terms of gender, age, and duration the respondents have been customers to the company.

4.2.1 Age category of respondents.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 18	1	.6	.7	.7
	18-24	16	10.4	10.5	11.1
	25-30	123	79.9	80.4	91.5
	31-40	12	7.8	7.8	99.3
	41-50	1	.6	.7	100.0
	Total	153	99.4	100.0	
Missing	System Missing	1	.6		
Total		154	100.0		

Table 4.1: Age category of respondents

The respondents interviewed in this study were of different age groups with the main target group ranging from 18 years to 50 years. From table 4.1, 80.4% of those interviewed in this study were between 25 years to 30 years. Generally, majority of the respondents (91.5%) were aged between 18-30 years

4.2.2 Gender distribution for the respondents.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	50	32.5	32.9	32.9
	Female	102	66.2	67.1	100.0
	Total	152	98.7	100.0	
Missing	System Missing	2	1.3		
Total		154	100.0		

Table 4.2 Gender

Questionnaires were administered to both genders in this study. From table 4.2 below, majority of those interviewed were females at 67.1% compared to males 32.9%.

4.2.3 Time period as a customer in the company.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-3 years	9	5.8	5.9	5.9
	4-7 years	98	63.6	64.5	70.4
	8-12 years	43	27.9	28.3	98.7
	13-15 years	2	1.3	1.3	100.0
	Total	152	98.7	100.0	
Missing	System Missing	2	1.3		
Total		154	100.0		

Table 4.3 Time period as a customer in the company

The period under which one has been with the company may trigger different responses especially on customer satisfaction. As such the study further aimed to reveal duration under which respondents have been customers to the company as shown in table 4.3 below.

64.5% of the respondents have been customers to the company for 4-7 years whereas only 1.3% of the respondents have been customers to the company for 13-15 years. Overall, 98.7% of the respondents have been customers in the company for 0-12 years.

4.3 Customer satisfaction.

The study aimed to establish if the customers are satisfied with the company's products and services. This was accessed in terms of value of safaricom to the customers' organization, level of satisfaction from sales and retention teams across different areas, overall quality of products and services, timeliness on delivery of bills and services, level of innovation in the market amongst other factors.

4.3.1 Value of Safaricom to individual.

		Responses		Percent of Cases
		N	Percent	
How Safaricom adds value to an individual	Availability of the products and services eg m-pesa	63	34.2%	53.4%
	Flexibility of the products and services	20	10.9%	16.9%
	Simplicity of the products and services	16	8.7%	13.6%
	Ease of communication	48	26.1%	40.7%
	Reliability	37	20.1%	31.4%
Total		184	100.0%	155.9%

Table 4.4 How Safaricom adds value to an individual

The value Safaricom adds to an individual determines how much that individual is satisfied with Safaricom products and services. This was a multiple response question to ensure as much information as possible was gathered for analysis of individual satisfaction. The study revealed that 34.2% of the respondents were satisfied with the availability of Safaricom products and services while 26.1% of the respondents are satisfied with the ease of communication Safaricom offers. Table 4.4 below shows how Safaricom adds value to an individual.

4.3.2 Overall rate of satisfaction.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	6	3.9	3.9	3.9
	Good	78	50.6	50.6	54.5
	Satisfactory	70	45.5	45.5	100.0
	Total	154	100.0	100.0	

Table 4.3 Rate of satisfaction with safaricom

A satisfied customer is a happy customer. This being a major objective of the project, the study aimed to establish how satisfied the respondents were with Safaricom products and services. The

study revealed that 50.6% of the respondents rated Safaricom as good while only 3.9% rated it as excellent with 45.5% of the respondents rating it as satisfactory. Overall, 50.6% of the respondents are satisfied. Table 4.3 below shows the overall rate of satisfaction with Safaricom.

Further analysis was done on this variable to establish if the time period a respondent has been a customer in the company had an impact on how satisfied one was with Safaricom. A cross tabulation was therefore done for time period as a customer against the rate of satisfaction as captured below on table 4.4.

The study revealed that for the customers who have been with the company for 8-12 years, 83.7% rated Safaricom to be good in terms of satisfaction. For the customers who have been with the company for 0-3 years, the study revealed that 66.7% rated Safaricom as satisfactory. In summary, Safaricom was best rated by customers who have been there for 8-12 years.

Table 4.4 Time period as a customer in the company * Rate of satisfaction with safaricom Crosstabulation

			Rate of satisfaction with safaricom			
			Excellent	Good	Satisfactory	Total
Time period as a customer in the company	0-3 years	Count	1	2	6	9
		% of Time period as a customer in the company	11.1%	22.2%	66.7%	100.0%
	4-7 years	Count	4	38	56	98
		% of Time period as a customer in the company	4.1%	38.8%	57.1%	100.0%
	8-12 years	Count	1	36	6	43

73

		% of Time period as a customer in the company	2.3%	83.7%	14.0%	100.0%
	13-15 years	Count	0	1	1	2
		% of Time period as a customer in the company	.0%	50.0%	50.0%	100.0%
Total		Count	6	77	69	152
		% of Time period as a customer in the company	3.9%	50.7%	45.4%	100.0%

The study further aimed at establishing the overall rate of satisfaction across different age categories since the products and services offered by Safaricom are utilized differently across different age groups. An analysis was therefore conducted of age category against the rate of satisfaction as shown below on table 4.5.

Table 4.5 Age category * Rate of satisfaction with safaricom Crosstabulation

			Rate of satisfaction with safaricom			
			Excellent	Good	Satisfactory	Total
Age category	Below 18	Count	0	0	1	1
		% of Age category	.0%	.0%	100.0%	100.0%
	18-24	Count	0	11	5	16
		% of Age category	.0%	68.8%	31.3%	100.0%
	25-30	Count	5	61	57	123
		% of Age	4.1%	49.6%	46.3%	100.0%

		category			
	31-40	Count	1	6	5	12
		% of Age category	8.3%	50.0%	41.7%	100.0%
	41-50	Count	0	0	1	1
		% of Age category	.0%	.0%	100.0%	100.0%
Total		Count	6	78	69	153
		% of Age category	3.9%	51.0%	45.1%	100.0%

From the table above, 68.8% of the respondents aged between 18-24 years rated Safaricom as good as well as 49.6% of respondents whose age is between 31-40 years. Notably across all age categories, majority of the respondents rated Safaricom as good in terms of satisfaction.

4.3.3 Level of satisfaction from the sales and retention team.

Sales and retention teams play a major role in ensuring that existing and new customers are satisfied by the products and services offered by any company. This section aims to analyze how the respondents are satisfied with the sales and retentions teams in terms of professionalism, responsiveness and ability to understand a customer's challenge.

Table 4.6 below shows the rating of sales and retentions team by respondents in terms of professionalism. 39.4% of respondents rated the professionalism of sales and retention teams as excellent with 24.2% rating it as good. Overall, 99.2% of the respondents are satisfied with level of professionalism practiced by the sales and retention teams.

Table 4.6 Level of sales staff on professionalism

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	52	33.8	39.4	39.4
	Good	32	20.8	24.2	63.6
	Satisfactory	47	30.5	35.6	99.2
	Poor	1	.6	.8	100.0

		Frequency	Percent	Valid Percent	Cumulative Percent
	Total	132	85.7	100.0	
Missing	System Missing	22	14.3		
Total		154	100.0		

In terms of responsiveness, 53.5% of the respondents rated sales and retention team as good and 38% as satisfactory. Overall, 96.1% of the respondents are satisfied with the responsiveness of the sales and retention team. Table 4.7 below shows the rating of responsiveness of the sales and retention team.

Table 4.7 Level of sales staff on responsiveness

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	6	3.9	4.7	4.7
	Good	69	44.8	53.5	58.1
	Satisfactory	49	31.8	38.0	96.1
	Poor	5	3.2	3.9	100.0
	Total	129	83.8	100.0	
Missing	System Missing	25	16.2		
Total		154	100.0		

The study further aimed at establishing how satisfied the respondent with the sales and retention team in terms of the level of the team to understand ones challenges. Table 4.8 below shows the

rating of sales and retention team ability to understand ones challenges. 57.3% of the respondents rated the team as good in terms of understanding ones challenge. Overall, 96% of the respondents are satisfied with the sales and retention teams to understand ones challenges.

Table 4.8 Level of sales staff on ability to understand ones challenges

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	9	5.8	6.0	6.0
	Good	86	55.8	57.3	63.3
	Satisfactory	49	31.8	32.7	96.0
	Poor	6	3.9	4.0	100.0
	Total	150	97.4	100.0	
Missing	System Missing	4	2.6		
Total		154	100.0		

4.3.4 Overall quality of products and services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	39	25.3	25.3	25.3
	Good	98	63.6	63.6	89.0
	Satisfactory	16	10.4	10.4	99.4
	Poor	1	.6	.6	100.0
	Total	154	100.0	100.0	

Table 4.9 Rating on the overall product and service quality

The quality of products and services offered to customers is a key factor in establishing how satisfied a customer is. In this regard, the study aimed at establishing how satisfied the respondents were in terms of quality of products and services offered to the customers.

Respondents were therefore requested to rate the quality of products and services. From table 4.9, 63.6% of the respondents rated the quality of products and services as good while 25.3% rated it as excellent. Overall, 99.4% of the respondents are satisfied with the quality of products and services offered to them.

The study further aimed at establishing the rating of quality of products and services based on how long one has been a customer in the company. This was driven by the fact that a long outstanding customer may have a different opinion of products and services offered by the company through different experiences compared to a new customer. A cross tabulation of time period as a customer in the company against the quality of products and services was therefore conducted as shown in table 4.10 below. 86% of customers who have been in the company for 8-12 years rated the quality of products and services as good and 7% as satisfactory. 44.4% of customers who have been in the company for 0-3 years rated the quality of products and services as good while 33.3% rated it as satisfactory. Notably, 11.1% of the customers who have been in the company for 0-3 years rated the quality of products and services as poor.

Table 4.10 Time period as a customer in the company * Rating on the overall product and service quality Crosstabulation

			Rating on the overall product and service quality				Total
			Excellent	Good	Satisfactory	Poor	
Time period as a customer in the company	0-3 years	Count	1	4	3	1	9
		% of Time period as a customer in the company	11.1%	44.4%	33.3%	11.1%	100.0%
	4-7 years	Count	35	55	8	0	98
		% of Time period as a customer in the company	35.7%	56.1%	8.2%	.0%	100.0%
	8-12 years	Count	3	37	3	0	43

		% of Time period as a customer in the company	7.0%	86.0%	7.0%	.0%	100.0%
	13-15 years	Count	0	1	1	0	2
		% of Time period as a customer in the company	.0%	50.0%	50.0%	.0%	100.0%
Total		Count	39	97	15	1	152
		% of Time period as a customer in the company	25.7%	63.8%	9.9%	.7%	100.0%

4.3.5 Timeliness on delivery of bills and services.

Every customer wants a quick and efficient way of accessing bills and services. As such, timeliness on delivery of bills and services is instrumental in measuring if a customer is satisfied or not. The study aimed to reveal how customers rated timeliness in delivery of bills and services and as shown in table 4.11, 52.7% of the respondents rated timeliness on delivery of bills and services as satisfactory with 25% rating it as good. Only 2% of the respondents rated timeliness as poor. Overall, 98% of the respondents are satisfied with the timeliness on delivery of bills and services.

Table 4.11 Rating on the timelines for bills delivery

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	30	19.5	20.3	20.3
	Good	37	24.0	25.0	45.3
	Satisfactory	78	50.6	52.7	98.0
	Poor	3	1.9	2.0	100.0
	Total	148	96.1	100.0	
Missing	System Missing	6	3.9		

Total	154	100.0		

4.3.6 Best post pay products and recommendation to family and friends.

The study further aimed at establishing the best post pay products from the respondents. 36.8% of the respondents indicated that the post pay bundles 2500 and 1000 are the best post pay products, while 25.9% of the respondents indicated advantage voice tariff as the best post pay product. Zidisha, roaming services and blackberry services were lowly rated while 6.7% of the respondents indicated that none of the post pay products are the best. Table 4.12 below indicates the scores for various post pay products.

Table 4.12 Best post pay products

Multiple response

		Responses		Percent of Cases
		N	Percent	
Post pay products	Post pay bundles 2500 and 1000	71	36.8%	50.0%
	Zidisha Biashara	3	1.6%	2.1%
	Advantage voice tariff	50	25.9%	35.2%
	Data bundles	25	13.0%	17.6%
	None	13	6.7%	9.2%
	Roaming services (both voice and data)	1	.5%	.7%

80

		Frequency	Percent	Valid Percent
	Blackberry services	2	1.0%	1.4%
	Call waiting	1	.5%	.7%
	M-pesa services	27	14.0%	19.0%
Total		193	100.0%	135.9%

In terms of recommendation of post pay products to family and friends, 89.1% of the total respondents would recommend while 10.9% would not recommend. This is an indication that majority of the respondents are satisfied with post pay products. Table 4.13 below shows the score of recommendation of post pay products to family and friends.

Table 4.13 Would you recommend post pay services of this company to friends and relatives

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	123	79.9	89.1	89.1
	No	15	9.7	10.9	100.0
	Total	138	89.6	100.0	
Missing	System Missing	16	10.4		
Total		154	100.0		

4.3.7 Level of innovation in the market.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	99	64.3	65.1	65.1
	Good	40	26.0	26.3	91.4
	Satisfactory	8	5.2	5.3	96.7
	Poor	5	3.2	3.3	100.0
	Total	152	98.7	100.0	
Missing	System Missing	2	1.3		
Total		154	100.0		

Table 4.14 Ranking of safaricom's business in terms of innovation and market leadership

The respondents were further asked to rate Safaricom in terms of innovation in the market. 65.1% of the respondents rated the level of innovation in the market as excellent while 26.3% rated it as good. Overall, at least 91.4% of the respondents highly rated Safaricom in terms of level of innovation in the market. Table 4.14 below indicates how Safaricom was rated in terms of level of innovation in the market.

4.3.8 Technical competence from engineers and response time.

The study further aimed at establishing how satisfied customers were with the engineers in terms of technical competence and response time. From table 4.15 below, 49% of the respondents rated the technical competence of engineers and response time as good while 39.3% rated it as satisfactory.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	15	9.7	10.3	10.3
	Good	71	46.1	49.0	59.3
	Satisfactory	57	37.0	39.3	98.6
	Poor	2	1.3	1.4	100.0
	Total	145	94.2	100.0	
Missing	System Missing	9	5.8		
Total		154	100.0		

Table 4.15 Rating on the technical competence of the engineers and their response time

A cross tabulation of the time period one has been a customer in the company against the rating of technical competence of engineers and response time was further conducted. From table 4.16 below, 60% of the customers who have been in the company for 8-12 years rated the competence level and response time of engineers as satisfactory while 5% rated it as poor. For the customers who have been in the company for 4-7 years, 50% of the respondents rated the technical competence and response time of engineers as satisfactory while 37.5% rated it as poor. In general, technical competence and response time of engineers was best rated by customers who have been with the company for 4-7 years at 13.7% of the respondents and poorly rated by customers who have been with the company for 8-7 years at 5% of the respondents.

Table 4.16 Time period as a customer in the company * Rating on the technical competence of the engineers and their response time Crosstabulation

			Rating on the technical competence of the engineers and their response time				
			Excellent	Good	Satisfactory	Poor	Total
Time period as a customer in the campany	0-3 years	Count	1	3	4	0	8
		% of Time period as a customer in the campany	12.5%	37.5%	50.0%	.0%	100.0%
	4-7 years	Count	13	53	29	0	95
		% of Time period as a customer in the campany	13.7%	55.8%	30.5%	.0%	100.0%
	8-12	Count	0	14	24	2	40

83

years	% of Time period as a customer in the campany	.0%	35.0%	60.0%	5.0%	100.0%
13-15 yaers	Count	1	1	0	0	2
	% of Time period as a customer in the campany	50.0%	50.0%	.0%	.0%	100.0%
Total	Count	15	71	57	2	145
	% of Time period as a customer in the company	10.3%	49.0%	39.3%	1.4%	100.0%

4.3.9 Knowledge of product from professionals:

Respondents were further requested to rate the concerned professionals on the demonstration an understanding of the products they purchased. From table 4.17 below, 48% rated the professionals as good in terms of knowledge of the product 38.7% rated the knowledge of the product from professionals as satisfactory. Overall, 60% of the respondents were satisfied by the knowledge of the products from professionals they purchased.

Table 4.17 Rating on the proper demonstration on the product you purchased by the concerned professionals

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	18	11.7	12.0	12.0
	Good	72	46.8	48.0	60.0
	Satisfactory	58	37.7	38.7	98.7
	Poor	2	1.3	1.3	100.0
	Total	150	97.4	100.0	
Missing	System Missing	4	2.6		
Total		154	100.0		

4.3.10 Strategic focus of Safaricom geared towards its customers:

The study further requested the respondents to rate Safaricom in terms of strategic focus geared towards its customers. 65.6% rated the strategic focus of Safaricom as good while 25.8% rated it as excellent. Table 4.18 below shows how Safaricom was rated in terms of strategic focus geared towards its customers. Overall, 91.4% of the respondents are satisfied with the strategic focus of Safaricom geared towards its customers.

Table 4.18 Rating on the strategic focus of safaricom

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	39	25.3	25.8	25.8
	Good	99	64.3	65.6	91.4
	Satisfactory	12	7.8	7.9	99.3
	Poor	1	.6	.7	100.0
	Total	151	98.1	100.0	
Missing	System Missing	3	1.9		
Total		154	100.0		

Different age groups have different expectations in terms of strategic focus geared towards meeting their needs. It was therefore deemed necessary to establish the level of satisfaction across different age categories in terms of strategic focus geared towards meeting their needs. This was achieved by cross tabulating age category against the rating on the strategic focus of Safaricom geared towards its customers. From table 4.19 below, 70.5% of the respondents aged between 25-30 years rated the strategic focus of Safaricom as good while 62.5% of the respondents aged between 18-24 years rated as good. Notably, the strategic focus of Safaricom was best rated by 63.6% of respondents aged between 31-40 years.

Table 4.19 Age category * Rating on the strategic focus of safaricom Crosstabulation

			Rating on the strategic focus of safaricom				
			Excellent	Good	Satisfactory	Poor	Total
Age category	Below 18	Count	0	1	0	0	1

		% of Age category	.0%	100.0%	.0%	.0%	100.0%
	18-24	Count	5	10	1	0	16
		% of Age category	31.3%	62.5%	6.3%	.0%	100.0%
	25-30	Count	27	86	8	1	122
		% of Age category	22.1%	70.5%	6.6%	.8%	100.0%
	31-40	Count	7	2	2	0	11
		% of Age category	63.6%	18.2%	18.2%	.0%	100.0%
	41-50	Count	0	0	1	0	1
		% of Age category	.0%	.0%	100.0%	.0%	100.0%
Total		Count	39	99	12	1	151
		% of Age category	25.8%	65.6%	7.9%	.7%	100.0%

A cross tabulation of the time period one has been a customer in the company against the rating on strategic focus of safaricom was further conducted. From table 4.20 below, 82.7% of the customers who have been in the company for 8-12 years rated the strategic focus of safaricom as good while 61.9% of customers who have been in the company for 8-12 years rated the startegic focus as excellent.

Table 4.20 Time period as a customer in the company * Rating on the strategic focus of safaricom Crosstabulation

			Rating on the strategic focus of safaricom				
			Excellent	Good	Satisfactory	Poor	Total
Time period as a customer in the campany	0-3 years	Count	3	5	1	0	9
		% of Time period as a customer in the campany	33.3%	55.6%	11.1%	.0%	100.0%

4-7 years	Count	9	81	7	1	98
	% of Time period as a customer in the campany	9.2%	82.7%	7.1%	1.0%	100.0%
8-12 years	Count	26	13	3	0	42
	% of Time period as a customer in the campany	61.9%	31.0%	7.1%	.0%	100.0%
13-15 yaers	Count	1	0	1	0	2
	% of Time period as a customer in the campany	50.0%	.0%	50.0%	.0%	100.0%
Total	Count	39	99	12	1	151
	% of Time period as a customer in the campany	25.8%	65.6%	7.9%	.7%	100.0%

4.4 CUSTOMER RETENTION

Customer Retention is the activity that an organization undertakes in order to reduce customer defections. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship.

Table 4.21 Features that need to be added to improve products and services

		Responses		Percent of Cases
		N	Percent	
Features that need to be added to improve products and services	Increase speed on delivery of products	10	7.0%	8.0%

			Frequency	Percent	Valid Percent	Cumulative Percent
	Reduce of cost of services i.e voice and data		51	35.7%		40.8%
	To improve on the network		24	16.8%		19.2%
	Improve on the customer care service (especially line 100)		14	9.8%		11.2%
	Simplicity interms of procedures		16	11.2%		12.8%
	Improve on product diversification		28	19.6%		22.4%
Total			143	100.0%		114.4%

Identifying and addressing areas of improvement is very necessary in ensuring customer retention. The study therefore aimed at identifying the features that Safaricom need to add or enhance to improve its products and services. This was a multiple response question to ensure that as much information as possible was gathered and analyzed. From table 4.21 below, 35.7% of the respondents would like Safaricom to reduce cost of voice and data, while 19.6% would like Safaricom to improve on product diversification**.**

4.4.2 Standards and effectiveness of the loyalty program.

Table 4.22 Rating of the loyalty programs to meet standards

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	43	27.9	28.1	28.1
	Good	21	13.6	13.7	41.8
	Satisfactory	65	42.2	42.5	84.3
	Poor	24	15.6	15.7	100.0
	Total	153	99.4	100.0	
Missing	System Missing	1	.6		

		Responses		Percent of Cases
Total	154	100.0		

In terms of loyalty programs, 42.5% of the respondents rated the standard and effectiveness of loyalty programs as satisfactory while 28.1% of the respondents rated it as excellent. 15.7% of the respondents indicated that the standards and effectiveness of loyalty programs are poor.

4.4.3 Recommendation to improve on customer service (Effectiveness and issue resolution)

In identifying areas of improvement that will enhance customer retention, respondents were requested to recommend what needs to be done to ensure effectiveness on customer service and issue resolution. Again, this was a multiple response question to ensure as much information as possible was gathered and analyzed to ensure customer retention. Table 4.23 below shows recommended areas of improvement. 35.5% of the respondents recommended that Safaricom should improve on speed of service delivery at retail shops, while 21.1% of the respondents recommended that Safaricom should adhere to the set service level agreements.

Table 4.23 Recommendation for better services

		Responses		Percent of Cases
		N	Percent	
Recommendation for better services	Improve on the customer care	12	7.9%	10.1%
	Improve on its poor network	29	19.1%	24.4%
	Lower both call charges and data bundlescharges	17	11.2%	14.3%
	Improve on speed at the retail shops	54	35.5%	45.4%

			Responses		Percent of Cases
			N	Percent	
	To adhere to the service level agreement		32	21.1%	26.9%
	To carry out more customer surveys		5	3.3%	4.2%
	To add more or enhance M-pesa feature (like converting airtime to M-pesa)		3	2.0%	2.5%
Total			152	100.0%	127.7%

4.4.4 Products purchase preference from another supplier:

Further analysis was conducted to establish which products and services offered by Safaricom, a customer would opt to purchase from another supplier instead. From table 4.24 below, 25.3% of the respondents indicated that they would prefer to buy phones (handsets) from a different supplier rather than purchase from Safaricom. 22% indicated they would prefer to buy modems from a different supplier rather than purchase from Safaricom.

Table 4.24 product purchase preference

		Responses		Percent of Cases
		N	Percent	
Product purchase preference from another supplier	Phones	38	25.3%	25.9%
	Modems	33	22.0%	22.4%
	Laptops	27	18.0%	18.4%
	Computer accessories	11	7.3%	7.5%

		Responses		Percent of Cases
		N	Percent	
	Others, lines, airtime, data bundles, fixed data-routers	41	27.3%	27.9%
Total		150	100.0%	102.0%

4.4.5 Safaricom products and services that are liked and disliked.

The study further aimed at establishing which products and services respondents like and which products and services they don't like. This was also a multiple response question to maximize on collection of as much opinions as possible for analysis and recommendations for customer retention. The study revealed that 29.7% of the respondents like the reliability of Safaricom products and services while 28.5% like the availability of the products and services. 21.9% like the effectiveness of Safaricom customer service. Table 4.25 below shows Safaricom products and services that are liked.

Table 4.25 what customers dislike or like about Safaricom products and services

		Responses		Percent of Cases
		N	Percent	
Safaricom products and services that are liked	Availability of the products and services	73	28.5%	51.0%
	Loyalty programmes ie Bonga matrixs	22	8.6%	15.4%
	Reliability of the products	76	29.7%	53.1%

		Responses		Percent of Cases
and services				
Diversification of the products		21	8.2%	14.7%
Flexibility of the products		2	.8%	1.4%
Effective customer service		56	21.9%	39.2%
Uniqueness of the product and service		1	.4%	.7%
Good network coverage		5	2.0%	3.5%
Total		256	100.0%	179.0%

In terms of dislikes, 47.8% of the respondents indicated that the cost of Safaricom products and services are high, while 11.5% of respondents are not happy with MPESA delays. 14% of the respondents indicated that Safaricom has poor billing timelines.

Table 4.26 what customers dislike or like about Safaricom products and services .

		Responses		Percent of Cases
		N	Percent	
Safaricom products and services that are disliked	Delays on processing hence low speed (M-pesa)	18	11.5%	12.4%
	Congested network/ poor network	6	3.8%	4.1%

		Frequency	Percent	Valid Percent	Cumulative Percent
Poor billing timelines		22	14.0%		15.2%
High cost of product and services		75	47.8%		51.7%
Lack of trust/ transparency for billing or charging services		4	2.5%		2.8%
Ineffective customer care service		32	20.4%		22.1%
Total		157	100.0%		108.3%

4.4 Employee training.

Training of employees has a huge impact on ensuring customer satisfaction and retention. A well trained employee is highly likely to have a better and detailed understanding of products and services offered by the company, which in turn implies the employee is well versed to manage and advise customers accordingly and professionally.

The study therefore aimed to establish if the employees are well trained, and the reasons why they would require further training. Data was collected through questionnaires which were filled by Safaricom employees within the Enterprise business unit.

4.4.1 Background information of respondents

This section aims at analyzing the distribution of respondents in terms of Age, Gender, Duration the staff has been working for the company and level of education of the respondents. The section will further seek to establish the optimum duration the respondents would require undergoing training in order to understand Safaricom products and services.

From table 4.28 below, 76.9% of the respondents are aged between 25-29 years while 21.5% are aged between 30-34 years. Overall, 99% of the respondents are aged between 18-34 years.

Table 4.18 Age distribution of respondents.

	Frequency	Percent	Valid Percent	Cumulative Percent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-24	1	.6	.8	.8
	25-29	93	60.4	76.9	77.7
	30-34	26	16.9	21.5	99.2
	35-45	1	.6	.8	100.0
	Total	121	78.6	100.0	
Missing	System	33	21.4		
Total		154	100.0		

In terms of gender, 65% of the respondents were females while 35% were males. Table 4.29 below shows the gender distribution of respondents interviewed under employee training.

Table 4.29 Gender distribution of the respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	42	27.3	35.0	35.0
	Female	78	50.6	65.0	100.0
	Total	120	77.9	100.0	
Missing	System	34	22.1		
Total		154	100.0		

For the duration the staff have been in the company, it was established that majority of the respondents (93.6%) have been working in the company for 1-5 years with 4.5% having worked for the company for less than a year. Table 4.30 below shows distribution of length of time staff has been working for the company.

Table 4.30 Length of time the staff has been working for the company

		Frequency	Percent	Valid Percent	Cumulative Percent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	5	3.2	4.5	4.5
	1-5 years	103	66.9	93.6	98.2
	6-10 years	2	1.3	1.8	100.0
	Total	110	71.4	100.0	
Missing	System	44	28.6		
Total		154	100.0		

It was further established that majority of the respondents level of education is undergraduate (96.6%) with only 3 respondents (2.6%) having studied to a postgraduate level as shown in table 4.31 below.

Table 4.31. Level of education of the respondent.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	1	.6	.9	.9
	Undergraduate	113	73.4	96.6	97.4
	Post-graduate	3	1.9	2.6	100.0
	Total	117	76.0	100.0	
Missing	System	37	24.0		
Total		154	100.0		

The study further revealed that 94.1% of the respondents indicated that the optimum duration of training of Safaricom products should be between 4-6 weeks as shown on table 4.32 below.

Table 4.32 In the staff's opinion the duration of the training for safaricom's products and services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	4-6 weeks	112	72.7	94.1	94.1
	8 weeks	7	4.5	5.9	100.0
	Total	119	77.3	100.0	

		Frequency	Percent		
Missing	System Missing	35	22.7		
Total		154	100.0		

4.4.2 Employee training and customer satisfaction.

Training of employees is critical to their understanding and knowledge of the products and services offered by the company. A well trained employee is better placed to manage and handle customer expectations hence ensuring that the customer is satisfied. This section therefore aims to analyze key areas in employee training and how they affect customer satisfaction.

The study revealed that 97.4% of the responding employees have undergone training in the department as shown in table 4.33 below with only 2.6% having not undergone any training. This score has a positive correlation with customer satisfaction especially in terms of level of professionalism exhibited by the staff as it was earlier established that 99.2% of the customers are satisfied with the level of professionalism (Table 4.6). It was also earlier established that 96% of the customers are satisfied with the staff's ability to understand ones challenge (Table 4.8) and this can also be attributed to the fact that 97.4% of the employees have undergone training in the company.

Table 4.33. Has the staff undergone any training session before in the company?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	112	72.7	97.4	97.4
	No	3	1.9	2.6	100.0

		Frequency	Percent	Valid Percent	Cumulative
	Total	115	74.7	100.0	
Missing	System	39	25.3		
Total		154	100.0		

The study further aimed at establishing how often the employees undergo training sessions as this is critical in ensuring the employees are up to date with any new developments of the products and services the company offers to its customers.

From table 4.34 below, 33.3% of the employees have attended 0-5 training sessions while 27.4% of the employees have undergone 6-10 training sessions. Generally, 60.7% of the employees have at least attended between 0-10 training sessions. This score has a positive correlation with how customers rated the knowledge of products and services from professionals as was established in table 4.17 that the majority (60%) of the customers is satisfied with how the employees demonstrated the understanding of the products and services.

Table 4.34 Number of training sessions attended since the staff joined his current department

	Frequency	Percent	Valid Percent	Cumulative

					Percent
Valid	0-5	39	25.3	33.3	33.3
	6-10	32	20.8	27.4	60.7
	11-15	4	2.6	3.4	64.1
	16-20	21	13.6	17.9	82.1
	31 and above	21	13.6	17.9	100.0
	Total	117	76.0	100.0	
Missing	System Missing	37	24.0		
Total		154	100.0		

A cross tabulation was further conducted to establish how often employees undergo training within the company in relation to how long they have been working in the company. The study revealed that 33% of the employees who have been in the company for 1-5 years have at least been trained 0-5 times while 22% have undergone 6-10 training sessions as shown on table 4.44 below. It was also noted that all the respondents who have been in the company for less than a year have gone for utmost 5 training sessions.

Table 4.35 Length of time the staff has been working for safaricom * Number of training sessions attended since the staff joined his current department.

			Number of training sessions attended since the staff joined his current department					
			0-5	6-10	11-15	16-20	31 and above	Total
Length of time the staff has been working for safaricom	Less than 1 year	Count	5	0	0	0	0	5
		% of Length of time the staff has been working for safaricom	100.0%	.0%	.0%	.0%	.0%	100.0%
	1-5 years	Count	33	22	4	21	20	100
		% of Length of time the staff has been working for safaricom	33.0%	22.0%	4.0%	21.0%	20.0%	100.0%
	6-10 years	Count	1	0	0	0	1	2
		% of Length of time the staff has been working for safaricom	50.0%	.0%	.0%	.0%	50.0%	100.0%
Total		Count	39	22	4	21	21	107
		% of Length of time the staff has been working for safaricom	36.4%	20.6%	3.7%	19.6%	19.6%	100.0%

An analysis was also conducted to establish the reasons as to why an employee wished to undergo training. This was necessary as it has an impact on customer service and satisfaction. From table 4.36 below, 59.3% of the respondent's interest in undergoing training is to effectively learn new technologies and implement them to enhance quality customer service and satisfaction. 39.8% of the respondent's indicated that they wished to undergo training to gain

more knowledge about the products and services offered by the company. Overall, majority of the employees would want to undergo training to better their services to customers.

Both reasons given are all geared towards better customer service and satisfaction and hence a positive correlation to an earlier rating by the customers whereby it was established that 91.4% (Table 4.18) of the customers were satisfied with the strategic focus of safaricom geared towards its customers.

Table 4.36 Reasons for undergoing training

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	To get promotion in the same department	1	.6	.8	.8
	To effectively learn technologies and implement them	70	45.5	59.3	60.2
	To gain more knowledge about the products and services of th	47	30.5	39.8	100.0
	Total	118	76.6	100.0	
Missing	System Missing	36	23.4		
Total		154	100.0		

The study further aimed to establish if the duration an employee has been working in the company influenced their reasons for undergoing training. A cross tabulation was therefore conducted as shown on table 4.37 below.

For the respondents who have been working in the company for less than an year, 20% indicated their reasons for undergoing training was to gain promotion, while 60% wanted to effectively learn new

technologies and implement them. Notably, for the respondents who have been working with the company for 1-5 years, none of them indicated they underwent training in order to gain promotion.

Table 4.37 Length of time the staff has been working for safaricom * Reasons for undergoing training Crosstabulation

			Reasons for undergoing training			
			To get promotion in the same department	To effectively learn technologies and implement them	To gain more knowledge about the products and services of th	Total
Length of time the staff has been working for safaricom	Less than 1 year	Count	1	3	1	5
		% of Length of time the staff has been working for safaricom	20.0%	60.0%	20.0%	100.0%
	1-5 years	Count	0	66	35	101
		% of Length of time the staff has been working for safaricom	.0%	65.3%	34.7%	100.0%
	6-10 years	Count	0	0	2	2
		% of Length of time the staff has been working for safaricom	.0%	.0%	100.0%	100.0%
Total		Count	1	69	38	108
		% of Length of time the staff has been working for safaricom	.9%	63.9%	35.2%	100.0%

Employee training is key but will only produce results if its well conducted and in an informative way. As such, the study aimed to establish if the training the respondents underwent had an impact in relation to their work. As shown on table 4.38 below, 95.8% of the respondents who underwent training indicated

that the training positively contributed to their work and this has a positive correaltion to better customer satisfaction.

Table 4.38 If the training had any significance to the staff's work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	114	74.0	95.8	95.8
	No	1	.6	.8	96.6
	Maybe	2	1.3	1.7	98.3
	Not sure	2	1.3	1.7	100.0
	Total	119	77.3	100.0	
Missing	System Missing	35	22.7		
Total		154	100.0		

A cross tabulation was further conducted to establish if the number of training sessions an employee has attended had an impact on how they rated the significance of trainig to their work as shown on table 4.39 below. 2.6% of the respondents who have been trained 0-5 times indicated the training had no impact on their work. Notably, all the respondents who have undergone more than 5 training sessions indicated that the training had a positive impact in their work, hence better customer service and satisfaction.

Table 4.39 Number of training sessions attended since the staff joIned his current department * If the training had any significance to the staff's work Crosstabulation

		If the training had any significance to the staff's work				Total
		Yes	No	Maybe	Not sure	
Number of training sessions attended since the staff jioned his current department	0-5	89.7%	2.6%	5.1%	2.6%	100.0%
	6-10	100.0%				100.0%
	11-15	100.0%				100.0%
	16-20	100.0%				100.0%
	31 and above	100.0%				100.0%
Total		96.6%	.9%	1.7%	.9%	100.0%

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the results and findings according to the research objectives. These are presented in this section as they correspond to the research questions of the study as outlined in chapter one of the report. The questionnaire covered the demographic characteristics of the respondents, customer satisfaction, customer retention and employee training skills.. Additionally, this chapter outlines discussion based on findings followed by conclusions and recommendations.

5.2 Summary of findings.

Below is the summary of findings based on the three objectives.

5.2.1 Customer satisfaction

The study aimed to establish if the customers are satisfied with the company's products and services. This was accessed in terms of value of safaricom to the customers' organization, level of satisfaction from sales and retention teams across different areas, overall quality of products and services, timeliness on delivery of bills and services, level of innovation in the market amongst other factors.

The value Safaricom adds to an individual determines how much that individual is satisfied with Safaricom products and services. This was a multiple response question to ensure as much information as possible was gathered for analysis of individual satisfaction. The study revealed that most of the respondents (34.2%) were satisfied with the availability of Safaricom products and services; however some of the respondents mentioned about the flexibility and simplicity of the services were too ambiguous.

Further analysis was done on this variable to establish if the time period a respondent has been a customer in the company had an impact on how satisfied one was with Safaricom. A cross tabulation was therefore done for time period as a customer against the rate of satisfaction. The

study revealed that(57.1%) for some respondents who have been with Safaricom for 4-7 years best rated Safaricom in terms of satisfaction, whereas some of the respondents who have been with the company for 13 years rated the level of satisfaction poor.

However, the study further aimed at establishing the overall rate of satisfaction across different age categories since the products and services offered by Safaricom are utilized differently across different age groups. The overall quality of products and services was driven by the fact that a long outstanding customer may have a different opinion of products and services offered by the company through different experiences compared to a new customer. A cross tabulation of time period as a customer in the company against the quality of products and services was done. Therefore most of the customers (11.1%), who had been in the company for 0-3 years rated the quality of products and services as poor and (86%) as good.

5.2.2 Level of satisfaction from the sales and retention team.

Sales and retention teams play a major role in ensuring that existing and new customers are satisfied by the products and services offered by any company. Most respondents ranked excellent on how they are handled professionally and fairly in terms of responsiveness

The study further aimed at establishing how satisfied the respondent with the sales and retention team in terms of the level of the team to understand ones challenges. Most of interviewed respondents rated the team good (57.3%) in terms of understanding ones challenge. Overall, 96% of the respondents are satisfied with the sales and retention teams to understand ones challenges.

5.2.3 Overall quality of products and services

The quality of products and services offered to customers is a key factor in establishing how satisfied a customer is. Most of the respondents rated the quality of products and services as good while a few rated poorly. Overall, of the respondents are satisfied with the quality of products and services offered to them.

The study further aimed at establishing the rating of quality of products and services based on how long one has been a customer in the company. This was driven by the fact that a long outstanding customer may have a different opinion of products and services offered by the company through different experiences compared to a new customer. The study assessed the

time period as a customer in the company against the quality of products and 86% of the respondents who have been in the company for 8-12 years rated the quality of products and services as good and 7% as satisfactory. 44.4% of customers who have been in the company for 0-3 years rated the quality of products and services as good while 33.3% rated it as satisfactory. Notably, 11.1% of the customers who had been in the company for 0-3 years rated the quality of products and services as poor.

5.2.4 Best post pay products and recommendation to family and friends.

The study further aimed at establishing the best post pay products from the respondents. the respondents indicated that the post pay bundles 2500 and 1000 are the best post pay products.With (36.8%).However blackberry services were rated poorly due to its monthly chargeable rates.

5.2.5 Level of innovation in the market.

Most respondents (64.3%) highly rated Safaricom in terms of level of innovation in the market as excellent. This is as a result of consistently coming up with ideas and new products that suite a consumer.

5.2.6 Technical competence from engineers and response time.

The study further aimed to establish how satisfied customers were with the engineers in terms of technical competence and response time. 49% of the respondents rated the technical competence of engineers and response time as good while 39.3% rated it as satisfactory.

However, the study assessed the time period one had been a customer in the company against the rating of technical competence of engineers and response time was further conducted. 60% of the customers who had been in the company for 8-12 years rated the competence level and response time of engineers as satisfactory while 5% rated it as poor due to lack of observing the Service level agreement and lack incompetent contractors at the site. For the customers who have been in the company for 4-7 years, 50% of the respondents rated the technical competence and response time of engineers were satisfactory while 37.5% rated it as poor. In general, technical competence and response time of engineers was best rated by customers who have been with the company for 4-7 years at 13.7% of the respondents and poorly rated by customers who have

been with the company for 8-7 years at 5% of the respondents this is because of the delay os response time or updating on the issue was poor and lack of adhering to the SLA.

5.2.7 Strategic focus of Safaricom geared towards its customers:

The study further requested the respondents to rate Safaricom in terms of strategic focus geared towards its customers. Different age groups have different expectations in terms of strategic focus geared towards meeting their needs. It was therefore deemed necessary to establish the level of satisfaction across different age categories in terms of strategic focus geared towards meeting their needs. Notably, the strategic focus of Safaricom was best rated by 63.6% of respondents aged between 31-40 years.

A cross tabulation of the time period one had been a customer in the company against the rating on strategic focus of safaricom was further conducted. 82.7% of the customers who had been in the company for 8-12 years rated the strategic focus of safaricom as good as it met their standards and they were comfortable to do business with Safaricom while 61.9% of customers who have been in the company for 8-12 years rated the strategic focus as excellent.

5.3 Customer Retention

Customer Retention is the activity that an organization undertakes in order to reduce customer defections. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship.

5.3.1 Features that Safaricom would need to add or enhance to improve its products and services.

The respondents mentioned that the features that safaricom would work on is to reduce the cost of products like voice and data services that is purchase of data bundles at (35.7%) and increase speed in delivery(7.0%) especially at the retail level, improve the network as it slows down at (16.8%) especially on major transaction processes like mpesa and improve on simplicity, in terms of procedures at (11.2%).

Some of the respondents rated the standard and effectiveness of loyalty programs as satisfactory with the services that they access like bonga matrix redemption and bonus airtime at (42.2%).

However some respondents said that they couldn't enjoy much loyalty programs because they are relatively new customers with Safaricom hence it limits them to enjoy such services.

5.3.2 Recommendation to improve on customer service (Effectiveness and issue resolution)

In identifying areas of improvement that will enhance customer retention, respondents were requested to recommend what needs to be done to ensure effectiveness on customer service and issue resolution the respondents recommended that Safaricom should improve on speed of service delivery at retail shops, while some of the respondents(21.2%) recommended that Safaricom should adhere to the set service level agreements(SLA) which inconveniences the customers on delivery of services and issue/problem resolution. More to that, (3.3%) of the corporate customers also suggested that safaricom should carry frequent customer surveys so that the relationship between the two entities in business can identify future loopholes that can be avoided. Other recommendations aired out by the respondents were improve on the network services and customer care (19.1% and 7.9%) respectively.

5.3.3 Products purchase preference from another supplier

Further analysis was conducted to establish which products and services offered by Safaricom, a customer would opt to purchase from another supplier instead from Safaricom. 25.3% of respondents indicated that they would prefer to buy phones (handsets) from a different supplier rather than purchase from Safaricom, while some individuals (22%) said they would prefer to buy modems from a different supplier rather than purchase from Safaricom because the prices are relatively cheaper from other suppliers.

5.3.4 What customers dislike or like about Safaricom products and services

The study further aimed at establishing which products and services respondents like and which products and services they don't like. This was also a multiple response question to maximize on collection of as much opinions as possible for analysis and recommendations for customer retention. The study revealed that 28.5% of the respondents like the reliability of Safaricom products and services because of the reputable name of the company, loyalty programs like the

bonga matrix, availability of the products and services, flexibility of the products and services like MPESA services where one can buy goods, playbills and send or withdraw money.

In terms of dislikes, 47.8% of the respondents assessed that the costs of products and services were relatively high compared to Safaricom's competitors. This was mainly on voice services and data. This study also revealed that customers were not happy with the MPESA delays and poor billing timeline and amongst others like lack of transparency when it comes to billing services and congested network.

5.4 Employee training.

Training of employees has a huge impact on ensuring customer satisfaction and retention. A well trained employee is highly likely to have a better and detailed understanding of products and services offered by the company, which in turn implies the employee is well versed to manage and advise customers accordingly and professionally.

The study therefore aimed to establish if the employees are well trained, and the reasons why they would require further training to enhance the growth of customer relationship management. Data was collected through questionnaires which were filled by Safaricom employees within the Enterprise business department.

5.4.1 Background information of respondents.

This aimed at analyzing the distribution of respondents in terms of Age, Gender, Duration the staff had worked for the company and level of education of the respondents. In terms of gender, most of the respondents were Females at 65% while 35% were males. For the duration the staff had been in the company, it was established that majority of the respondents (93.6%) have been working in the company for 1-5 years with 4.5% having worked for the company for less than a year.

It was further established that majority of the respondents level of education is undergraduate (96.6%) with only 3 respondents (2.6%) having studied to a postgraduate level.

The study further revealed that 94.1% of the respondents indicated that the optimum duration of training of Safaricom products should be between 4-6 weeks and of which there was need to train frequently like after six months.

5.4.2 Employee training and customer satisfaction.

Training of employees is critical to their understanding and knowledge of the products and services offered by the company. A well trained employee is better placed to manage and handle customer expectations hence ensuring that the customer is satisfied. This section therefore aimed to analyze key areas in employee training and how they affect customer satisfaction.

The study revealed that 97.4% of the respondents had undergone training in the department and with only 2.6% having not undergone any training. This affected their performance at their work since they were not familiar with the internal system and procedures/ escalation matrix. However, the score had a positive correlation with customer satisfaction especially in terms of level of professionalism exhibited by the staff as it was earlier established that 99.2% of the customers were satisfied with the level of professionalism.

It was also earlier established that 96% of the respondents were satisfied with the staff's ability to understand ones challenge and this was also be attributed to the fact that 97.4% of the employees had undergone training in the company.

5.4.3 Frequent training session

The study further aimed at establishing how often the employees undergo training sessions as this is critical in ensuring the employees are up to date with any new developments of the products and services the company offers to its customers. 33.3% of the employees had attended 0-5 training sessions while 27.4% of the employees have undergone 6-10 training sessions. Generally, 60.7% of the employees have at least attended between 0-10 training sessions. This score had a positive correlation with how customers rated the knowledge of products and services from professionals as was established in table 4.17 that the majority (60%) of the customers were satisfied with how the employees demonstrated the understanding of the products and services.

A cross tabulation was further conducted to establish how often employees undergo training within the company in relation to how long they have been working in the company. The study revealed that 33% of the employees who have been in the company for 1-5 years have at least been trained 0-5 times while 22% have undergone 6-10 training sessions. It was also noted that all the respondents who have been in the company for less than a year have gone for utmost 5 training sessions.

5.4.4 Reasons for undergoing training.

An analysis was also conducted to establish the reasons as to why an employee wished to undergo training. This was necessary as it has an impact on customer service and satisfaction. 59.3% of the respondent's interest in undergoing training is to effectively learn new technologies and implement them to enhance quality customer service and satisfaction. 39.8% of the respondents indicated that they wished to undergo training to gain more knowledge about the products and services offered by the company. Overall, majority of the employees would want to undergo training to better their services, handle account management issues and overall improve on the relationship management to customers.

Both reasons given are all geared towards better customer service and satisfaction and hence a positive correlation to an earlier rating by the customers whereby it was established that 91.4%) of the customers were satisfied with the strategic focus of safaricom geared towards its customers.

5.4.5 Duration worked in the company

The study further aimed to establish if the duration an employee had been working in the company influenced their reasons for undergoing training. They indicated their reasons for undergoing training was to gain promotion, while (60%) wanted to effectively learn new technologies and implement them. Notably, for the respondents who have been working with the company for 1-5 years, none of them indicated they underwent training in order to gain promotion. Employee training is key but will only produce results if its well conducted and in an informative way. As such, the study aimed to establish if the training the respondents underwent had an impact in relation to their work. 95.8% of the respondents who underwent training indicated that the training positively contributed to their work and this had a positive correlation

to better customer satisfaction. A cross tabulation was further conducted to establish if the number of training sessions an employee has attended had an impact on how they rated the significance of training to their work. 2.6% of the respondents who had been trained 0-5 times indicated the training had no impact on their work. Notably, all the respondents who have undergone more than 5 training sessions indicated that the training had a positive impact in their work, hence better customer relationship management.

5.5 Conclusion

From the findings, Safaricom has strived to satisfy its customers with the availability of its products and services especially with the innovation of MPESA. However there are some key areas that it needs to improve that is simplicity and speed. These two are part of the Safaricom way values i.e. making things simple for the customers, prioritizing on speed that is in terms of delivery (quick service), and sorting out customers promptly, accuracy in billing and timely delivery of bills. Also reduce costs of services and products, especially on data services and improve on the network. Hokanson (1995) states that, there are many factors that affect customer satisfaction and these are competitive pricing service quality, billing clarity billing timeliness and knowledgeable employees. Another key strength is that 60% customer's were satisfied with how the employees demonstrated the understanding of the products and services.

Acquiring new customers can cost five times more than satisfying and retaining current customers. A 2% increase in customer retention has the same effect on profits as cutting costs by 10% .The average company loses 10% of its customers each year. Elsewhere a 5% reduction in customer defection rate can increase profits by 25-125%, depending on the industry and the customer profitability rate tends to increase over the life of a retained customer. (Baker 2007).

From these findings, it can be concluded that Safaricom should adhere more to the service level agreement, expand its bonga redemption matrix for new corporate customers to enjoy and carry out frequent customer surveys.(continuous Satisfaction tracking) This can stem churn of its corporate customers, because, in today's challenging economy and competitive business world, retaining your customer base is critical to your success. If you don't give your customers some good reasons to stay, your competitors will give them a reason to leave. Customer retention and satisfaction drive profits. It's far less expensive to cultivate existing customer base and sell more services to them than it is to seek new, single-transaction customers. Most surveys across

industries show that keeping one existing customer is five to seven times more profitable than attracting one new one (Baker 2007).

Delighted and loyal customers will return for follow-on business without considering alternatives of comparing the competition. Though, there are a number of factors that influence customers' decision to remain loyal, true loyalty is based on your company's continuous delivery of superior value. Customer loyalty is a major contributor to sustainable profit growth and to win customer loyalty, the business must first satisfy the customer repeatedly. With the frequent training of employees from the departments, customers were satisfied with how the employee demonstrates the understanding of the products and services.

However much of which they understand the products and services 2.6 % of the employees stated that they hadn't undergone for any training sessions before and therefore were not familiar with the internal systems, procedures and escalations matrix. Safaricom should strive and ensure all employees are trained on their relative fields.

Gaining product knowledge can be done through effective training sessions as it is important to understand how the product is made, the value of the product, how the product should and can be used, and what products work well together.

If a customer isn't fully committed to completing a sale, the difference may simply be the presence (or lack) of confidence a salesperson has towards the product. Becoming educated in the product and its uses will help cement that confidence which can also be built by enough training or refresher courses of the products and services of the company (Wall and Berry, 2007).

5.6 Recommendation

From these findings, we suggest the following recommendations for improvement

- Reduce cost of products and services for voice and data
- Do frequent corporate customer surveys
- Frequent employee training for better delivery of services, account management and relationship management.
- Heavily market other post pay products like Zidisha and its features.
- Create more flexible loyalty programs for different customer segments.
- Adhere to the service level agreement to build more trust with the customers.

- To improve on speeds especially at the retail level of customer management.
- Reduce downtime for MPESA as its widely used by many companies due to its flexible features.
- Improve on the timeliness of delivering bills.

5.7 Suggestions for further research

Based on the findings of this study, the following areas are being recommended for further research;

- Effectiveness of customer relationship management on products enhancement
- Alternative measures like automation other than using the procedural way/ beauracracy way of management.
- CDI on customer relationship management.

5.8 Summary

In this chapter, summary of findings of the study along the five study objectives has been highlighted and discussed. Conclusions have been drawn; finally recommendations for improvement and further research have been outlined.

REFERENCES

Andaleeb, S. S. 1998. Determinants of customer satisfaction with hospitals: A managerial model. *International Journal of Health Care Quality Assurance* 11(6): 181-187.

Andreassen, T.W. 1995. (Dis) satisfaction with public services: The case of public Transportation. *Journal of Services Marketing* 9: 30–41..

Agrawal, R. (2008). Public transportation and customer satisfaction. *Global Business Review* 9(2): 257-272.

A&lie, Andrew and Leyland Pitt (1992), "Customer Retention Analysis," *Journal of Direct Marketing, 6 (31, 3 1-43.*

Adelaar, T.(2000).*Growth of the telecommunication industry and Electronic commerce.* New technology shows case, 14(5), 12-20.

Anderson, Eugene W., Claes Fornell, and Donald R. Lehmann (1994), *Customer Satisfaction Gower Publishing Limited.*

Bagozzi, R. P. 1994. Structural equations models in marketing: Basic principles. In *Principles of Marketing Research*, R. P. Bagozzi, ed. Cambridge: Blackwell, 317–385.

Baker, J, (2007). *Research Finds Consumer Frustration over Waiting is influenced By Several Factors, but Managers Can Act to Reduce Customer Annoyance.* Neely School of Business, Fort Worth, Texas

Bendapudi, N., & Leone, R. (2002). Managing business-to-business customer relationships following key contact employee turnover in a vendor firm. *Journal of Marketing, 66*(2), 83-101.

Berry, L. L. (1983). Relationship marketing. In L.L. Berry, G.L. Shostack, & G.D. Dpah (Eds.), *Emerging perspectives on service marketing* (pp. 28-38). American Marketing Association.

Berry, L. L., & Parasuraman, A. (1991). *Marketing services: Computing through quality*. MA: Free Press/Lexington Books. Lexington.

Berthon, P., Pitt, L. F., & Watson, R. T. (1996). The World Wide Web as an advertising medium: Towards an understanding of conversion efficiency. *Journal of Advertising Research, 1*(1), 43-54.

Bitner, J. M. (1995). Building service relationships: It's all about promises. *Journal of Academy of Marketing Science, 23*(4), 246-251.

Bowen, E. and Lawler, E. (1992). The Empowerment of Service Workers: What Why, How and When. Sloan Management Review, 33(3) 31-39.

Bakos, Y., & Dellarocas, C. (2002). Cooperation without enforcement? A comparative analysis of litigation and online reputation as quality assurance mechanisms. *Proceedings of the International Conference on Information Systems, 23*, 127-142.

Bolton, R. N., and J. H. Drew. 1991. A longitudinal analysis of the impact of service changes on customer attitude. *Journal of Marketing* 55 (January): 1-19.

Buzzell, R. D., and B. T. Gale. 1987. *The PIMS Principles*. New York: Free Press.

Carroll, Peter, and Sanford Rose (1993) "Revisiting Customer Retention," *Journal of Retail Banking, 15* (Spring), 5-13.

Crosby, P. B. 1979. *Quality is Free: The Art of Making Quality Certain*. New York: American Library.

Creswell ,Sekaran, U., (2003). *Research Methods for Business: A Skill Building Approach, (4thedition)* New Delhi: Wiley India.

Czepiel, John A. and Srinivas K. Reddy (1992), " *Exploring the Social Geography of the Marketplace:* A Study of Relationships in Corporate Banking," Paper presented at the Research

Conference on Customer Relationship Management: Theory and Practice, April 9-l 1, 1992. Sponsored by Emory University, Atlanta, GA.

Czepiel, John A. and Srinivas K. Reddy (1993) "Measuring and Modeling the Effects of Buyer/Seller Relationships in Corporate Financial Services Markets," Unpublished Working paper, New York University

Chow, S., & Holden, R. (1997). Toward an understanding of loyalty: The moderating role of trust. *Journal of Managerial Issues, 9*(3), 275-298.

Coller, (1996): *Impact of effective customer relationship management:* Open University press.

Churchill, G. A. (1979). A paradigm for developing better measures of marketing constructs. *Journal of Marketing Research, 16*(1), 64-73.Cardozo, Richard N. (1968), "An Experimental Study of Consumer Effort, Expectation, and Satisfaction," *Journal of Marketing Research, 2* (August),244-9.

Churchill, Gilbert A. and Carol Suprenant (1982), "An Investigation into the Determinants of Customer Satisfaction," *Journal of Marketing Research, 14* (November), 491-504..

Cook, S., (2000). *Customer Care: How to Create an Effective Customer Focus, 3rd Edition*. Wales: Creative Print and Design.

Cook, S., (2004). *Measuring Customer Service Effectiveness*. England: Gower Publishing Limited.

Day, Ralph L. and E. Laird Landon (1977), "Toward a Theory of Consumer Complaining

DeSouza, Glenn (1992). Designing a Customer Retention Plan. Journal of Business Strategy, 13(2), 24-28

Day, Ralph L. (1977), "Towards a Process Model of Consumer Satisfaction," in *Conceptualization and Measurement of Consumer Satisfaction and Dissatisfaction,* H. Keith Hunt, ed. Cambridge, MA: Marketing Science Institute, 153-83.

Eboli, L., and G. Mazzulla. 2007. Service quality attributes affecting customer satisfaction for bus transit. *Journal of Public Transportation* 10 (3): 21-34.

Ekinci, Y. 2003. An investigation of the determinants of customer satisfaction. *Tourism Analysis* 8(2): 193-196.

Dick, A. S., & Basu, K. (1994). Customer loyalty: Toward an integrated conceptual framework. *Journal of the Academy of Marketing Science, 22*(2), 99-113.

Domingo, G. E., & Hui, K-L. (2003). The effects of retail format characteristics on e-loyalty. *Ninth Americas Conference on Information System*s, 139-148.

Dwyer, F. R., Schurr, P. H., & Oh, S. (1987). Developing buyer-seller relationships. *Journal of Marketing, 51*(2), 11-27.

Evans, J. R., & Laskin, R. L. (1994). The relationship marketing process: A conceptualization and application. *Industrial Marketing Management, 23*(5), 439-452.

Eskildsen, J. K., and J. J. Dahlgaard. 2000. A causal model for employee satisfaction.

Fomell, Claes and Birger Wernerfelt (1987) "Defensive Marketing Strategy-Customer.Complaint Management: A Theoretical Analysis," *Journal of Marketing Research, 24* (November), *33 7-46.*

Fornell, Claes (1992) "A National Customer Satisfaction Barometer: The Swedish Experience," *Journal of Marketing, 56, 6-2 1.*

Fen, Y.S., & Lian, M.L. Service Quality and Customer Satisfaction: Antecedents of

Customer's Re-patronage Intentions. *Sunway Academic Journal. 4*

Fogli, L. ,(2006). *Customer Service Delivery: Research and Best Practice*. USA:

Fink, S., & Yao, J. L. (2003). Reviving brand loyalty: A re-conceptualization within the framework of consumer-brand relationships. *International Journal of Research in Marketing, 14*(5), 451-472.

Gabbot, M. & Hogg, G., (1998). *Customer & Service*. Chichester: Wiley.

Garvin, David A. (1988), *Managing Quality: The Strategic and Competitive Edge. New* York: The Free Press.

Gerson, R. F., (1993a). *Measuring Customer Satisfaction. A Fifty-minutes™ Series Book*. USA:Crisp Publication.

Gefen, D. (2002). Customer loyalty in e-commerce. *Journal of the Association for Information Systems, (3)*, 27-51.

Geyskens, I., Gielens, K., & Dekimpe, M. G. (2002). The market valuation of Internet channel additions. *Journal of Marketing, 66*(2), 102-119.

Ghosh, S. (1998). Making business sense of the Internet. *Harvard Business Review,*

  2, 126-135.

Gronroos, C. (1990). Relationship approach to marketing in service contexts: The marketing and organizational behavior interface. *Journal of Business Research, 1*(1), 3-11.

Grönroos, C. (1994). From marketing mix to relationship marketing: Towards a paradigm shift in marketing. *Management Decision. 32*(2), 4-20.

Gould, G., (1995).Why it is customer loyalty that counts (and how to measure it). *Managing Service Quality*. 7 (4) pp. 4-26.

Gummesson, E. (1994). Making relationship marketing operational. *International Journal of Service Industry Management, 5*(5), 5-20.

Guenther, Dale. "Customers for Life: Employee Empowerment and Creative Marketing Go a Long Way toward Customer Retention." Industrial Distribution. February 2005. Hayes*, B.E., (1998). Measuring Customer Satisfaction: Survey Design, Use, and Statistical Analysis Method.*

Herzberg, F. (2003). One more time: How do you motivate employees? *Harvard Business Review, 81*(1), 87-96.

Hoffman, D.L, novak, T.P, customer service delivery. England: Gower publishing limited.

Hyken, S., (2004), Customer Service: Treat Employees Like They are the Customer.

Jackson, B. B. (1985). Build customer relationships that last. *Harvard Business Review,   63*(6), 120-128.

Jacoby, J., & Kyner, D.B. (1973). Brand loyalty versus repeat purchase behavior. *Journal of Marketing Research, 10*(1), 1-9.

Jones, T.O., & Sasser, W. E. Jr., (1995). Why Satisfied Customers Defect, *Harvard Business Review. November-December.* pp. 89

Joseph, V. B., Cook, R. W., & Javalgi, R. G. (2001). Marketing on the Web: *How executives feel, what businesses do. Business Horizons, 44*(4), 32- 40.

Sharp,, Y. L. (2002). *Assessment of employees' perceptions of service quality and satisfaction with e-business.* Proceedings of the 2006 ACM SIGMIS CPR conference on computer personnel research, Forty four years of computer personnel research: achievements, challenges and the future: 236-243.

Kassarjian, H. H. (1977). Content analysis in consumer research. *Journal of Consumer Research, 4*(1), 8-18.

Konomisk: fiskeriforskning`(1999): determinants of customer satisfaction with professional services a study of consultants services

Macintosh, G., & Lockshin, L. S. (1997). Retail relationships and loyalty: A multi-level perspective. *International Journal of Research in Marketing, 14*(5), 487-497.

McKain, S, (2005). *What Customer Really Want*. United Sates of America: Thomas Nelson Inc.

Mont, O. & Plepys.A., (2003). Measuring Client Happiness. Explanation of Customer Satisfaction Model (Kano) (1984). *Customer Satisfaction: Review of Literature and Application to the Product-service System.* The International Institute for Industrial Environmental Economics. Lund University, Sweden.

Morgan, R. M., & Shelby, D. H. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing, 58*(3), 20-38.

Mququ, M. H. 2006. *A survey of customer satisfaction, expectations and perceptions as a measure of service quality in SANBS*, http://eprints.ru.ac.za/488/.

Nevin, R. J. (1995). Relationships marketing and distribution channels: Exploring fundamental issues. *Journal of Academy of Marketing Science, 23*(4), 327-334.

Norusis, M. J. (1993). *SPSS for Windows base system user's guide, release 6.0.* Chicago: SPSS Inc.

Oliver, Richard L. (1980b), *"Theoretical Bases of Consumer Satisfaction Research: Review, Critique, and Future Directions," in Theoretical Developments in Marketing,* Charles W. Lamb, Satisfaction Decisions," *Journal of Marketing Research, 17* (November), 460-69.

Payne, Adrian and John Rickard (1993), *"Relationship Marketing, Customer Retention and Service Firm Profitability*, Paper presented at the First Relationship Workshop, Marash University, Melbourne

Payne, A. (1994). Relationship marketing making the customer count. *Managing Service Quality, 4*(6), 29-31.

Parasuraman, A., V. A. Zeithaml, and L. L. Berry. 1985. A conceptual model of service quality and its implications for future research. *Journal of Marketing* 49 (Fall): 41-50.*Journal of Public Transportation, Vol. 13, No. 1, 2010* 112

Parasuraman, A., V. A. Zeithaml, and L. L. Berry. 1988. SERVQUAL: A multiple-item scale for measuring customer perceptions of service quality. *Journal of Retailing* 64 (Spring): 12-40.

Peterson, A. R. (1995). Relationships marketing and the consumer. *Journalof Academy of Marketing Science, 23*(4), 278-281.

Peterson, A. R., Balasubramanian, S., & Bronnenberg, B. J. (1997). Exploring the implications of the Internet for consumer marketing. *Journal of Academy of Marketing Science, 25*(4), 329-346.

Reichheld, Frederick F. and David W. Kenny (1990), "The Hidden Advantages of Customer Retention", *Journal of Retail Banking, 12* (winter), 19-23.

Reichheld, Frederick F. (1993), "Loyalty-Based Management," *Harvard Business Review, 7* 1(March-April), 64-73.

Reichheld, F. F. (2001) Lead for loyalty. *Harvard Business Review, 4*, 76-84.

Reinartz, W. J.. & Kumar, V. (2002). The mismanagement of customer loyalty. *Harvard Business Review, 80*(7), 86-94.

Reinartz, W. J.. & Kumar, V. (2003). The impact of customer relationship characteristics on profitable lifetime duration. *Journal of Marketing, 67*(1), 77-99.

Ribière, V., A. J. LaSalle, R. Khorramshahgol, and Y. Gousty. 1999. *Hospital information*
systems quality: A customer satisfaction assessment tool. Thirty-Second Annual   Hawaii
International Conference on System Sciences 4: 4011.

Rotter, Julian B. (1967), "A New Scale for the Measurement of Interpersonal Trust," *Journal*
of Personality, 35 (4) 65 l-65.

Rust, Roland T. and Anthony J. Zahorik (1993), "Customer Satisfaction, Customer Retention,
and Market Share," *Journal of Retailing, 69 (2) 193-215.*

Rust, R. T., and R. C. Oliver. 1994. *Service quality: Insights and managerial implications*
from the frontier. In Service Quality: New Directions in Theory and Practice, ed. Rust,
R. T.,   and R. C. Oliver. London: Sage Publications.

Robbins, S. S., & Stylianou, A. C. (2003). Global corporate Web sites: An empirical
investigation of content and design. *Information and Management, 40*(3), 206-212.

Rowley, J., & Dawes, J. (2000). Disloyalty: A closer look at non-loyals. *Journal of Consumer*
Marketing. 17(6), 538-549.

Sen, S., Padmanabhan, B., Tuzhilin, A., White, N. H., & Stein, R. (1998). The identification
and satisfaction of consumer analysis-driven information needs of marketers on the
WWW. *European Journal of Marketing, 32*(7/8), 688-702.

Schubert, P. (2003). Personalizing e-commerce applications in SMEs. *Americas Conference*
on Information Systems, 9, 737-750.

Sheth, N. J., & Parvatiyar, A. (1995). Relationships marketing in consumer markets:
Antecedents and consequences. *Journal of Academy of Marketing Science, 23*(4), 255-
271.

Shultz, D. H. (1995). Marketing consuling services on line. *Journal of Management*
Consulting, 8(4), 35-42.

Sims G.L.(1998). Brand loyalty versus repeat purchase behavior. Journal of Marketinng
Research, 10(1), 1-9.

Szeinbach, S. L., Barnes, J. H., & Garner, D. D. (1997). *Use of pharmaceutical*
manufacturers' value- added services to build customer loyalty. Journal of Business
Research, 40(3), 229-236.

Schreiber, David. "Customer Retention Is All in the Customer Service." Atlanta Business
Chronicle. November 10, 2000.

Sherden, William A. "The Tools of Retention." Small Business Reports. November 1994.

Snell, Bridget Ryan (2000);. "Customer Retention 101.*" Motor Age:*
        Open University Press.

Saldkin, N.J., (2000*). Exploring Research.* New Jersey: Prentice Hall.

Salleh, Y., Noor Azman, A., & Lailawati, M.S., (2000). *Research in Management.*
        Malaysia: Pustaka Prinsip.

Smith, A.K., Bolton, R.N., & Wagner, J., (1999). A Model of Customer Satisfaction With
        Service Encounters Involving Failure and Recovery. *Journal of Marketing Research
        Vol. XXXVI. (August 1999*), pp. 356–372.

Sonne, A-M. 1999. *Determinants of customer satisfaction with professional services*: A study
        of consultant services: Prentice Hall.

Spreng, R.A., MacKenzi,S., & Olshavsky, R., (1996). *A Re-examination of the Determinants
        of Customer Satisfaction*, *Journal of Marketing.* 60 (3) pp.15-23.

Spreng, R.A., R.D. Mackoy, (1996). *An Empirical Examination of a model of perceived   service
        quality and satisfaction*, *Journal of Retailing*, 72 (2) pp.201- 214

Spreng, R.A., & Olshavsky, R.W., (1993). A Desire Congruency Model of Customer
        Satisfaction*, Journal of Marketing Science*. 21(3), pp.169-177.

Thomas, J. S. (2001). A methodology for linking customer acquisition to customer retention.

Van Der Merwe, L., (1993). *Organizational Behavior and Customer Satisfaction of the
        University of Pretoria South Africa*. Master's Thesis. Open University Press.

Wall, E.A., & Berry, L.L., (2007). *The Combined Effects of the Physical Environment and
        Employee Behavior on Customer Perception of Restaurant Service Quality*. Cornel
        University.

Wainer and Braun (1998). *Data collection and analysis*: *New* York: The Free Press.

Winer, C., (2001). Influence Upon Consumer Expectation of Services, *Journal of Service
        Marketing.* 5(1), pp.5-17.

Zahoik, A.J., and R. T. Rust. 1992. Modeling the impact of service quality on profitability:
        A review. In *Advances in Services Marketing and Management*

Zeithmal, V.A., & Bitner, M.J., (1996). *Service Marketing*. New York: McGraw-Hill.

Website

http://safintranet/index.php?id=435

http://marketing.about.com/od/relationshipmarketing/a/crmstrategy.htm

http://www.12manage.com/methods_kano_customer_satisfaction_model.html

Grace Wamaitha

University of Nairobi,

P.O Box 30197-00100, G.P.O

NAIROBI

Dear Respondent,

RE: **ACADEMIC RESEARCH ON FACTORS THAT ENHANCE GROWTH OF CUSTOMER   RELATIONSHIP MANAGENT IN SAFARICOM**

My name is Grace Wamaitha and am pursuing a Masters degree at the university of Nairobi and i am interested in carrying out a study to establish the factors that enhance growth in customer relationship management in Safaricom within the Enterprise Business Unit division.

This information will be treated with utmost confidentiality and will be used for the academic research only. Your name and other credential will not appear anywhere in the report. I hereby request you to complete the attached questionnaire in the honest way possible.

The questionnaire will take about 10 minutes.

Thank you in advance,

Yours sincerely,

Grace Wamaitha

SAFARICOM CUSTOMER RELATIONSHIP MANAGEMENT BASED SURVEY

Purpose

The purpose of this survey is to help Safaricom serve your needs more effectively. By understanding where Safaricom is meeting your expectations, or needs to improve, it can endeavor to provide better products/services and highly knowledgeable customer relations staff. Safaricom goal is to be proactive in monitoring customers' satisfaction. Safaricom would be grateful if you could spare a few minutes to complete this Customer relationship management Questionnaire. This will assist in ensuring that Safaricom's standard of customer care exceeds expectations wherever possible.

Instructions

Please indicate your degree of satisfaction against each question.
Where: 1 = Excellent, 2 = Good, 3 = Satisfactory, 4 = Poor

A) BACKGROUND OF INFORMATION

a. Name of the company

b. Name of the department

c. Gender/ Sex   [ ]   Male   [ ]   Female

d. Aqe category   [ ]   Below 18
                         [ ] 18-24
                         [ ] 25-30
                         [ ] 30-40
                         [ ] 40-50
                         [ ] 60 years and above

e. How long have you been a customer to this company?

  a)   0- 3 years   b). 4-7 years   c). 8- 12 years

SECTION ONE

QUESTION	1	2	3	4	Comments / suggestions

A) Customer satisfaction

1. What is your overall rate of satisfaction with Safaricom?

2. How would you rate the level of satisfaction with the Sales staff in the following areas?

- Professionalism
- Responsiveness
- Ability to understand your challenge

3. How do you rate our delivery on time performance and our commitment to meet your delivery expectations?

4. How do you rate the competitiveness of our products and do they represent best value for total cost of lifetime ownership?

5. Quality and clearness of marketing collateral

6. Would you recommend products of this company to your friends and relatives?

B) Customer Retention: Products / services

1. How does the products / services effectively solve your problem?

2. How do you rate our approach to quality management to ensure complete customer satisfaction?

3.How would you rate the overall quality of products / services?

4. Does the loyalty programmes with Safaricom meet up your standards?

5. Safaricom have an extensive stock that can cater to the needs of a customer?

6. Would you recommend post pay services of this company to your friends and relatives?

If not, please state why?

7. Do you receive proper demonstration on the product you purchase by the concerned professional?

C) Strategic direction

1.Overall how would you rate the strategic focus of Safaricom?

2.How would you rank its business in terms of innovation and market leadership?

D) Customer service and support

1. How do you rate our responsiveness in dealing with you?

3. Are the staff of this company helpful?

4. .How do you rate our professionalism in dealing with you?

5. Courtesy received from Customer Service team?

6. Compared to other service providers, how would you rank Safaricom's ability to serve you?

7. How would you rate the timeliness for delivery of bills?

8.If you received any technical support, how do you rate the technical competence of our engineers and their response time?

E) Website / customer portal

1.Does Safaricom's website / customer portal provide a pleasant experience for you?

SECTION TWO

A) Briefly describe how could Safaricom adds more value to your organization

B) What features could Safaricom add or enhance to improve its products / services?

C) What recommendations could you make to help Safaricom serve you better?

D) What could you buy from us but choose to buy from a different supplier? What are the factors influencing your decision?

E) According to you, what are the best post pay products of this company?

F) What do you dislike about our products and services, and how we add value to your business?

G) What do you like about our products and services, and how we add value to your business?

H) Do the products that you purchase from Safaricom satisfy you?

I) What would we need to do to satisfy your requirements even more?

SECTION THREE

 Employee training

Name(optional): _____

Job title: (optional) _____

Job code: (optional) _____

1.Please select your age in years from the ranges below:

- 18-24

- 25-29

- 30-34

- 35-45

- Above 45

2. Gender

Male

Female

1.For how long have you been working for this company?

Less than 1 year

1- 5 years

6- 10years

d. more than 10 years

2. What is your level of education?

Secondary level.

Diploma level

Undergraduate level

Post- graduate level

3. How many training session have you attended since you joined this department?

a) 0-5   b) 5-10   c) 10-15   d) 15-20 e) 20-25 f) 25- 30 g) 30 and above

4. Why do you need to undergo training?

a. To get promotions in the same department

b. To laterally move in the office

c. To effectively learn new technologies and implement them

d. To gain more knowledge about the products and services of this company

5. Did the training have any significance to your work?

a) Yes   b) No   c) Maybe   d) Not sure

6. According to you, what would be the optimum duration of the training for Safaricom's products and services?

a. 4 – 6 weeks

b. 8 weeks

c. 6 months

d. 1 year

7. How would you rate the customer system support training package for this department?

 1 = Excellent, 2 = Good, 3 = Satisfactory, 4 = Poor

8. Which one would you prefer?

a. Working part time at the office and undergoing training at the same time

b. Getting trained at a full time basis

6. How likely are you to refer colleagues from other department to Safaricom's business? :

 VL very likely;   L likely;   NL not likely;   WN will never

INTRODUCTION LETTER

Grace Wamaitha Karanja,
Department of Extra Mural Studies,
University of Nairobi
Nairobi.

Tony Kisaka,
Senior Human Resource,
Humana Resource Department,
Safaricom LTD.

Dear Sir,

RE: **Research on factors that would enhance growth of Customer   relationship management in Safaricom**

I am currently in my final year at the University of Nairobi, pursuing Master of Arts in Project Planning and Management. As a requirement for the fulfilment of this award. I'm currently conducting a research/study on factors that enhance the growth of customer relationship management in Safaricom. I would therefore wish to undertake research in this company.

 The information provided will be treated with utmost confidentiality and will be used for the purpose of this study only. The study will be carried out within the Enterprise business unit and the results will aim at improving customer relationship management in Safaricom.

Thank you and kind regards,

Grace Wamaitha