

EFFECT OF COMMITMENT ON CUSTOMER RETENTION IN CONTAINER FREIGHT STATIONS INDUSTRY IN MOMBASA COUNTY, KENYA

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Abstract: One factor that contributes to success is customer retention for a company's longevity in the modern business environment of fierce competition. As a result, businesses need to focus on keeping their current clientele rather than just bringing in new ones if they want to thrive and remain competitive in the market. To fully satisfy or exceed consumers' requirements, wants, wishes, expectations, and willingness to acquire products is a vital requirement for doing business with them in the future. This study sought to investigate the effect of commitment on customer retention in container freight stations industry in Mombasa County, Kenya. The research used a descriptive survey methodology. Targeted were all 24 Container Freight Stations located in Mombasa County. 10% of the study's target population was used for the pilot test, and those participants did not take part in the final analysis. Therefore, 36 questionnaires were really employed for the pilot testing. A sample of 120 managers and 240 clients were chosen by stratified random selection for the study. The respondents were given a semi-structured questionnaire, which was used to collect primary data. Descriptive and inferential statistics were used in the analysis of the primary data acquired using SPSS while correlation and regression analysis were among the specific inferential statistics. Customer satisfaction was shown to be correlated with the independent variables using a multiple regression model. The results showed a positive and substantial relationship between commitment and customer retention ($r=.271, p=0.000.05$). The study comes to the conclusion that relationship marketing practices used by Mombasa County's container freight stations affect client retention in such stations. As a result, the study suggests that the management of the Container Freight Station in Mombasa County always work to forge a commitment with their clients. The Container Freight Station and the consumer will feel more connected as a result, which will foster the growth of reliable, lasting connections. The management needs to understand how important it is to evaluate and cultivate relationships with customers.

Keywords: Commitment, Customer Retention. Relationship Marketing.

1. INTRODUCTION

One of the success factors for a company's sustainability is customer retention in the modern business environment, which is one of fierce competition (Ascarza, Neslin, Netzer, Anderson, Fader, Gupta & Provost, 2018). The marketplace in the CFS environment is filled with obstacles, which causes ongoing changes in consumer behavior, attitudes, and lifestyles. As a result, businesses need to focus on keeping their current clientele rather than just bringing in new ones if they wish to prosper and continue to be market competitors. Relationship marketing is the process of creating and upholding long-term bonds between businesses and its stakeholders, including their clients, workers, and employees (Afifi & Amini, 2019).

Organizations fostering lasting relationships in this period of escalating competitiveness are offered this move to relationship-building as a solution. In the shipping industry, customer or marketing orientation is founded on the idea that

the shipper (customer) comes first and that every action has an impact on the connection with the customer (Shin, Thai, Grewal & Kim, 2017). The programs and strategies of the shipping companies rarely apply marketing methods or principles (Brooks, Lings, & Botschen, 2015). A great degree of affective commitment results from trust. This causal connection is explained by the generalized reciprocity principle in social exchange theory (McDonald, 1981). Because of a shared sense of belonging and identity, trust encourages parties to concentrate more on "positive" motivations, which may provide as a disincentive to consider calculating reasons for attachment to a supply firm.

Relationship marketing had a substantial impact in Malaysia, according to research by Donmaz, Sayil, and AKyol (2013), and it was able to forecast a sizable amount of the variance in consumer loyalty. Additionally, they have a strong connection to one another. According to a study done in Nigeria, existing consumers should be prioritized over attracting new ones (Adeleke & Aminu, 2012). As a result, necessary steps should be taken to ensure that the current clients are kept. A 2010 empirical study by Olotu, Maclaton, and Opara examined the connection between marketing orientation and Nigerian bank performance. The authors disclosed that relationship marketing was used by the aforementioned banks. The study emphasizes the importance of a relationship marketing approach in improving client retention.

The Cooperative Bank of Kenya employed more front office customer relations strategies to enhance client relations locally (Chemutai, 2016). Kuria (2010) conducted research on Kenyan commercial banks' relationship marketing techniques. The survey found that commercial banks had embraced customer relationship marketing (CRM) methods for their offerings. However, it was found that Kenyan commercial banks' CRM practices had not been sufficiently improved.

Relationship marketing is a project to create, maintain, and enhance strong connections with target clients and stakeholders, according to Kotler, Armstrong, Saunders, and Wong (1999). They contend that marketing is progressively moving away from one-off deals in favor of developing solid connections with clients and other marketing networks. There is no doubt that relationship marketing is gaining popularity (Atul & Mona, 2015). The intense competition that defines the corporate climate of today has led to the development of stronger relationships between the organization and its customers.

According to Kotler and Armstrong (2016), CFS adopted relationship marketing as a technique to maintain two-way relationships with consumers and other stakeholders because of all the different viewpoints that the practice offers. (2015) Garcia-Morales, Lockett, and Garcia-Moreno the case of a cross-cultural research conducted in Hong Kong, China, as an example of the paradigm shift brought about by relationship marketing. Furthermore, connection marketing orientation's six components were illustrated by Bhat and Darzi (2016). These include empathy, reciprocity, shared values, trust, and communication. Service providers must use trust to their advantage in order to obtain a strategic competitive edge because of the consequences it has for profitability, market share, growth, and client retention (Hamali, Suryana, Effendi & Azis, 2016).

Relationship marketing had a substantial impact in Malaysia, according to research by Donmaz, Sayil, and AKyol (2013), and it was able to forecast a sizable amount of the variance in consumer loyalty. Additionally, they have a strong connection to one another. The building of customer confidence in the bank and its services can be accomplished by making and delivering on commitments made to consumers, demonstrating a care for the security of transactions, offering excellent services, and treating customers with respect through front-line staff, and completing duties and taking other actions. Banks should be aware of the power of service commitment in retaining repeat clients and take appropriate action.

In Nigeria, relationship marketing's impact on consumer loyalty was empirically investigated (Aminu, 2012). Business enterprises have changed from having a short-term, transactional focus to having a long-term, relational focus, regardless of the industry. Furthermore, connection marketing is proposed has numerous advantages, one of which is the growth of client loyalty. The study found a substantial and positive association between customer loyalty and all four relationship marketing performance indicators (service quality, trust, handling of complaints, and customer happiness). According to the study's findings, relationship marketing is effective since it increases client loyalty in commercial banks.

STATEMENT OF THE PROBLEM

One of the success factors for a business's sustainability in today's fiercely competitive business market is customer retention (Gupta & Provost, 2018). The marketplace in the CFS environment is filled with obstacles, which causes ongoing changes in consumer behavior, attitudes, and lifestyles. As a result, businesses need to focus on keeping their current clientele rather than just bringing in new ones if they wish to prosper and keep up their market share. To begin with, CFS's operated in a setting that was characterized by rising demand, a dearth of competitors, and a constant pricing. Since there was little competition, CFS operators were not compelled to build relationships with clients. This crisis was mostly brought on by the

Kenya Ports Authority's (KPA) inability to handle goods in the port of Mombasa. CFSs were created to support Mombasa port with additional capacity. The industry is also dealing with increased competition from recently enlarged KPA container terminals, especially ICD Embakasi, and new CFSs.

Even the first merchant did not understand the concept of creating a long-term connection with clients in order to obtain a favor from them, and it took time for it to evolve as conventional marketing focused on attracting new customers rather than keeping existing ones (Schneider, 1980). In the past, rates and costs were the primary determinants in choosing a CFS. When CFS operations begin in Kenya, KPA nominates all import cargo to CFS at random. Customers were not as important to the CFS's performance during this time. The KPA tariff imposed by the CFS was viewed as harsh and rigid. Competition from new players in the market led CFSs to prioritize customer service in order to maintain their market share. Relationship marketing was initially used in the sector during this time period.

When considering continuous business growth in the service sector, customer service quality is of the utmost importance. One of the trends in marketing today, according to Pelsmacker et al. (2005), is the growing significance of cultivating customer loyalty rather than luring and acquiring new clients. CFSs in Kenya are faced with the difficult task of retaining important clients and luring in new clients as they watch the dynamics of change in the logistics services sector, fostering a sense of confidence in them, and maintaining a strong financial performance. Corporate clients who previously avoided changing service providers are now expecting better services and would switch if better services were made available elsewhere (Farquhar, 2004; Lam & Burton, 2006). In the commerce and maritime industries, container freight stations have been hailed as the nation's next significant economic promoter after the port. There has not yet been any discernible improvement in the utilization of the freight station despite the several purposeful efforts made by the Kenyan government to support marketing to help enhance customer retention at the freight station in Mombasa.

The expansion of the CFS sector has been significantly influenced by the global economic boom, which has increased international trade and, as a result, increased competition for established container terminals, which has naturally resulted in decreased customer loyalty in Kenya's growth industry that is characterized by fierce competition and alternatives (Lobo & Jain, 2012). The difficulty for Container Freight Stations is to fully comprehend their market segments and create solutions that are customized for their customers. Hayes (2017) emphasizes the value of comprehending how consumers gauge the value of services and goods. Because it drives repeat purchase behavior and word-of-mouth referrals, customer happiness is acknowledged as being of paramount importance to all commercial enterprises (Berkman & Gilson, 2016).

2. LITERATURE REVIEW

Theoretical Literature Review

By Morgan and Hunt, the commitment-trust idea was first put forth (2014). The notion holds that relationship marketing entails creating, growing, and maintaining fruitful relational exchanges. The aforementioned represents a significant paradigm change in relation to marketing theory and practice. Reliability, tangibility, responsiveness, communication, access, kindness, trustworthiness, competence, security, and knowledge of clients are just a few of the ten ways the writers envisioned relationship marketing. The researchers hypothesized that relationship commitment and trust are essential for relationship marketing effectiveness. Relationship marketing and trust were modeled as key mediating factors. This model was put to the test, and it was contrasted with competitors that disallow relationship commitment and trust from serving as mediating variables.

The political economics paradigm serves as the foundation for commitment-trust theory (Thorelli, 2006). Since its very existence can condition others, power is regarded as the fundamental idea in network analysis. In addition, in order to understand relationship marketing, According to some, it should be obvious what separates productive, effective, and relational exchanges from those that are unproductive and ineffective, as a third of strategic alliances are outright failures. Although there are undoubtedly many contextual aspects that affect whether or not certain relationship marketing efforts are effective, it is suggested that relationship commitment and trust—rather than power and the ability to "program others"—are what make relationship marketing successful.

It is crucial to remember that loyalty and trust motivate marketers to protect relationship investments by working with exchange partners, to forego alluring short-term alternatives in favor of the anticipated long-term benefits of sticking with current partners, and to view potentially risky actions as prudent because they are confident that their partners will not act opportunistically. Therefore, results that foster effectiveness, productivity, and instead of just having one or the other, commitment and trust are what lead to efficiency. In other words, the cooperative behaviors that support the effectiveness

of relationship marketing are highly correlated with loyalty and trust (Morgan & Hunt, 2014). Relationship marketing's component of service quality is not addressed by commitment-trust theory. Additionally, it has not adequately linked the many elements of relationship marketing to client retention. Relationship marketing's impact on client retention, in other words, has not been explicitly established.

Empirical Literature Review

The relationship between dedication and client loyalty in business-to-business interactions in Malaysia was examined by Roghanian and Gheysari in 2013. By examining pertinent theories and prior research, the study's goal was to explain how commitment and client loyalty are related. The investigation's conclusions showed that the majority of the literature evaluation found a beneficial association between commitment and client loyalty. However, other authors claimed that loyalty among customers was unaffected by commitment. The study concludes that effective commitment involves a desire to establish and deepen a relationship with someone or something as a result of familiarity, friendliness, and self-assurance gained via repeated interpersonal contact. Identification, shared values, connection, participation, and resemblance are the roots of effective commitment.

In a 2018 study, Bhuian, Al-Balushi, and Butt evaluated the causes and effects of patronage in Qatar. The study looked at related literature on the factors that affect keeping customers. According to the findings, a commitment is directly and favorably associated to client loyalty. The study's findings, which were based on literature research, also demonstrated that dedication has a big impact on client loyalty, which results in client retention. According to the study, Commitment is more robust, stable, and strong than people's perceptions of the brand as a whole. A stronger connection to loyalty is created via affective commitment (Fullerton, 2013). It is said that customer commitment is a logical predicate of loyalty. The study also discovered that commitment improves the link between customer loyalty and inertia; only commitment offers protection against the allure of competing products and fosters action loyalty. According to the study's findings, commitment can stabilize actions that are unrelated to the situation, and consumer commitment is the psychological ties that lead a customer to stick with an established supplier. According to the report, managers should tweak their choices to improve client loyalty and marketing effectiveness. These managers should put their attention toward strengthening client loyalty and using it as a defense against competitors' tempting and seductive offerings.

3. RESEARCH METHODOLOGY

The research used a descriptive survey methodology. Targeted were all 24 Container Freight Stations located in Mombasa County. 10% of the study's target population was used for the pilot test, and those participants did not take part in the final analysis. Therefore, 36 questionnaires were really employed for the pilot testing. A sample of 120 managers and 240 clients were chosen by stratified random selection for the study. The respondents were given a semi-structured questionnaire, which was used to collect primary data. Descriptive and inferential statistics were used in the analysis of the primary data acquired using SPSS while correlation and regression analysis were among the specific inferential statistics. Customer satisfaction was shown to be correlated with the independent variables using a multiple regression model.

4. FINDINGS

Table 1: Manager's Response on Commitment

Statement	SD	D	N	A	SA	Mean	Std. Dev.
Because of our station's dedication to providing excellent customer service, consumer loyalty has increased.	8.10%	4.70%	8.10%	65.10%	14.00%	3.721	1.036
Our services have been well received by our clients.	9.30%	4.70%	15.10%	30.20%	40.70%	3.884	1.259
I/we make an effort to raise service standards to satisfy our clients.	8.10%	1.20%	8.10%	40.70%	41.90%	4.070	1.135
Customers consistently express satisfaction with our services and goods.	8.10%	3.50%	11.60%	32.60%	44.20%	4.012	1.203

Customers are first at CFS, and we are motivated by punctuality and quality.	5.80%	3.50%	14.00%	47.70%	29.10%	3.907	1.047
In our station, we are dedicated to collaborating with our customers to improve our services.	7.00%	2.30%	18.60%	24.40%	47.70%	4.035	1.183
We adhere to all county and KRA licensing standards..	7.00%	3.50%	3.50%	29.10%	57.00%	4.256	1.150
Average						3.983	1.145

Table 1 displays the results of a Likert scale study conducted to determine the impact of commitment on client retention at CFS in Mombasa County. According to the findings, respondents believed their stations were committed to providing excellent customer service and increasing consumer loyalty, with 14.0% strongly agreeing, 65.10% agreeing, 8.10% disagreeing, 4.7% disagreeing, and 8.10% strongly disagreeing. The majority of CFS managers in Mombasa County concurred with the statement, according to the data. The responses had a mean and standard deviation of 3.721 and 1.036, demonstrating that managers largely agreed with the statement and that they did not depart from the mean response in their responses.

When asked whether their patrons had positive experiences while visiting their businesses, the majority of managers (70.90%) said that they had. Furthermore, 82.60% of the managers felt confident that their CFSs were working to raise service standards to match consumer expectations. Additionally, the findings show that 76.80% of the managers concurred that their clients were always happy with their services and goods and that in their CFSs, clients came first and quality and punctuality were what motivated them. Additionally, the majority (71.20%) of station managers felt that they were committed to working closely with their customers to improve services, and 86.10% of station managers agreed that they complied with all licensing standards set forth by the county and KRA in their stations. It is sufficient to indicate that the majority of CFS managers in Mombasa County agreed with the commitment statement, indicating that the CFSs in Mombasa are devoted to providing for their clients.

Results of Inferential Statistics

Correlation analysis

Table 2: Correlation Analysis

		Commitment
Customer retention	Pearson Correlation	.733**
	Sig. (2-tailed)	.000
	N	86

Table 2 correlation results demonstrate a positive relationship between commitment and customer retention ($r=0.733$, $p=0.000.05$). The findings of the correlation analysis are consistent with those of Ndubisi and Natarajan (2018), who discovered that more businesses are depending on strong firm-customer connections to get vital information on how to serve customers successfully and keep them from migrating to rival brands. Therefore, fostering customer relationships helps both the company and the client. Building relationships with clients allows a business to access reliable sources of marketing intelligence for improved marketing strategy planning.

Results of Regression Analysis

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.867a	0.752	0.746	0.33184

The results of Table 3 show that commitment was a sufficient variable in predicting customer retention at CFSs in Mombasa County. The R square of 0.752, commonly referred to as the coefficient of determination, provides evidence for this claim. This suggests that the commitment-related independent factors account for 75.2% of the variance in the customer retention-related dependent variable.

Table 4: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.452	1	52.452	254.621	.000 ^b
	Residual	17.289	84	0.206		
	Total	69.74	85			

The results of Table 4 analysis of variance reveal that the general model was statistically significant in explaining the connection between commitment and client retention. Additionally, the results imply that commitment is a reliable predictor of client retention in CFSs in Mombasa County. An F statistic of 254.621 and a reported p-value (0.000), which was below the usual probability of 0.05 significant level, supported this.

Table 5: Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.710	0.204		3.480	0.000
Commitment	0.671	0.058	0.274	11.569	0.000

Table 5 regression of coefficient results reveals a strong and significant relationship between commitment and client retention ($r = .274$, $p = 0.00005$). Without the influence of commitment, the customer retention would be at 0.710. This resulted to the following regression equation.

$$\text{Customer} = 0.710 + 0.671 \text{ Commitment}$$

5. CONCLUSIONS

The results of the study show that relationship marketing, as practiced by CFS in Mombasa, has an effect on client retention. The study's conclusions indicate that relationship marketing's commitment component positively and significantly affects CFS's ability to keep customers in the Mombasa Area. The study of customers sticking with a business because of commitment is crucial, especially in light of the growing academic and service focus being given to long-lasting marketing relationships rather than deals.

6. RECOMMENDATIONS

According to the research's findings and recommendations, CFS in Mombasa County should always work to generate commitment with their clients because doing so would surely cause the client and the CFS to become attached, resulting in the growth of dependable, long-lasting partnerships. Since it directly affects intention, the monitors must realize that it is their duty to assess and build relationships with their clients.

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