MARKETING MIX AND CUSTOMER RELATIONS IN SOAPSTONE CARVING BUSINESSES IN TABAKA, KISII COUNTY, KENYA

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Abstract: **The ability of the organization to adjust itself to fit customer needs is one of the requirement for them to remain competitive in the market. In absence of marketing mix customer relations suffer in terms of customer loyalty, retention and acquisition. The current study sought to assess the effects of marketing mix on customer relations in soapstone carving business in Kisii County, Kenya. Specific objectives were: to assess the effect of product on customer relations, to find out the effect of price on customer relations, to determine the effect of place on customer relations and to evaluate the effect of promotion on customer relations. The study helps the County Government and the entrepreneurs in decision making concerning enterprise planning . The study was based on equity, assimilation and contrast theories. The study used descriptive research design. The target population of the study was 857 employees of the 53 enterprises in Tabaka town majorly dealing in soapstone carving business. Purposive and stratified sampling techniques were used. A sample size of 86 respondents was selected for the study, which comprised of 10% in each category. The study found that: product, place, price and promotion had a positive relationship with customer relation. The study concluded that product, place and promotion significantly affected customer relations while price had insignificant but positive influence on customer relation. The study recommended that curving businesses should embrace market mix to enhance customer relation.**

Keywords: **Marketing Mix, Product, Price, Place, Promotion and Customer Relations.**

1. INTRODUCTION

1.1 Introduction and Background

Marketing mix actions are supposed to be mixed and integrated with customer relations by having a well-designed balance score card to ensure performance inadequacies are addressed (Kotler, 2005). Marketing mix is helpful to an organization in improving a process of making financial and non-financial decisions to ensure performance in this organization (Khan 2011). Marketing equipment like product, people they do insist on the need to provide firms with information which is suitable in addressing areas which are applicable in performance in ways that are objective and subjective or biased to enable management to formulate and attain policies and strategies. By so doing business organizations that which applies marketing mix can improve their ways of marketing, economically become the leading and in terms of financial performance.

Walters (2013) contends that customer relations is achievable where the exits a mixture of marketing methods, systems and actions are established and this being the case, it must start at high and clear targeted levels, objectives and good organizational culture. Therefore, organizations must come up with systems for measuring performance where

performance evaluation is carried out and actions by management can be aligned, goals and objective. On the other hand, marketing mix implements may assist management and high levels organizational　leadership by producing information which can be sustainable for making decisions by having in place a set of clear targets, aims and objectives which later can translate to better performance of the business.

Many organizations do operate in environment of competition which requires managers and owners to be informed more on customer relations. Customers is considers as a pioneer in a situation or world of customer based, developed products and channels. Implementation of efficient contact channels with customer is been the leading in customer pioneering, customer relations management. In recent time marketing has been the issue all over the world in both trade and industry. Marketing performs an important role concerning creation of customer's personal values and pleases development of and creation of industry and resource mobilization. In manufacturing based business in Malaysia, there is a great importance of marketing for customer relations (Faris, 2016).

Customer relations and marketing mix is important pillar in managing business performance. Shankar and Chin (2011) states that marketing as an approach to attract customers for enhancing management of performance starts from the idea of whichever the process managing and measuring performance can be best achieved by comparing the best outside entity that already as achieved in its process as world class in customer relations. An organization that has become the sustainable by improving customer relations is those have by applying marketing principles.

Kenya National Industrialization Policy Framework (2010), draft No. 5 – indicated that Kenya had the large industrial sector where by the share of GDP had an increment was little in the last two decades. The impotently in the said sector is so dynamic in its factionality as the Kenyan engine of the economy. Kenya's economic survey of 2010 indicated that the GDP was influenced by the industry by 9.5%　while manufacturing influenced 4.4% mining was at less than 1% and construction .5% this sector or industry is mostly constrained by poor policies for payment and charging of loyalties, high capital investments and exploration costs as well as high energy costs, environmental concerns and uncertainty over economic quality of minerals (Norman, 2000). Recently in Kenya, growth in sectors has not been expected because of slow growth and poor support from other sectors.

1.2 Statement of the problem

Customer relations has been debated for several years and still remains one of the most significant unsettled issues in the field of marketing. Developing a mutually beneficial ongoing buyer-seller relationship as an avenue for customer relations is the most problem facing firms. Even though carving business men are aware of the overall goal of customer relations and they have made some efforts to identify Customer issues to address them to the Customers' satisfaction in order to promote Customer relations, it is unfortunate that customer relation in soapstone carving has not been fully addressed. The charge of acquiring a new customer by an organization is five times that the company uses to satisfy and retain the current customer. Although the constructive effect of customer relations on satisfaction, loyalty, relations, acquisition and recommendation has been well documented empirically by some product/service providers in Kenya, evidence suggests that customer relations practice has not improved. Customer defection outlay company millions of dollars each year. In addition, defectors normally spread negative word of mouth communication which can influence other customers to purchase elsewhere. The increase in client relations has the same effect as decreasing costs hence increase the organization's success (Norman, 2000)

A number of studies have been done on customer relations and its impacts on business, for instance; Mascarenhas, Kesavan and Beracchi (2016) blending builds customer loyalty which is a function of customer experience. Some of it neglects customer relation activities and much of them are functional rather than strategic in that they focus on purchase of consumption experience and because of this some of their theories aren't applicable in theoretical sense. Due to these reasons some of their recommendations have diverse cost implications which includes time and money, their recommendations don't motivate workforce. These criticisms have made the firms to be in a dilemma and therefore look forward to a new model which can try to harmonize the empirical literature available. Most of them have the same objectives but the way they have approached their studies creates gaps and room for several criticisms: no single publisher has chronologically assessed or focused on customer relations at soapstone carving business in Kisii County, Kenya. Their desire creates a big gap which calls for further research to bridge the decision the researcher has taken. The aim of this study was therefore to assess the effects of marketing mix on customer relations of soapstone carving business in Kisii County, Kenya

1.3 Objectives of the Study

The general objective was to assess the effects of marketing mix on customer relations of soapstone carving business in Kisii County, Kenya

The study was guided by the following specific objectives:

i.　To determine the effect of product on customer relations in soapstone carving business in Kisii county, Kenya

ii.　To find out the effect of price on customer relations in soapstone carving business in Kisii county, Kenya

iii.　To determine the effect of place on customer relations in soapstone carving business in Kisii county, Kenya

iv.　To evaluate the effect of promotion on customer relations in soapstone carving business in Kisii county, Kenya

2.　LITERATURE REVIEW

2.1 Theoretical Review

Equity theory was first put forward by Stouffer in 1977 during military administration with friend. It was based on the discussion on man's reward in exchange with others should be proportion to his investment'. With his team they referred equity as 'relative deprivation' which is the reaction of imbalance between the perceptions of individuals towards actual and believes more so where the concern is on own situation. The ratio of output to input should remain at par along participants with an exchange. As in the case of customer satisfaction, which is said to exist when, the outcome to income is same to that of the person in exchange. This happens where expectations and actual product performance are indifferent thus; the customer will have to do adjustments by expectations or in perceptions over product performance.

Assimilation theory was developed by Festinger's in 1957. It postulates that clients always try making cognitive comparison between their expectations on the product and the perceived product needs fulfillment. Such a perception of client post usage comparison was established into fulfillment literature in the form of assimilation theory. As stated by Anderson (1973), consumers pursue to evade dissonance by modifying perceptions on a specific product with the objective of bringing it more in line with expectations. The clients can as well lower the tension obtained from a discrepancy between their expectations and product performance by either changing their speculations to effectively be in agreement with the presumed product performance or by having a higher level of fulfillment by lowering their relative importance of the disconfirmation experienced. Payton (2003) contends that this theory has some limitations; one, the assumption approach that a relationship exist between satisfaction and expectations but fails to tell how and why expectations led to dissatisfaction or satisfaction.

Contrast Theory was introduced by Hovland, Harvey and Sherif in 1987. The theory represents alternative for post purchase and usage view of consumers which results to opposing prediction of satisfaction expectations. According to Dawes 1972 contrast theory is the tendency of discrepancy magnification between attitude of individuals and those presented by opinion statement. According to this theory any discrepancy experienced in expectations leads to exaggerate of discrepancy direction. If during advertisement the firm raises expectations causing the customer experience is of no different than that of a promise, hence if unsatisfactory the product will be rejected. Likewise under promising in advertisement or overdoing it leads to disconfirmation positively that also leads to exaggerated expectations.

2.2 Empirical Review

Marketing mix is made up of 4ps, which are; product promotion, price and place, the four aims to influence customers' decision making leading to profitability (Kotler & Armstrong 2006). Companies dealing with consumer-packaged goods normally do allocate 50% of their resources in marketing budgets while 13% goes to customer relations. Without proper marketing strategies and good team companies will be bound to do poorly concerning customer relations in terms of customer loyalty, retention and acquisition.

Azizi (2013) in his study on marketing mix and consumer behavior described marketing mix as a combination of activities and strategies that uses to sell its products or services. Being focused on the buyer, the seller picks the good features for the product, price, distribution styles, wordings and promotion for the intended product. Customer believes and loyalty remains the center of the entire success of the company. Marketing managers need to take consumer behavior analysis serious since it provides insight information or factors influencing sales and customer relationship where the

company has no control. Mangers can control marketing mix which allows marketers to relate to the targeted market. The marketer can build the marketing mix elements about the targeted customers based on the characters of the targeted market

Owomoyela (2013) with special reference to Nigerian breweries Plc investigated the influence of elements of marketing mix on customer loyalty. Using a survey research design method, self-design questionnaire was used to collect data from respondents. A sample of 60 was chosen from six managers and sales representatives were ten, ten distributers, and consumers who were thirty four. With the aid of (SPSS) version 20, correlation coefficient and multiple regressions were used in data analysis. It resulted that marketing mix elements affected customer loyalty significantly. The study recommended that managers should produce superior products continuously, set and charge fair and competitive prices, choose appropriate positions, do wide promotions and by giving more differentiated consumer gains.

Sukati (2012) investigated the correlation between price, product, promotion and place with customer decision making of travel agents. Indonesian travel agents were found to be seriously considered for the 4ps in ensuring that they allocated their resources efficiently and effectively. The study selected 215 customers from the travel agent as respondents. Data was collected and analyzed by use of means, Pearson correlation and regression analysis. From the findings it was revealed that customer decisions in travel agents were only affected or associated with product and price. On these grounds the study recommended the travel agents to improve their product quality and set fair prices.

3. RESEARCH METHODOLOGY

3.1 Research Methodology

The study adopted descriptive research design. A descriptive research design is described as a step-by-step description of the phenomena as it is. Descriptive research strategy was suitable since it describes how when and whom to acquire the data under study as the condition is and sightsee it fully. The design encompasses asking respondents on how the experience the situation the way it is directly as they observe it. It was important since it allowed collecting large volume of data by use of questionnaire in a standard group of individual elements (Micheni 2011).

The target Population of the study constituted 53 carving enterprises operating in Tabaka Town (Kisii county revenue records 2017) with the total population of 857 employees whereby the study will use 10% of the population to select a sample size of 86. Simple random stratified sampling technique was employed to select 10% of target population in each category; because Mugenda and Mugenda (2003) posits that 10% to 30% of the population is enough, therefore a sample size of 86 respondents was selected. The sample size was computed as shown below;

857 *10% = 85.7, = 86

The primary data was used which was obtained by use of questionnaires. To ease analysis of data to be collected structured questions were adopted. Data collected were edited, coded and keyed into statistical programs for analysis then the coded data was scrutinized by help of descriptive statistics like that of percentages weighted means and standard deviations while inferential statistics such as t-test to test individual Betas and F- test were used to test all Betas in the final conclusion of the study. Correlation was used to investigate individual marketing element and customer relations based on multiple regression model. The study used multi-linear regression analysis to assess the relationships between marketing element and customer relations as given in this model

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$ ….. Where:

Y-customer relations

ε -Error term

β_0 – is a constant term of relations independent

$X_1, X_2, X_3,$ and X_4 ; X_1 – product, X_2 –price, X_3 –place and X_4 - Promotion

$\beta_0, \beta_1, \beta_2, \beta_3,$ and β_4 0,1,2,3,4 is Regression co-efficient

In the model $\beta_0,$ - is a constant term of the variables and dependent variable Y is a predictor variable to establish.

4. DATA ANALYSIS AND PRESENTATION

4.1 Response Rate

Questionnaire return rate is the proportion of the sample that participated in the survey as intended in all the research procedures. Out of 86 questionnaire forms administered to the employees of the carving enterprises 77 were returned and other respondents were too busy thus making a questionnaire return rate of 89.53%, indicating a high response rate. Despite that 9 questionnaire forms were not returned; the researcher considered that the response rate was significant enough to provide valid and reliable conclusions from the data collected towards satisfaction of the study objectives.

4.2 Regression Analysis

A regression model was calculated to establish the effect of marketing mix and customer relations in soapstone carving businesses in Kisii County, Kenya. The SPSS (v21) software was used to carry out the regression analysis of the study.

4.2.1 Coefficient of determination

The study proved that R of 0.911 revealed that there was a strong positive correlation between marketing mix and customer relations in soapstone carving businesses in Kisii County, Kenya.

Table 4.1 Analysis of coefficient of determination using SPSS version 21

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.911[a]	.830	.820	.424

a. Predictors: (Constant), Product, Place, Promotion, Price

The results as indicated by R square states that unit of change in market mix can cause a variation of 83% of the customer relations in soapstone carving businesses in Kisii County, Kenya. The rest (17%) can be attributed to other factors on in the study.

Table 4.2 Analysis of variance (ANOVA) on product and customer relations

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	60.643	1	60.643	296.161	.000[b]
1	Residual	15.357	75	.205		
	Total	76.000	76			

A. Dependent Variable: Customer relation

B. Predictors: (Constant), Product

The ANOVA result in Table 4.2 for product indicated that it was significant over customer relations (P .000 <. 05)

Table 4.3 Analysis of variance (ANOVA) on price and customer relations

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	52.227	1	52.227	164.763	.000[b]
1	Residual	23.773	75	.317		
	Total	76.000	76			

A. Dependent Variable: Customer Relation

B. Predictors: (Constant), Price

The ANOVA result in Table 4.3 for price indicated that it was significant over customer relations (P .000 <. 05)

Table 4.4 Analysis of variance (ANOVAa) on place and customer relations

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	12.315	1	12.315	14.503	.000[b]
1	Residual	63.685	75	.849		
	Total	76.000	76			

A. Dependent Variable: Customer Relation

B. Predictors: (Constant), Place

The ANOVA result in Table 4.4 for place indicated that it was significant over customer relations (P .000 <. 05)

Table 4.5 Analysis of variance (ANOVAa) on promotion and customer relations

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	4.620	1	4.620	4.855	.031[b]
1	Residual	71.380	75	.952		
	Total	76.000	76			

A. Dependent Variable: Customer Relation

B. Predictors: (Constant), Promotion

The ANOVA result in Table 4.5 for promotion indicated that it was significant over customer relations (P .031 <. 05)

4.2.2 Regression Coefficients

The study used multi-linear regression analysis to assess the relationships between marketing element and customer relations as given in this model $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$ and the results were as follows.

Table 4.6 Analysis of Coefficient using SPSS version 21

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	.232	.553		.573	.158
	Product	.556	.086	.588	6.445	.000
1	Place	.207	.103	.187	2.015	.048
	Promotion	.302	.116	.260	2.612	.011
	Price	.062	.086	.063	.720	.474

a. Dependent Variable: Customer Relations

b. Predictors: (Constant), Product, Place, Promotion, Price

$Y = .232 + .556X_1 + .207X_2 + .302X_3 + .062X_4$

Table 4.6 shows that while holding all other factors constant, customer relations was at .232. A unit increase in product increased customer relation by .556 in soapstone curving business in Tabaka- Kisii County and the relationship was significant P<.05. A unit increase in promotion led to .302 increases in customer relations in soapstone curving business in Tabaka- Kisii County and the relationship was significant P<.05. A unit increase in place led to .207 increases in customer relations of soapstone curving business in Tabaka- Kisii County and the relationship was significant P<.05. A unit increase in price led to .062 increase in customer relations in soapstone curving business in Tabaka- Kisii County but the relationship was not significant. Thus if soapstone curving business need to be successive regarding marketing mix, they need to focus on product and promotion and to some extent place since they were found to be significant to customer relations.

5. SUMMERY, CONCLUSION AND RECOMMENDATIONS

5.1 Summery, Conclusion and Recommendations

The study attempted to determine the influence of product in customer relations in soapstone curving businesses in Tabaka-Kisii county, the study recommended for improvement in the use of different types of branding to enhance customer relations. The study aimed to determine the effects of price on customer relations of soapstone curving businesses in Tabaka-Kisii County, the study recommended that the proprietors to improve on the market value and sales volume to maintain relations with customers. Also fair prices to be set as it affected customer relations negatively.

The study attempted to determine the influence of place in customer relations in soapstone carving businesses in Tabaka-Kisii County. The study recommended that carving businesses should establish number of branches to improve customer relations. The study also evaluated the effect of promotion on customer relations in soapstone carving business in Kisii county, Kenya. The study recommended that Promotion in terms of personal sales and advertisement by carving businesses to be improved in order to enhance customer relations. The study recommended for a further similar study to be conducted in a different set up, scope and industry like manufacturing firms.

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