

The Influence of Relationship Marketing Strategy on Customer Loyalty: A Survey of Commercial Bank Customers in Nairobi County

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ABSTRACT

Rapid changes in the concept and practice of business have been fundamentally reshaping many disciplines in the world including marketing. Relationship marketing cornerstones play a pivotal role in the acquisition and retention of potential customers. Inclusion of relationship marketing in a company's working and continuity plan is beneficial to business and their consumers. Companies may benefit from more satisfied customers, stronger profitability, better communications and more effective firm planning. The aim of this research is to assess the influence of relationship marketing in enhancing customer loyalty that can lead to good working relations between the company and the organization. The objectives of this study included the establishment of the influence of customer bonding practices on customer loyalty, shared value on customer loyalty and provision of information to customers as a means of establishing loyalty by commercial banks in Kenya. The study targeted customers of five major commercial banks in Kenya who are categorized as second tier banks due to their large market share and strong customer base. The banks customers will therefore be drawn from Equity bank, Cooperative bank of Kenya, Kenya Commercial bank (KCB), Standard Chartered bank and Barclays Bank of Kenya. A sample of 213 out of a projected 384 respondents participated in the study. They were identified using convenience sampling which involved waiting for customers at selected bank branches and seeking their consent to participate in the study.

A descriptive survey design was employed in this study as it included the selection of customers from a number of banks for the purposes of the study. Questionnaires were used to collect the data for the study. The data was organized and analyzed using SPSS version 17. Correlations were then run to establish the relationships between multiple independent variables and customer loyalty. The study has established a strong positive relation between customer relationship management practices and customer loyalty. It therefore recommends that for companies to be successful and customer attraction and retention, they need to properly enhance the relationships and forge strategic alliances with customers.

KEYWORDS: *Relationship , Marketing ,Strategy , Customer , Loyalty and Banks*

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