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RELATIONSHIP MARKETING EFFECTS ON SALES PERFORMANCE IN THE KENYAN TELECOMMUNICATION SECTOR.

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Abstract

The study's main aim was to establish how relationship marketing affects sales performance in Kenya's Telecommunication industry. It specifically sought to establish how interactive communication affects sales performance in the telecommunication industry and to examine the influence of customer experience on sales performance in the telecommunication industry. It used the cross-sectional survey. The study sampled a total of 80 respondents through stratified and random sampling from the three categories of telecommunication firms. The sample was equal to 20% of the entire population. The study used both secondary data from the firms published financial reports and websites and primary data collected using questionnaire. Regression analysis used to establish the relationship between the study variables. The study found that interactive communication influences RM on sales performance in the Kenyan telecommunication sector. The study revealed that established that customer experience influences RM on sales performance in the Kenyan telecommunication sector. The study established that sales performance influences RM on in the Kenyan telecommunication sector. The management recommended the establishment of an interactive communication between the customer and the company itself which will in turn help in being effective in achieving final purchase. The management also recommended that the company use integrated marketing communication approach, which will in turn help to alleviate miscommunication and confusion. Telecom companies in Kenya should ensure that customers' satisfaction is met at any given time to maintain their customer base. The study recommended that the management the establishment of an interactive communication between the customer and the company itself which will in turn help in being effective in achieving final purchase. The study recommended that the company use integrated marketing communication approach, which will in turn help to alleviate miscommunication and confusion. Telecom companies in Kenya should ensure that customers' satisfaction is met at any given time to maintain their customer base. The management should encourage retention of customers and increase profitability of the organization, Telecommunication companies should ensure that they respond to customer need swiftly

Introduction

Relationship Marketing (RM) is a new paradigm that propounds ways to maximize organizational profitability in the emerging liberalized markets (Duncombe & Heeks, 2005). The term relationship marketing emphasizes trust, commitment and social norms. The main concern of RM is delivering benefits to both parties that is both the customers and the buyers and thus both meet their aims. Achieving greater sales performance is of great importance to sales managers. In today's business environment, companies depend on precise information to make main sale performance results, and avoid the risk of being overtaken by the competition. One leading industry analyst estimates that companies may experience as much as 10 percent in lost revenue from misaligned territories, quotas and sales plans. Sales performance can also indicate the rate of customer loyalty to the business or a specific employee. Loyal customers can automatically enhance the sales performance of a business. Customer loyalty refers to customers who regularly purchase products from the business and refer other customers to the store.

Arndt (1979) observed a tendency of doing business in the form of long-term relationships, which he labeled "domesticated markets". Arndt (1979) concluded that both business markets and consumer markets benefit from attention to conditions that foster relational bonds leading to reliable repeat business. This is made possible by how good the seller manages the sale. Vital effects on main marketing areas. Central marketing sectors like the planning of a company, the development of a company etc. are affected by marketing decision making where a relationship is built and sustained (Brodie, Duncombe & Heeks, 1997).

Four main forms active in the marketing profession form RM namely business to business which stresses how important a relationship between buying and selling companies is; sales marketing which stresses on the importance of stressing services being offered by a company to its clients. The third TQM which entails considering committing and involving every employee in the company in setting quality goals and policies, allocation of resources, and monitoring of results and also identifying the reasons of customer dissatisfaction. The fourth one direct marketing which involves relating with each customer personally through realizing the needs of these customer and the real value to the company. However, RM's effectiveness has been prejudiced. The main one being how the strategies formed have affected the buying behaviour of customers following these formed strategies.

RM can be beneficial to many companies; however, it comes at a price. For instance, for a company to have more purchase it has to establish a relationship between it and its customers which should be more than commercial agreement. It should start with communication before the transaction which should be done in a clear and precise manner. RM is notably the reason behind the success of many companies (Wunderman, 1996). The more a customer appreciates this initiative the better the results will be for the company for instance from the view of RM, physical goods become a part and parcel of the process with other elements such as the marketer himself. This is best seen when the service improves the good's worth by reducing factors like delay in deliveries among others as stated by Gronoroos, (1999).

An assumption by Blinder (1993) on companies' dominance by looking into sales and revenues. He identified that companies would prefer to enhance revenues and profits instead of the profits as it improves productivity. It has been concluded that as long as there is a standing capital source a factor enhancing revenue will be better implemented as compared to one that increases profits. It has however been concluded that it will be up to a company to increase revenue purely or increase profits purely. Brown and Blackmon (2005) states that when a shield is created to protect one's company from forces inhibiting it from growth then will sales and market performance be improved and this is done by managing strategic and administrative costs. Whereas Amber (2004), states that a strategy set to increase revenue will improve the company's worth as compared to one set to increase profits. Whereas Ketchen, (2004) states that companies need to regulate their prices to meet their roles and this should be done slowly since these changes are brought about by the company's cultures among others.

When competition occurs the one intending to increase its revenues will accomplish a better competitive advantage as compared to its competitors Brunk (2003). It has been further noted by Zollo and Winter (2002) that there is a schemed role in acquiring market share as it reduces costs usually got by collective outputs. Hence the conclusion that competition among companies affects the expansion of markets in both local and international markets. Hence the conclusion that companies with a sale /revenue motive gain an increased performance and stability by looking into consistent factors affecting the companies. A vital economic area in the country's general economy. Resulted to efficient employees in terms of their interaction with their customers and also the rivalry in every sector hence in improving the economy especially with the high competitive which leads to companies enhancing their products especially as a result of the changing era of the outlook from the marketing mix to RM which mostly entails the customer relationship that has resulted to a general shift towards a relationship based scheme in marketing. This has resulted to changes in terms in terms of infrastructure and the general providing of services especially with the increased use of mobile phones. IT has mainly resulted to the changes in the telecommunication sector in general. As for now a third of the world's population is under mobile networking where by 2020, 90% is the intended world's population to be under mobile network coverage. The government is said to have earned 6 billion dollars from this industry.

There are three major players in the Telecommunications industry in Kenya. These are: Safaricom Limited, Airtel Kenya and Telkom Kenya. Telkom Kenya operates under the Orange Brand. The dynamism in the industry has not only led to Kenya being taunted as the

Silicon Valley of East Africa, but is also playing a key role in the country's growth and transformation in line with the Kenyan Government's Vision 2030. Kenya's Telecommunication market has grown tremendously over the last few years. Competition has significantly increased, with the increase in the number of mobile operators in the market. There being several players on the market and with Communications Authority of Kenya being a body mandated to level play and control the market, this has resulted in the prices dropping by over 70% in the past four years (CAK, 2015). Technological innovation in the industry such as mobile money transfers and mobile internet access has led to increase in the number of subscribers. There has been accelerated demand for mobile telephone, owing to availability of cheap handsets. The network mobile operators are Safaricom, Airtel Kenya and Telkom Orange. They are competing on products and services with most of them offering similar products. This study sought to identify how RM affects sales performance in the Kenyan telecommunication sector.

Research Problem

Customer relationships is the driving force for company competitiveness hence loyal relationships with these valued individuals makes the company more competitiveness over its rivals (Peck *et al.*, 1999). Competition has resulted to loyalty reducing and this makes markets device ways to improve their markets but with growing technology companies need to come with strategies to be at par with competition. Kenyan telecommunication sector is continuously altering just like the rest of the world. In the recent past. In Kenya, the telecommunication industry has been characterized by declining voice revenues, intensified competition, decline in customer loyalty, decline in sale growth, decline in market share for some providers, increased regulations, technological advancements and changing consumer needs (CAK, 2015).

The link between relationship marketing and sale performance has attracted immense interest in marketing research over the past few years. Empirical studies conducted include Matagne and Gérard (2014) did a study on the role of relationship marketing for customer satisfaction in the banking sector in Sweden. The study revealed that there was positive relationship between relationship marketing and customer satisfaction in the banking sector in Sweden. This study failed to establish how relationship marketing influences sales growth. Lan (2015) conducted a study on the impact of relationship marketing on customer loyalty in the airline industry in Finland. The study revealed that relationship marketing impacted positively on customer loyalty in the airline industry in Finland. Loyalty in this case This study did not deal with the impact of relationship marketing on sales growth.

Kuria (1999) looked at the state of relationship marketing strategy in the Kenyan banking sector. The study established that though awareness of the relationship marketing strategy was high, its implementation was rather low and unilateral. Karimi (2014) did a study on the impact of relationship marketing practices on customer retention in the insurance industry in Kenya. The study revealed that insurance companies have adopted customer satisfaction practices to a large extent. Murage (2012) did a study on the extent of usage of relationship marketing strategies in the paint industry to enhance brand loyalty of industrial customers. The study concluded that majority of the paint industry executives were not aware of the relationship-marketing concept. Waiganjo (2012) conducted a study on how RM affects enactment of Nairobi's large supermarkets. The empirical studies studied in this section were carried out in other economy areas apart from telecommunication industry, these sectors have different operating environment compared to telecommunication industry. Telecommunication industry in Kenya is operating in turbulent competitive environment coupled with changing consumer needs; there is need for a study to be done on the telecommunication industry to establish how relationship marketing influences sale performance. The research was done to examine the extent at which RM (relationship marketing) affects sales performance in the Kenyan telecommunication sector.

Research Objectives

The study's main aim was identifying how RM affects sales performance in Kenyan telecommunication sector. Its specificity was based on these aims:

i. How interactive communication affects sales performance in the telecommunication sector

ii. To what extent customer experience affects sales performance in the telecommunication sector.

Theoretical Foundation

A theory is a supposition or a system of ideas intended to explain something, especially one based on general principles independent of the thing to be explained. This section reviews two theories that explain the relationship between relationship marketing and sales growth. These theories are social exchange theory and relationship marketing theory.

Social Exchange Theory

The link amid service quality, perceived value, satisfaction and relationship marketing (RM). SET was the model set for the study which states that most human correlations are built upon a scrutiny of cost benefit and comparing alternatives. Homans explains that when a person gets that when a person realizes a relationship having benefits then he will most likely remain in that relationship. It further explains that reciprocating in social exchange relationships is indeed an obligation to each party which starts with mutual exchange between these parties. SET explains that people are usually willing to remain in relationships because of the benefits they will get from it hence are usually willing to remain in relationships if they will benefit from it.

Its importance to this research is based on the fact that there is communication between the buyer and seller and results to satisfaction from the customer hence maintain the relationship. It tries to explain the growth and development of not only social but commercial relationships. In general, it shows that these exchanges strongly affect how people choose to sustain their relationships. These benefits are categorized into personal, interpersonal and conditional. Interpersonal involves psychological and relational conditions that might affect these relationships.

SET is used to clarify how RM and sales growth are related. It shows that people are ready to sustain these relationships because of their outcomes. They are usually willing to stay in these relationships because of expecting more. The theory is fit for the study because of its ability to view the relationship between a buyer and seller thus this research uses this theory to investigate how RM affects the performance of Kenyan telecommunication sector. SET however is inhibited by relationships like blood relations, being judged, physical attraction etc.

Relationship Marketing Theory

Relationship marketing theory was proposed by Alexander (1998). The theory argues that relationship marketing is the creation and development of profitable, long-term and interactive relationship with existing and potential customers, suppliers and various interest groups. This research aimed to view only one aspect of relationship marketing that is customer relationship marketing. Relationships exist when customers have interactions with the organizations. According to Lahtinen and Isoviita (1994) the profitability of a customer will be greatest during the later years of the customer relationship due to the following three reasons: incremental purchases, increase in price, and decreasing costs. Relationship marketing theory argues that RM is the creation and development of profitable, long-term and interactive relationship with existing and potential customers, suppliers and various interest groups. Relationships exist when customers have interactions with the organizations. Customers interact with organizations that satisfy their needs.

Relationship Marketing and Sales Performance

RM has been deemed as one of the most feature of marketing because of its nature to establish, develop and sustain good relationships to not only customers and companies but to also one company and another and also a company and its stakeholders. The one that has been urged is that between the customer and the company because it leads to the success of the company globally. This connection has yet to be established formally within the marketing theory. A customer- company relationship as seen earlier tends to result to commitment and trust from both parties and it is encouraged to extend to other sectors like distribution, service it should hence be extended to suppliers, middlemen and consumers.

IM has been defined as a relation between two mutually committed groups. Service marketing has however never been clearly defined. According to Liljander and Strandvik (1995), a relationship is best when defined from a customer's perspective because a customer can be positively or negatively committed. A positive customer will want to maintain the relationship and vice versa. Because of the following notion keeping a customer is very essential as compared to enticing a new customer will influence the company to make strategies that result to long lasting customers especially the profitable ones this is made possible by orienting them for a long period.

Research Methodology

The study used descriptive research design in form of cross sectional survey. The research targeted the Kenyan telecommunication sector. The study sampled a total of 80 respondents through stratified and random sampling from the three categories of telecommunication firms. The sample was equal to 20% of the entire population which is considered as appropriate.

Table 1: Sampling Frame

Category	**Target**	**Sample (%)**	**Sample**
Network Service Providers	149	20%	29
Application Providers	120	20%	24
Content Service Providers	131	20%	27
Total	445	**20%**	80

Source: Author (2017)

Secondary information from companies published financial reports and websites and primary data collected using questionnaires was used. Descriptive analysis was employed; this included the use of weighted means, standard deviation, relative frequencies and percentages. Coding was done to aid in categorizing the responses. Descriptive statistics entailing percentage, frequencies etc. aided in reviewing information. To identify the link between the variables the research used regression analysis.

Results And Discussion

The first objective of the research was identifying how interactive communication affects sales performance in the telecommunication sector. The study established that the marketing communicator figures out an appeal or theme that will enhance sale of products and service, direct interaction is used to customers to enhance sale of products and service, customer interaction focuses on establishing of strong relationships which positively affect sale of products, personal communication system is very effective as it gives room for quick feedback, marketing communication helps to move the customer along stages of service and ultimately in achieving final purchase, customer interaction maximizes the pursuit of sale of products and service, there is proper coordination of marketing communication strategies in order to deliver clear, consistent and competitive messages about services, the marketing communicator decide what to say and how to say it. The findings were in line with Liljander and Strandvik (1995), a relationship is best when defined from a customer's perspective because a customer can be positively or negatively committed. A positive customer will want to maintain the relationship and vice versa.

Its second aim was investigating how customer experience affects sales performance in the telecommunication industry. The study found that through A root value is transferred to customers through interacting, integrated marketing communication approach is used which helps to alleviate miscommunication and confusion, RM aids the company to establish customers' wants and values, Through relationship marketing the companies develop a give and take relationship with the customer, A root of value is transferred to customer when interacting, A relationship helps to create a value between our customers and the firm.

From the research findings on the statements investigating how sales performance affects performance in the telecommunication industry. The study established that that the company's market share has increased in the last 3 years as, there has been an increase in on stock turnover rate in the last 3 years, there has been an increase in average customer spend in the last 3 years as shown by, there has been an increase in average customer spend in the last 3 years. they have managed to retain our customer in the last 3 years. The study was in line with Boone and Kurtz, (2007), who state that a firm that makes unrealistic promises can disappoint customers who may not buy the good or service again and that External marketing can help a company be faithful to its customers if it implements internal marketing through hiring skilled employees, training and motivating them.

Conclusion

It was reviewed that interactive communication highly affects RM sales performance in the Kenyan telecommunication sector. It identified that companies' marketing communication helps to move the customer along stages of services and ultimately achieve final purchase, personal communication system is very effective as it gives room for quick feedback, organization customer interaction focuses on establishing of strong relationships, which positively affect the sale of their products.

It also reviewed that customer experience highly affects RM sales performance in the Kenyan telecommunication sector. It established that A root value is transferred to customers through interacting, RM aids the company to establish customers' wants and values, A relationship helps to create a value between our customers and the firm, through relationship marketing the company develops a give and take relationship with the customer, that the company uses integrated marketing communication approach, which helps to alleviate miscommunication and confusion.

The study concludes that sales performance influences the relationship marketing on in the telecommunication industry in Kenya. It established that the company retains their customers for the past three years, that there has been an increase in average customer spend in the last 3 years, that there has been an increase in average customer spend in the last 3 years, there has been an increase in on stock turnover rate in the last 3 years and that the company's market share has increased in the last 3 years.

Recommendations

The study recommended that the management the establishment of an interactive communication between the customer and the company itself which will in turn help in being effective in achieving final purchase. There is need for the to help in building customer and company relationship which will help the customers give their views on their wants and its significance. The study recommended that the company use integrated marketing communication approach, which will in turn help to alleviate miscommunication and confusion. Telecom companies in Kenya should ensure that customers' satisfaction is met at any given time to maintain their customer base. The management should encourage retention of customers and increase profitability of the organization, Telecommunication companies should ensure that they respond to customer need swiftly

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