
**Customer Relationship Marketing And Its impact On Customer Retention. A Case Study Of Source Of The Nile
Hotel Jinja**

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ABSTRACT

Enterprises are struggling to effectively utilize the modern marketing and advertising disciplines to highly compete in today's competitive and changing work environment. The purpose of this study was to examine the effect of customer relationship marketing on customer retention in Uganda. The study was guided by three objectives namely; to examine the effect of continuous customer monitoring on repeat purchase, to examine the effect of customer life cycle on customer trust and to examine the effect of customer satisfaction on repeat purchase at source of the Nile hotel Jinja. The study adopted marketing theories and a descriptive survey design with a population of 30 respondents. Questionnaires were the main data collection instrument. Data collected was analyzed and recorded using statistical packages and reported in form of tables indicating frequencies and percentage.. The study findings indicate that customer relationship marketing positively affects customer retention through customer satisfaction, customer monitoring and customer life cycle. The study recommends that source of the Nile hotel should increase on the number of its employees who are responsible for monitoring, managing and responding to customers, to effectively promote and brand the organization through creating a standard logo for the organization and put more outlet shopping centers and customer service centers for effective management of customer complaints and satisfactions. The study recommends happy hair shampoo and conditioner to increase on the number of its employees who are responsible for monitoring, managing and responding to customer complaints from one employee and to work for 24 hours for effective service.

Keywords: Customer, Relationship, Marketing And Retention

Background of the study

Today, marketing is one of the basic disciplines of successful management (Annet, Andrew, & Sarah, 2023). In creating new products and services, it influences society in countless ways; helping organizations understand what people want and need; help people find products and services that meet their needs; communicating information that makes people's lives more efficient and creating exchanges that generate employment and wealth (Allan et al., 2023). However, marketing also raises ethical questions about overconsumption, unhealthy obsessions and addictions, the impact of a product or service on the environment and the communities in which we live (Swafah & Jill Margaret, n.d.). The development and creation of conceptual frameworks for the understanding of marketing and its essence is accepted very slowly. For a long time, marketing focused on acquiring customers instead of trying to keep them. Therefore, relationship marketing is developed as an effective strategy to attract and retain existing customers (Christopher et al., 2022). According to (Nelson, Christopher, Teddy, et al., 2022), customer retention is always when the customer does not leave or switch to other competitors. Customer retention as a concept has been included in various theoretical and conceptual frameworks and models. Customer retention is achieved through customer experience with the product/service compared to expectations.

Sheth and Parvatiyar (2000) state that relationship marketing emerged in the 1980s as an alternative to the prevailing view of marketing as it was recognized that many exchanges, particularly in the service industry, were relational in nature. They add that in the first half. In the 1990s, the evolution of marketing changed from transactional to relational. Customer relationship marketing focuses on building long-term relationships with customers and other parties. To define customer relationship marketing, it is worth defining the term "relationship" in a marketing context, most authors simply talk about relationships as a transition from a transactional approach to a relational approach. Hunt and Morgan (1995) used the term as "a personal relationship between two people". This definition is attractive to the supplier but may not be attractive to the buyer who is expected to commit (Faridah et al., 2023).

In fact, marketing efforts often make up more than half of a product's price. Based on the nature of marketing, it is a voluntary relationship where both parties must be willing parties. The parties must be able to communicate, which could be through various tools. Therefore, in today's highly competitive environment, businesses need to better understand which customers are most profitable and how best to retain those customers (Turyatamba et al., 2022). This understanding is met through various channels, one of which is CRM (Strategic Management website - 2005). According to Reichheld and Sasser (1990), relationship marketing not only leads to increased customer retention and company profitability, but also provides a sustainable competitive advantage to service firms because the intangible aspects of the relationship are not easily duplicated by competitors (Annet, Andrew, Kazaara et al., 2023).

As a result, interest in the topic of relationship marketing is growing worldwide. More and more companies are focusing on strong relationships between companies and customers. Improving and focusing on building customer relationships brings many benefits to businesses and customers. By building a relationship with customers, firms can obtain quality sources of marketing intelligence for better marketing strategy planning (Racheal et al., 2023). As more evidence shows that customer satisfaction and profitability are directly related, it is vital for a business to develop long-term sustainable customer relationships that lead to customer retention (Ndubisi, 2004). In the United States of America, Robert (2015) conducted a study titled the relationship between customer relationship marketing and revenue generation, and the results of the study concluded that customer relationship marketing and revenue generation are significant predictors of business growth. The study covered the industrial sector in North America. In the African context, Lamptey (2014) conducted a study among the Ghanaian banking industry and the results showed that customer relationship marketing practices collectively have a significant effect on customer loyalty in the Ghanaian banking industry. This means that marketers focusing on building and maintaining long-term beneficial relationships with their customers, hoping to win their loyalty, must pay particular attention to competence, commitment and communication (Paul & Kazaara, 2023). In Uganda, the hotel industry has seen tremendous changes over the past ten years due to the increasing number of hotels in the country. Intense competition has raised standards to unimaginable heights. Despite the population of Ugandans and tourists visiting the country, the number of hotels, lodges, inns, restaurants and other resorts in the country has increased greatly. As all hotels are expanding their branches and other services, the competitive environment is getting tougher every moment. In

order to achieve a competitive advantage and also retain and retain their customers, hotels must incorporate CRM strategies as a strategic tool (Isaac et al., 2023). Therefore, the source of Nile Hotel in Jinja, the most touristic center in Uganda and as one of the hotels fighting to overcome the competitive advantage of hotels, will have to incorporate customer relationship marketing strategies. Therefore, there is a need to conduct a study from the source of the Nile hotel district of Jinja.

Problem statement

In the past, hotels were few and took their customers for granted. Customers often did not have many alternative hotels, but the market grew so fast that hotel managers were not afraid to fully satisfy their customers (Moses et al., 2023). However, with the increasing number of hospitality establishments, competition “has assumed such alarming proportions that the very survival of individual hotels has come under serious threat (BoG, 2010). What's more, there are rising customer acquisition costs, increased customer expectations, and high churn rates (Winny et al., 2023). Hotel managers have realized the need to foster closer relationships with their customers to ensure customer loyalty and retention (Ntirandekura, Friday, et al., 2022). Relationship managers, who are professionals and willing to improve the firm's relationships with partner firms and customers, are part of the sales staff that try to use specific approaches to gain more control over business relationships (Ntirandekura, Ainebyoona, et al., 2022). These managers facilitate good relationships so that the business maximizes the mutual value of its customer relationships and maintains a good reputation for both parties. For hotels to be productive, managers must focus on relationship marketing strategies that lead to customer retention (Nelson, Christopher, Teddy et al., 2022). The study therefore investigated the effect of customer relationship marketing on customer retention at the Jinja Source of the Nile Hotel.

Specific objectives

1. To examine the effect of continuous customer monitoring on repeat purchases among customers of the source of the Nile hotel Jinja.
2. To examine the effect of customer life cycle on customer trust at the source of the Nile hotel Jinja.
3. To examine the effect of customer satisfaction on repeat purchases among customers of the source of the Nile hotel Jinja.

Methodology

This study used a descriptive research design with inclusion of both qualitative and quantitative approaches where respondents' views and opinions were sought and described according to customer relationship marketing and customer retention. The study covered 80 respondents including managers, waiters and waitresses, supervisors, chefs, bar attendants, house maids and customers. A sample size of 50 respondents was obtained from the population size of 80 respondents including.

Table 1: showing sample size and sampling method

Category	Sample size	Sampling technique
Hotel administrator	3	Purposive sampling method

Waiters and waitresses	20	Simple random sampling
Supervisors	3	Simple random sampling
Bar attendants	4	Simple random sampling
House maids	5	Simple random sampling
Customers	15	Cluster sampling method
Total	50	

Questionnaires such as open ended and close ended questionnaires consisting of a series of questions drafted to collect information in relation to the research objectives or questions were used. The study used a 5-point Likert scale to measure the strength of the sub constructs of the variables in relation to respondents' responses. The scale ranged from strongly agree to strongly disagree (Strongly agree, agree, not sure, disagree, and strongly disagree). Editing of collected data was done to make data ready and simpler for presentation. The filled questionnaires were edited one by one to correct errors done by the respondents. Data was edited in order to check for accuracy, completeness, consistency and uniformity. Edited data was analyzed quantitatively and qualitatively as follows; Quantitative data was grouped and statistical description such as tables showing frequencies and percentages for better interpretation are used. However, qualitative data was analyzed in a way of identifying responses from respondents that are relevant to the research problem. Mainly such data was analyzed by explaining the facts collected from the field under which the researcher was able to quote respondents' responses. Data was analyzed in form of tables, frequencies and percentages using SPSS & STATA (Nelson, Christopher, & Milton, 2022)

RESULTS

Table 2: showing effect of continuous customer monitoring on repeat purchase

Continuous customer monitoring affect customer trust through:-	Strongly agree		Agree		Not sure		Disagree		Strongly disagree	
	F	%	F	%	F	%	F	%	F	%
Communication and conflict handling	21	70	7	23	2	7				
Measuring quality consistence	28	93	2	7						
Providing prescription information about the product	14	47	9	30			5	17	2	6
Binding organizational and customer relationship	27	93	1	3	2	6				
Keeping and providing a review of organizational commitment	26	87	3	10			1	3		

Source: Primary source 2023

From table 2, above 28 (93%) of the respondents strongly agreed that through measuring quality consistence results to customer trust while 2 (7%) agreed on the same statement. On Communication and conflict handling 21 (70%) strongly agreed, 7 (23%) agreed however 2 (7%) were not sure to the statement. Furthermore, the researcher examined keeping and providing a review of organizational commitment 26 (87%) strongly agreed, 3 (10%) agreed however 1 (3%) disagreed. More so the researchers registered 27 (93%) who strongly agreed that through binding organizational and customer relationship and 1 (3%) agreed however 2 (6%) were not sure (Musaibah et al., 2023). Finally, the researchers found out that 14 (47%) strongly agreed through providing prescription information about the product, 9 (30%) agreed however 5 (17%) disagreed and 2 (6%) strongly disagreed.

Table 3: showing the effect of customer life cycle on customer trust

The effect of customer life cycle on customer trust is through.	Strongly agree		Agree		Not sure		Disagree		Strongly disagree	
	F	%	F	%	F	%	F	%	F	%
Creations of relationship and satisfaction	26	87	4	13						
Sharing of thoughts	30	100								
Increase in quality of production	21	70	7	23			2	7		
Estimation of product life cycle	19	63	6	20	1	3	2	7	2	7
Consistence in quantity of production	19	63	7	23			2	7	2	7

Source: primary source 2023

Table 3 presents the findings in relation to the second objective and research question and the results shows that 30 (100%) of the respondents strongly agreed that customer life cycle affects customer trust through sharing of thoughts between the consumer and the organization. On creation of relationship and satisfaction 26 (87%) strongly agreed and 4 (13%) agreed. When asked on improving production quality 21 (70%) strongly agreed and 7 (23%) agreed however 2 (7%) disagreed. Furthermore 19 (63%) strongly agreed that through production of consistent quality of production also 7 (23%) agreed however 2 (7%) disagreed and 2 (7%) strongly disagreed. Lastly on the second objective the researchers registered 19 (63%) who strongly agreed on estimation of product life cycle, 7 (23%) agreed while 2 (7%) disagreed, 2 (7%) strongly disagreed however 1 (3%) was not aware of the statement (Kazaara & Kazaara, 2023).

Table 4: the effect of customer satisfaction on repeat purchases

The effect of customer satisfaction on customer trust is through:-	Strongly agree		Agree		Not sure		Disagree		Strongly disagree	
	F	%	F	%	F	%	F	%	F	%
Building customer loyalty	28	93	2	7						
Providing high quality products	25	83	3	10	2	7				
Creation of access to products	13	43	10	33	4	13	2	7	1	3
Creation of relationship between the organization and customer	17	57	7	23	2	7	1	3	3	10
Doing research on the products	13	43	5	17	1	3	8	27	3	10

Source: Primary source 2023

From table 4 above it is evidenced that 28 (93%) of the respondents strongly agreed that happy hair shampoo and conditioners builds customer trust from customer satisfaction through building customer loyalty and this was accompanied by 2 (7%) who also agreed. The study also found out that 25 (83%) strongly agreed that through providing high quality products, 3 (10%) agreed however 2 (7%) were not sure. The study continued and registered 17 (57%) who agreed that Creation of relationship between the organization and customer and 7 (23%) agreed however 1(3%) disagreed, 3 (10%) strongly disagree and 2 (7%) were not sure. Lastly but not least the researchers found out that 13 (43%) strongly agreed and 10 (33%) creation of access to products, 2 (7%) disagreed and 1 (3%) strongly disagreed however 4 (13%) were not sure. Lastly 13 (43%) strongly agreed and 5 (17%) agreed that through doing research on the products while 8 (27%) disagreed, 3 (10%) strongly disagreed however 1 (3%) was not sure (Faridah et al., 2023).

Conclusion

Customers are imperative in running any business. The increasing hotels since inauguration of Museveni's regime has resulted to an increase on the focus on customer needs and wants. With the growth of hospitality industry, more effort is put at improving its performance. The focus on measuring quality consistence, handling communication and resolving conflict, bonds organizational and customer relationship, keeping and providing a review of organizational commitment and provides production information about the product as some of the effect of continued customer monitoring on repeat purchase.

The study further found out that sharing of thoughts, creation and enhancing relationship and satisfaction, increase on the quality of production, endeavor to decrease the quality and always to estimate product life cycle in the market as some of the effect of customer life cycle on customer trust. Respondents believe that customer satisfaction through building customer loyalty, providing high quality products, creation of access to products, creation of relationship between the

organization and customer, and doing research as some of the effect of customer satisfaction on repeat purchase at source of the Nile hotel Jinja. Therefore for an organization to retain its customer it should put the above in place.

Recommendations

The study recommends happy hair shampoo and conditioner to increase on the number of its employees who are responsible for monitoring, managing and responding to customer complaints from one employee and to work for 24 hours for effective service.

The study recommends that more effort should be put in place to effectively promote and brand the organization through creating a standard logo for the organization.

The study recommends that more outlet shopping centers and customer service centers for effective management of customer complaints and satisfactions.

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