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**THE EFFECTIVE USE OF RELATIONSHIP MARKETING
STRATEGY FOR CUSTOMER SATISFACTION AND
RETENTION BY CBZ BANK IN ZIMBABWE DURING THE
COVID 19 PANDEMIC**

BY

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**A DISSERTATION/THESIS SUBMITTED IN PARTIAL FUFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF MASTER IN
SCIENCE IN INNOVATION AND ENTREPRENEURSHIP IN THE
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Abstract

Inferring from the current body of knowledge, it can be concluded that relationship marketing has many advantages such as increased customer satisfaction, referrals, repeat purchases, cross-selling opportunities and high profits. However, most of these studies were conducted in other parts of the world whose contexts may differ from that of Zimbabwe. Accordingly, this study seeks to determine the effectiveness of relationship marketing as a strategy for enhancing customer satisfaction and retention. The research will use a questionnaire to collect primary data from managers and personnel in sales and marketing departments of the sampled banks. Apart from the primary data emerging from this study, the researcher will use the current literature to understand effectiveness of relationship marketing on customer satisfaction and retention of commercial banks in Zimbabwe. The insights to be gained from this study will benefit many stakeholders including bank managers, policy makers, scholars and researchers. The researcher applied a multiple case study approach involving 5 commercial banks. The researcher adopted a quantitative approach to collecting primary data. Data analysis was done using statistical methods involving graphs and frequency distribution tables. The findings from this study demonstrated that relationship marketing is an effective strategy for enhancing customer satisfaction and retention as shown by the increase in profits and return on assets. The study also established that there are several dimensions that are relevant in consumer service relationships which are trust, commitment, communication, empathy, responsiveness, bonding and reciprocity. The study also established that banks in Zimbabwe encounter several challenges during the implementation stage of relationship marketing. These challenges were identified as poor coordination, lack of communication, resistance to change, high cost and the need for training on personnel. Inferring from the research findings, this study recommends that commercial banks in Zimbabwe should adopt relationship marketing, since it was reviewed in chapter four and from the data that was collected, that it increases customer satisfaction, cross-selling opportunities, goodwill and the cost to serve a customer.

Keywords: Relationship marketing, Commercial bank, Customer satisfaction, Retention

Declaration

I declare that this dissertation is my original work except where sources have been cited and acknowledged. The work has never been submitted, nor will it ever be submitted to another university for the award of a degree.

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Finally, I want to express my sincere gratitude for the support I got from my family who had to endure long hours without me.

Dedication

This thesis is being dedicated to my husband and family

List of Acronyms and Abbreviations

AMA	American Marketing Association
CIM	Chartered Institute of Marketing
KAM	Key Account Management
CRM	Customer Relationship Management
CLV	customer lifetime value
TCO	Total Cost of Ownership
RM	Relationship Marketing

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CHAPTER 1 INTRODUCTION

1.1 Introduction

Relationship marketing has gained a lot of interest from both the scholars and business managers. In today's highly competitive business environment, firms can no longer rely on the traditional sources of competitive advantage such as product innovations, low pricing or high advertising expenditure. As a result, several firms are now focusing on relationship marketing to have a sustainable edge over their rivals. The shift to relationship marketing is being driven by advancements in technology. However, the adoption rate for this concept is not the same across the different sectors (Woodruff, 2015). According to Patterson and Spring (2017), firms are focusing on customer relationship because unlike the product or prices, it is not possible for rivals to imitate the relationship in the short-term.

In the global perspective, the issue of relationship marketing has gained momentum as well. From the firm's perspective, relationship marketing has several benefits such as increased profit margins, brand loyalty, product differentiation and sustainable competitive advantage. The purpose of this chapter is to unveil factors and requisite circumstances that prompted the researcher to embark upon the study. To achieve this, the chapter discusses aspects such as the problem statement, research objectives, research questions, assumptions of the study, significance of the study, limitations and delimitations of the study. This is going to be depicted below.

1.2 Background to the Study

Firms in the world, at this juncture, are operating in a highly competitive environment that put pressure upon them to conceive and formulate strategies that give them a competitive advantage over their rivals in the same industry. In an endeavor to navigate today's hostile and volatile environment, firms need to strategize and outsmart their

rivals by application of unpredictable tactics. The banking sector is one that has witnessed intense rivalry as product offerings seek to move in sync with ever evolving consumer demand. According to Durkin and Howcroft (2003), banks were among the service industry pioneers in developing and executing relationship marketing strategies as they were some of the first recipients whose operations were disrupted by the radical changes that took place in global economy over the past years.

India makes a good case analogy. Competitive rivalry emanating from deregulation of the financial services market have been the key stimuli insofar as the incorporation of marketing principles in business is concerned. This deregulation has exposed banks and the retail market of the banking sector by increasing competition and creating distortions in boundaries in many conventional product markets. In Zimbabwe, the banking sector has been highly dynamic since the attainment of independence in 1980. This has seen the sector undergoing four major seismic changes identified as the post-independence (1980-1990), the Land Reform period (1991-1999), the hyperinflationary/crisis period (2000-2008) and the stability period (2009-2014). According to (Chipika and Malaba (2011), during the post-independence phase the banking sector was highly regulated, was oligopolistic in nature and was dominated by a few foreign banks with limited competition.

During the period 2000-2008, the Zimbabwean economy experienced an economic crisis that was characterized by hyperinflation and significant economic decline. The country's gross domestic product (GDP) was estimated to have declined by 40 percent whilst hyperinflation peaked in July 2008 at 231 million per cent (GoZ, 2009). During the economic crisis period, the Zimbabwean banking sector experienced a number of challenges such as poor standards of corporate governance, inadequate risk management, use of depositor's funds for speculative investments, insider dealing and

abuse of Central Bank liquidity advances. Thus, the Central Bank was forced to abandon the lender of the last resort system and introduced several measures to control the problem (Makoni, 2010). The closure of banks, cash shortages and erosion of savings by hyperinflation caused consumer confidence on banks to decline. Resultantly people resorted to keeping their money outside the banking sector (Kanyenze et al., 2011).

The government abandoned the local currency in favor of a basket of currencies in 2009 to arrest the debilitating hyperinflation and economic decline. Inflation declined sharply and fell to below two per cent, before further declining into the negative territory for most parts of 2014 and 2015 (ZimStats, 2015). The stable macroeconomic environment had a positive impact on the banking sector which then experienced growth in the deposits, loans and assets. The Zimbabwean banking system is well developed and effectively regulated, comprising the Central Bank of Zimbabwe, 16 Commercial Banks, 2 Merchant Banks, 4 Building Societies and 1 Savings Bank. The Zimbabwean banking system is a mixture of a monopolistic and oligopolistic structure in which the offerings are differentiated yet it exhibits some similar characteristics on the other hand.

Since July 2020, Zimbabwe has made dedicated efforts at curbing the spread of runaway inflation, a reality that saw a decline from a peak of 837.5 percent in July of 2020 to 50.3 percent in August of 2021 (RBZ, 2021). The decline in inflation resulted from the implementation of appropriate disinflationary monetary policies and from fiscal consolidation. The resurgence of inflationary pressures at the end of 2021, which saw annual inflation closing the year at 60.7 percent, is a result of the parallel exchange rates pass-through effects in inflation (RBZ, 2022). It is because of the stated volatility witnessing the banking sector in Zimbabwe during the COVID-19 pandemic that this

study sought to ascertain the implementation of relationship marketing as a business strategy to be adopted by commercial banks in the country in an effort to survive market volatility.

1.3 Statement of the Problem

The problem under study is the challenges faces by CBZ Bank Ltd in Zimbabwe in the implementation of Relationship Marketing Strategy to satisfy customers and retain them .In addition the impact these challenges have had in the Banks profitability and competitiveness in the Banking Sector, particularly focusing on the Covid 19 era to date.

1.4 Research Objectives

1. To assess the levels of utilization relationship marketing on customer satisfaction and retention by CBZ Bank in Zimbabwe during the Covid 19 pandemic to date.
2. To measure the effectiveness of relationship marketing as a business strategy on CBZ Bank in Zimbabwe during the Covid -19 pandemic to date.
3. To determine the factors that influenced the level of effectiveness in successfully implementing relationship marketing for the Bank during the Covid 19 pandemic

1.5 Research Questions

1. What are the levels of utilization of relationship marketing on customer satisfaction and retention by CBZ Bank in Zimbabwe during the Covid 19 pandemic?
2. What are the benefits of relationship marketing as a business Strategy on CBZ Bank Ltd Zimbabwe during the Covid 19 pandemic?
3. What are the factors that determines the level of effectiveness in successfully implementing the relationship marketing Strategy for CBZ Bank Ltd Zimbabwe?

1.6 Hypotheses

H₀: Relationship Marketing Strategy is a good strategy to be used for Customer Satisfaction and Retention by CBZ Bank in Zimbabwe during the COVID-19 pandemic.

H₁: Relationship Marketing Strategy is not a good strategy to be used for Customer Satisfaction and Retention by CBZ Bank in Zimbabwe during the COVID-19 pandemic.

1.6.1 Assumptions

The study will be based on a number of assumptions. Firstly, the study assumes that permission will be granted for the researcher to gather information from the targeted banks. Secondly, it is assumed that the information obtained will be honest and true so that the findings can assist to assess the impact and effectiveness of relationship marketing. Lastly, despite the limited time to conduct the research, it is assumed that all research questions will be responded to.

1.7 Significance of the Study

It is anticipated that the findings from this study will benefit several stakeholders. For instance, the bank managers and operators will use the findings to enhance their understanding of relationship marketing to enable them to implement effective strategies to create competitive advantage for their respective branches. This will be one of the few studies to be carried out in order to evaluate the effectiveness of relationship marketing as a tool for enhancing customer satisfaction and retention by commercial banks from a Zimbabwean perspective. Therefore, the study will benefit the academia insofar as the enhancement and understanding of the phenomena under investigation in Zimbabwe is concerned during the COVID-19 pandemic. The study

will equip the researcher with the relevant knowledge of relationship marketing in the field of management and also meet the requirements of the training program.

1.8 Delimitation of Study

The research is to be conducted within the branches at CBZ Bank Ltd that are located in Harare Central Business District (CBD). The respondents will be the management and marketing or customer care personnel in commercial banks.

1.9 Limitation of the Study

The limitation to this study was on financial and time resources. The researcher had no time to visit all the bank branches and service centers more for personal observation. In addition, some managers had a busy schedule which limits the researcher to get adequate operational information from managers. The researcher managed to overcome this constraint by emailing the research instrument for the respondents to answer during spare time.

CHAPTER 2 REVIEW OF RELATED LITERATURE

2.1 Introduction

This section presents a review of previous studies related to the present study. The section will review literature on relationship marketing and its dimensions. It also examines the strategic issues in relationship marketing, customer satisfaction, customer retention and relationship building process. The section equally also seeks to outline the concept of customer satisfaction and how it is measured and explain its sources based on the Kano Model of customer satisfaction.

2.2 Theoretical Framework

This study was predicated upon the theoretical framework given in Figure 2.1 below which shall give impetus to the research methodology that was used in this study as shall be explained in the chapter that follows.

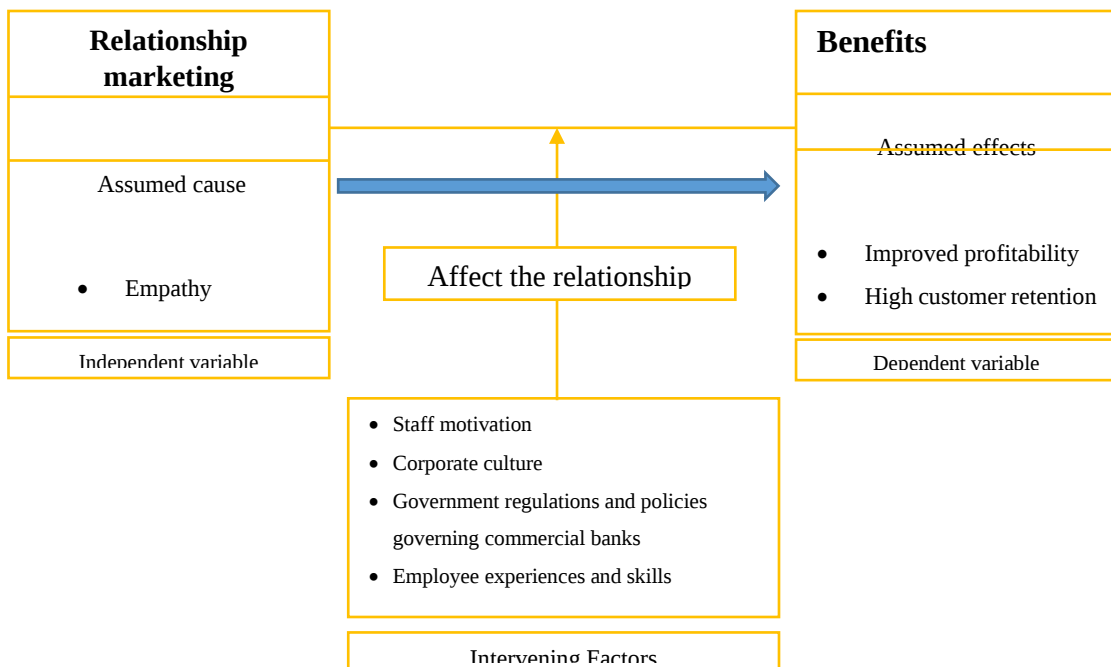


Figure 2.1: Theoretical Framework of the Study-Researcher own depiction

2.3 Relevance of Theoretical Framework to the Study

According to the above depicted theoretical framework, that answers to the objectives of this study raised in the previous chapter, the variables identified in this study are relationship marketing (independent variable), customer satisfaction (dependent variable) and the COVID-19 pandemic (intermediate variable). The assumed benefits of relationship marketing on commercial banks, from the Zimbabwean perspective during the COVID-19 pandemic include improved profitability, customer satisfaction, cross-selling opportunities, referrals and high market share. However, there are other factors (intervening factors) that also affect the effectiveness of relationship marketing such as corporate culture, government policies, market conditions and others.

2.4 Relationship Management and Competitiveness

Relationship Management involving customer relationships is crucial for building a sustainable competitive advantage by fostering loyalty, improving operational efficiency and enabling innovation, ultimately leading to better financial performance. A Banks competitive advantage is often linked to its valuable resources and dynamic capabilities including strong relationships which can help the firm achieve above-normal profits.

Relationship Marketing Powers Competitiveness:

By Enhanced Customer Loyalty and Retention:

Relationship Management focuses on building strong lasting relationships with customers.

Increased Customer Lifetime Value Loyal customers are more likely to make repeat purchases and refer other customers to the business leading to higher customer lifetime value.

Reduced Customer Churn: By understanding and attending to customer needs, businesses can reduce the probability of customers moving to competitors.

Improved Customer satisfaction

Personalized Experiences- CRM systems allow businesses to collect and analyze customer data, enabling them to provide personalized experiences and cater to individual preferences.

Efficient Customer Support- Relationship Management can streamline customer support processes thereby ensuring that customers complaints are resolved efficiently

Proactive Problem Solving- By understanding customer needs and anticipating potential challenges, businesses can proactively address issues and improve customer satisfaction

Better Understanding of Customer Needs: CRM systems provide businesses with required data about customer behavior, preferences and purchasing patterns. This provide data driven insights for the Company to remain competitive.

Targeted Marketing. Data collected can be used to develop specific marketing campaigns and product offerings that resonate with specific customer segments.

Continuous improvement by continuously monitoring customer feedback and data, businesses can identify areas for improvement and enhance their products and services.

Competitive advantage. Businesses that excel at relationship management can differentiate themselves from competitors by providing superior customer service and personalized experiences. By relationships building strong customer relationships and exceeding customer expectations, businesses can gain a competitive advantage and capture a larger share of the market.

2.5 Marketing Philosophies

Marketing approaches have changed over the years. The different stages of marketing as submitted by Kotler (2003) are as presented below.

- **Production Concept:** This is the oldest philosophy of marketing which emphasizes that consumers will prefer those products that are available and highly affordable. In this regard management should focus on improving production and distribution activities.
- **Product Concept:** In terms of this concept, consumers will prefer those products that are believed to offer the best quality, performance and features. In this regard, management should focus on making continuous product improvements.

- **Selling Concept:** In this era, more emphasis should be put on the sales efforts to be undertaken to make the consumers buy the products which otherwise will remain unsold. This means that the firm has to make more sales and promotional effort to push the sales of its product.
- **Modern Marketing Concept:** In terms of this philosophy, great emphasis should be placed on the customer. Management should focus on the ultimate customer and undertakes to meet his or her requirements in full. For this the organization has to correctly understand the customer requirements and deliver the desired products more effectively and efficiently than the competitors.
- **Social Marketing Concept:** This philosophy of marketing underlines the importance of marketing activities to support and ensure social well-being. It means that marketing should determine the needs, wants and interests of target markets and deliver the desired satisfaction effectively.
- **Contemporary approaches:** Recent approaches in marketing include relationship marketing which focuses on the customer, business marketing or industrial marketing with focus on an organization or institution and social marketing with focus on benefits to society. New forms of marketing also include the use of the internet and are therefore called internet marketing or more generally e-marketing, online marketing, "digital marketing", search engine marketing, or desktop advertising

2.6 Customer Satisfaction

Inferring from some previous studies that were conducted on the measurement of customer satisfaction, it was discovered that customer satisfaction was not only influenced by perceived product quality, but also by the whole shopping experience and expectations (Wen Wu, 2006). According to O'Sullivan and McCallig (2012),

satisfaction is the customer's emotional and rational (cognitive) evaluation of experiences with a product or service.

Customers use standards such as personal goals, needs, expectations and experiences with competitive companies to make judgments about their buying experience with a product or firm. Customer satisfaction is defined as an overall evaluation based on the total purchase and consumption experience with the good or service over time (Tao 2014). Customer satisfaction is divided into five intervals (very dissatisfied, relatively dissatisfied, general satisfaction, relatively satisfied and very satisfied). Customer satisfaction = customer expectations - customer experience (Tao 2014).

Chen and Wang (2009) suggest a view of customer satisfaction as a kind of consistent evaluation between prior expectations and perceived service performance. Accordingly, the positive evaluation of the product or service that the customer acquires is a major reason to continue a relationship with a company's service or products, and an important pillar that upholds loyalty. Satisfied customers are thus more likely to repurchase, lower their price sensitivity, engage in positive word-of-mouth recommendation, and become loyal customers (Chen and Wang 2009.) In this regard customer loyalty can be a byproduct of customer satisfaction

2.7 Measuring customer satisfaction

Measuring customer satisfaction is a key performance indicator within business and is often part of the balanced scorecard. The main aim of measuring customer satisfaction is to make a prompt decision for the continuous improvement of the business transactions. One of the models to measure customer satisfaction is the Kano model which classifies product attributes based on how they are perceived by customers and their effect on customer satisfaction (Južnik Rotar and Kozar, 2012). These

classifications are useful for guiding design decisions as they indicate when good is good enough and when more is better (Kano Model Analysis, 2014; Spool, 2011).

2.7.1 Kano Model

The Kano model of customer satisfaction is the brainchild of a Japanese professor Noriaki Kano and his colleagues. It divides product attributes into three categories: threshold or must be, performance and excitement or delighter. According to the model, a competitive product meets basic attributes, maximizes performances attributes and includes as many exciting attributes as possible (Kano Model Analysis, 2014; Spool, 2011). The Kano model is used to determine the customer expectations regarding products, and it is used for analyzing customer needs and determining product requirements. The focus of customer needs abbreviates from the product quality properties. Customers (or potential customers) are trying to solve an issue or realize an opportunity.

As reflected in Figure 2.1 below, the model itself can be shown graphically as a combination of two axis – the x axis and the y axis, where the x axis defines whether the customer needs were met and to what extent (the x axis can be understood as the product performance or function) and the y axis is the level of customer response to the product: was the customer delighted or disappointed

The customer response and the level of meeting expectations is divided into three categories

- Performance needs. These are needed that the customer can define and the manufacturer can discuss. The needs are subject to the “more is better” rule. The needs that are met here are the ones that separate one product or service from another. This is the category which provides the separation between competitors. In this category the product or service provides an answer to

questions such as: What is the level of service? What is the price performance?

What features does a product have?

- Attractive (delight) needs. These are mostly the unspoken needs that the customer cannot define. These needs are not expected by the customer and if the product or the service does not provide them, the customers are neutral, since they were not expecting them in the first place. But if the product or service provides them, the customers are excited.

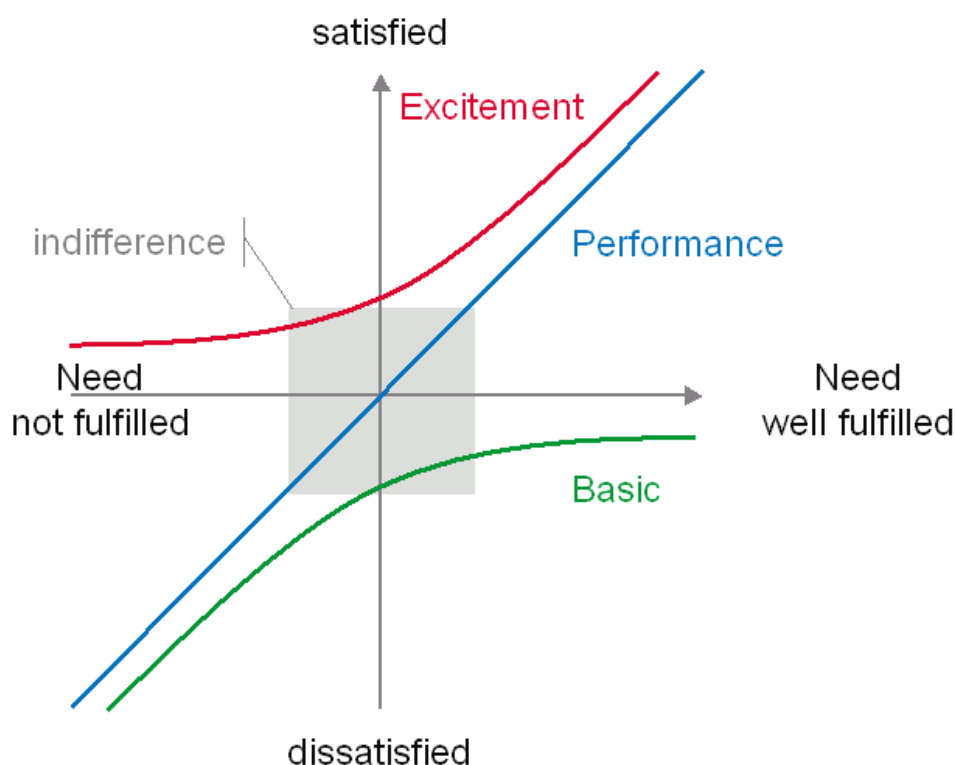


Figure 2.1: Kano Model

2.8 The RM Paradigm

Inferring from Gronroos (2004) the RM approach is based on the assumption that over and above the value of services that are exchanged, the existence of relationships between the two parties results in the creation of benefits to the parties. The new tactical focus on customer relationships by its advocates is considered as the basis for the growth of relationship marketing as a new marketing theory, the nucleus of the

new theory can be articulated as a shift from the tell us what you want approach to let us figure and align together your requirements to our product offering marketing philosophy (Wehrli and Juttner 1994). RM emerged as an accepted new concept due to a change in focus to customer retention from customer acquisition (Sheth and Kellstadt, 2002). As Naidu et al (1997) pointed out; RM has gained momentum, as organizations understood that building continued patronage and customer loyalty could not be achieved through short-term sales / transaction approach

According to Coltman (2007) and Wehrli and Juttner (1994) RM has risen in response to the rising demands of changing times which include globalization of markets or industries, disbanding of markets, limited product life cycles, changes in consumer behavior and the development of the savvy consumer. Kotler (1972) stated that organizational focus should be on long-term relationship building instead of the short-term transactions as shown in Figure 2.2 below. This entails that for an organization to be competitive it should adopt a marketing strategy that is compatible to the rising demands of changing times

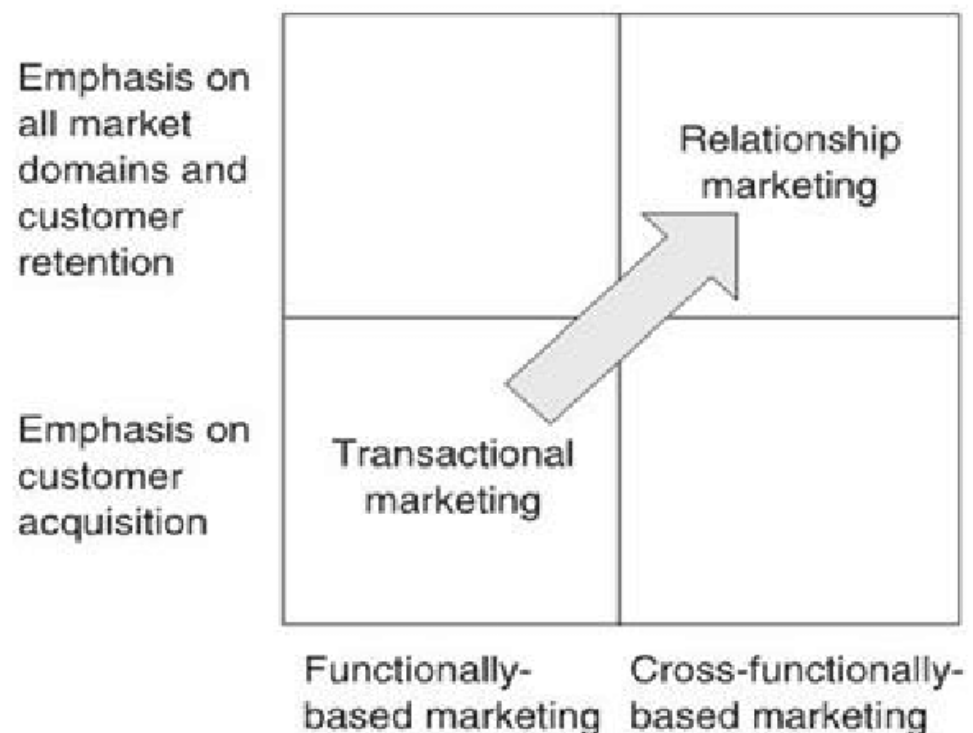


Figure 2.2: Shift from Transactional Marketing to Relationship Marketing

2.9 RM Dimensions

According to Pressey and Mathews (2000), there are seven dimensions that are relevant in consumer service relationships which are: The level of trust between the customer and the organization, commitment to the relationship, dialogue between the service provider and the customer, consistency in customer satisfaction, ensuring that the quality of service to customers is high, and an attempt to favorably lock in or retain the customers. It is clear that the dimensions identified by Pressey and Mathews (2000) as cited above form the bedrock for establishing a relationship marketing strategy in an organization. The RM dimensions bring the relations strategy themes such as trust, commitment, communication, and service quality and customer retention.

2.10 Customer retention in Relationship Marketing

According to Izquierdo et al (2005), one of the key RM activities are those oriented on customer retention, which increases profitability and market share. To successfully retain customers the firm needs to offer more than one product to collaborate with the customer, have an in-depth understanding of the customer and reduce employee turnover to retain customers (Gidhagen, 1998). Customer retention is one of the single most important drivers of an organization's long-term profitability (Eisingerich and Bell, 2007). Berry (1995) claimed that retaining existing customers is more profitable than acquiring new customers and as such organization should try hard to satisfy their existing customers by offering them incentives such as discounts or fidelity cards. Bettencourt (1997) posit that customer loyalty will increase the customer's repurchase intentions, which results in customer retention.

As Ryals and Payne (2001) indicated, customer retention is the bedrock of RM, which requires the organization to invest in its employees and customers for longer, and

extended profitable relationships. Employee commitment and employee satisfaction have a positive impact on customer, which result in customer retention and profitability (Shelby et al, 2006).

2.11 Multiple level relationships in Relationship Marketing

The success of a relationship marketing strategy largely depends on the existence of multiple level relationships between the customer and the firm (Morgan and Hunt, 1994). Multiple level relationships are defined by Gronroos (2004) as relationships that are built with a customer at all levels of the organization's hierarchy. Multiple level relations are considered relevant in building customer loyalty, which promotes repeat purchases from customers. According to Gidhagen (1998), the participation of management and employees in multiple level relationships building enhances job satisfaction and aligns employee attitudes to the relationship marketing strategy. According to Bhattacharya and Bolton (2000), the benefits for firms in multiple level relationships with end users are high customer retention levels which increases profitability.

2.11.1 Customer tracking in Relationship Marketing

According to San Martin et. Al (2003), customer tracking is an activity that involves the organization's regular and monitored communication with its customers. Customer tracking is possible if the firm has regular information about the customers. Iglesias et al (2011) stated that the practice of customer tracking requires the organization to design and maintain a customer database. The authors emphasized that a well-maintained database that is suitable for marketing function is the main tool in a firm's customer tracking activities. The assembled data is used to inform customers about a product, encourage repeat sales, and update customers about market trends and thus build customer loyalty Gidhagen (1998).

Apart from the primary purpose of maintaining relationships, a customer database can be used for customer segmentation and profiling customer types (Gronroos, 1996). Morris et al (1998) indicated that a successful RM strategy requires the firm to design comprehensive customer intelligence data that allow ongoing personalized interactions. Ongoing personalized interactions with customers increases the level of customer tracking which promotes the party's commitment to the relationship (Srivastava et. al, 1999)

2.12 Strategic Issues in RM

Gronroos (1996) identified three strategic issues in RM: defining the firm as a services business, managing the firm from a process management perspective and developing partnerships and networks. These three strategic issues proposed are considered as the factors that should be available in an organization for the successful implementation of RM and as such they are explained below.

2.12.1 Defining the firm as a services business

A key requisite in a relationship marketing plan is that a services firm understands the long-term requirements of customers and provides added value on top of the practical result rooted in services (Gronroos, 1996). In this volatile business environment customers require a much more holistic service offering. The economic benefit to an organization will be its capacity to administer the bonus rudiments of the total offering better than its competitors do. The core product is rarely the reason for discontent than the essentials surrounding the core. As Gronroos (1996) pointed out a firm that continues to compete on the basis of its core product is destined fail. Ismail (2009) asserts that the primary approach towards RM is to improve complaint-handling procedures to demonstrate commitment to customers resulting in customer loyalty.

2.12.2 A process management perspective

A process management perspective entails the collaboration of a firm's departments during the relational exchange process. According to Gummesson (1994), RM calls for the participation of everyone as a part-time marketer and that marketing is not limited to sales and marketing departments. Gronroos (1996) confirmed that a prolonged relationship with customers seeking value in the total service offering entails the integration of functions and departments, which are accountable for different elements of the product offering. The process management approach calls for the collapsing of traditional departmental boundaries and allowing all the organization's functional activities to be organized and managed as value-creating processes, which enable and strengthen relationship building and management (Gronroos 1996). Therefore, the supra goal for the firm becomes that of customer satisfaction.

2.12.3 Developing partnerships and networks

Partnerships and networks are key in a relationship marketing approach as importance is put on the win-win perspective as opposed to win-lose situation. Payne et al (2005) argue that RM acknowledges the role long-term relationships between the customer and the organization which was largely ignored in mainstream marketing. Gronroos (1996) asserts that as relationship marketing is based on co-operation rather than an adversarial situation firms will not view one another from a win-lose perspective but will rather benefit from a win-win situation where the parties involved will be best off as partners. This of course demands the existence of trust between the parties in a network otherwise they will not feel committed to the mutual cause. It is essential for the relationship building process that the firm and the customer mirror each other in a continued relationship process (Eriksson and Soderberg, 2010).

2.13 RM bonds

Relationships are bound by various factors such as legal, social and financial bonds (Lovelock and Wirtz, 2011). Legal bonds include contracts in law which are entered between two parties whereas social bonds are achieved through social activities and financial bonds are created through monetary incentives (Kotler and Armstrong, 2016). Jobber (2012) states that marketing and selling activities are done for profit. On the contrary, Chaffey (2016) argues that RM is not only for profit as it can also exist in non-profitable organizations such as government institutions, religious groups and charities. Likewise, CIM (2019) argues that RM helps to create good brand image and corporate reputation as well as stakeholder relationships.

According to Kotler, (2014), organizations with a production and sales orientation are not worried about RM because they have a hit and run strategy. This means that these organizations do not want to invest in long-term relationships, but they need money. Furthermore, (Smith, 2016) states that the production and sales orientation proved wrong in business relationships. He states that these concepts result in customer churn. Along the same lines Futrell (2013) argues that the marketing concept has RM which results in long-term profitable relationships.

2.14 Relationship Development Process

Business relationship takes long to be established and go through awareness stage, exploration, expansion, commitment and dissolution if not managed well (Dwyer, 2012). Along the same lines Jobber (2016) highlighted that Key Account Management (KAM) is a long-term process which involves managing key customers and includes stages such as early KAM, mid KAM and long KAM. The following Figure 2.3 shows the relationship development process:

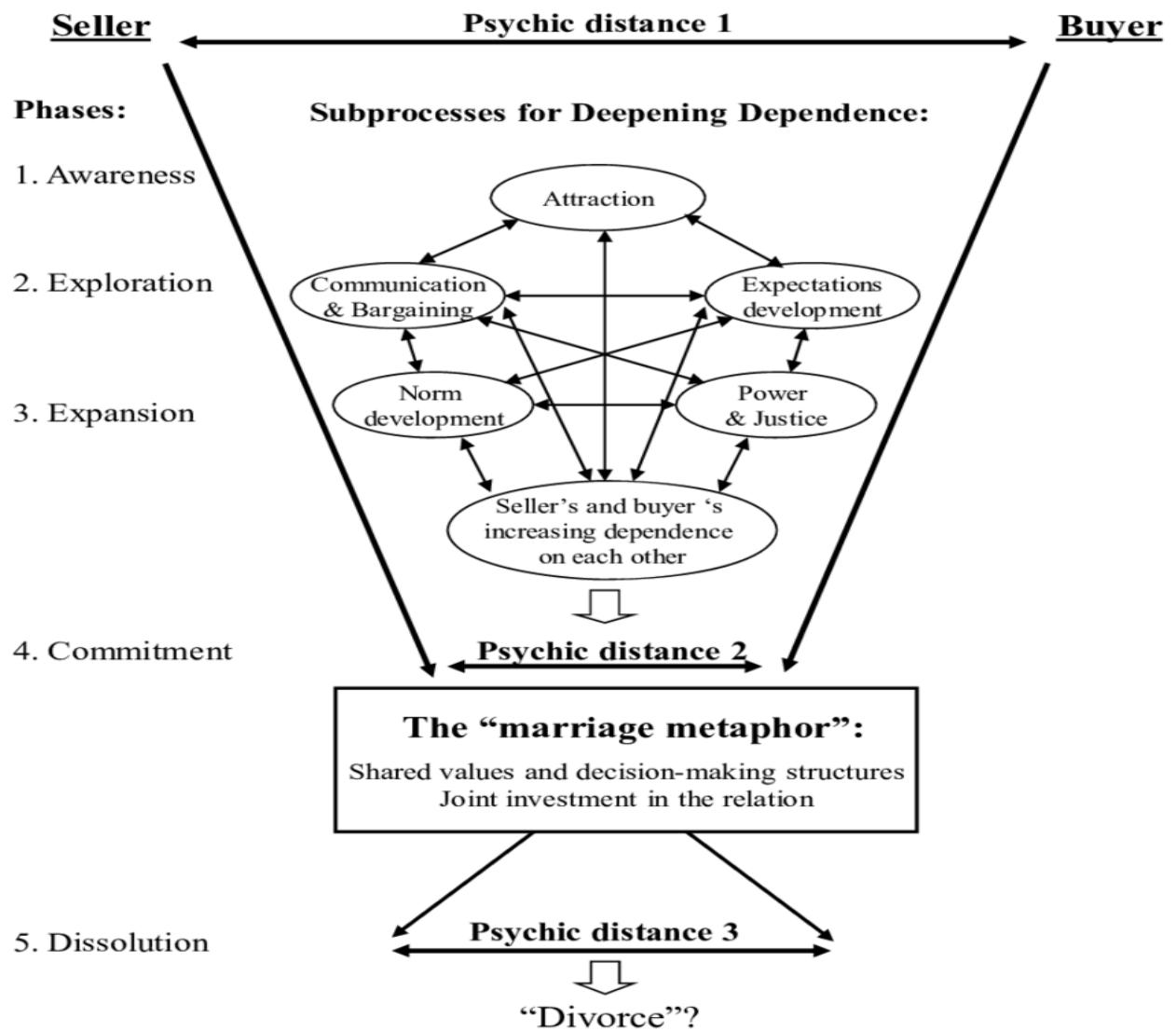


Figure 2.3 Relationship Development Process model, (Dwyer, 2012)

The above process will lead into long-term profitable relationships (Dwyer, 2012). In support of this, Futrell (2013) states that business relationships start with transactional relationships followed by RM and ultimately partnership marketing. Inferring from the foregoing discussion it can be concluded that business relationships are not short term but long term. Kotler (2016) indicated that business customers want long term relationships which are profitable, which explains why they enter into long term business contracts.

2.15 Customer Relationship Management (CRM)

CRM refers to the concept of creating and maintaining long term relationships with customers, (Chaffey and Chadwick, 2019). In line with this definition, Piercy (2016) defines CRM as a strategy for keeping every customer interaction personalized and meaningful that consists of five main steps as indicated in Figure 2.4 below

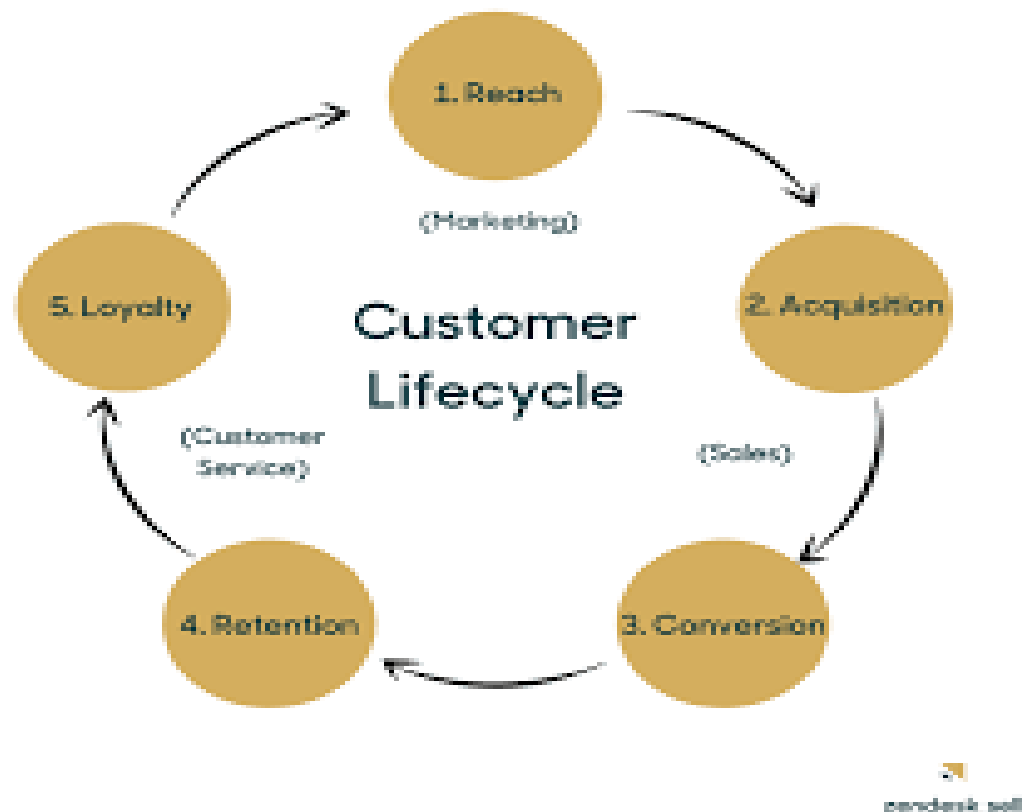


Figure 2.4 CRM cycle (Chaffey and Chadwick, 2019)

A customer relationship management system (CRM system) provides the data and functionalities that is needed to execute the strategy—and ultimately turn lead into customers (Cant et al, 2011). According to (Smith, 2015) digital technology is making CRM cheaper, easier, continent and profitable. Along the same lines, Kingsnorth (2019) argues that artificial intelligence, social media marketing, blogging, email marketing and mobile marketing are greatly improving CRM. Diamond (2019) also support this view by stating that successful digital marketing is achieved through the

use of digital CRM. Therefore, this shows that without offline and online CRM it is difficult for organizations to obtain sustainable competitive advantage.

2.16 Benefits of Relationship Marketing

From the firm's perspective, relationship marketing can provide the following benefits:

1. **Profitability:** According to Frederick Reichheld in his book, the Loyalty Effect, a 5% improvement in a company's customer attrition rate can push a company's profits up to 75% higher. This increased profit is a result of reduced acquisition costs, increased cross-selling, a high customer referral rate, decreased price sensitivity, and lower operating costs.
2. **Brand loyalty:** Relationship marketing encourages the customer to build a long- term relationship with a firm and its product. When this relationship results in consistent preferential treatment for a firm 's product, the result is a brand loyal customer.
3. **Product Differentiation and Competitive Advantage:** Relationship marketing can provide an effective means of achieving both an effective product differentiation and competitive advantage. By placing much greater emphasis on listening, marketers can more effectively determine what the customer wants and tailor the product to appropriately fit the customer 's needs. This ability to better serve a customer can help a marketer to better differentiate his products and thus gain competitive advantage over those marketers that are not as responsive.

2.17 Ethics

These are moral standards, which help to define what is right and wrong (ACCA, 2020). According to Ehlers and Lazenby (2013), ethics naturally lead to long term

relationships. In support of this view, Cronje et al (2016) argues that ethics avoid conflicts between people. In addition, Cateora and Ghauri (2016) state that internal marketing relationships are bound by ethical principles such as justice or fairness, utilitarian ethics and respecting the rights of stakeholders. On the other hand, Futrell (2013) argues that business ethics sometimes are costly and result in loss. McCarthy (2016) aligned to the views of Futrell (2013) when he argues that business ethics are not profitable in markets with economic hardships, corruption and political instability. He argues that business strategies are adjusted accordingly in order to make the firm profitable.

However, Cateora and Ghauri (2013) state that there is need to understand and appreciate ethics in different countries to have successful international business relationships. In line with this argument, Hill and Hult (2011) mention that successful international business organizations respect global ethics. Likewise, Jobber (2014) argues that organizations, which make use of polycentricism, respect differences in cultures and ethics, hence they gain sustainable competitive edge than those companies, which are ethnocentric.

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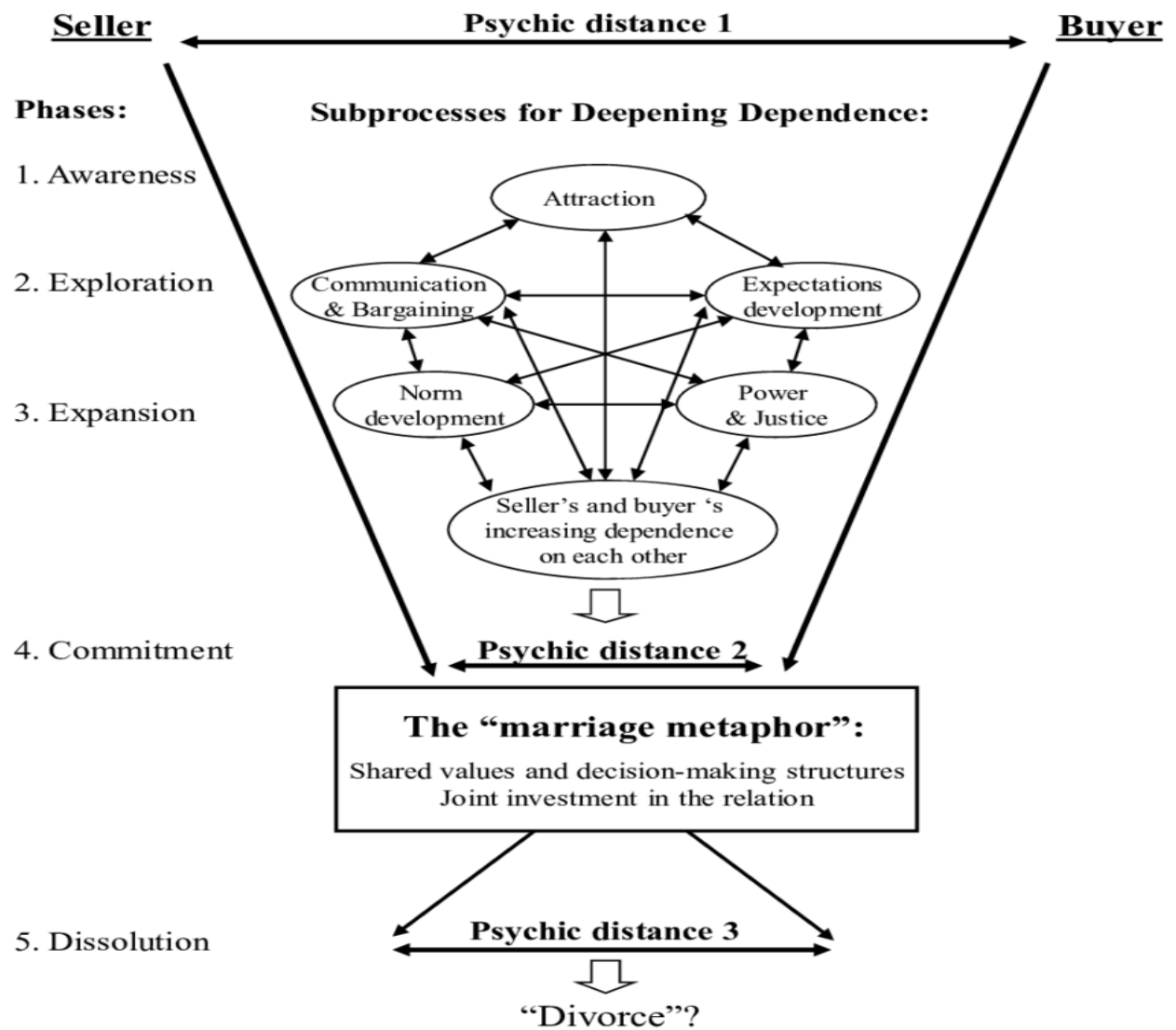


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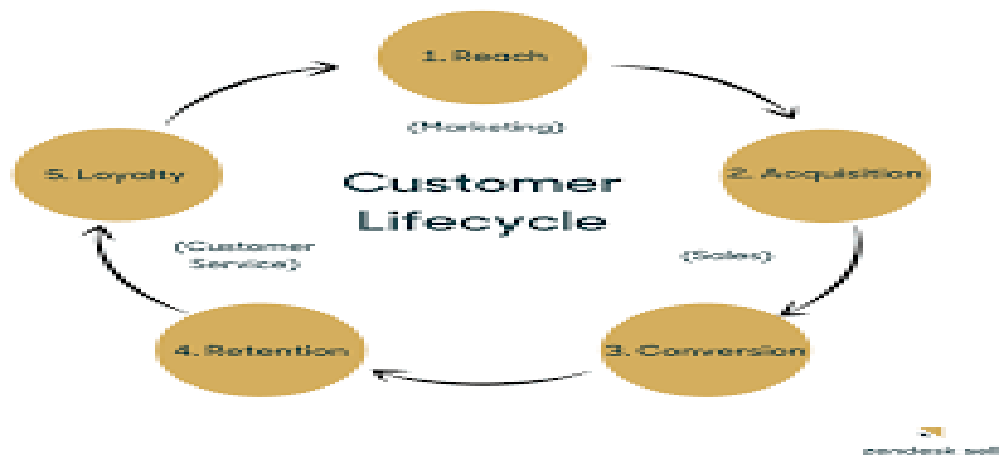


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2.21 Measurement of Effective Relationship Marketing Programs

According to Patoka (1999), the customer lifetime value (LTV) model estimates the profits that a company can expect to receive during the average lifetime of a customer as expressed in today 's dollars. This can be calculated as: Lifetime (in periods) multiplied by average period expenditure. This equation shows that the longer a customer stays with a firm, the greater their customer value. The other models of calculating the customer lifetime value include the other factors like benchmarking

data, required rate of return for the firm, gross margin per sale, periodic retention costs, and costs of winning the customer among others (Buttle 1996).

2.22 RM Case Studies

Levi Strauss & Co., the American jeans company is a typical example of a firm that has successfully implemented relationship marketing to create competitive advantage in the fashion industry. Customers are able to buy custom-fitted jeans, choosing from three basic models, ten fabrics, five leg styles, and two types of fly (Lardner, 1999). The firm's retail outlets consist of trained fitters who enter the details on the company's database, and the customer has a barcode in his or her perfect' pair of jeans. Reordering a new pair direct from the company thus becomes a simple matter (Buttle, 1996). Customers are then owners of made-to-fit jeans and the firm experiences reduced inventory costs.

Relationship marketing has also been successfully implemented in the hospitality sector by the Ritz-Carlton hotel. The firm has a computer system which houses the desires of half a million customers. The process begins with hotel employees recording insights on an actual pad of paper. At the end of every day, the facts are keyed into the system. Thereafter, customers never have to ask for the same thing in subsequent visits because whatever they request will be supplied as a matter of course forever at any Ritz-Carlton (Lardner, 1999).

2.23 RM Challenges

According to Peppers and Rogers (2016), the primary challenge encountered by firms when implementing RM is on the cost. RM can be an expensive exercise if it is done in a rush and without robust planning. Therefore, businesses need enough information to develop a budget instead of simply imitating their competitors (Peppers and Rogers,

2016). Cost savings can be achieved through adopting the total cost of ownership model that integrates costs on IT resources, software and hardware needed.

The other challenge is on training and development of employees (Matiş and Ilieş, 2014). There must be broad and extensive training done during the implementation stages to ensure the success of the program. The lack of proper training of employees leads to poor implementation of the strategy and ultimately poor results. Migdadi (2020) identified lack of communication channels as one of the main challenges faced by firms during the implementation stage of RM. In most cases the RM implementation and execution decisions are made by the top management due to the budget and the process alterations that will occur after the implementation of the RM. Therefore, management is required to communicate with all organizational employees and support the development and implementation procedure. However, due to a lack of effective communication channels, there is a lack of efficient communication, ultimately giving rise to insecurities and encouraging mental barriers in the minds of the employees.

Soltani and Navimipour (2016) cited the challenge of cross-organizational participation. An RM program can only succeed if it is implemented as a company-wide program that involves the participation of all organizational members across all departments. In most cases some employees, especially in the sales and marketing department, reject the initiative (Soltani and Navimipour, 2016). Other employees are just not willing to accept change, and they do not cooperate with the management and other personnel in the implementation of the strategy.

CHAPTER 3 METHODOLOGY

3.1 Introduction

The previous chapter zeroed in on secondary data material upon which this research study was premised on. The objective behind conducting a thorough literature search is aimed at ascertaining relevant literature on the efficacy of relationship marketing on commercial banks from scholarly works available on the subject. This chapter focused on the presentation of the research methodology that was used for this study, and it includes sections to do with population and sample of research participants, research design and sources of data amongst other pertinent sections. Data collection instruments, procedure and data analysis techniques were also presented.

3.2 The Research Design

Yin (2008) is of the perspective that a research design is a depiction of logical sequence connecting the empirical data with the research questions of the study as they relate to its conclusions. This design guides a researcher during the process of data collection, analysis and interpretation and enables an inference between variables to be drawn from the study under investigation. According to Saunders et al (2019), research design is depicted as a plan, a framework for conducting a study used as a guide in collection and analysis of data. Cooper and Schindler (2018) added their perspectives to the definition of research design by positing that it is a blueprint utilized for satisfying research objectives and addressing research questions.

A research design is inclusive of clear objectives as derived from the research question and it displays the data sources from where will be collected and proceed to explain how this data will be collected (Saunders et al., 2019). The nature of the study, better referred to as type of research design, can be categorized as explanatory, descriptive or exploratory. These three are going to be explained below.

3.2.1 Exploratory Study

Cooper and Schindler (2018) indicate that is a valuable way of asking questions that are open to discover what is going on and hence accrue new insights regarding a subject under investigation. This kind of research is extremely useful in instances where the researcher is keen on understanding something or is interested in assessing phenomena in a bright light. Ways of conducting exploratory research are identified as:

1. Search the literature
2. Interview experts
3. Conducting focus group interviews or individual interviews

3.2.2 Descriptive Study

A descriptive study is conducted when one seeks to acquire a profile that is accurate regarding people, situations and/or occurrences. The three types of research design, that is, descriptive, explanatory and exploratory can indeed coexist in one research project in instances where they might extend each other (Saunders et al., 2019). There is need for one to be cautious when conducting descriptive research since there is a tendency of having it ending up being too descriptive resulting in worthless outcome (Morrow, 2020). It is for this reason that most descriptive studies are combined with explanatory studies such that after describing something, the research will be able to explain it. This is known as descriptor-explanatory study.

3.2.3 Explanatory Study

When a researcher embarks upon this kind of a study, the objective is aimed at determining causal relationships between certain variables (Morrow, 2020).

3.2.4 Research Design adopted for this Study

In light of the above explanations this research study adopts the descripto-explanatory study design. This is because the research study is explanatory regarding the efficacy of relationship marketing for CBZ Zimbabwe during the COVID-19 pandemic. This research made use of a cross-sectional survey research design wherein quantitative data was gathered and subsequently analyzed in a dedicated effort aimed at describing the specific phenomenon during the COVID-19 pandemic.

3.3 Population and Sampling

A population is a representation of an entire group of individuals, objects or events that have similar and common characteristics that are measurable (Yin, 2013). Shukla (2020) indicates any research study is predicated upon research objectives. This is so since these objectives help clarify the subjects of the study either directly or indirectly. A population is defined as a group of all units where the findings of the research can be applied. A population is a set of all units possessing variable characteristics that are generalizable for the research. The population for this study is finite, that is, includes 16 commercial banks in Zimbabwe during the COVID-19 pandemic.

Becker (1998) indicates that a researcher must work with a sample when embarking upon a study. This sample must be representative of the full set of cases in a meaningfully justifiable manner. Working with a sample for this study is better than a census since it is inherently difficult to come up with a budget to survey the entire population. Besides this reality, there is no time, since the study is cross-sectional to study all commercial banks in Zimbabwe during the COVID-19 pandemic. Shukla (2020) explains that the use of a sample leads to increased accuracy as opposed to a census. This is because the researcher can be in a position to focus on smaller number

of cases from where to collect data from giving him more time to design and pilot the data collection methods.

This study is going to focus on 75 people identified from CBZ Bank in Zimbabwe.

Shields and Twycross (2008) state that there are two types of samples that are used with the first and most common of these being representative samples. A representative sample allows the findings of the research to be extrapolated to the wider population. This study uses the probability of sampling technique in which the likelihood of a person or event to be selected is known. A representative sample is important for this study due to the issue of generalizability of the research findings. The generalizability for this study is going to be added through ensuring that all elements within the indicated target population has an equal chance of being selected for inclusion in this study. This is known as random selection.

Saunders et al (2019) indicates that random sampling is the core principle behind probability sampling. It allows the researcher the ability to estimate the closeness of the sample and how it is representative of the population from which it was drawn. For random sampling, there exists what is known as the sampling error which is known as difference between results from a sample and the actual parameters of the population (Shields and Twycross, 2008). Table 3.2 highlights the types of probability sampling techniques that are available, and which shall be followed by a brief explanation of each before the researcher highlights the technique adopted for this study.

Table 3.2 Types of Probability Sampling Techniques

Sample type	Description
<i>Simple Random</i>	A researcher selects, randomly, elements from a sampling frame.
<i>Systematic</i>	Researchers select every k th element from sampling frame.
<i>Stratified</i>	Researchers create subgroups then randomly select elements from each subgroup.
<i>Cluster</i>	Researcher randomly selects clusters then randomly selects elements from selected clusters

Source: Levering B. (2002). *Concept analysis as empirical method. International Journal of Qualitative Methods*, 1(1), 35-48.

3.3.1 Simple Random Sampling

Simple random samples are the most basic type of probability sampling regardless of the fact that their usage is not particularly common (Levering, 2002). This probably is due to the work that is conducted before a simple random sample is generated. For such a sample to be generated, the researcher generates a list of every member or element of the population of interest. This list is referred to as the sampling frame. After this list has been compiled, each element is numbered sequentially and then randomly selects elements from where data shall be collected (Saunders et al, 2019). To select elements randomly, a table of numbers generated randomly is set up. Thence, drawing a simple random sample can indeed be a tiresome process.

3.3.2 Systematic Sampling

These are less demanding as opposed to simple random samples whilst offering benefits of a random sample. A list of every one of the population elements must be drawn. To draw a systematic sample, the researcher must then select every k th element from that list. This (k) is the researcher's selection interval between selected elements to be included in the study (Shukla, 2020). To begin this selectin process, the researcher must identify the number of elements s/he intends to include in the sample.

This is done through dividing population size by the sample size to get the selection interval.

3.3.3 Stratified Sampling Technique

The study population is divided into requisite subgroups and then a sample is drawn from each subgroup. For instance, it can be done through dividing a sample frame into groups and then apply either simple random or systematic sampling technique. This kind of sampling technique is effective to use in instances where a subgroup of interest makes up a relatively small proportion of the overall sample (Saunders et al, 2019).

3.3.4 Cluster Sampling Technique

This occurs when the researcher starts through sampling groups of population elements and later selecting elements from within the mentioned groups. Cluster sampling works in stages that introduces the possibility of error though the method remains highly efficient (Holt and Gillespie, 2008). When using cluster sampling and when clusters are of different sizes, a method known as probability proportionate to size (PPS) is used. This entails recognizing difference in sizes of clusters and is done through availing different chances of being selected based on size such that clusters have an equal chance of being selected regardless of their sizes (Holt and Gillespie, 2008).

3.3.5 Sampling Technique used for this Study

This study utilized cluster sampling technique. This was done through grouping the commercial banks in Zimbabwe such as CBZ et al. Having done that, the proportionate to size (PPS) method was applied. It is from this approach that 75 respondents were selected for the study. The researcher, for this study, distributed a total number of 75 questionnaires within CBZ Bank for data collection. The sample was determined

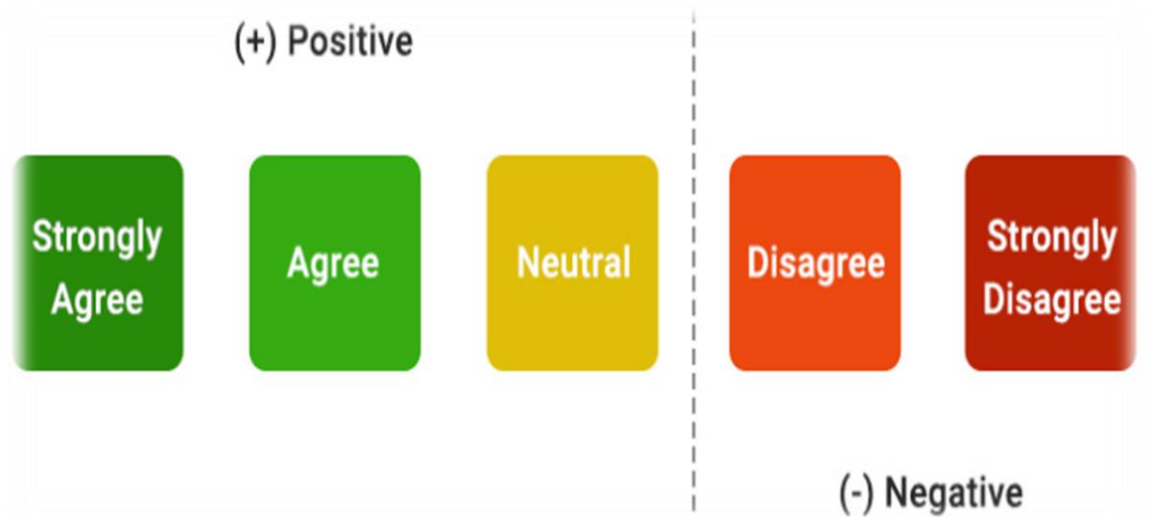
through the usage of Raosoft sample size calculator which can be found at <http://www.raosoft.com> and a non-probability sampling method of convenience and purposive sampling was used.

3.4 Data Collection Instruments

A research instrument is used as a procedure for the systematic collection of data. This study made use of a Likert Scale type of questionnaire and this questionnaire was carefully structured and pilot tested to remove ambiguities. Joshi and Chandel (2015) opine that the Likert Scale questionnaire is one of the most frequently used psychometric tool insofar social sciences research is concerned. As a way of definition, a Likert Scale is a unidimensional scale used by researchers to gather and collect the attitudes and opinion of respondents in a research study (Saunders 2019). Researchers make use of this psychometric scale in an effort to understand views and perspectives towards a product, brand or target market.

There are different variations of Likert scales aimed directly at measuring the opinions of people and these include Guttman Scale, Bogardus Scale and Thurstone Scale. Responses on a Likert scale are measured in different values. When a respondent is responding to a Likert scale item, he/she responds explicitly based on his/her level of agreement or disagreement.

The major assumption made by the Likert scale being that strength and intensity of experience are linear. The scale moves from complete agreement to complete disagreement through assuming that attitudes can be measured. Diagram 3.1 below depicts this reality.

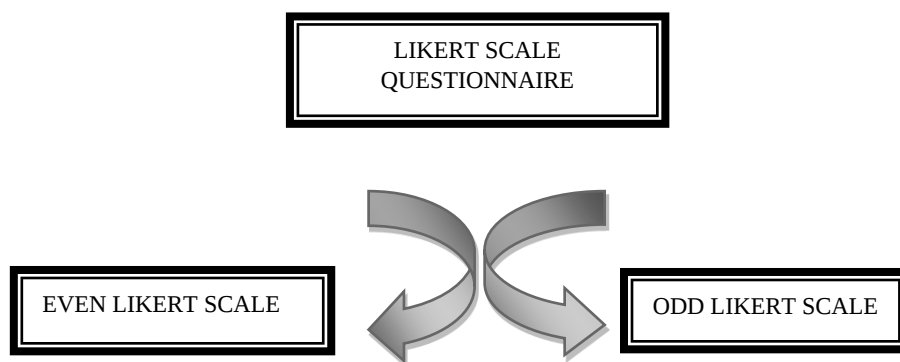


Source [Likert Scale: Definition, Examples & How to use it | QuestionPro](#) (Retrieved 12 October 2022)

These Likert Scales are divided into different categories as shall be explained below

3.4.1 Likert Scale Types

The Likert Scale is divided into two major types as indicated in the diagrammatic depiction below:



Source: Researchers own generation (2022)

3.4.1.1 Even Likert Scales

Researchers utilizing even Likert scales seek to collect extreme feedback whilst choosing not to provide a neutral opinion. The 4-Point Likert Scale allows the

researcher the latitude to include four extreme options without a neutral choice. Various degrees of importance are represented on a 4-Point Likert Scale. On the other hand, 8-Point Likelihood of Recommendation varies from the 4-Point in that it has eight options from where options to collect feedback about the likelihood of a recommendation (Lincoln and Guba, 2008).

3.4.1.2 Odd Likert Scale

Researchers make use of this type of Likert Scale in an effort to avail respondents with the choice of responding in a neutral manner. A 5-Point Likert Scale has five answer points and is used when gathering information about a topic by including a neutral answer option for respondents to select in instances that they do not wish to answer from extreme choices within their research design. On the other hand, the 7-Point Likert Scale adds an extra two more answer options at the extreme ends of a 5-Point Likert Scale. The most uncommon type is the 9-Point Likert Scale which can be used through adding two more answer options to the 7-Point Likert Scale question.

3.4.1.3 Type of Likert Scale adopted for this Study

This study adopts and makes use of the 5-Point Likert Scale the choice for this type of questioner was premised upon the rationale of seeking to give a neutral answer option for the respondents to select from the given research design.

3.4.2 Characteristics of Likert Scales

The Likert Scales are organized from topics that are general to those that are specific, and which asks respondents to indicate their levels of agreement, approval or belief. The most significant characteristics are: -

1. The items have to be easily related to the answers regardless of the relationship between item and sentence.

2. These scaled items ought to have two positions that are extreme of each other whilst having an intermediate answer option serving as the graduation between the two extremes
3. There has to be a number of options from where the respondents choose from. The usage of more items enables the generation of enhanced precision in the results.
4. For reliability of the scale to be ascertained there is need to extend the ends of the scale with the 7-Point Likert Scale being said to reach the upper limits of the reliability scale
5. As a rule, it is recommended to use a scale that is as wide as possible. Collapsing the answers into concise groups for analysis is encouraged

3.4.3 Advantages and Disadvantages of Likert Scale Questionnaires

The advantage is that the method is universal and easily understood by a wide range of researchers. Responses to this method are easy to quantify making them easy to be subjected to computation for statistical analysis. Besides the advantages mentioned, the method makes life easier for the respondent due to the availability of a range of options from agree, disagree right through to staying undecided. These kinds of surveys are not time consuming and are an inexpensive method of data collection. However, this method also come associated with their disadvantages which are going to be explained below.

It is difficult to measure the distance between each response since they are availed in point scale thence making it insurmountable to measure the correct attitudes of respondents. To ensure that this is not going to be a major hindrance for this study, the researcher is going to analyze the results at a higher confidence level of 95%. There is a tendency by respondents to merely respond without taking an introspective look

at the questions. To mitigate against this likelihood, the research instrument has simplified research statements that makes it easier for a respondent to understand. In certain instances, due to issues to do with extremism, respondents have a proclivity to avoid answering certain questions. In this regard, and for this study, respondents shall be assured of their confidentiality as envisaged by the introductory letter which introduces the self-administered questionnaire attached as *Appendix B*.

3.5 Pilot Study

In research, instrumentation is the different ways and methods of collecting data. For this research, a piloting study on 10 selected respondents will be conducted. The objective of conducting a pilot study being aimed at removing ambiguities that might be laden on the research instrument. The sample to be used shall emerge from the one identified during the cluster sampling phase of the study so as to ensure that the respondents are well acquainted with knowledge of the phenomenon under investigation. As observed by Kane (2006), validity and reliability play a crucial role in quantitative research. Reliability comes from validity because it is difficult for a study to have a valid measurement instrument if it is not reliable.

For reliability, the study makes use of Cronbach's Alpha Value which measures the internal consistency within the instrument. The greater the internal consistency in the results, the greater the reliability of the measuring instrument. The researcher also triangulated the data sources through an extensive critical review of contemporary literature which was checked against a primary investigative analysis conducted on a sample of respondents drawn from the banking sector and its customer stakeholder constituent. Triangulation is important since it gives room to the researcher to evaluate the phenomenon from multiple angles thereby improving its validity.

3.6 Data Collection Procedure

The respondents have more than five years' experience in their current roles. The pilot study results in some adjustments to the questionnaire relating to rephrasing some wording to avoid confusion to the respondents. The researcher will distribute 75 questionnaires. These will then be analyzed using Statistical Package for Social Sciences (SPSS) Version 23 and the respondents' results will be graphically represented as shown in chapter four. A multitude of tests will be carried out comprising factor analysis, correlation and descriptive statistics amongst other pertinent tests that address the broader objective of the study.

According to Wiid and Diggins (2009), data sources are the places where the researcher can find data. The two types of data sources are primary and secondary. Primary data is primarily or specifically gathered directly from the elements of the population. Secondary data is data that is collected from records holding the primary data. In this study, both primary and secondary data sources will be used. The primary data will collect through surveys and the secondary data will be obtained from annual and strategic reports.

3.7 Analysis and Organization of Data

This study analyzed the gathered data through the use of SPSS (Statistical Package for Social Sciences) software version 23. The study made use of statistical measures that include mean, standard deviation, correlation and other related descriptive statistical measures. This data was presented and analyzed using pie charts, frequency polygon, give curves, bar graphs and numerous other available data presentation methods that are used when presenting quantitative data.

3.8 Ethical Considerations

Researchers embarking upon any form of research initiative have to ensure that s/he are able to access the data that is needed for the study whilst being alert to requisite ethical issues to be encountered. This is so sine studies such as is this one-use human participant, a reality that makes ethical issues pertinent (Saunders et al., 2019). For this research, the following was embarked upon.

3.8.1 Gaining Access

The researcher gained access to the targeted bank through negotiating with Management. This approach was done at all three key levels, that is, physical, continuing and cognitive levels. The researcher, being a senior bank executive, did not encounter much resistance as most of the targeted institutions were led by colleagues and acquaintances whom we have interacted with and worked with in one domain or the other. Therefore, it was evident that goodwill proved to be a critical intangible asset that was used effectively for this initiative.

3.8.1.1 Overcoming Organizational Concerns

This study prioritized the aspects and concerns stated below when conducting the gathering of data needed to meet and satisfy the objectives of the study: -

1. The amount of time involved.
2. The sensitive nature of the subject under investigation; and,
3. The confidence level of the data and related anonymity that is needed for the organization under investigation.

3.8.1.2 Philosophical Perspectives to Ethics

According to Saunders (2012), ethics are representative of standards that guide the standard of the researcher when conducting research. This is extended to, inter alia,

aspects of the rights of the subjects of the study and commercial banks in Zimbabwe in this study, who are affected by the study in one way or the other. There are two main perspectives to ethics, and these are identified below as:

1. Deontological views generally are rules whose objective is to guide the conduct of the researcher. When one acts contrary to the aspirations of these rules, then no justification for such deeds exists.
2. Teleological view, which perspective posits that the decision whether an act is justified or not has to be determined by consequences and not by a predetermined set of rules.

Strauss and Corbin (2008) highlights that these ethics are developed in an effort to overcome issues to do with ethical dilemmas which can arise due to numerous social norms

3.8.1.3 Ethical Perspective adopted for this Study

This study is being conducted within the realms of satisfying the aspirations Master in Science in Innovation and Entrepreneurship at Africa University. To this end, the researcher is expected to adhere to set rules and regulations promulgated by the university on how to conduct research of this magnitude. Naturally, therefore, this study adopts the deontological perspective to ethics. Aspects that are going to be given impetus by the researcher include:

- Privacy of the respondents
- Nature of participation and scope of withdrawal of the respondents
- Informed consent needed to participate in the study
- Data confidentiality and anonymity of respondents of the study
- Management of data
- Safety of data and reporting of findings

3.9 Summary

The chapter explained the quantitative research methodology that was used for this study. This was done through providing an in-depth appreciation of rigorous steps embarked upon as the researcher sought to satisfy the objectives of the study that were aimed at ascertaining the efficacy of relationship marketing strategy on mentioned banks during the mentioned period under investigation. The next chapter shall make a presentation, analysis and vivid discussion of data gathered during the deployment of the Likert-scale type of questionnaire which is utilized as the research instrument for this study.

CHAPTER 4 DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the results and findings on the effectiveness of relationship marketing as a strategy for enhancing customer satisfaction and retention in commercial banks in Zimbabwe during the pandemic times. The aim of this chapter is to analyze the way in which data was collected, that is, use of Likert Scale questionnaires. It also checks on the literature given by different authors concerning the same variable being tested.

4.2 Data Presentation and Analysis

In this study, the researcher at first sought to collect primary data from seventy-five (75) employees through questionnaires who volunteered to participate in the research. According to figure 4.1 below, sixty-four (64) questionnaires were successfully completed which translates to 85 percent response rate. This response rate is substantial enough to warranty validity of the study findings. According to Instruction Assessment Resource (2011), an adequate response rate for mail or email should be at least 50% to meet analysis scales. This means that a response rate that is below 50% is inadequate. The findings and discussions emerging from this study are as explained in the subtopics below.

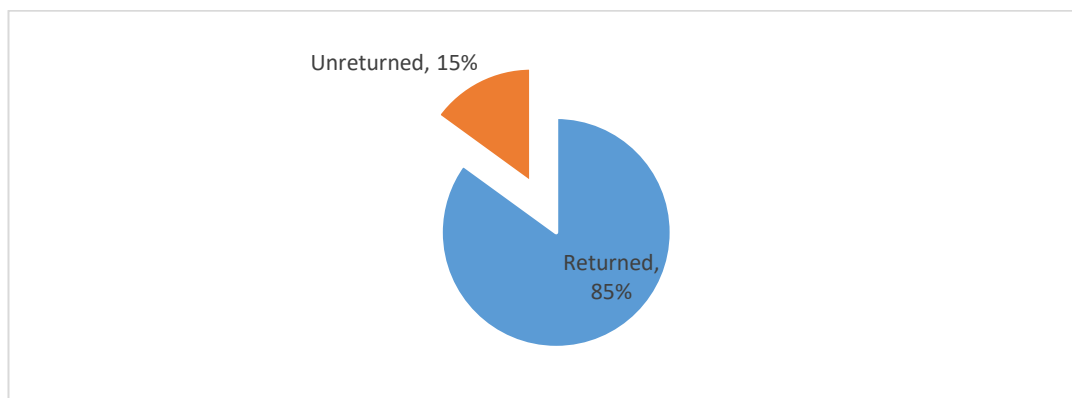


Figure 4.1: Response Rate

4.3 Demographic Information

4.3.1 Gender of the Respondents

The researcher sought to identify the gender of each respondent. The researcher deemed it necessary to gain a fair understanding of the gender composition of the respondents. Gender balance implied that both genders participated in research on an equal footing. A research study should clearly show a relative balance of both sexes, that is, male and female. Data obtained from both male and female respondents in research is more accurate and applicable to the general population, compared to that gathered only from one sex. According to the Research Council of Norway (2013-2017), including gender balance and gender perspectives, helps to enhance the scientific quality and social relevance of research.

In this study, 58% of the participants were female, while the remaining 42% were male. This higher percentage of female employees over the male employees is understandable given that most banks employ more females as tellers and cashiers to manage the relationship with customers. The results are shown in Figure 4.2:

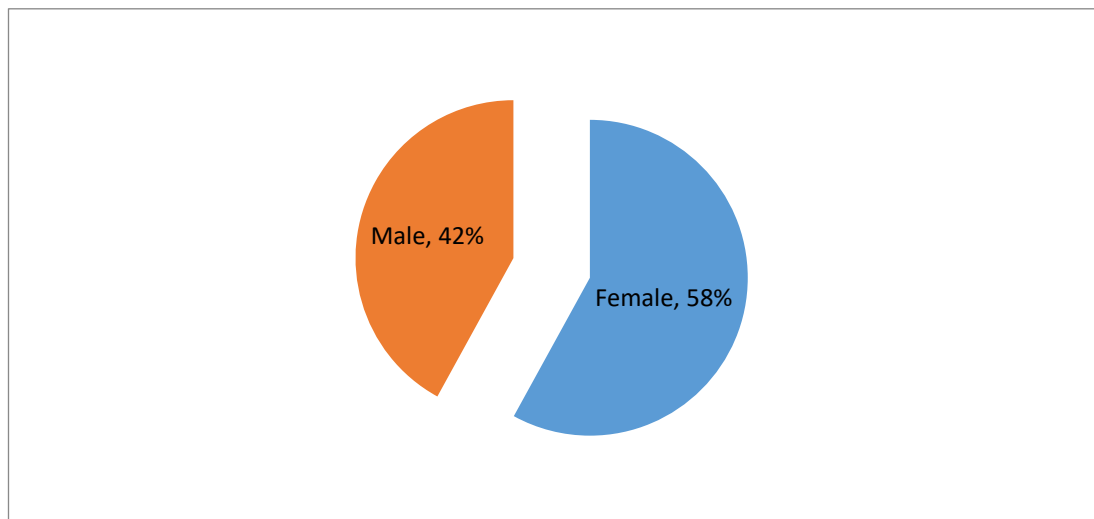


Figure 4.2: Gender of the Respondents

These percentages show a fair representation of both sexes. Although there were more female respondents than males, the views and opinions of each distinct gender were availed in the study. This made the research highly applicable to the general population.

4.3.2 Age

The researcher sought to identify the age category of the respondents. It is very crucial for the researchers to know the age group of the respondents. People are often self-conscious about their ages and therefore, age intervals were provided, and the respondents were required to select which interval was most appropriate. Table 4.1 is a breakdown of the age representation of the 64 employees who responded to the researcher's questionnaires.

Age Group	Frequency	Percentage
18-25	6	9%
26-30	20	31%
31-35	23	36%
36-40	8	13%
At least 41	7	11%
Total	64	100

Table 4.1: Age Breakdown of respondents

From Table 4.1 above, most of the participants in this research project were between 31 and 35 years. Those of age 26-30 represented 31% of the participants, followed by those of age 36-40 at 13%. Ages of at least 41 represented 11% of the participants. Ages between 18 and 25 represented 9% of the participants. The researcher's observation was that employees in banks work long hours. As a result, mature

employees can sustain the pressure of banking work as opposed to old age and young aged employees.

According to Protogerou et al (2017), young-age employees give more importance to the factors such as gaining knowledge, advancement opportunities, and job security as compared with old-age employees. Young-age employees have new ideas and skills that are also necessary to enhance the organization's innovative performance (Reininger et al., 2003).

4.4 Education Level

The researcher sought to identify the level of education of the respondents. It is very crucial for the researcher to know the level of education of the respondents. People's insights are often influenced by literacy level and their qualifications and therefore, different categories of qualifications were provided, and the respondents were required to select which category was most appropriate.

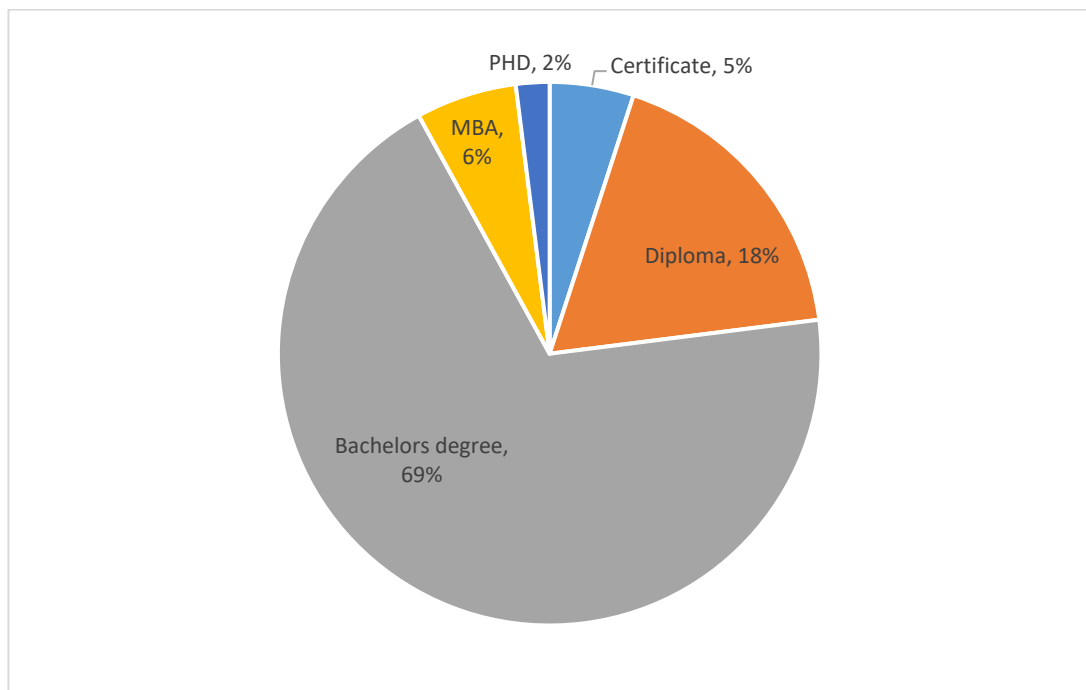


Figure 4.3: Education Level of respondents

From the above data, 69% of the participants in this research project had attained a bachelor's degree qualification. The proportion of respondents with a diploma qualification was 18%, followed by those with a master's degree at 6%. The proportion of employees with high school certificate was 5% whilst those with PHD qualification constituted 2% of the sample. The results show that the banking industry provides several job opportunities for employees of various educational backgrounds. The positions offered to employees parallels their level of education. For instance, the staff with the highest level of education will occupy the top-level positions, followed by those with middle and low-level education. All these respondents had full knowledge of online banking and as such their responses were not based on assumptions.

4.5 Duration in the Banking Sector

Years of Experience	Frequency	Percentage
Less than 5 years	5	8%
6-10 years	9	14%
11-15 years	26	40%
16-20 years	19	30%
Above 20 years	5	8%
Total	64	100%

The researcher sought to identify the length of service of the respondents. It is very crucial for the researcher to know the length of service for the respondents since this study was focusing on the impact of relationship marketing on customer satisfaction

and retention. Therefore, different service periods were provided, and the respondents were required to select which category that was most appropriate.

Table 4.2: Years of Service in the Banking Sector

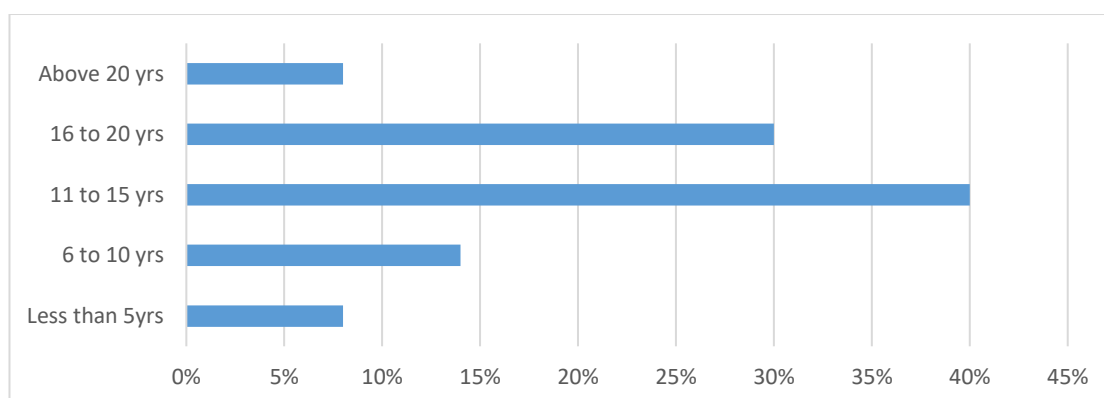


Figure 4.4: Years of Service in the Banking Sector

Inferring from the above data, it is clear that most of the participants in this research project had served between 11 to 15 years. The percentage of respondents with employment service period between 16 to 20 years was 30%. Those with length of service less than 5 years constituted 8%. The proportion of respondents with length of service between 6 – 10 years was 13% whilst those above 20 years was 8%. According to Yee, Yeung and Cheng (2010), loyal employees have many opportunities and understand how to meet specific needs of customers which leads to better quality of services. Employees' loyalty represents a fundamental growth factor in service quality, customers' satisfaction and loyalty and plays an important role in the process of improving financial performance of the company which operates in the service sector.

4.5.1 Position in bank

In this study, the researcher sought to identify the position occupied by each respondent in the respective bank. It is very crucial for the researcher to know the position of the respondents since this study focused on the impact of relationship

marketing on customer satisfaction and retention. The responses are as presented in figure 4.4 below:

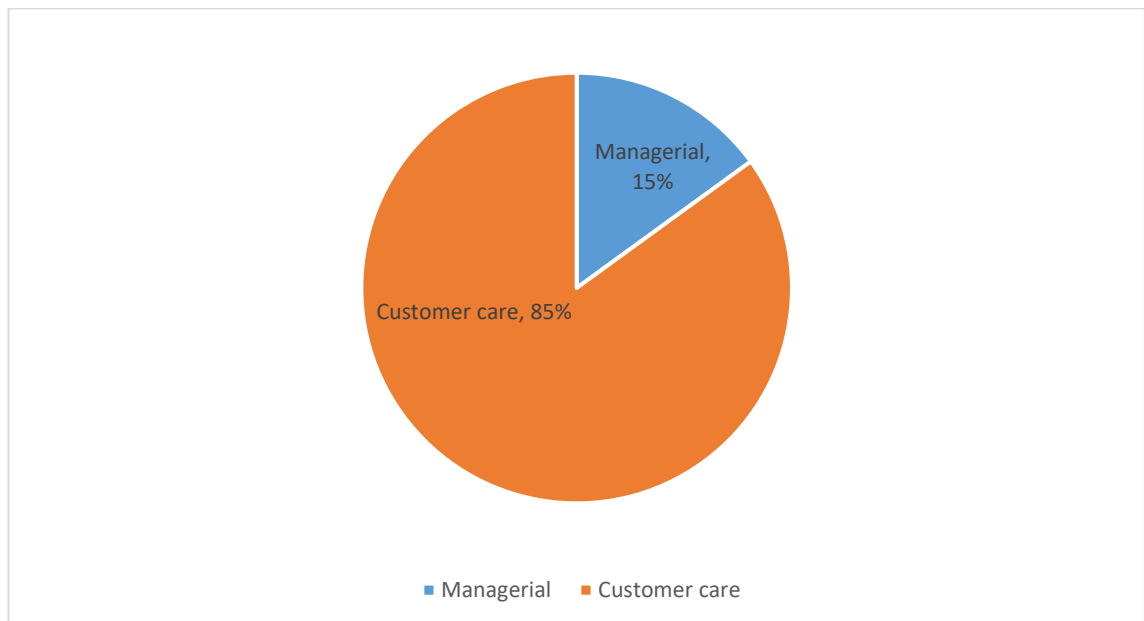


Figure 4.4: Position in bank

Inferring from the above data, it is clear that most (85%) of the participants in this research project were employed in the marketing or customer care department. The percentage of respondents who were occupying managerial positions was 15%.

4.6 Summary on Demographic Data

The above demographic information shows that the respondents were all mature people and had served in the banking sector for a period of more than five years. This is a clear indication that the respondents had a great understanding of the banking sector and were quite knowledgeable about the strategies of the banks by virtue of their strategic positions and the long duration that they had served in the industry. The above findings showed that they all occupied strategic positions within the organization during the period covered by the case study as indicated by the number of years each has been in their respective positions.

4.7 Relationship Marketing

4.7.1 Duration of operation for the bank

In this study. This researcher sought to identify the duration of operation for the banks.

The responses are as presented in Table 4.3 and Figure 4.5 below

Time of Operation	Frequency	Percentage
11-20 years	4	6%
21-30 years	27	42%
31 – 40 years	26	41%
Over 41 years	7	11%
Total	64	100%

Table 4.3: Time of Operation

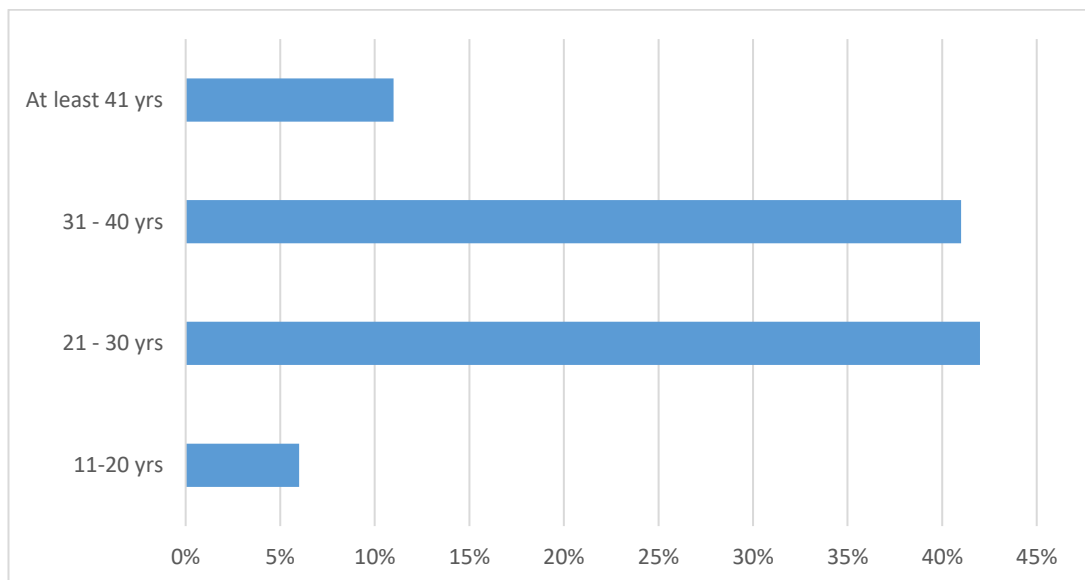


Figure 4.5: Time of Operation

According to Table 4.3 and figure 4.5, the findings indicate that most (42%) of the banks involved in the study have been operating in Zimbabwe for the past 21-30 years while 41 percent of the banks have been operational for 31-40 years. The proportion of banks that have operated in Zimbabwe for more than 41 years was 11% whilst only 6% of the banks have been operational for the past 11-20 years.

4.7.2 Importance of Relationship marketing

The researcher sought to determine the importance of relationship marketing in attracting and retaining customers in the bank. The results from the respondents are displayed in figure 4.6 below

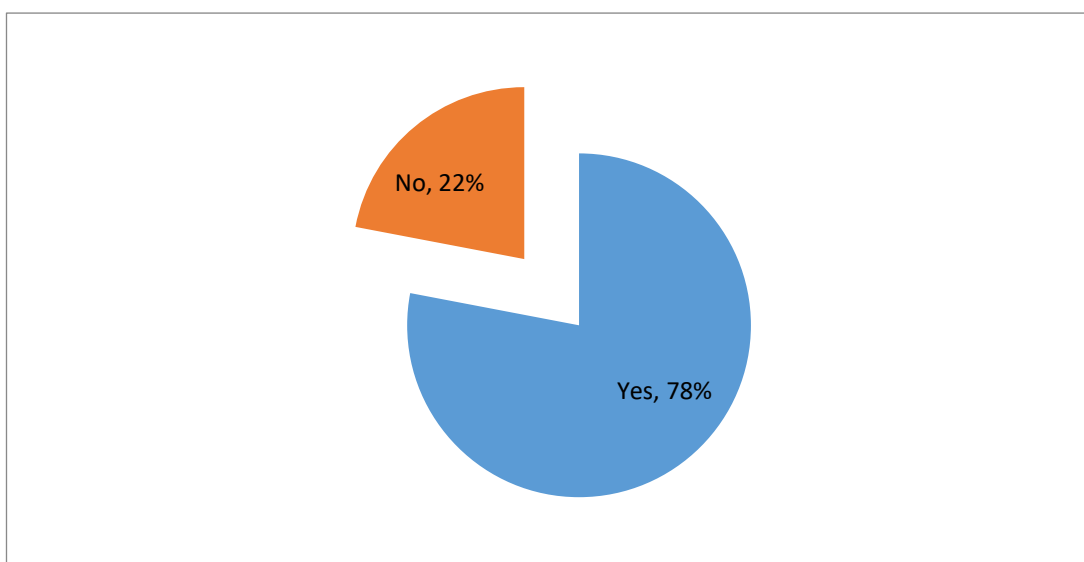


Figure 4.6: Importance of Relationship marketing

According to table 4.6, the findings indicate that most (78%) of the respondents regarded relationship marketing as an important tool for attracting and retaining customers. The results also show that 22% of the respondents thought that relationship marketing was not crucial in attracting and retaining customers. Inferring from the research results as presented in figure 4.6 above, there is enough evidence to show that relationship marketing is important in attracting and retaining customers. The results were consistent with Bettencourt (1997), who posited that relationship marketing

encourages the customer to build a long-term relationship with a firm and its product. When this relationship results in consistent preferential treatment for a firm 's product, the result is a brand loyal customer

4.7.3 Better customer care relations/ services

The researcher sought to determine the extent to which better customer care services was crucial aspect of relationship marketing in retaining customers in the bank

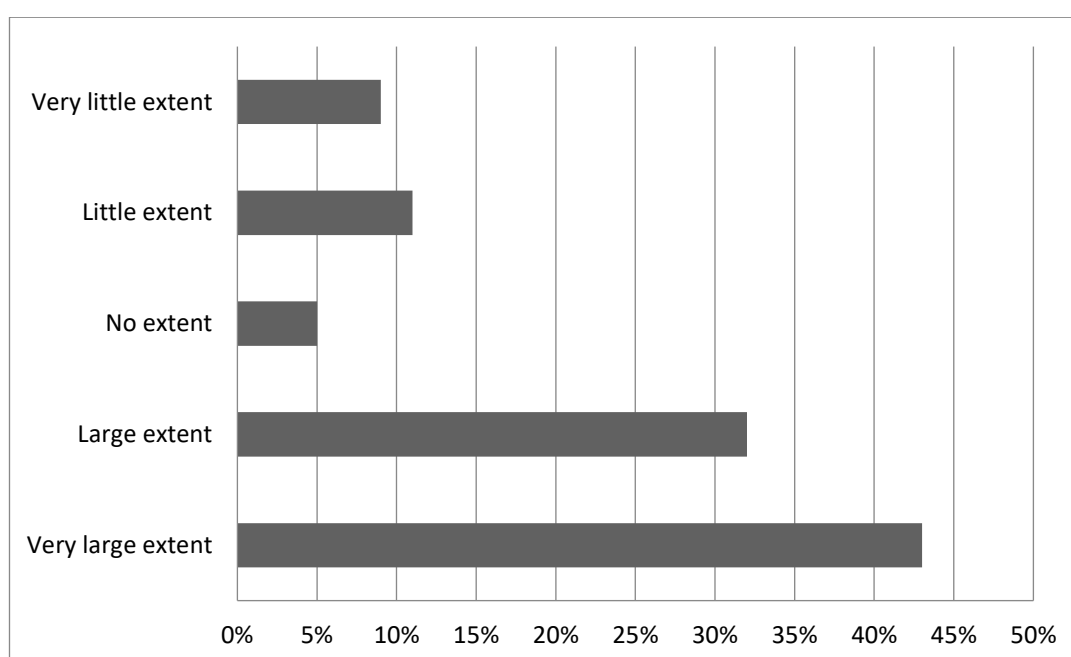


Figure 4.7: Better customer care relations/ services

According to table 4.7, the researcher found out that the majority of the respondents (43%) expressed that better customer care services contributed to a very large extent in retaining customers. The results also show that 32% of the respondents thought better customer care services contributed primarily in retaining customers. The researcher's findings were consistent with Genesys (2010) who claimed that most customers appreciate it more when they have someone to listen to their problems and as such are likely to confide in them and that customers are always loyal to banks that are loyal to them.

4.7.4 Improvement in customer service

The researcher sought to determine the extent to which customer service had improved after the bank had adopted relationship marketing. The responses are as presented in Figure 4.8 below

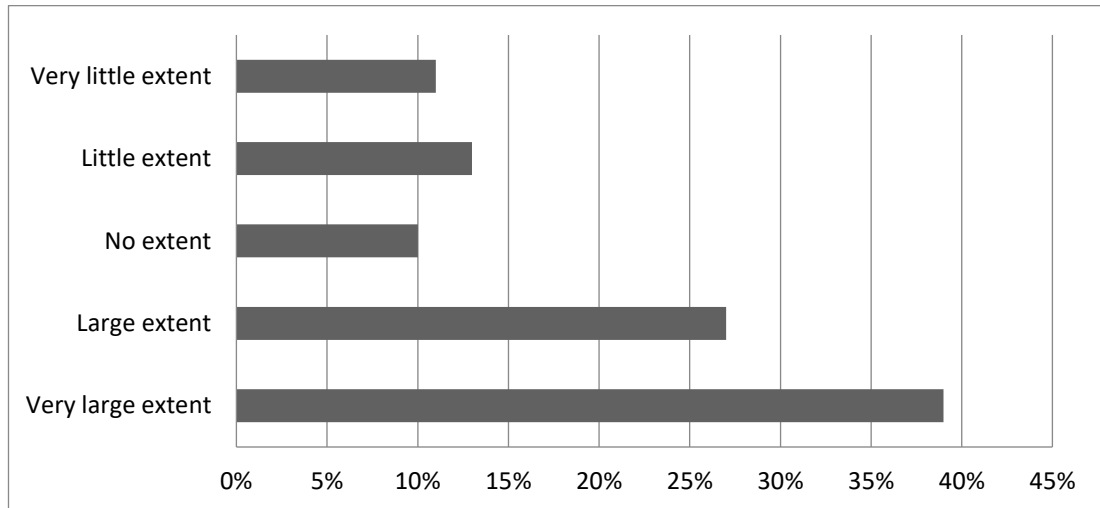


Figure 4.8: The extent to which customer service has improved

According to table 4.8, the researcher found out that most of the respondents (39%) expressed that customer service had improved to a very large extent after the bank had adopted relationship marketing. The results also show that 27% of the respondents expressed that customer service had improved to a large extent due to relationship marketing. These findings are like Cohen et al. (2006) who thought that relationships could only be sustained when there was mutual benefit among the parties involved. These benefits included customer service, which in turn increased customer loyalty.

4.7.5 Earnings per share

The researcher sought to determine the extent to which relationship marketing has had a positive impact on the earnings per share of the bank. Their responses were as in Figure 4.9 below

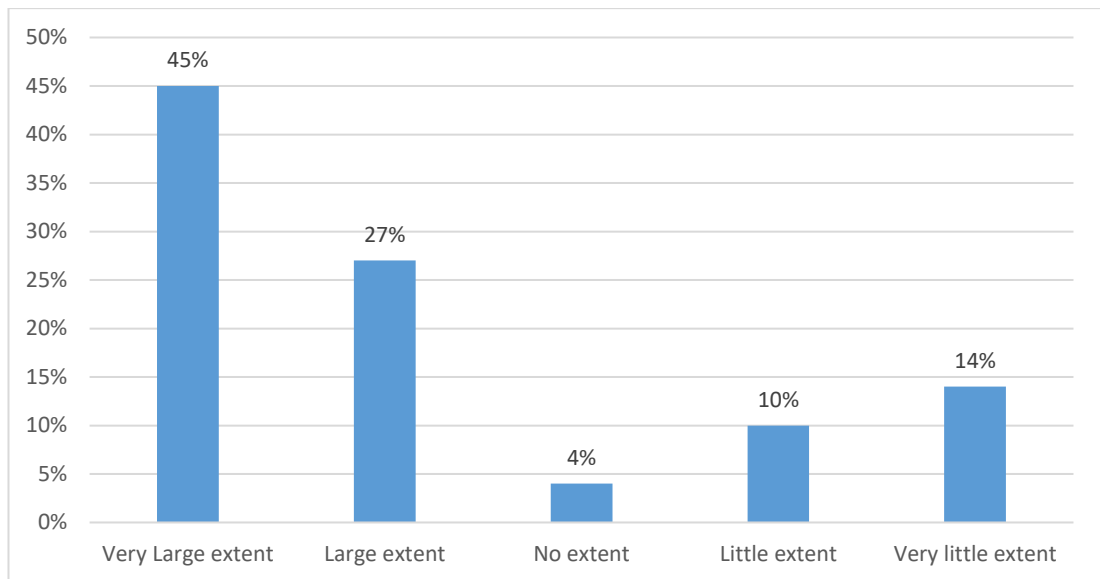


Figure 4.9: Earnings per share

According to the figure 4.9 above, 45% of the respondents indicated that relationship marketing had to a very large extent increased the earnings per share of the bank whilst 27% to a large extent. The percentage of respondents who indicated that relationship marketing had no impact on the earnings per share of the bank was 4% and 10% indicated that it had little impact and 14% indicated that it had very little impact on the earnings per share of the bank. The results show that all the banks recorded a significant increase in the earnings per share after implementing relationship marketing. The results are in line with Izquierdo et al (2005), who pointed out that one of the key RM activities are those oriented towards customer retention, which increases profitability and market share

4.7.6 Impact of relationship marketing on net profit

The researcher sought to determine the extent to which relationship marketing has had a positive impact on the net profit of the bank. Their responses were as in the Figure 4.10 below

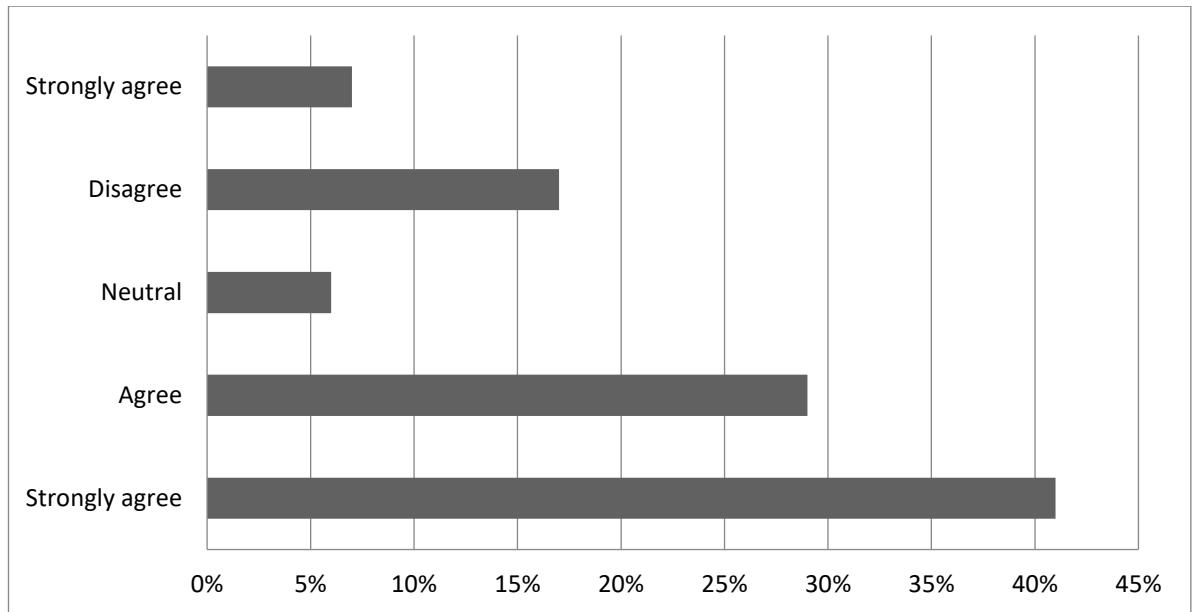


Figure 4.10: Impact of relationship marketing on net profit

According to the figure 4.10 above, 41% of the respondents strongly agreed that relationship marketing had a positive impact on the profits of the bank and 29% agreed. The percentage of respondents who were indifferent on the issue was 6% and only 17% agreed that it had a positive impact and 7% strongly disagreed that relationship marketing had a positive impact on the profits of the bank. The results confirmed what Frederick Reichheld wrote in his book, the Loyalty Effect, that a 5% improvement in a company's customer attrition rate can push a company's profits up to 75% higher. This increased profit is a result of reduced acquisition costs, increased cross-selling, a high customer referral rate, decreased price sensitivity, and lower operating costs.

4.7.7 Growth in Profits

The researcher sought to determine the extent to which profits have been increasing following the bank's adoption of relationship marketing. Their responses were as in Figure 4.10 below

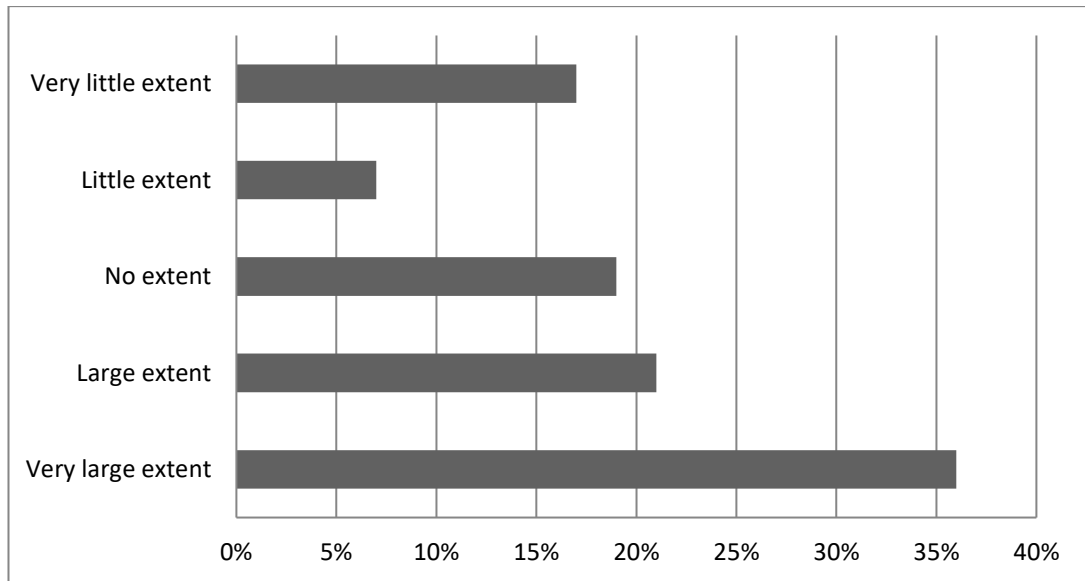


Figure 4.11: Growth in Profits

According to the figure 4.11 above, 45% of the respondents indicated that profits had been increasing to a very large extent when the bank adopted relationship marketing and 21% to a large extent. The percentage of respondents who indicated that profits had not changed was 19% and only 7% indicated little increase in profits and 17% very little increase in profits. The results show that there is a gradual increase in the profits of the banks after introducing relationship marketing as a strategy to attract and retain clients. The results are in line with Izquierdo et al (2005) who pointed out that one of the key RM activities are those oriented on customer retention, which increases profitability and market share

4.7.8 Impact of Relationship marketing on costs.

The researcher sought to determine the financial or cost implications of relationship marketing on the bank. Their response was recorded in Figure 4.12 below:

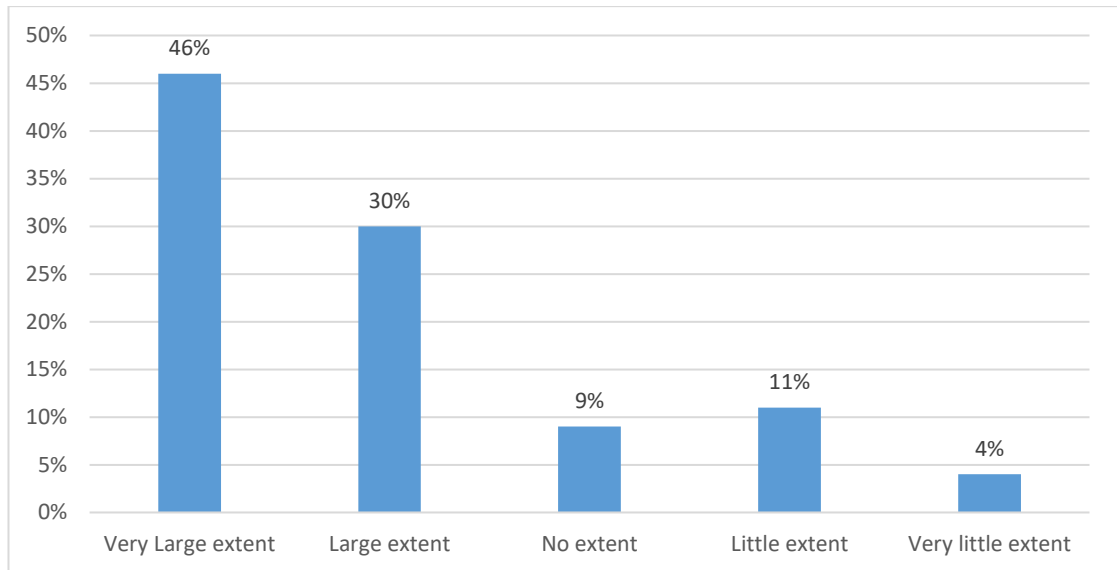


Figure 4.12: Impact of Relationship marketing on costs

According to the findings as illustrated in the figure 4.10 above, 46% expressed that relationship marketing primarily had increased the costs. 30% indicated that costs had increased to a large extent. Therefore, it can be concluded that there are certain costs that are associated with relationship marketing.

4.7.9 The extent to which the increase in costs affected bank performance.

The researcher sought to determine whether the increase in costs has had any impact on the financial performance of the banks. The feedback from the respondents shows that the respondents agreed that the increase in costs has had a positive impact on the financial performance. It is very clear that a business will have to incur certain costs when implementing relationship marketing but there are incremental financial benefits to justify the costs incurred in implementing relationship marketing.

4.7.10 RM Implementation challenges.

The researcher sought to understand the challenges encountered by firms when Implementing RM and the findings are as presented in Figure 4.13 below

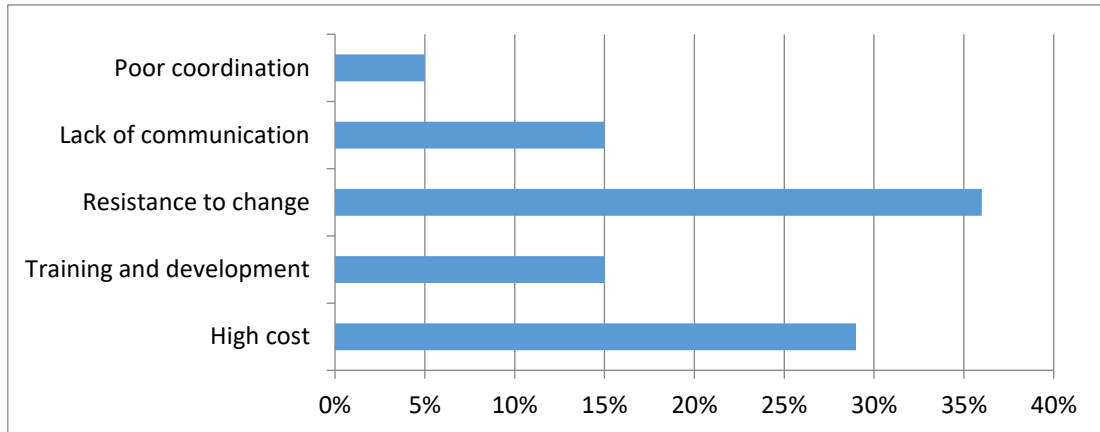


Figure 4.13: RM Implementation Challenges

According to the findings as illustrated in the figure 4.13 above, 36% of the respondents identified resistance to change as the main challenge encountered when implementing RM. Another 29% cited the high cost as a challenge. The other challenges identified by respondents were poor coordination (5%), lack of communication (15%) and training (15%). The results confirmed Migdadi (2020) who claimed that the main challenges faced by firms when implementing RM are poor coordination, lack of communication and resistance to change by some employees.

4.8 Summary

This chapter was mainly concerned with reporting the research findings and discussing these findings, their implications and link to literature. The analysis of data has shown that customer satisfaction and profits have increased since banks in Zimbabwe adopted relationship marketing. This entails that RM has a positive impact on the performance of the banks in Zimbabwe. However, the implementers of RM strategies have faced some challenges during the implementation stage which are resistance to change, high

costs, poor communication and many others. The following chapter covers the conclusions made through the research, recommendations, the study limitations and areas for further research.

CHAPTER 5 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.

5.1 Introduction

In this chapter the researcher makes inferences and conclusions of the research using insights derived from the findings as submitted in chapter four. The chapter also demonstrates the extent to which this study full filled the objectives and aims set. The chapter also provides recommendations and suggests scope for further study.

5.2 Discussions

5.2.1 To assess the levels of utilization of relationship marketing on customer satisfaction and retention by CBZ Bank.

The study established that relationship marketing has a positive impact on the performance of CBZ Bank Zimbabwe. The analysis of data has shown that customer satisfaction and customer loyalty has increased. The analysis has also revealed an increase in the profits and earnings per share since banks in Zimbabwe adopted relationship marketing.

5.2.2 To measure the effectiveness of relationship marketing as a business strategy.

The study established that banks in Zimbabwe encounter several challenges during the implementation stage of relationship marketing. These challenges identified where poor coordination, lack of communication, resistance to change, high cost and training on personnel. It can be concluded that resistance to change and high costs are the greatest challenge faced by firms when implementing relationship marketing. The reason for this is that some of the employees especially those in sales and marketing, are not willing to cooperate with management.

5.2.3 To determine the factors that influenced the level of effectiveness of the Bank in successfully implementing relationship marketing in Zimbabwe.

The study established that there are several dimensions that are relevant in consumer service relationships which are: Trust, commitment, communication, consistency, responsiveness, bonding and reciprocity

5.3 Conclusions

The general conclusion emerging from this study is that relationship marketing has a positive impact on the performance of CBZ Bank in Zimbabwe as evidenced by the following conclusions to the research objectives:

- The volatility brought about by the COVID-19 pandemic means commercial banks in Zimbabwe ought to be circumspect and innovative enough to survive the volatility brought about by the biological menace.
- Banks in Zimbabwe are using static models that are at value outflow and that do not generate new wealth nor retain competitive advantage; and
- It is incumbent upon banks to address challenges being encountered in holistically adopting relationship marketing. This can be done through conceiving a vision, understanding, clarity and having agility of what is happening around us.

5.4 Implications.

The results imply that relationship marketing has a positive impact on customer satisfaction and its ability to remain competitive and recommend that the Bank should continuously improve their CRM strategy.

5.5 Recommendations.

The recommendations for this study are going to be linked with the objectives of the study to ensure that the broader research question of the study is addressed adequately. For this to be achieved, the research objectives of the study are going to be restated as is indicated below: -

1. To assess the levels of utilization relationship marketing on customer satisfaction and retention by CBZ Bank in Zimbabwe during the Covid 19 pandemic to date.
2. To measure the effectiveness of relationship marketing as a business strategy on CBZ Bank in Zimbabwe during the Covid -19 pandemic to date.
3. To determine the factors that influenced the level of effectiveness successfully implementing relationship marketing for the Bank during the Covid 19 pandemic

In line with the findings cited above this study makes the following recommendations for the bank:

- As an effort to reduce the cost of implementing relationship marketing, Bank should adopt the total cost of ownership model that integrates costs on IT resources, software and hardware needed. Bank managers need enough information to develop a budget instead of simply imitating their competitors.
- Management should ensure that relationship marketing is implemented as a company-wide program that involves the participation of all organizational members across all departments. This is necessary to get buy-in from all the employees and departments.

5.6 Areas of Further Research.

It is recommended that further research be done to investigate the challenges encountered by the Bank when implementing relationship marketing as a strategy. To

do a comprehensive study on the effectiveness of relationship marketing commercial banks in Zimbabwe during the COVID-19 pandemic to date.

Initially, the overarching aim of the research was focused on ascertaining the efficacy of relationship marketing strategy for customer satisfaction and retention by commercial banks in Zimbabwe during the COVID-19 pandemic. Although the limitations of this study are identifiable, it is evident from conclusions and that the study managed to address the broader objectives set out at the onset of this study. This study managed to prove the efficacy of the hypothesis that relationship marketing strategy can effectively be used for customer retention in commercial banks in Zimbabwe during the COVID-19 pandemic.

This study identified that CBZ Bank Ltd in Zimbabwe is supposed to be innovative to survive the volatility brought about by the COVID-19 pandemic. The study was able to identify crucial factors that contribute towards the comatose state of banking institutions in the country. Chief amongst them being moribund models that are at value outflow. In view of the above therefore, it is further recommended that the numerous commercial banks in Zimbabwe ought to embrace the resource-based view of the firm to ensure that they are resistant to seismic shocks caused by unpredictable events in the macroenvironment such as the COVID-19 pandemic.

Given the chance to redo the research study over again, there are several considerations and adjustments that can be made. The biggest consideration being the aspect of methodology. This study focused on the mono-method approach through embarking upon quantitative research. However, in future endeavors, it is recommended that subsequent generations of researchers consider adopting the mixed method approach wherein the strengths of quantitative research are allied to and with the strengths of qualitative research so as to make the findings holistic and inclusive.

The knowledge laden in this study can thence be addressed through embracing the below-listed recommendations: -

1. Need to embark upon an in-depth exploration of business models being utilized by commercial banks in Zimbabwe and ascertain how these models are a hindrance towards the growth and development of the stricken sector.
2. More studies regarding cost-benefit analysis of embracing relational marketing strategy as a customer retention thrust are needed

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Appendix 1: Questionnaire for Employee

The Effective use of Relationship Marketing Strategy for Customer Satisfaction and Retention by commercial banks in Zimbabwe during the COVID-19 pandemic

Dear Respondent,

Thank you for considering participating in this survey. My name is Rumbidzai Timburwa, a master's student at AFRICA UNIVERSITY. This survey is being conducted in partial fulfilment of my A DISSERTATION/THESIS SUBMITTED IN PARTIAL FUFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER IN SCIENCE IN INNOVATION AND ENTREPRENEURSHIP

The aim of this survey is to investigate the impact of relationship marketing on customer satisfaction and retention by commercial banks in Zimbabwe. Please take note that your participation is completely voluntary, and you can withdraw at any time for any reason. If you decide to take part, the questionnaire should take approximately ten minutes to complete. The information you provide is strictly anonymous and will be treated with full confidentiality.

Thank you for your anticipated participation.

Yours faithfully,

Rumbidzai Timburwa

+263773042808

rtimburwa@cbz.co.zw

QUESTIONNAIRE FOR EMPLOYEES

Instruction: Tick (X) in the box provided to indicate your choice of answer or write in the space provided

SECTION A – DEMOGRAPHIC INFORMATION OF RESPONDENTS

1. Gender

☐

Male

☐

Female

2. Age

Below 25	25-35	36-45	46-55	56 +

3. Academic/Professional Qualifications

Ordinary Level	Advanced Level	Diploma	Undergraduate Degree	Postgraduate Degree

4. Length of Employment with the company

0-2 Years	3-5 Years	6-8 Years	9-11 Years	12 Years +

SECTION B: RELATIONSHIP MARKETING

1. For how long has this bank been in operation?

0-2 Years	3-5 Years	6-8 Years	9-11 Years	12 Years +

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2. When did the bank adopt relationship marketing?

0-2 Years	3-5 Years	6-8 Years	9-11 Years	12 Years +

3. Is relationship marketing very important in attracting and retaining customers in your bank?

Service	Very Large extent	Large extent	No extent	Little extent	Very little extent
Better customer care services and relations					
Fast and efficient services to customers					
Increasing the number of ATM and other outlets (Delivery Channels)					
Better terms on loans, deposits and account maintenance					
Use of Mobile and internet banking services					

to bring services closer to customers					
Continuous review of products on offer so as to coincide customer's changing lifestyles					

No

Yes

4. Rank the following items in order of which they have led to attraction of new customers to your bank; where 1 represents strongly attracted, 2 represents attracted, 3 represents least attracted while 4 representatives failed to attract at all.

Service	Rank
Well established branch network	
Personalized and diversified products	
Location of bank to customers	
Affordable accounts, low charges on withdrawals, high interest on deposits	
Convenient banking accessibility services (M-banking, Web banking)	
Better customer care relations/ services	

5. To what extent do the following aspects or approaches of relationship marketing contribute to customer retention in banks in Zimbabwe?
6. To what extent do the following customer satisfaction practices offered by your bank satisfy you?

Service	Very Large extent	Large extent	No extent	Little extent	Very little extent
Fast customer service					
Convenience of location of the bank/ATM					
Better rates for deposits and account maintenance					
Better interest rates and terms on loans (better prices)					
Ease of account opening					
Personalized banking and services					
Better and diversified product					

7. Give examples of practices that can enhance customer satisfaction in your bank.

8. Has customer service improved since the launch of relationship marketing?

Yes	No

SECTION C: FINANCIAL PERMORMANCE

1. To what extent do you agree that relationship marketing has had a positive impact on the earnings per share of the bank? (Please tick the relevant box)

Strongly Agree	Agree	Indifferent	Disagree	Strongly Disagree

2. To what extent do you agree that relationship marketing has a positive impact on the profitability of the bank? (Please tick relevant box)

Strongly Agree	Agree	Indifferent	Disagree	Strongly Disagree

3. To what extent has profit been growing over the past years with relationship marketing?

Very Large extent	Large extent	No extent	Little extent	Very Little extent

SECTION D: COSTS

1. To extent has relationship marketing led to an increase in costs?

Very Large extent	Large extent	No extent	Little extent	Very Little extent

2. To what extent has the increase in costs affected bank performance?

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3. What measures are in place to cut down on these costs?

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4. How has this bank benefited from investing in relationship marketing?

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THANK YOU FOR PARTICIPATING IN THIS SURVEY!