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# An Evaluation of Customer Retention Strategies in Enhancing Market Share Growth among Listed Commercial Banks in Nakuru County

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***Abstract:***
*Commercial banks have in the recent past been faced with a lot of competition emanating from liberalization of the financial sector and frequent financial legislations. Thus, customer retention has become a major objective of many commercial banks. This study sought to evaluate the influence of customer retention strategies in enhancing market share growth in listed commercial banks in Nakuru County. A sample of fifty respondents was selected through census sampling. Data was collected by the use of questionnaires and analyzed using descriptive and inferential statistics with the aid of the Statistical Package for Social Sciences (SPPS). The study established that there was a positive relationship between customer relationship marketing and market share growth. 14.5% of market share growth was explained by customer relationship marketing. The study also concludes that there was positive, moderate relationship between customer communication and market share growth. 10.8% of market share growth was explained by customer communication. The study recommends that customer retention strategies should be enhanced in listed commercial banks in the Nakuru County in order to increase market share growth. It is also recommended that listed commercial banks should expand their market share through customer relationship marketing and customer communication. It is also recommended that there should be strong emphasis on the mutual relationship between commercial banks and bank customers as this would minimize customer switch and defections.*

***Keywords:*** *Customer communication, relationship marketing, market share growth, customer retention strategies, market share growth, listed commercial banks, Nakuru county*

## 1. Introduction

### *1.1. Background of the Study*

Liberalization of the financial sector has in its wake brought a number of drastic changes, and massive developments in the banking industry (Smith & Taylor, 2004). These changes have brought rivalry to the extent that a number of business ventures have even changed their ways of approaching and doing business altogether due to competition (Chung & Beverland, 2006; Caruabna, 2002). Competition has seen the mainstream players resort to a number of ways so as to maintain their market share. Microfinance institutions and other financial related business ventures such as Housing finance entities and insurance firms have continued to pile pressure on the once dominant commercial banks. In order to maintain market share growth amid the dynamics in the banking industry, the management and the Board of Directors need to re-energize and adopt sound customer retention strategies. Services industry, unlike manufacturing or product based industry is fragile and dynamic. It is in this light that all the service providers spend a great deal of their resources in marketing research, consultancy, frequent trainings of their staff just to name but a few. Customer service quality is the single most important factor that influenced people in their choice between one company and another (Smith & Taylor, 2004). Today sound customer retention strategies have made an indelible mark of difference between the best performing banks and those on the contrary. Baird and Wahlers (2007) identified excellent customer service as integral to customer retention and ultimately profitability. Customer retention can only be achieved if the right strategies are employed at the right time in the right way and in the right direction (Guptas, 2004). Peters (1988) opined that it takes five times as much time, money and effort to get a new customer as it does to retain an existing one. It is, therefore, justified anywhere to find out why a number of business entities continue struggling in a bid to acquire new customers when they can maintain the ones they have at low cost if any.

In Nigeria, some banks had wild and frenzied marketing strategies to expand business branch network and by mid nineteen nineties, there were well over twenty five hundred branch outlets (Ombutora, 2013). This was necessitated by attention to main marketing campaigns strategies on the customer front; monitoring both competitors activity and responses to their own communication efforts. Unfortunately, many of these networks did not have a consistent customer base. It was found out that thirty percent of customers had drifted and left to other banks (Ombutora, 2013). According to Munir (2013), the CEO of National Bank of Kenya for example, stressed the importance of keeping both customer and stakeholder promises a live by being true. He, further reiterated the importance of gaining a wider market share via improved service delivery, culture change coupled with abrasive tackle on the challenges that come the way in steering the once powerhouse of banking industry in Kenya.
In the past, studies have shown that retention strategies by financial institutions have been of the view that they only gained profits. This is keen to the traditional marketing strategies and practices which stopped and lapsed once they attained the all single one point objective, profitability. Izoquierdo (2004),was categorical and agreed onto this opinion and advanced his view that organizations were merely interested in acquiring customers, beyond this, there was no business, in essence customer need a touch, the feel, the see and more important, the conversation, these are key attributes of the modern customer. Gupta (2004) observed that the intensity of variety seeking is a restriction for the potential achievements of customer retention programs based on perceived quality and customer satisfaction. How this restriction affects the market share and how differently, it does affect competing brands is a very interesting research topic (Jullian, 2008). They opined that branding as practiced by some of the institutions would appear to be associated with values that are not necessarily consistent with directions that banks want to go, for example, being 'big' and yet targeting a clearly defined segment. Virtually all mainstream banks in Kenya have embraced agency banking as a means to increase customer base according to (Kimamo, 2014). Though this remains to be a bold step towards a solid customer uptake, it remains a challenge to retain these customers. It is indeed easy to win, but difficult to retain.
In a study by Matai (2011), on the factors that influence customer growth in the financial sector in Kenya found out that financial service provision being unique in nature, unlike products was influenced mainly by the staff and specifically the service providers. Matai (2011) this study however failed to give an insight on how to retain the customers but dwelt majorly on growth of customer base. However; it is in tandem with this study which centers on stability of market share and has basis on sustained customer growth as a pointer and indicator of stable market share. The said studies found out that technology integration played a major role in customer growth, as well as distribution channels. The studies however failed to focus on enhancement market share growth once customers had been attracted, neither did these findings showed that market share was an integral part of customers, hence needed special attention not only to retain it but aim at its growth (Allaway, Goover, Berkowitz & Davis, 2006). Further research studies carried by Waweru (2009) revealed that there was a great reason to believe that diversification of services and products was the main factor which led to customer retention. It further revealed that customer needs fulfillment was paramount in retention of customers. However, the study did not point out clearly whether relationship marketing and customer communication would bolster this retention and by extension result into market share increase.

*1.2. Statement of the Problem*

Customer retention has become increasingly recognized as the key to long-term survival, the route to profitability and the ultimate yardstick to market share growth. In other words customer retention is five times as effective as cutting cost. It is against this backdrop that this study is raised. In the true scenario, customer retention is paramount to market share growth in the fragile, dynamic and inconsistent local banking industry. Banks have continued to shrink and lost both control and touch of the market share with exception of a few like Equity Bank (Ndun'gu, 2014). A true case at hand is the National Bank of Kenya, which was once a powerhouse in the banking sector. It is evident that this bank had lost more than half of its customers in a stunning period of less than three years (CBK, 2008). It is in view of such sentiments which have necessitated the evaluation of strategies for customer retention in relation to growth of market share of the key players in the banking industry. In addition, scholarly studies have dwelt much on the MFIs while little has been done pertaining mainstream financial providers such as listed commercial banks. It is therefore, in line with these arguments that this study was motivated by the need to bridge the gap in knowledge to trying to establish whether there is significant relationship between customer relationship marketing and market share growth and whether customer communication influenced market share growth in listed commercial banks in Nakuru County.

*1.3. Objectives of the Study*

i. To establish the effect of customer relationship marketing on market share growth in listed commercial banks in Nakuru County.
ii. To determine the influence of customer communication on market share growth in listed commercial banks in Nakuru County.

## 2. Literature Review

### *2.1. Theoretical Framework*

#### 2.1.1. Persuasion Theory

The basis of this theory lies in the communication process. It specifies the conditions under which change takes place and predicts the direction and extent of attitude. All this is important and has relevance in giving the customer care attendant a hint on what possible attitude the customer is likely to elicit. According to Swerc (2005), this theory explains how attitude may change in the communication process and further shows that attitude change is likely to occur if the gap between the attitude the person already has and the attitude advised by the message is big. The theory like the social judgment theory advanced by Granberg (2005) holds that the person hearing a message will position it on an attitude scale based on his personal judgment. The message attitude scale is pre-set in our mind prior to receiving the message. It has three different zones in the attitude of rejection where the message received has an informed opinion and is ready to reject the message unless convinced otherwise (Leong & Qing, 2006). Lastly there is the attitude of non-commitment. The receiver of the message is neutral, indifferent and lacks a stand in any given message. It is upon the marketer therefore to take charge, persuade and convince the message receiver to accept his report and then close a sale. Some one's attitude on an issue cannot be summed up with a single point but instead consist of varying degrees of acceptance for discrepant positions. A listener's latitude of acceptance can be stretched by a credible speaker and finally when you would like to change the attitude of a person or a group or an audience, aim for their latitude of non-commitment and certainly avoid the latitude of rejection. In relation to the persuasion theory, the three distinct phases of the communication process is very relevant in any marketing strategy that concerns itself with changing customers' attitude and subsequently realizing a sale (Chepngetich, 2010).

2.1.2. The Six Markets Model Theory

This theory talks about partnership in a business setting. All the players mean a lot to the success of the business success. Important in this model is the referral markets where a satisfied customer refers another customer to the business entity. Luo & Homburg (2007) in their writings concerning the customer neglects, point out that a silent customer who is ill-treated will one day unleash his anger by never returning back. Referral market forms the basis for ensuring that customers are satisfied at the customer care desk. All the six partners are like the body organs of a human being.

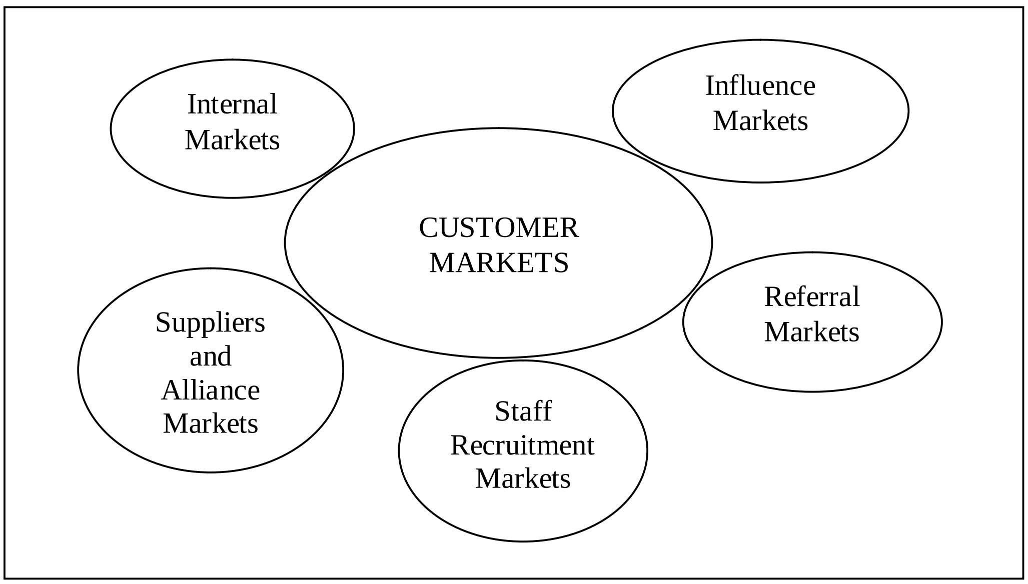


*Figure 1: The Six Market Model*

Research into the link between retaining customers and profitability has been spearheaded by Romanink (2006), who posited that the danger and real enemy of profits is 'churn', the frequent turnover of customers requiring organizations to constantly seek new customers.

*2.2. Empirical Review*

This is the knowledge derived from part investigations, observations, experimentation or experience. Empirical review enables the researcher to identify gaps that need be bridged. This section examines the findings related to customer retention in line with market share growth.

2.2.1. Customer Relationship Marketing

In a bid to enhance market share growth, it will be an exercise in futility not to retain customers. Customer relationship marketing is a key in customer retention. There is therefore a need for creativity and adoption of a new strategy to increase customer uptake and retention. Such a strategy is embracing customer relationship marketing (Brassington, 2006). In relationship about traditional marketing mix strategies, Brassington & Petitt (2006) noted that there was need to match the mixes with customer needs. In this regard, a lot of emphases were advanced touching on the relationship marketing component in identifying what the customers demanded.

In realigning his initial theory about the challenges of traditional marketing thinking, Gummesson (2002) averred that there was a need to identify the various relationships available between the business management and customer where he termed them the 30RS of marketing relationship. From his studies, Gummsson (2002) identified the key principle marketing mechanisms which are controlled externally. What he meant is that it is not what you know, but who you know which makes the difference. In essence, he meant that the existence of intricate external operation. In out of the business context, for example, a family decision is always done by wife and husband. What this means in the trust between the two would not be jeopardized by deciding otherwise, than making a mutually benefiting decision. This has a similar resemblance in business. More often than not a closely related customer/marketer relationship will not be broken by a competitor (Gunmmesson, 2002). In the same studies about the relationship classes, it is noted that social, cultural relationship are good for business as they weather bad times. This relationship causes what is called inertia (Gronous, 2008).
The principles of personal selling and negotiation as described are transaction oriented (Vlasic & Kesic, 2007). It is because they aim to help sales, people close a specific sale with a customer, close collaboration establishes a long lasting customer partnership, relationship marketing has been advanced as a strategy towards that end and companies, both manufacturing, product based and service oriented aim not only at short term sales but a long term one, vital to this is a mutual relationship. A mutual relationship is likely to in most cases result to 'inertia'. This is the tendency of having customers remain loyal, however much a competitor tries to entice them through marketing campaigns (Gronous, 2000). Business entities, particularly the banks have relationship managers, who are trained to affect this objective. They are skilled and up to the task. They must always keep an eye on customer trends and market dynamics. A close relationship with customer will lead to trust, which will certainly and consequently lead to customer loyalty. Customer relationship marketing always leads to cordial relationship with the management, it results into occasional and frequent visits by the customers to the organization for deliberations on things to do with advice on loans, product development, and advice on general financial matters. On the other hand, the management benefits from this by gaining the trust it so much wishes for an entrenchment of customer base. A true customer will always refer other would be customers to the business. This is exhibited by repurchase decisions, customer referrals and intentional requests, to meet the Management. Ber & Eisengrich (2007) opined that the social bonding that can occur in a business relationship can increase the customer's dependence in the service provider. There are reduced switching behaviors portrayed by loyal customers.

2.2.2. Customer Marketing Communication

Communication is seen to be intentional; it is transactional and symbolic as well. It is concerned with efforts to convey information, involves all participants in the process, and uses pictures and symbols. Smith (2004) developed a model widely used communication today. This model is useful but fall short of certain strengths. It is a one step model of communication. Katz and Lazarfield (1955) postulated a two-step model in which messages are filtered through opinion leaders, for example, celebrities which alters both the content of the message and its impact on the receiver. Many marketing messages are filtered in this way. Emotions in communication process play a major role in decision to be made by the consumer in an advertisement or word of mouth campaign. Pelsmacker (2004), averred that acceptance of communication comes from that acceptance of the recipient's choice, and from the initiator's intentions. It is therefore, true that for an effective use of communication to result into intended reaction during purchase decision, the sender must understand the underlying emotions of the receiver. In building a strong communication strategy, Caywood (2007) agreed that in the process of encoding and packaging information, it is paramount to note the emotion aspect. Memory is stimulated by advertisements which produce powerful emotions. In a service industry, particularly banks, customer concerns are always important, central to this is the use of word of mouth to influence purchase decision which is much stronger than advertising or other marketer produced communications. For marketers, then the problem lies in knowing how to use word of mouth to its best advantage in effecting service delivery.
According to Caywood (2007) customer communication efforts form a central part in customer retention strategy. A well chosen mode of communication, whether to disseminate information for the purpose of information, persuasion or education is important. A well chosen balance of communication mix, well known as integrated marketing communication is worth noting and looking at. The business entity should choose an advertisement mode, which does not infringe on customers right. Ethical issues need to be looked at; misleading adverts will always have a negative effect on the masses in which case they will doubt their service provider to the point of services being provided.

2.2.3. Market Share Growth

According Caruabna (2002), market share growth is one in which a portion of customer base keeps on increasing in the same proportion of resource input. Thus, market share can be defined as a portion held by a particular business entity relative to a competitor. Every business entity, whether in service or product based industry aims at getting a sizeable control of a particular market, this has a direct bearing on a profit margin of a given entity (Luo, 2007). It is evident that a market share scramble is the reason behind every strategy to engage in marketing campaign over the years. An organization will therefore strive to have a market share growth in order to cut a niche in the competitive business arena. Many organizations such as Safaricom have gotten a grip on the biggest market share in the mobile service industry; this has continued to grow day by day as a result of aggressive marketing strategies besides the economic hurdles in the industry. Gaining a market share and having it grow are two different stories altogether, but every business strives to engage in a frenzied marketing campaign. Thus, it is never easy to have a balance between the two with little effort. It is actually never easy to achieve market share growth without inputting resources. Banks have engaged in different strategies such as mobile banking, internet banking, agency banking, relationship Marketing just to name but a few which have eventually paid off, and consequently made them get the much needed market share growth even during harsh economic times like we are in. Some banks have gone to the extent of investing in none direct repaying strategies not only to remain on the radar but also have an impact in the society.

## 3. Methodology

### *3.1. Research Design*
This study employed descriptive research design because in such a case simultaneous description of views, perception and beliefs of the respondents at any single point in time is attained (White, 2000). Descriptive study was considered relevant since it was conducted at a particular point in time usually in a period of less than one year which is cross sectional in nature (Mugenda & Mugenda, 2003).

### *3.2. Study Population*
The population of this study constituted three categories of bank staff drawn from listed commercial banks in Nakuru County. The three categories were: 15 branch managers, 15 relationship managers and 20 other bank staff who included sales representatives, finance officers and compliance managers from 15 listed commercial banks registered by CBK.

### *3.3. Sample and Sampling Technique*
The study employed census sampling. A census sampling was considered suitable because the target population was relatively small and easily accessible. All the three categories of respondents participated in this study; namely the branch managers, the relationship mangers and other bank staff from 15 listed commercial banks in Nakuru County.

### *3.4. Data collection, Processing and Analysis*
Primary data was collected using questionnaires. The responses were based on the extent to which the respondents agreed with the indicators of the variables of the study. The data obtained was edited for completeness, consistency and accuracy. It was also coded to enable the responses be grouped into various categories. Descriptive statistics were used in the data analysis. This included the use of means, the standard deviations, percentages and frequencies. Correlation analysis and regression analysis were used in data analysis to give the direction and strength of association between the study parameters. Data analysis was done with the aid of SPSS. The regression model used was: $Y = \alpha + \beta X_1 + \beta X_2 + e$
The dependent variable Y was represented by Market Share Growth and independent variables $X_1$ (Customer Relationship Marketing) and $X_2$ (Customer Communication) to show whether the stated independent variables influenced the dependent variable. The regression model is illustrated as follows: $Y = \alpha + \beta X_1 + \beta X_2 + e$
Where

Y = Market Share Growth
$\alpha$ = Constant
$\beta$ = Beta
$X_1$ = Customer Relationship Marketing
$X_2$ = Customer Communication
e = error

## 4. Results

### *4.1. Customer Relationship Marketing Strategy in Listed Commercial Banks*
The study sought to analyze the effect of customer relationship marketing on Market Share Growth in Listed commercial banks in Nakuru County. The respondents were asked to indicate their level of agreement with selected indicators of customer relationship marketing. The findings are presented in Table 1.

| Statement | SD | D | N | A | SA | N | Mean | SD |
|---|---|---|---|---|---|---|---|---|
| Relationship marketing is expensive but pays off | 6 | 5 | 8 | 8 | 13 | 40 | 3.77 | 0.73 |
| Relationship marketing allows customers to give input to the decision to be made by the management | 5 | 6 | 10 | 7 | 12 | 40 | 3.89 | 0.83 |
| Relationship marketing is interactive and customer needs are known in good time and addressed | 4 | 4 | 8 | 7 | 17 | 40 | 3.97 | 0.77 |
| Relationship between management, marketer and customer is fostered over long time | 4 | 6 | 13 | 6 | 11 | 40 | 3.33 | 0.41 |
| Relationship between management and customer reduces the need to do extreme marketing campaigns | 6 | 7 | 15 | 5 | 7 | 40 | 3.21 | 0.23 |
| Mutual relationship between the organization and customer reduces customer switch and defections | 7 | 7 | 9 | 12 | 5 | 40 | 3.42 | 0.39 |

*Table 1: Customer Relationship Marketing Strategy on Market Share Growth*

As shown in Table 1 there was higher response rate in regard to customer relationship marketing being interactive and customers' needs being known in good time and addressed, it is also true that relationship marketing also allows customers to give input to the decision to be made by the management and that relationship marketing though expensive, pays off in listed commercial banks in Nakuru County as indicated by a mean of 3.97, 3.89 and 3.77 with a standard deviation of 0.77, 0.83 and 0.73 respectively. The results also show relatively lower response rate in regard to whether mutual relationship between the organization and customers reduces customer switch and defections, it is also evident that relationship between management, marketer and customer is fostered over a long time and further that relationship between management and customer reduces the need to do extreme marketing campaigns in commercial banks in Nakuru County as indicted by a mean of 3.57, 3.43 and 3.21 with a standard deviation of 0.67, 0.41 and 0.23 respectively. This clearly indicates that customer relationship marketing affected market share growth in commercial banks in Nakuru County. These findings are in agreement with DunLeavey and Olivieri (2001) who noted that there was a need for creativity and adoption of new strategies such as customer relationship marketing to increase customer uptake and retention. A similar agreement was noted by Gronous (2000) that social, cultural relationship was good for business as they weather bad times and also that such customer relationship marketing lowered inertia thus becoming a key to market growth.

*4.2. Customer Marketing Communication Strategy*

The study sought to determine the influence of Customer Marketing Communication on Market Share Growth in listed commercial banks in Nakuru County. The respondents were asked to indicate the extent to which they agreed with the selected indicators of customer communication strategy. The findings obtained are presented in Table 2.

| Statement | SD | D | N | A | SA | N | Mean | SD |
|---|---|---|---|---|---|---|---|---|
| Involving customers in frequent communication exchange shows commitment by the organization | 7 | 7 | 8 | 7 | 10 | 40 | 3.68 | 0.62 |
| Surprise calls to the customers by the branch manager shows concern by the organization | 4 | 6 | 8 | 9 | 13 | 40 | 3.92 | 0.77 |
| Interactive and close exchange of ideas allows the management to identify customer needs and fix them | 7 | 4 | 8 | 9 | 12 | 40 | 3.81 | 0.63 |
| Non-misleading adverts are a show of sincerity to customers | 5 | 3 | 10 | 8 | 15 | 40 | 3.77 | 0.59 |
| Sound companies' communication policy results to un-ambiguous information exchange both to customer and employee | 8 | 5 | 8 | 6 | 13 | 40 | 3.59 | 0.43 |
| Mutual relationship between the organization and customer reduces customer switch and defections | 8 | 5 | 8 | 7 | 12 | 40 | 3.49 | 0.43 |

*Table 2: Customer Marketing Communication Strategy on Market Share Growth*

From the findings, higher response rate was reported in regard to whether surprise calls to the customers by the branch manager showed concern by the organization, and that interactive and close exchange of ideas allowed the management to identify customer's needs and fix them, and also whether non-misleading adverts was a show of sincerity to customers and further if involving customers in frequent communication exchange showed commitment by the organization. These indicators were reported as having significant effect on market share growth in listed commercial banks in Nakuru County with the mean effect of 3.92, 3.8, 3.77 and 3.68 with standard deviation of 0.77, 0.63, 0.59 and 0.62 respectively. Moreover relatively lower response rate were reported in favor of sound companies' communication policy resulting to un-ambiguous information exchange both to customer and employees and that mutual relationship between the organization and customer reduced customer switch and defections as being significant in determining Market Share Growth in listed commercial banks in Nakuru County with the mean effect of 3.59 and 3.49 with a standard deviation of 0.62 and 0.43 respectively.

*4.3. Market Share Growth in Banks*

The study sought to establish the extent to which the respondents agreed with indicators of market share growth in commercial banks. The results are presented in Table 3.

| Statement | SD(%) | D(%) | N(%) | A (%) | SA(%) | N (%) |
|---|---|---|---|---|---|---|
| The growth of market share keeps on increasing in the same proportion of resource input | 5(13) | 6(14) | 5(13) | 5(13) | 19(47) | 40(100) |
| Our bank market share is relatively higher compared to other banks | 7(17) | 8(20) | 9(23) | 13(32) | 3(8) | 40(100) |
| Control of a sizeable market has a direct bearing on profit margin of our bank | 4(10) | 5(13) | 6(14) | 12(30) | 13(33) | 40(100) |
| There is rapid gaining of market share in our bank as attested by increase in branch networks | 14(35) | 9(24) | 6(14) | 6(14) | 5(13) | 40(100) |
| There is commitment by the banks to invest in expanding market share | 5(13) | 8(20) | 5(12) | 12(30) | 10(25) | 40(100) |
| Diversification of services and products is the main factor which leads to market growth | 6(14) | 7(18) | 5(13) | 8(20) | 14(35) | 40(100) |

*Table 3: Growth of Market Share*

From the findings, 60% of the respondents agreed that the growth of market share kept on increasing in the same proportion of resource input compared to 27% who disagreed with the statement. However, 13% were undecided. Moreover, 40% of the respondents agreed that their respective banks' market share was relatively higher compared to other banks. This is in comparison to 37% who did not agree as well as 23% who were undecided. The findings also show that 63% of the respondents agreed that banks' control of a sizeable market had a direct bearing on profit margin of their banks compared to 23% who disagreed. Slightly more than 10% of the respondents were non committal in regard to whether the control of a sizeable market had a direct bearing on banks' profit margin. More than half (59%) of the respondents disagreed that there was rapid gaining of market share in their banks as attested by increase in branch networks. This is in comparison to 27% who agreed with the statement. It is also evident that 14% of the respondents were undecided whether rapid gaining of market share in bank as attested by increase in branch networks was truly an indicator of market share growth. The findings also reveal that 55% of the respondents were in agreement that there was a commitment by the banks to invest in expanding market share compared to 33% who held a contrary opinion and 12% who neither agreed nor disagreed. Also slightly more than half (55%) of the respondents reported that diversification of services and products was the main factor which led to market growth as compared to 32% who disagreed and 13% who were non committal and thus held divergent views concerning the same statement.

*4.4. Correlation Analysis*

Pearson correlation analysis was applied to test the relationship between the customer retention strategies in listed commercial banks in Nakuru County and market share growth. Customer Relationship Marketing (CRM) and Customer Communication (CC) were the independent variables while Market Share Growth (MSG) was the dependent variable. The results are presented in tables 4 and 5.

| | **CRM** Total Score | **MSG** Total Score |
|---|---|---|
| **CRM**. Total Score Pearson Correlation | 1 | 0.491* |
| Sig. (2 tailed) | | .000 |
| N | 40 | 40 |
| **MSG.** Total Score Pearson Correlation | 0.491* | 1 |
| Sig. (2 tailed) | .000 | |
| N | 40 | 40 |

*Table 4: Customer Relationship Marketing (CRM) and Market Share Growth (MSG)*
** σ=0.05 (Correlation is significant at 0.05 level (2-tailed)*

Table 4 shows that there was a positive relationship between customer relationship marketing and market share growth ($r = 0.491$; $p < 0.05$). This suggests that customer relationship marketing positively influenced market share growth in listed commercial banks in Nakuru County. The findings are similar to those of Mwando (2013) who found that there existed a strong and positive relationship between customer relationship marketing and market share growth in financial institutions.

| | **CMC** Total Score | **MSG** Total Score |
|---|---|---|
| **CMC**. Total Score Pearson Correlation | 1 | 0.513* |
| Sig. (2 tailed) | | .000 |
| N | 40 | 40 |
| **MSG.** Total Score Pearson Correlation | 0.513* | 1 |
| Sig. (2 tailed) | .000 | |
| N | 40 | 40 |

*Table 5: Customer Marketing Communication (CMC) and Market Share Growth (MSG)*
** σ=0.05 (Correlation is significant at 0.05 level (2-tailed)*

The findings indicate that there was a positive relationship between customer communication and market share growth with $r = 0.513$ and $p<0.05$ implying that customer marketing communication influenced market share growth in commercial banks in Nakuru County.

*4.5. Regression Analysis for Customer Relationship Marketing (CRM)*

Multiple regression analysis was done on Customer Relationship Marketing (CRM) as a predictor of Market Share Growth (MSG). Analysis of variance for Customer Relationship Marketing is presented in Table 6.

| ANOVAa | | | | | |
|---|---|---|---|---|---|
| Model1 | Sum of Squares | df | Mean Square | F | Sig. |
| Regression | 6.190 | 3 | .884 | 1.750 | .011b |
| Residual | 50.289 | 37 | .505 | | |
| Total | 56.479 | 40 | | | |
| a. Dependent Variable: Market Share Growth<br>b. Predictors: (Constant), Customer Relationship Marketing (CRM) | | | | | |

*Table 6: ANOVA for Customer Relationship Marketing (CRM)*

ANOVA results in Table 6 indicate that the regression analysis predicted the outcome variable with an F statistic of 1.750 supported by a probability value of 0.011. This is less than the conventional probability of 0.05 and indicated that in overall, the model applied statistically predicted the outcome variable. The model summary is presented in Table 7.

| Model Summary | | | | |
|---|---|---|---|---|
| Model1 | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| | .381[a] | 0.145 | .033 | .0724 |
| a. Predictors: (Constant), Customer Relationship Marketing (CRM)<br>b. Dependent Variable: Market Share Growth | | | | |

*Table 7: Model Summary for Customer Relationship Marketing (CRM)*

The model summary in Table 7 provides the R and $R^2$ values. The $R^2$ value of 0.145 supported by a probability value of 0.0724 indicated how much of the variations in the Market Share Growth could be explained by the Customer Relationship Marketing (CRM). In this case, 14.5% of Market Share Growth was explained by Customer Relationship Marketing (CRM) while the remaining 85.5% was explained by the other variables of the study.

*4.6. Regression Analysis for Customer Communication*

Regression analysis for customer communication was done. Analysis of Variance was done on customer communication as a predictor of the dependent variable (Market Share Growth). The results are presented in Table 8.

| ANOVA[a] | | | | | |
|---|---|---|---|---|---|
| Model1 | Sum of Squares | df | Mean Square | F | Sig. |
| Regression | 05.06 | 3 | .724 | 1.358 | .0228[b] |
| Residual | 41.41 | 37 | .533 | | |
| **Total** | **46.47** | **40** | | | |
| a. Dependent Variable: Market Share Growth<br>b. Predictors: (Constant), Customer Communication (CC) | | | | | |

*Table 8: ANOVA for Customer Marketing Communication*

ANOVA results in Table 8 indicated that the regression model predicted the outcome variable (Market Share Growth) with an F statistic of 1.358 supported by a probability value of 0.0228.This is less than 0.05, and indicates that overall, the model applied statistically predicted the outcome variable. The model summary is presented in Table 9.

| | Model Summary[b] | | | |
|---|---|---|---|---|
| Model1 | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| | .329[a] | .108 | .017 | .0730 |
| a. Predictors: (Constant), Customer Communication (CC)<br>b. Dependent Variable: Market Share Growth | | | | |

*Table 9: Model Summary for Customer Communication*

The model summary in Table 9 provides the R and $R^2$ values. The $R^2$ value of 0.108 supported by a probability value of 0.0730 indicates how much of the variations, in dependent variable, "Market Share Growth, of listed Commercial Banks", could be explained by the independent variable, "Customer Communication (CC)''. In this case 10.8% of market share growth could be explained by Customer Communication while the remaining 89.2% could be explained by the other variables of the study.

## 5. Conclusions and Recommendations

### *5.1. Conclusions*

The study concluded that customer relationship marketing had a significant effect on market share growth in listed commercial banks in Nakuru County. Thus a long term relationship between the banks and their customers would result into strong ties which are very vital and significant in withstanding competitor's persuasion. It is further concluded that there existed a moderate positive relationship between customer relationship marketing and market share growth in listed commercial banks in Nakuru County. 14.5% of market share growth was explained by customer relationship marketing. This study also concluded that customer marketing communication had a positive significant relationship with market share growth in listed commercial banks in Nakuru County. Specifically, surprise calls from senior management as well as continued information exchange from the bank management with the customers would be viewed to mean a great concern and value placed on the customer by the bank thereby remaining committed to that particular bank to uphold and reciprocate on such honor. It is equally concluded that a true bank is one which uses truthful, honest and non misleading adverts in its marketing campaigns all the time. This is a gesture of sincerity which is always needed by the customers especially when dealing with financial matters. Thus, 10.8% of market share growth could be explained by customer communication**.**

### *5.2. Recommendations*

Based on the conclusion, the study recommends that customer retention strategies should be enhanced in listed commercial banks in Nakuru County in order to increase market share growth. It is also recommended that commercial banks whether listed or not need to upscale their customer relationship efforts in order to make an effective market share growth. It is recommended that mutual relationships between the listed commercial banks and customers be enhanced in a bid to stem switch and defection. Additionally, it is recommended that customer relationship need to be enhanced so as increase trust and loyalty thus reducing and minimizing the rigors associated with expensive marketing campaign efforts. Concerning marketing communication, it is recommended that commercial banks in Nakuru County should strive at enhance marketing communication as a customer retention strategy. It is also recommended that commercial banks should develop sound and clear communication policy to avert ambiguity in communication dissemination as well ensuring clarity in message conveyance. It is further recommended that commercial banks should aim ensuring frequent and continued information exchange with customers in order to iron out and solve problems related to poor service provision

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