THE IMPACT OF RELATIONSHIP MARKETING ON CUSTOMER LOYALTY ON COURIER SERVICES AT HARARE DHL

SUBMITTED BY
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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE BACHELOR OF BUSINESS STUDIES (HONOURS) DEGREE IN MARKETING. FACULTY OF COMMERCE BINDURA UNIVERSITY OF SCIENCE EDUCATION

31 OCTOBER 2014
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Dedication

I would like to dedicate this dissertation to my mother, father, brother and lovely twin sister love you all. They were my source of inspiration. When an opportunity comes their way, they grab and utilize it immediately.
Abstract
The aim of this research was to assess the impact of relationship marketing on customer loyalty. Through a case study of DHL the research was carried out against the background of increase in customer complaints due to poor services which resulted in loss of market share and is now competing to win, retain and maintain as many customers as they can. The study was carried out in 2014 on a convenience sample of 81 respondents through the distribution of structured questionnaires to DHL customers within the area of Harare, Bulawayo and Chirundu. The data were factor analyzed to determine the key dimensions of Relationship Marketing measurement scale. Results confirm that the five dimensions scale (bonding, trust, communication, satisfaction and commitment) possess adequate reliability and internal consistency as well as convergent validity. Results of regression analysis show that relationship marketing is significant in explaining the variation in customer loyalty. The findings contribute to understanding the relationships between different dimensions of relationship marketing and customer loyalty provide critical implications for DHL managers and highlight directions for future research.
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"... but thanks be to God, who gives us the victory through our Lord Jesus Christ," 1 Cor.15:57. Thank you Lord for making this project possible

A comprehensive piece of work is never written alone. I owe enormous intellectual debt to many people for their kind and gracious assistance.

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LO- Loyalty
RM- Relationship marketing
CL- Customer loyalty
CS- Customer satisfaction
COM- Complaint
WOM – Word of mouth
CR – Customer Retention
RQ – Relationship Quality
CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

This chapter provides an introduction to and an outline of the study. It focuses its attention on the background of the problem. It forms the back-bone of the research itself as it states the background of the study (brief history of the organisation), statement of the problem, the main research objectives and hypothesis. The significance of the study discussed as well as the assumptions made when carrying out this work. The researcher encountered a number of drawbacks during the study and that is discussed at the end of this chapter as limitations.

1.2 BACKGROUND OF THE STUDY

DHL is the global market leader in international express, overland transport and air freight. It is also the world’s number one in ocean freight and contract logistics. DHL offers a full range of customized solutions from express document shipping to supply chain management. DHL have managed to create a brand on their corporate logo that is DHL. The problem that has arisen within DHL Zimbabwe is that there is an increase in customer complaints due to the poor service they are experiencing whenever they use DHL especially on the clearing of consignments which is an operational issue which takes 3-5 working days for a shipment to be cleared in customs. The problem started when DHL clearing department was being charged if they make mistakes on their bill of entry when registering shipments to be cleared in ZIMRA due to more pressure of dealing with more than one client at a time. So many workers became reluctant to work in that department because end of month one could have paid over a thousand of mistakes that would have occurred. The company was not liable for those mistakes as a result DHL ended up dissolving the clearing department and hired a third party clearing agent which is SBT. When this third party was hired 25% of the clearing fee which is $50 for any shipment with value which is less than one thousand dollars goes to SBT. The argument with clients is that why is
DHL charging them $50 when they are not the ones clearing the consignments? And also the process is taking long they want the value for their money. There is also an increase in customer complaints due to damages of consignments as a result of poor packaging and some of the pieces getting lost still in transit hence no efficiency on the service.

On their express service customer complaints are increasing due to expensive prices that individuals cannot afford. Also the service is not efficient people will have to queuing for long for them to get the service also DHL employees are not enough to assist all the clients which resulted in DHL opening agents but the problem is that these agents are taking 25% of the profits which will end up diluting revenue. For areas that DHL do not have branches such as Zvishavane a third party (Courier Connect) is hired to deliver shipments. Courier connect is not efficient in delivering shipments, shipments which are supposed to take one day are taking more than three days to be delivered. This will result in increased complaints for the poor service. Efficiency alone cannot solve the current problems or improve the type of service they offer.

It is important to implement relationship marketing in order to improve on the service. For the past years DHL has managed to create loyal customers through their brand name. In 2008 their market share was 80%, 2011 60% and to date it now owns 45%. There is also a decline in their sales. Below is the diagram showing the market share occupied by each company. DHL had the largest portion of market share occupying 60% followed by FedEx with 30% then TNT 5%, SkyNet 4% and lastly sprint with 1%. 

DHL had lost major customers to TNT, it provides clients with one day of clearing their consignments at ZIMRA and they also deliver all packages on time. As a way to keep their customers they offer them blankets, umbrellas in rainy seasons and lastly offering their services at lower rates. TNT is vital and one of the companies growing at a faster rate and also it is becoming a threat in the service industry. Their market share is increasing day by day. Most clients having tender documents for business deals or any other important consignments which are very critical such as blood samples now prefer to use TNT because of the efficiency in the service they provide.

In addition, DHL had lost some of its clients to FedEx Express. It provides clients with regular visits which gives assurance to client in the services they offer. FedEx takes about 2 working days in clearing consignments. The rates offered by FedEx are more preferably than those charged by DHL. This has resulted in diluting the market share owned by DHL.

Moreover, DHL had lost part of its market share to Swift which has a well-established range of service offerings making it the go to company who can take care of all transport solutions through its main brands: Swift Courier Express, Swift Freight and Swift Full loads. Swift is also
the only transport company that can boast a nationwide network, with its 33 depots situated throughout the country. Swift have a competitive advantage on domestic services they offer because they have branches every part of Zimbabwe and they deliver door to door hence there is a decrease in their customer complaints on this product. Again the rates that they offer are relatively cheaper as compared to other competitors.

Courier Connect provides efficient courier services throughout Zimbabwe and beyond. Courier connect have an advantage on domestic shipments in that they have depots all over Zimbabwe. Their prices are relatively cheaper they are 4 times cheaper than to use DHL but the problem is that they take one week to deliver a shipment which was supposed to have been delivered overnight. For international shipments it can take one month or even more for a shipment to reach its final destination so for shipments such as blood samples and tender documents it will be a disappointment to use their service.

SkyNet is one of the rivals in the logistics industry. The problems that they are facing are slightly similar to those of DHL. It did not create awareness in the industry and the service they offer is not efficient. Also there are more customer complaints because their service delivery is not done on time. Customers that use SkyNet are once of customers that will use it because the depot is close to where they are situated or their consignments are not affected by the period it takes for them to reach the final destination, or they do not matter the type of service they are getting all they want is their goods to reach the final destination.

1.3 STATEMENT OF THE RESEARCH PROBLEM

The current logistics sector is characterised by intense competition due to many players that is FEDEX, TNT, COURIER CONNECT, SWIFT, SKYNET and DHL itself. There is consistent increase in DHL customer complaints due to efficiency and operational problems of taking long to clear consignments in customs. This has led to unhappy customers that prefer the products and services of other competitors. This is now affecting loyalty of customers. It has thus become imperative for the company to seek the most economical and profitable methods of building customer loyalty in order to curb the competition and to reduce customer complaints. In addition
to improving efficiency it must be coupled by relationship marketing, as it is being evident that most of DHL customers have been taken by competitors to date DHL owns 45% of the market share.

1.4 AIM / PURPOSE OF THE RESEARCH STUDY

The aim of the study is to explore the extent to which relationship marketing builds customer loyalty. Furthermore the researcher aims to give appropriate recommendations and subjections to what manages customer loyalty on courier service companies.

1.5 RESEARCH OBJECTIVES.

1. To examine the relationship between relationship marketing (bonding) and customer loyalty.
2. To examine the relationship between relationship marketing (trust) and customer loyalty.
3. To examine the relationship between relationship marketing (communication) and customer loyalty.
4. To examine the relationship between relationship marketing (satisfaction) and customer loyalty.
5. To examine the relationship between relationship marketing (commitment) and customer loyalty.

1.6 RESEARCH HYPOTHESIS

1. H1 – There is a positive relationship between bonding and customer loyalty.
2. H2 - There is a positive relationship between trust and customer loyalty.
3. H3 - There is a positive relationship between communication and customer loyalty.
4. H4 - There is a positive relationship between satisfaction and customer loyalty.
5. **H5** - There is a positive relationship between commitment and customer loyalty.

### 1.7 ASSUMPTIONS OF THE STUDY

1. The respondents (in the case of questionnaires) are assumed to give true and unbiased answers.

2. The researcher has enough time and resources to do and complete the research.

3. The environment allows the research to be done without disturbances for example it is assumed that correct data is captured in the right time.

4. The researcher is getting favourable co-operation from proposed respondents. It is also assumed that the data from respondents is adequate to deduce findings and conclusions.

5. The researcher assumes that the findings that are attained at the organisation apply to logistics firms in Zimbabwe. Results can be generalised to other populations in this case companies in the industry.

6. Also it is assumed that the limitations encountered does not affect negatively the validity of the research.

### 1.8 SIGNIFICANCE OF THE STUDY

1.8.1 **To the researcher**

- This study is helping the researcher to implement theory obtained from business studies to practice.

- It also assists her to derive a holistic view of the impact of Relationship marketing on building customer loyalty.

- Having carried the research project, the researcher gained experience on carrying out a detailed research hence this serve as a good foundation for future work.
The research project is done in partial fulfilment of the B. Com Marketing degree hence enables the researcher to attain her academic objective.

1.8.2 To the company

- The company is equipped with information on the significance of relationship marketing.
- Management can identify problem areas and loopholes hence it can find ways of solving problems.
- The marketing information gained from the research can be used as a basis for improvements.
- The research project provides information on how best customers can be delighted through the relationship marketing strategies.
- The study focused on management issues and challenges and as such the recommended solutions can be implemented without any conflict of interest or much resistance.

1.8.3 To others

- This research project helped other students in their research work, especially those who are interested in the same subject.
- The research helped customers in that it resulted in better and improved services to the clients.

1.9 DELIMITATIONS OF THE STUDY

The scope of the study dealt with customers saved by DHL. The research was conducted in Harare at DHL Head Office (town office) and the following priority branches: Airport Office focusing on the clearing department, Bulawayo Branch and Chirundu Branch, hence what takes place in other areas where DHL is for example in Gweru was not taken into consideration. The research was also conducted in Harare, the ZIMRA Harare airport customs department was also part of the study. The research focused on the customers of DHL either adults or young and working class or unemployed.
1.10 LIMITATIONS OF THE STUDY

1. Not having a hundred percent questionnaire return rate. This is so because the researcher did not have direct control over participant’s behaviour. Therefore the researcher minimized this problem by increasing the questionnaire distribution.

2. Confidentiality in the Logistics industry is very vital for competitive and security reasons, therefore, some of the vital information required by the researcher was deemed confidential by the company, especially that of monetary figures so the researcher had a letter from the university stating that the information gathered was kept in confidence and can only be used for the research purpose only.

3. Slow response on the return of the questionnaires, to encounter this researcher had to follow up.

1.11 DEFINITIONS OF TERMS

**Relationship Marketing:** Peng and Wang (2006) define relationship marketing as all marketing activities directed towards building customer loyalty (keeping and winning customers) by providing value to all the parties involved in the relational exchanges.

**Customer loyalty:** Fornell (2002) thinks that loyalty is the function of satisfaction, switching barriers and voice, loyal customers may not be always satisfied, but satisfied customers are apt to be loyal.

**Customer commitment** – are those customers who are loyal, reliable and show stability on the product or service being offered (Berry and Parasuraman, 2001)

**Operational efficiency** - Operational efficiency encompasses several strategies and techniques used to accomplish the basic goal of delivering quality goods to customers in the most cost-effective and timely manner. Resource utilization, production, distribution and inventory management are all common aspects of operational efficiency (Cole 2003).
Turnaround time - The process of completing or the time needed to complete a task, especially one involving receiving something, processing it, and sending it out again or the total time taken between the submission of a program for execution and the return of the complete output to the customer (Kotler 2007)

1.13 ORGANISATION OF THE STUDY

Chapter one provides an introduction, background of the study, statement of the problem, aim/purpose, research objectives, research hypothesis, assumptions, significance, delimitations, limitations, definition of terms and summary. Chapter two gives the introduction, literature review, theoretical conceptualization, empirical framework and summary. Chapter three provides research methodology, introduction, research designs, target population, sample size, sampling, sampling techniques, sampling frame, research instruments, data collection procedure, data presentation and analysis and summary. Chapter four gives data presentation and analysis, introduction, questionnaire response, reliability and validity test, hypothesis testing, discussion and summary. Chapter five provide an outline of introduction, summary, conclusion, recommendations, and suggestion for future research.

1.14 SUMMARY

Chapter one provides a detailed introduction, the investigation as well as the rationale for undertaking the research. The main aim of this chapter was to provide detailed picture on the problems that was faced during carrying out the research and how they were minimized, research topic, objectives, background of the study, significance of the study, definition of terms that were used in this research and the boundaries of the study. It also provides a vivid justification on the study.
CHAPTER 2

INTRODUCTION

2.0 LITERATURE REVIEW

2.1 INTRODUCTION

This chapter is a description of the literature relevant to the topic “The impact of relationship marketing on customer loyalty”. It’s aimed at giving an overview of what has been said, who the key writers are, what the prevailing theories and hypothesis are, what questions are being asked and what method and methodologies are appropriate and useful. As such it is not in itself primary research but rather it reports on other findings. Rather than solely focussing on the 4Ps product, price, promotion, and place numerous companies have changed their business processes so that they focus on the most important asset of their economic viability: their current and potential new clients. In other words, today’s companies are seeking to acquire, develop, and retain profitable customer relationships (Kotler, 2007).

2.2 THEORETICAL CONCEPTUALISATION

2.2.1 Conceptualization of Relationship Marketing

Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relationship exchanges (Mishra and Liy, 2008). Harker (2004) proposes the following description: An organization engaged in proactively creating, developing, and maintaining committed, interactive, and profitable exchanges with selected customers (partners) over time is engaged in relationship marketing. Sin and colleagues (2005) states that the purpose of relationship marketing is to identify and establish, maintain, and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of
all parties involved are met and that this is done by a mutual exchange and fulfillment of promises. Relationship marketing theory suggests that successful relationship marketing results from certain aspects of cooperative relationships that characterize successful relational exchanges (Hunt, Arnett, and Madhavaram, 2005). Arnett and Badrinarayanan (2005) conceptualize a relationship marketing competence as a firm’s ability to identify, develop, and manage cooperative relationships with key customers characterized by trust, relationship commitment, and communication.

2.2.2 Customer loyalty

The main theme in customer relationship marketing is to get and keep customers (Grönroos, 2004). Peng and Wang (2006) define relationship marketing as all marketing activities directed towards building customer loyalty (keeping and winning customers) by providing value to all the parties involved in the relational exchanges”. Customer loyalty is defined by Oliver (2000) as a deeply held commitment to re buy or re patronize a preferred product or service in the future despite there are situational influence and marketing efforts having the potential to cause switching behavior (Bolton, Ruth, Kannan and Bramlett, 2000). Loyalty may mean quite a passive improvement of situation. One hopes that bad things will change for the better in the future. A loyal customer has tolerance to approve for a while also inconvenient situation, for example bad price-quality relations. Fornell (2002) thinks that loyalty is the function of satisfaction, switching barriers and voice. Loyal customers may not be always satisfied, but satisfied customers are apt to be loyal (Fornell, 2002). Bitner (2000) describes loyalty as a process. At the end of the process, satisfaction has effects to perceived quality, which could cause loyalty and intention to certain behavior.

2.2.3 Impact of relationship marketing on customer loyalty

A number of empirical studies have provided evidence on the impact of relationship marketing on behavioural loyalty which affects customer retention (Bolton, Ruth, Kannan and Bramlett, 2000). Loyal customer relationships have been found to increase profitability for a firm over time (Mishra and Li, 2008). Sin and colleagues (2005) find that relationship marketing orientation yields a significant impact on the determination of the firms’ performance. Successful
relationship marketing efforts improve customer loyalty and firm performance through stronger relational bonds. Relationship marketing represents a strategic response by firms to gain competitive advantage (Bitner 2000). This response is based on the theory that appreciation of the interdependence of market players, and mutual effort based on trust and commitment, would allow firms to remain competitive (Morgan and Hunt, 1994). In an ever expanding and rapidly changing environment, companies cannot maintain attitudes characterized by attracting customers or expanding in new markets. The key success factor to survive in mature markets relies on sustaining long-term relationships with stakeholders (Arnett and Badrinarayanan, 2005).

Relationship marketing has been found to be successful at building trust and commitment with external stakeholders to create those loyal customer relationships (Morgan and Hunt, 1994). Several studies in the past decade have indicated that relationship marketing has a positive impact on firms’ business performance. Sin and colleagues (2005) develop and validate a scale made up of six subscales: bonding, communication, shared value, empathy, reciprocity, and trust and find that relationship marketing orientation yields a significant impact on the determination of the firms’ performance. Sin and colleagues (2005) suggest that the benefits of relationship marketing are many (Arnett and Badrinarayanan, 2005), including improvements in competitive advantages in the marketplace, superior financial performance and increased levels of customer satisfaction.

Relationship marketing structure and underlying dimensions vary across empirical studies, but central to the conceptualization is the belief that no single dimension or relational construct can fully define the overall depth or climate of an exchange relationship. Therefore, there is little agreement among researchers as to which individual or composite relational mediator best captures the key aspects of a relationship that most affect outcomes (Palmatier Robert, Dant, Rajiv, Grewal, Dhruv and Evans, 2006). Morgan and Hunt (1984) were among the first to propose that building trust and commitment with customers and other stakeholders should be the reason for relationship marketing. Garbarino and Johnson (1999) examined the different roles of satisfaction, trust, and commitment in customer relationships and identified a continuum of customer relationships from transactional to relational. They found that relational customers
want trust and commitment from the firms they interact with, but transactional customers seek satisfaction from their interaction.

In the business literature the word “loyalty” has been started to appear in an increasing frequency and it has become a highly desirable marketing goal (Reichheld 1996). Loyal customers are always more profitable than acquiring new customers, because marketing efforts directed towards a new customer will be much more than towards an existing customer leading to a higher cost, lowering the profits from a new sale. Hence loyal customers are a competitive asset to any business organization (Rowley 2005). Even though maintaining a stable customer base is a prerequisite of a highly competitive business environment, it has been a real challenge to many business organizations because of the switching nature of customers. They may switch for different reasons such as dissatisfaction, searching for better alternatives, or personal issues. Reichheld, (1996) emphasized building a highly loyal customer base cannot be done as add-on, yet it must be integrated to the company’s basic business strategy (Gronroos 2004). This is mainly because loyalty cannot be developed by one day, but through several interactions. The customer will be loyal only if they have a dedication to do so. In other words they should dedicate themselves to buy from a particular organization without shifting to many.

2.3 Conceptual framework and hypotheses development

2.3.1 Dimensional structure of relationship marketing

Relationship marketing measures the extent to which a company engages in developing a long term relationship with its customers. In this study, the researcher has hypothesized relationship marketing as a multi-dimensional constructs consisting of five behavioural components: Trust; Commitment; Communications; Bonding, and Satisfaction. For a courier company to maximize its long-term performance in such aspects as customer loyalty, it must according to Sin et al, (2002) build, maintain and enhance long-term and mutually beneficial relationships with its target customers. The researcher will discuss each component and then describe our methodology along with the findings from our analysis.
2.3.2 Bonding and customer loyalty

Bonding is defined as the dimension of business relationship that results in two parties (buyer and seller) acting in a unified manner toward a desired goal (Callaghan, McPhail, and Yau, 1995). According to Callaghan et al (1995), bonding can be classified into two categories: social bond and structural bond. Social bond has a number of dimensions including social interaction, closeness, and friendship and performance satisfaction. The dimension of bonding as it applies to relationship marketing consists of developing and enhancing customer loyalty, which results directly in feelings of affection, a sense of belonging to the relationship, and indirectly in a sense of belonging to the organization (Sin et al., 2002). Wilson and Mummalaneni (1986) find that stronger personal bonds among buyers and sellers lead to a greater commitment to maintain the relationship. Successful relationship marketing efforts improve customer loyalty and firm performance through stronger relational bonds.

2.3.3 Trust and customer loyalty

Trust typically refers to situations that are being characterized by the following aspects: One party who is willing to rely on the actions of another party and the situation is directed to the future (Hart and Johnson, 1999). Trust has been defined in numerous ways in the relationship marketing literature. It is the willingness to rely on an exchange partner in whom another has confidence Hadjikhani and Thilenius, (2005). Another study defines trust as having the confidence that the other party will not exploit one's vulnerabilities (Hart and Johnson, 1999). Schurr and Ozanne, (1985) emphasize on elements of reliability and intention of the party to fulfil his/her obligations. According to (Rowley, 2005) trust is a generalized expectancy held by an individual or group that the word, promise, verbal, or written statement of another individual or group could be relied upon. From the above definitions, we conclude that considerable importance is given on the element of confidence in defining trust. Just as we would expect the partner to perform actions that would result in positive outcomes, there is an element of confidence that they would not take unexpected action which would cause negative outcomes (Anderson and Narus, 1990). Further, empirical findings also indicate that high trust levels are a good predictor of customer loyalty (Schurr and Ozanne, 1985). Market players, and mutual effort based on trust would allow firms to remain competitive (Anderson and Narus, 1990). Evidence
from past research shown that consumers due to uncertainty and less perceived risk in purchasing, to a brand they trust and they tend to remain loyal.

### 2.3.4 Communication and customer loyalty

Communication is a process by which formal and informal sharing of meaningful and timely information between seller and buyers (Anderson and Narus, 1990). Relationship conflict can be reduced by using proper communication system (Schurr and Ozanne, 1985). Communication, which enables information exchange, is important element of relationship marketing. Communication in relationship marketing refers to keeping in touch with customers, providing timely and trustworthy information, and communicating proactively if a delivery problem occurs (Ndubisi, 2007). Empirical evidence asserts that communication is a determinant of relationship marketing. The more breadth and depth that exists in communication patterns, the stronger is the partnership is likely to be hence it creates loyal customers (Anderson and Narus, 1990).

### 2.3.5 Satisfaction and customer loyalty

Another relationship mediator is satisfaction; it is a customer’s affective or emotional state toward a relationship. Relationship satisfaction reflects exclusively the customer’s satisfaction with the relationship and differs from the customer’s satisfaction with the overall exchange (Palmatier et al., 2006). Other researchers have suggested that these mediators are merely indicators of the global mediator relationship quality, which is an overall assessment of the strength of a relationship and is conceptualized as a multidimensional construct that captures the many different facets of an exchange relationship (Cronin and Taylor 1992). Satisfaction has been defined as a consumer’s evaluative judgment related to the pleasurable level of consumption-related fulfillment (Oliver, 2000). The predominant view is that quality influences satisfaction. Quality is the logical predecessor to satisfaction (Iacobucci et al., 1996). Cronin and Taylor (1992) found empirical support that service quality is an antecedent of consumer satisfaction. Palmatier et al 2006, believes that experience, which the customer’s needs and interests have been satisfied on a particular product or service, may increase the chance of forming a long term relationship resulting on loyalty. In the financial sphere, customer satisfaction due to fundamental role in loyalty is highly regarded. In fact, there is clear consensus among the scientific community about that satisfaction is an obvious prerequisite for loyalty.
2.3.6 Commitment and customer loyalty

Commitment can be defined as the sacrifices made by the seller and buyer to maintain a relationship. Berry and Parasuraman (2001) define commitment as an enduring desire to maintain a valued relationship. Berry and Parasuraman (2001) indicated that commitment is central in relationship marketing theory. Mutual commitment is very essential to build a long term relationship. Another strong definition of commitment emphasizes on the willingness to rely on an exchange partner on whom another has confidence (Hadjikhani and Thilenius, 2005). Morgan and Hunt (1994) observed that commitment was found to be the most common dependent variable used in buyer-seller relationships. Mowday et al., (1982) observed that commitment is higher among buyers who believe they receive more value from a relationship. Commitment is another important determinant of customer loyalty. Market players, and mutual effort based on commitment, would allow firms to remain competitive (Mowday et al., 1982). There are evidences suggesting that stronger relationship commitment reoffered to buyers’ repeat patronage. Morgan and Hunt (1994) found significant relationships between the level of a buyer’s relationship commitment and his acquiescence, propensity to leave and cooperation, all of which can be regarded as behavioral outcomes of relationships. Loyalty is a commitment of current customer in respect to a particular store, brand and service provider, when there are other alternatives that the current customer can choose for (Shankar, Smith and Rangaswamy, 2003). It forms positive attitudes by producing repetitive purchasing behaviour from time to time.

2.3.7 Conflict Handling

Another variable of relationship marketing is conflict handling that can be used to determine customer loyalty. Conflict handling refers to a supplier’s ability to avoid potential conflicts, solve manifest conflicts before they create problems and discuss solutions openly when problems arise (Morgan and Hunt (1994). The manner in which a conflict is handled by the seller can have either constructive or destructive outcomes (Palmatier et al., 2006). The contingency perspective of conflict handling reason that sellers must determine the right conflict management approach, after analysing a particular situation (Mowday et al., 1982). In general, the conflict management strategies aim to minimize negative outcomes and maximize positive consequences. This ability of the seller to handle conflict well is an important determinant of customer loyalty. Thus, we
postulate that a significant positive relationship between customer loyalty and (a) trust, (b) commitment, (c) communication (d) bonding (e) satisfaction and (f) conflict handling.

**Conceptual model**

![Conceptual Model Diagram]

**Source:** Sohail, and Malikakkal, (2012)  
**Figure 3: conceptual model**

### 2.3.8 Outcomes of Customer Loyalty

For this study, the researcher proposes two outcomes that are: a) Customer Retention, it refers to actions that a selling organization undertakes in order to reduce customer defections. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship. A growing body of literature suggests that customer loyalty has positive impact on client retention Sin et al. (2002). b) Word of mouth (WOM), it has been defined as an outcome of the purchase process, marketing business is a term used in word-of-mouth marketing the interaction of consumers and users of a product or service serve to amplify the original marketing message (Sin et al 2002). Positive WOM communication is a direct outcome of customer loyalty Srinivasan et al. (2002).

### 2.4 EMPIRICAL FRAME WORK

A literature review is an evaluative report of studies found in the literature related to a selected
area. The review describes, summarize, evaluate and clarify literature. It gives a theoretical basis for the research and helps determine the nature of the research. The main purpose of literature review is to help to develop a good understanding and insight into the relevant previous research and trend that have emerged. Thornhill, Lewis, Millmore, and Saunders (2003) advocated that literature review is necessary to help develop a thorough understanding of and insight into previous research that relate to the research questions and objectives. It also leads the researcher into subsequent sections of the project report.

As of yet limited research has been conducted to ascertain levels of relationship marketing in the whole world and that those few researchers done in the field of relationship marketing were mainly restricted to banking sector, telecommunication mobile sector, hotel sector and health sector.

2.4.1 Bonding, trust, communication, satisfaction and commitment on customer loyalty

Foster and Cadogan (2000) examined how customer’s loyalty is influenced by relationship with firm at two different levels; specific relationship between customers with the sales person; and the overall relationship customers share with the firm. Relationship marketing components that were used are bonding, trust, communication, satisfaction and commitment. Mail survey for business customers of a large New Zealand office products firm was undertaken for the purpose of data collection. Only those customers were considered for the study who had interaction with company’s sales personnel during the month prior to the survey. The results of the study showed that the relationships that customers experience with sales people play a vital role in ensuring their long term relationship with the firm. In this study, relationships at both the levels were found to impact positively on the probability of customers exhibiting behavioural loyalty.

Liang and Wang (2005) developed and empirically tested a conceptual model in order to examine the connection between relationship bonding tactics, customer satisfaction, trust, commitment and customer behavioural loyalty in a relationship marketing system financial services industry in Taiwan. The study is based on data collected from customers of different department of the selected bank, 396 from the loans department, 431 from the deposits department and 216 from the credit cards department. First, confirmatory factor analysis (CFA)
was performed to evaluate the construct validity regarding convergent and discriminate validity. In the second stage, path analysis was performed to test the research hypotheses empirically. The study’s findings suggested that relationship bonding tactics, customer satisfaction, trust, commitment have a positive relationship on customer behavioural loyalty on financial products.

Lei and Mac (2005) made an attempt to examine the relationship between relationship marketing and customer loyalty. Anyone who had experience of taking a bus in Macau was qualified to be the sample unit of this study. Approximately 550 people were contacted for street intercept face-to-face interview and eventually 387 valid questionnaires were collected. Stepwise multiple regression analysis was employed on the data to understand the dyadic relationship between relationship marketing and customer loyalty. This study revealed that bonding, trust, empathy and commitment are important determinants of customer loyalty in the transport service sector. At the same time, this study also argued that the higher the frequency of usage of bus service, the stronger will be the effect of relationship marketing on loyalty.

Furthermore, prior to the research that has been done internationally includes studies conducted in the health sector in India by Sharma, Anand and Wilkinson, (2008). The study investigated the basic strategies (customer loyalty) which help hospitals to achieve a competitive advantage through relationship marketing. On research methodology, they used both qualitative and quantitative method to collect data. On qualitative secondary and primary data was used in the form of questionnaires, data were collected from 15 big hospitals with the help of well-structured questionnaire which was submitted to marketing administrators of the hospitals. For developing the questionnaire the scale was adapted from earlier study. Data collected were analyzed by using statistical tools such as chi-square test, correlation test and regression analysis. The results showed that relationship marketing have a positive impact on strategies to improve competitive advantage that includes customer loyalty.

Raechel, Johns, Bruce and Perrot (2008) conducted a study in Australia on the impact of internet banking as a variable of customer loyalty on business customer relationships. The purpose were to show how technology has dramatically altered the way business operate in a business to business context and has had a profound influences on services, altering the way services are
delivered. It was believed that the increased use of self-service technologies impacts business to business relationships. On the research methodology the study review the results and implications of recent exploratory research conducted with a small sample of Australian bank customers. The weakness of this part was that it only looked at qualitative methods not taking into consideration the quantitative methods such as correlation and regression analysis. Also it gave biased results because of a small sample size of Australian bank customers they should have also get information from the internal staff of the banks in the form of questionnaires. Findings of the research expected that perceptions of technology would impact on the relationship however it was the perception of the relationship which led respondents to develop a perception of the technology further research is recommended for this research to see if internet banking has an impact on business customer relationships.

Ehigie (2006) made an attempt to examine how customer expectations, perceived service quality and satisfaction predict loyalty among bank customers in Nigeria. This study relied upon both qualitative as well as quantitative data collected from bank customers. The qualitative research undertook focus group discussions for 18 participants and in-depth interviews for 24 customers operating saving, current and electronic bank accounts. This study made use of 16 constructs for customer expectations and 13 for customer loyalty to develop the research equipment for the quantitative research, which is respectively labelled as Customer Expectancy Scale and Customer Loyalty. For quantitative research, structured questionnaire was administered for 247 bank customers to measure research variables. The hierarchical regression analysis was considered; the study revealed that perception of service quality and satisfaction are significant predictors of customer loyalty, with customer satisfaction contributing more. The contribution of service perception was not significant in explaining customer loyalty. This study argued that the more favourable customers perceived bank services and the more satisfied they are, the more loyal they are to their banks.

Ndubusi (2007) empirically investigated the impact of relationship marketing strategy on customer loyalty taking evidence from Malaysian banking industry. The four key constructs of relationship marketing were trust, commitment, communication and conflict handling. The reason why the research was carried out was because of stiff competition in the banking sector.
On methodology a questionnaire derived from previous studies and relevant literature were completed by 220 bank customers. Multiple regression analysis assessed the impact on customer loyalty of four key constructs of relationship marketing that is trust, commitment, communication and conflict handing. Results of the research showed that the four variables have a significant effect and predict a good proportion of the variance in customer loyalty. Moreover they are significantly related to one another. Limitations the relationship investigated need a further research because the data analyzed were collected from one sector of the service industry in one country. More studies were required before general conclusion can be drawn. However the strength of the study was that they use a large sample of 220 bank customers and also the quantitative methods were used.

Yieh, Chiao and Chiu (2007) employed structured equation modelling in order to develop an integrated framework of customer loyalty on the basis of the data collected from 495 car owners patronizing five automobile service and repair centres operated by Taiwan's three major car companies (Nissan, Toyota, and Mitsubishi). In this study, perceived price fairness, perceived product quality, and employee–customer interaction were the three most important antecedents to customer satisfaction. The empirical findings of the study revealed that perceived price fairness, perceived product quality, customer satisfaction, and trust all play an important role in forming customer loyalty. The factors in the formation of satisfaction are perceived price fairness, perceived product quality, and employee–customer interaction (an element of perceived service quality), while the most important factor in the formation of trust is perceived service quality (tangibility, employee–customer interaction, and employee empathy).

Ndubusi, Malhotra, Naresh and Wah, Chan Kok (2009) made an attempt to establish and test the relationship between various dimensions of relationship marketing: competence, communication and conflict handling, customer satisfaction and customer loyalty. A field survey of bank customers in Malaysia was conducted using a structured questionnaire. The analysis was based on usable responses collected from 217 respondents. The data were factor analysed to find out the key dimensions of RM. The resulting dimensions were applied in the subsequent hierarchical multiple regression analysis conducted to determine the relationship between the relationship marketing dimensions (competence, satisfaction, communication and conflict handling), and
customer loyalty. The results of the data analysis showed that the higher the level of communication and conflict handling, the greater the level of customer satisfaction. Competence showed no significant direct relationship with customer satisfaction at a 5 percent significance level. Furthermore, this study confirmed that customer loyalty depends largely on customer satisfaction with the bank.

Hazra and Srivastava (2009) had an objective to examine the strength of association between service quality, customer loyalty, customer commitment and customer trust. This exploratory study considered purposive sampling method to collect the data from 300 respondents, which belonged to five public sector and three private sector banks. The data was analyzed using Multiple Regression Analysis (MRA) and Analysis of Variance (ANOVA). The results revealed that customers value four dimensions of perceived service quality assurance, empathy, tangibles, security and reliability, with assurance, empathy being valued the most. The results also revealed that customer commitment and customer trust have a positive significant impact on customer loyalty. The study showed that in case of private sector banks, enhancements in reliability make differences in customer commitment and willingness to pay, whereas enhancements in security make differences in loyalty to a company for the public sector banks.

Vanniarajan and Gurunathan (2009) investigated the linkage between relationship marketing on service quality and customer loyalty using Structural Equation Modelling on the primary data collected from 627 mobile phone users. To measure the service quality of service providers in cellular mobile service market, a total of 24 variables had been included. The customer loyalty was measured with the help of 6 statements. This study revealed that the core service Quality as perceived by the customers, is positively related to their satisfaction. At the same time, positive correlation was found in between customer satisfaction and customer loyalty. Authors suggested that the service providers must focus on improving core and value added service quality to enrich their customer satisfaction which will result in higher customer loyalty.

Alrubaiiee and Al-Nazer (2010) examined the impact of various variables of relationship marketing (bonding, trust, communication, satisfaction and commitment) on customer loyalty in Amman, Jordan. The study was done on 450 bank customers using convenience sampling and
the data for this exploratory research was collected using structured questionnaire. Two step statistical analyses of data was undertaken; Factor analysis was performed to extract the underlying factors of relationship marketing and then multiple regression analysis was performed to elucidate dyadic relationship between relationship marketing and customer loyalty. This study argued that the measurement of relationship marketing variables can predict customer loyalty very well in the case of Jordanian banking customers.

Yaw Koi-Akrofi, Koi-Akrofi and Welbeck, (2012) carried out a study in Ghana which was aimed at assessing the impact of relationship marketing tactics on customer loyalty in the Ghanaian mobile industry. A self-completion questionnaire with a total of 40 closed questions was developed to gather field data developed from primary data. The field data was processed by editing, coding classification and tabulation to present a clearer view. Case selected focused on the Ghanaian mobile telecommunication industry and the sample size was taken considering time and costs due to that population was narrowed to mobile phone users in two major cities that is Accra and Kumasi. The results showed that there is a positive relationship between service quality and customer loyalty which indicates that when service quality increases customer loyalty also increases, relationship tactics have influence on customer loyalty to a mobile telephone service provider.

Ching-Fu Chena and Odonchimeg Myagmarsurenb (2011) carried a study to examine customer loyalty and explore the interrelationships between customer equity variables, namely brand image, company image, relationship quality and relationship value, (relationship marketing variables) and customer loyalty. The study conceptualises an integrated customer loyalty model and applies it to Taiwan’s telecommunications services industry in the business-to-customer environment. The structural equation modelling technique is employed to empirically test the proposed hypotheses using a sample of 236 customers collected by a questionnaire survey. The findings indicate that brand and company images significantly influence relationship quality, and relationship quality has a significant influence on relationship value. However, customer loyalty is not affected by either dimensions of images and relationship quality directly; rather images and relationship quality affect customer loyalty mediated by relationship value. This study also reveals that relationship marketing variables (relationship quality and relationship value) act as
mediators in the link between brand equity (brand image and company image) and customer loyalty towards telecommunications services.

Vazifehdust et al (2012) carried out a study to assess how the relationship marketing tactics has an impact on relationship quality and loyalty of bank customers. Firstly, six hypotheses according to three relationship marketing tactics, that called: service quality, price perception, and brand image, determined to test of the effective of these tactics on the relationship quality variables, such as satisfaction and trust. Then, two other hypotheses designed to test of the impact of relationship quality on customer loyalty. A questionnaire containing 27 questions was used and distributed among 280 bank customers in 24 branches in the city of Rasht for gathering the necessary information to analyses hypotheses. To analyses data and hypotheses, the regression analytical method was used. The results showed that there is a positive and meaningful relationship between the relationship marketing tactics and the relationship quality as well as between relationship quality components and loyalty. Finally, pay attention to each of these factors, proposals to increase banks customers’ loyalty, were offered.

Doaei, Rezaei and Khajei, (2010) conducted a study in Karafarin Insurance Representatives in Mashhad, Iran for identifying Relationship Marketing (RM) tactics impacts on loyalty due to Relationship Quality (RQ). The RM tactics under investigation trust, relationship commitment, and relationship satisfaction. Two kinds of questionnaires were utilized to reap data from managers and customers with 0.88% and 0.92% reliability, respectively. The census method has used to collect managers’ viewpoint and there are 125 available customers for sampling. The data from this study showed that, the RQ had a positive influence to create customer loyalty. The relationship commitment and relationship satisfaction had a significant influence, but trust do not had. Although similar results was almost found, they can be ranked in order of their performance in enhancing of customer loyalty by the tested RQ tactics to relationship satisfaction, relationship commitment and trust. It showed that, the RQ give superior performance in increasing of customers’ loyalty in Karafarin Insurance Representations.

Zahir Osman (2010) carried out a study to develop a direct effect understanding of relationship marketing variables customer satisfaction and trust on customer loyalty in Malaysia rural
tourism. The Structural Equation Model (SEM) used to analyze the casual relationships between independent variables and dependent variable. The model was developed and later tested by adopting the Partial Least Square (PLS) procedure on data collected from a survey that yielded 295 usable questionnaires. The findings showed that service quality, customer satisfaction and trust have significant and positive influence on customer loyalty in Malaysia rural tourism. It is important to do the study utilizing experimental design by capturing longitudinal data in Malaysia rural tourism industry using robust measures. The findings imply that the relationship of satisfaction and trust on customer loyalty will lead to rural tourism operators’ profitability. This research is one of the first known attempts to use PLS to test a direct effect.

2.5 RESEARCH GAP

As of yet limited research has been conducted to ascertain levels of relationship marketing in the whole world and that those few researchers done in the field of relationship marketing were mainly restricted to banking sector, telecommunication mobile sector, hotel sector and health sector as compared to the present study which is being conducted in the logistics industry. Most of previous researchers researched mainly other relationship marketing variables such as competence, conflict handling, empathy and responsiveness but a few researched on bonding, communication, commitment, satisfaction and trust. Hence there is need for the effect of relationship marketing on customer loyalty to be researched more in future. Previous researchers carried out studies in which a further research is required because the data analyzed were collected from one sector of the service industry in one country. More studies are required before general conclusions can be drawn.

2.6 SUMMARY

This chapter discussed the literature review reviewed from other sources that is the empirical evidence and the theoretical framework. In order to remain competitive companies have to create a unique set of four Ps which appeal each individual customer and sets them apart from their competitors. Target marketing is no longer an efficient use of marketing efforts because a great deal of resources can be lost to uninterested individuals while in the process of trying to capture potential customers. Because of the potential loss resources there was a movement away from
targets markets to specific individual customers. What is now required as Relationship Marketing.
CHAPTER 3

3.0 RESEARCH METHODOLOGY

3.1 INTRODUCTION

This section explains how the research is being carried out. It looks at the research design and instruments that is being used for collection of data. It explains how the problem definition is linked with the selection of research design. In other words the researcher is going to discuss different methods used in gathering data and research designs for this study which entailed the impact of relationship marketing on customer loyalty. The researcher uses sources of data such as primary sources, (questionnaires). The instrument used is important so as to ensure validity and reliability.

3.2 RESEARCH DESIGN

Research design is a framework of the research study. Churchill and Iacobucci, (2005) defined research design as the framework or plan for a study, used as a guide to collect and analyze data. It is the blue-print that is followed to complete a study. It ensures that the study was relevant to the problem and used economical procedures. McDaniel and Gates (2001) add on that it is a plan to be followed to answer the research objectives. Zikmund (1996) agrees with the aforementioned proponents as he defines the research design as a specified master plan for collecting and analyzing data. Research design is the heart of planning. The researcher anticipated the needs and circumstances of the research under study and chose the causal research design.

Causal explanatory research design seeks to determine how one variable “the independent” for example calls per person influence another variable “the dependent” Churchill et al (2005). It is used to obtain evidence to cause and effect relationship. In simpler terms it attempts to determine the extent to which changes in variables causes changes in another variable (Shukla, 2008). Churchill and Iacobucci (2005) propounded that a casual research is used mainly for purposes of predicting and testing hypothesis. To a lesser extent, it can be used for discovery and explanatory
purposes (Churchill et al 2005). With this form of research design, as proposed by Saunders, Lewis, Thornhill (2003), the researcher tried to determine if manipulating one variable, the independent variable affects the other variable that is the dependent variable. To be effective a causal research is highly structured and controlled so that other factors remain constant. In relation to DHL under study, the researcher assumed that service quality caused by service offered was constant so that it would not be used as a variable to determine customer loyalty, but only relationship marketing was used.

Quantitative research is concerned with testing hypothesis derived from theory and / or being able to estimate the size of a phenomenon of interest. Depending on the hypothesis participants maybe randomly assigned to different treatments. If this is not feasible the researcher may collect data on participants and situational characteristics in order to statistically control their influence on the dependent or outcome variable (Kumar 2009). The method is chosen because the data solicited is static, how the market environment reacts to the effect of relationship marketing may be the same in future. Causal research thus allowed for the collection of quantitative data, therefore, some statistical techniques is used to summarise the information. Also the methods produce results that are easy to summarize, compare and generalize. Through causal and exploratory research, the researcher is able to use both primary and secondary data, which could not have been utilized if exploratory research had been used only (Shukla 2008).

However, according to Aakerand, (2001), there are some limitations of using the casual research design. This type of research is completely complex in that, the researcher may not be completely sure that there are no factors influencing the causal relationship especially when dealing with people’s attitudes and emotions. These are often much deeper psychological concerns that the respondent and the researcher might not be aware of.

3.3 TARGET POPULATION

A population is the entire group of persons or set of objects and events the researcher wants to study (Collins, Du Plooy, Grobbelaar, 2000). A Population contains all the variables of interest to the researcher; it is sometimes referred to as target population or universe. In this study, identification of the target population was necessary so as to provide a base from which sample
units and sample size was deduced. The population that the researcher in this research study reached is defined as the accessible population or study population, (Collins 2000). It is highly improbable that the researcher would be able to locate all DHL customers. The researcher then planned to generalise the findings to the accessible population and not to the entire population. DHL customers are both adults and children, employed and unemployed, educated and uneducated. Hence in this research, the researcher targeted all groups of customers because she found them having the ability to understand customer loyalty and relationship marketing. Moreso, the target population size is infinite because it includes all customers of the Town office Branch, Airport Branch, Bulawayo Branch and Chirundu Branch.

### 3.4 Sampling and Procedures

The sample size refers to the number of elements in a sample. As the sample increases to a point, the accuracy of the findings increases. As the size of the population increases, progressively smaller proportion of subjects can be selected (Cooper and Schindler 2003). To give a best representative the simple random sampling procedure was used. This process guarantees in the long run that every possible sample of a given size will be selected with known and equal probability. There was a random selection of customers in the DHL of mentioned branches. The benefits of random numbers are that they allow one to select sample without bias. The sample selected can therefore be said to be said to be representative of the whole population.

A formula was developed to calculate the sample sizes with unknown population by Cooper and Schindler (2003). A 30% of the population proportion \( p \) was used. A 95% confidence level and the level of precision \( P = 5\% \) was applied for the equation below. Also \( \pm 0.10 \) is the desired interval range with which population proportion is expected. The standard error \( \sigma p \) of the proportion which is sometimes called sampling error is 0.051. This resulted in a sample size of 81 (See Appendix 1).
Therefore the sample size is 81 customers that the researcher is going to use. In this research, the sample size consist of eleven Chirundu customers, twenty Bulawayo customers, twenty Gateway customers and thirty Town Office customers, bringing to a total of eighty one.

3.4.1 Sampling techniques

Sampling approaches are referred to as sampling procedures, sampling methods or sampling plans Collins et al (2000). The researcher used probability sampling technique because the intent to generalize the participants is greater. Goddard and Neville (2005) quoted by Collins et al (2000) defined a sample as a finite part of a statistical population whose properties are studied to gain information about the whole. A sample is a part of the whole or a sub-set of measurements drawn from a population (Collins et al 2000). A sample then is a selected group of elements from a defined population. The quantitative data method relies on random sampling and structured data collection instruments that fit diverse experience into predetermined response categories.

3.4.2 Probability sampling

Probability sampling or random sampling refers to a procedure whereby each person (element) has an equal chance of being chosen in the sample. Hair, Bush, and Ortinan (2000) refers to an equal chance as a known, non-zero chance of selection. In other words, random selection takes place when each element in the population has an equal, independent chance of being selected for the sample (Bearmish, 2002). The researcher selected elements from the population basing on some form of random procedure. The researcher uses simple random sampling to collect data from customers because it entails that each element of the sampling frame has an equal chance of being included in the sample, (Bearmish, 2002). However, the method has a limitation of that, it relies on the availability of a complete population list, (sampling frame) but is utilized because it allows the researcher to project sample results to the target population free from sampling bias.

3.5 Data collection methods / research instruments

These are the tools that are used to collect data and information so as to find a clarification to the problem under study (Bearmish, 2002). Questionnaires are being used as a means of collecting
data. This is being conducted to determine if loyal customers can be created by relationship marketing, to discover areas to improve through relationship marketing (bonding, trust, communication, satisfaction, and commitment) and lastly to examine relationship between relationship marketing and customer loyalty. The questionnaire aided the researcher to gather relevant, accurate and unbiased information. The questionnaire was adopted from Alrubaiee, Laith and Al-Nazer, Nahla (2010).

In this study, the researcher uses self-administered questionnaires to solicit information from customers and non-management staff of DHL. This enabled the respondents to fill in the questionnaires at their own times. This also means that the respondents had to think and evaluate their responses. Both structured and unstructured questionnaires were used to collect primary data from DHL customers. While structure (closed) questions helps in saving respondent’s time, unstructured (open-ended) questionnaires ensures that respondents’ feelings are not being limited.

The questionnaires are preferred by the researcher because the interviewer bias is eliminated since the questionnaires are filled in the absence of the researcher. Standardised questions and response format of the questionnaires ensures that every participant respond in identical stimuli and this facilitated easy results presentation, analysis and discussion of findings. The questionnaires enabled the researcher to cover a large portion of the sample. The respondents can answer the questionnaire in freely at their own time and in the comfort of their home.

However, questionnaires had its setbacks which included that; some respondents took time to respond to the questionnaires hence delay the analysis of data. The questionnaires did not allow the researcher to ask follow-up questions to probe a particular answer. And also some customers did not understand the terms used in the questionnaires, hence the researcher had to follow-up for explanations. Some questions were left unanswered and respondents may not answer the question at all. These challenges was minimized by offering incentives to respondents, also the
As discussed in the above section, the researcher had identified relationship marketing to be multidimensional construct consisting of five behavioural components: trust; commitment; communications; bonding; and satisfaction. Each of the components should be measured reliably with a multi-item scale. To measure relationship marketing and customer loyalty the researcher used a five point likert scale (1 = strongly disagree” and 5 = strongly agree”) for the 35 statement/ items of the five dimensions of the scale. Existing measures were used whenever possible to develop items for each dimension of the relationship marketing and customer loyalty. The researcher developed initial items based on the work of Sin et al, 2002; Callaghan et al., 1995; Morgan and Hunt, 1994; Wilson, 1995; Wilson, 1990; Moorman et al., 1995; Kumar et al., 1994; Kumar et al., 1995; Zeithaml et al., 1996, Sharma and Patterson, 1999; Gounaris and Ventis, 2002; Yim et al., 2008; Palmatier et al., 2007; Palmatier et al., 2006; Garbarino and Johnson, 1999 ; Arnett and Badrinarayanan, 2005; Wetzls et al., 1998; Jones and Taylor, 2007) and Nahla Al-Nazer (2010) in Jordan.

The following justifies why the researcher chose to adopt 5 point Likert scales from the stated past researchers.

**Bonding**

Bonding as a construct was measured using 5point Likert scale adopted from Nahla Al-Nazer (2010). The scale had five potential ratings; strongly agree, agree, unsure, disagree and strongly disagree. Cronbach’s alpha was 0.726 above the required 0.70 therefore the results ensured reliability. The standardized factor loading of bonding was high (0.614) that ensured the convergent validity because it surpassed the minimum of 0.5. Average variance extracted for bonding is and 0.614, this is greater than the R square value of the two constructs of 0.384 hence there is construct validity.

**Trust**

The 5 point Likert scale was adapted from Arnett and Badrinarayanan (2005). The scale had five potential ratings; strongly agree, agree, unsure, disagree and strongly disagree. Reliability of the
scale was seen through Cronbach’s alpha of 0.833 which is above the recommended value 0.70. The standardized factor loading of trust was high (0.660) that ensured the convergent validity because it was above 0.5. Average variance extracted for trust is and 0.660, this is greater than the R square value of the two constructs of 0.384 hence there is construct validity.

**Communication**

Another dimension on the questionnaire is communication; a 5 point Likert scale adapted from Zeithaml et al. (1996). The scale had five potential ratings; strongly agree, agree, unsure, disagree and strongly disagree. Cronbach’s alpha with a reliability of 0.792 was used. The standardized factor loading of communication was high (0.595) that ensured the convergent validity. Again communication average variance was 0.595 which is above R square of 0.452 hence there is construct validity.

**Satisfaction**

Satisfaction as a construct was measured using 5 point Likert scale adopted from Gounaris and Ventis (2002). The scale had five potential ratings; strongly agree, agree, unsure, disagree and strongly disagree. Cronbach’s alpha was 0.766 above the required 0.70 therefore the results ensured reliability. Satisfaction was high (0.539) that ensured the convergent validity because it surpassed the minimum of 0.5. Satisfaction average variance was 0.539 which is above R square of 0.452 hence there is construct validity.

**Commitment**

The 5 point Likert scale was adapted from Morgan and Hunt, 1994; Wilson, 1995. The scale had five potential ratings; strongly agree, agree, unsure, disagree and strongly disagree. Reliability of the scale was seen through Cronbach’s alpha of 0.770 which is above the recommended value 0.70. The standardized factor loading of commitment was high (0.762) that ensured the convergent validity because it exceeded 0.5. Furthermore, commitment had .762 which exceeds
the R square of 0.264; hence the above shows that there is discriminant validity.

**3.6 DATA COLLECTION PROCEEDURE**

According to Kotler (2007), data collection procedure entails how the primary and secondary data is collected.

**3.6.1 Questionnaire distribution**

The researcher physically distributed the questionnaires in person by hand to respondents who are conveniently elected. Firstly, the questionnaires were distributed to customers, then to non-management staff at DHL. Questionnaires were collected after five days; however, it was assumed to take ten days to collect all the questionnaires for results, presentation and analysis. Emails were used for customers who are in Bulawayo and Chirundu. The researcher accessed the email addresses from DHL data base. The emails were expected to be responded after 10 days.

**3.7 DATA COLLECTION INSTRUMENTS**

Research instruments are the tools that are used to gather the data, Shukla (2008). In this case the researcher uses measurement scales. According to Smith et al (2008) there are two types of measurement scales category scales which consists of few distinctions and continuous scale which consist of many distinctions. The researcher used continuous scales.

**3.8 DATA PRESENTATION AND ANALYSIS**

Marshall and Ross man (2004) explain that quantitative data analysis focuses on data in the form of figures. In this study, based on the research problem and research hypothesis, data is presented separately in Chapter 4. Presentation of the research findings of primary data was done in a tabular way as a method to enhance easy interpretation. It was presented in line with the research objectives showing the causal statistics that is the regression analysis and variance analysis. The statistical package SPSS (version 16.0) was used for data analysis. Multiple regression analysis was performed to understand the relationship marketing and customer loyalty relationship. According to Cole (2003), Regression analysis is a statistical tool or technique used to estimate
or measure the functional relationship between two sets of paired data (dependent and independent variables).

### 3.8 SUMMARY

This chapter discusses what the research design is, target population, sampling techniques, research instruments, data collection procedures and data presentation techniques that are being used. Also, problems that can be faced in using the research instruments and their solutions are highlighted. The research design used in this research was causal and explanatory research.
CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND DISCUSSION

4.0 Introduction

Chapter four focused on data presentation, analysis, interpretation of the findings of the study and discussion of the data gathered during the research process. This chapter provided a sound meaning of the findings so as to provide answers to the research hypothesis that would permit drawing conclusions and action taking.

4.1 Sample Response Rate

The following table [Table 4.1] represents the distribution and the responses obtained from the respondents. The researcher came up with a sample of 81 elements divided into 4 sections of customers as noted below, in order for the research study to manageable to which the questionnaires were distributed so as to collect data.
Table 4.1 Summaries of responses on questionnaire sent out to customers

<table>
<thead>
<tr>
<th>Category</th>
<th>Questionnaire sent</th>
<th>Responses received</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town-office customers</td>
<td>30</td>
<td>28</td>
<td>93%</td>
</tr>
<tr>
<td>Airport customers</td>
<td>20</td>
<td>19</td>
<td>95%</td>
</tr>
<tr>
<td>Bulawayo customers</td>
<td>20</td>
<td>15</td>
<td>75%</td>
</tr>
<tr>
<td>Chirundu customers</td>
<td>11</td>
<td>5</td>
<td>45%</td>
</tr>
<tr>
<td>Total</td>
<td>81</td>
<td>65</td>
<td>75%</td>
</tr>
</tbody>
</table>

Source: Primary Data

In line with sample size, 81 questionnaires were distributed but, 65 were completed and returned. This resulted in an overall response rate of 65/81×100=75%. From the researchers’ opinion, such a high response rate is quite significant to justify the study as well as the credibility of the findings that are presented hereafter. This also collaborates with Bailey (2000) assertion that a response rate of 50% is adequate, while a response rate greater than 70% is very good. The researcher ensured that she obtained a higher response rate by asking respondents to fill the questionnaires at the spot. Other questionnaires were left at the point of sale so as to allow night customers to participate in the research. However these contributed much to the 19% of questionnaires which were lost. Nevertheless the researcher is of the opinion that the response rate is adequate to produce valid results of the situation on the ground.
4.2 Demographic Profile of Respondents and Response Rate

The table below shows the demographic data of DHL customers. Customers varied with their age group to visit DHL. According to the bar chart below it shows that people with the age group between 31-40 years has a 50.8% of the total population followed by a 38.5% of the people aged between 21-30 years followed by people aged 41 and above with 9.2% and lastly is the age group of <20 with 1.5%. The statistics below shows that people who mostly used courier companies is the active group between 31 to 40 years and the people aged 21 years and below had the lowest percentage.

The table also shows the response rate of DHL customers. The table shows the academic qualification of the customers and most of the customers have passed through tertiary level with a percentage of 63.1% followed by secondary level with a percentage of 33.8%, and lastly with the least percentage was the primary level with 1.5% The table also shows the response rate of customers regarding their gender. The data shows that most of the customers who use DHL services are male with the total percentage of 55.4% as compared to female customers had 44.6%.

The statistical data also shows the location of DHL customers and it shows that most of the DHL customers are located in low and high density area both with 33.8% and high density had a slight difference with the other two areas with the total of 32.3%.
Table 4.2: Demographic profile

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>PERCENTAGE</th>
<th>NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESPONSES OF CUSTOMERS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1) GENDER</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>55.4%</td>
<td>36</td>
</tr>
<tr>
<td>Female</td>
<td>44.6%</td>
<td>29</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>65</td>
</tr>
<tr>
<td><strong>2) AGE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;20 years</td>
<td>1.5%</td>
<td>1</td>
</tr>
<tr>
<td>21-30 years</td>
<td>38.5%</td>
<td>25</td>
</tr>
<tr>
<td>31-40 years</td>
<td>50.8%</td>
<td>33</td>
</tr>
<tr>
<td>41 years and above</td>
<td>9.2%</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>65</td>
</tr>
<tr>
<td><strong>3) ACADEMIC QUALIFICATION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary level</td>
<td>1.5%</td>
<td>1</td>
</tr>
<tr>
<td>Secondary level</td>
<td>33.8%</td>
<td>22</td>
</tr>
<tr>
<td>Tertiary level</td>
<td>63.1%</td>
<td>41</td>
</tr>
<tr>
<td>No qualification</td>
<td>1.5%</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>65</td>
</tr>
<tr>
<td><strong>4) LOCATION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low density</td>
<td>33.8%</td>
<td>22</td>
</tr>
<tr>
<td>Medium density</td>
<td>33.8%</td>
<td>22</td>
</tr>
<tr>
<td>High density</td>
<td>32.3%</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>65</td>
</tr>
</tbody>
</table>

Source: Primary Data
4.3 Validity Test

4.3.1 Construct validity

According to Cronbach (1970), evidence of construct validity exists when the pattern of correlation among variables conforms to what is predicted by theory. Therefore convergent and discriminant validities are examined. The average variance extracted (AVE) from all constructs shown in Table 4.3 exceeded the minimum criterion of 0.50, hence ensuring convergent validity (Fornell and Lacker, 1981).

Table 4.3: Average variance extracted.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Average variance Extracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonding</td>
<td>0.614</td>
</tr>
<tr>
<td>Trust</td>
<td>0.660</td>
</tr>
<tr>
<td>communication</td>
<td>0.595</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.539</td>
</tr>
<tr>
<td>Commitment</td>
<td>0.762</td>
</tr>
<tr>
<td>Customer loyalty</td>
<td>0.699</td>
</tr>
</tbody>
</table>

Source: Primary Data

To see if the measurement scales have discriminant validity, AVE for two constructs should exceed the R square of two constructs (Fornell and Lacker, 1981). The R values are shown in the table below.

Table 4.4 Correlation matrix table showing R values

<table>
<thead>
<tr>
<th></th>
<th>Bonding</th>
<th>Trust</th>
<th>Communication</th>
<th>Satisfaction</th>
<th>Commitment</th>
<th>C. loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonding</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>.620</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>.707</td>
<td>.549</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>.661</td>
<td>.676</td>
<td>.673</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td>.709</td>
<td>.637</td>
<td>.584</td>
<td>.514</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Customer loyalty</td>
<td>.615</td>
<td>.565</td>
<td>.614</td>
<td>.613</td>
<td>.696</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Primary Data

Average variance extracted for trust and bonding is 0.660 and 0.614, this is greater than the R square value of these two constructs of 0.384. Communication and trust showed 0.595 and 0.660 which is greater than the R square of 0.301. Again satisfaction and communication average variance was 0.539 and 0.595 which is above R square of 0.452. Furthermore, commitment and
satisfaction had .762 and .539 which exceed the R square of 0.264. Lastly, customer loyalty and commitment showed 0.699 and 0.762 which is greater than R square of 0.484 hence the above shows that there is discriminant validity.

4.4 Reliability Test

The validity of the measurement scale was evaluated through testing reliability using the cronbach’s alpha coefficient. A reliability analysis was conducted on the summated scale of these constructs using reliability coefficients. The internal consistency was assessed by means of the Cronbach’s alpha coefficient. The recommended cut-off level is 0.70 according to (Nunnally, 1994) and of 0.60 according to Sekaran (1996) and Melewar and Saunders (1999). With regard to individual subscales, the reliability coefficient of all the five components: bonding (0.726), trust (0.833), communications (0.792), satisfaction (0.766) and commitment (0.770) met the standard. Therefore, these indicated high reliability estimates since reliability figures less than 0.60 are generally considered to be poor, those in the range of 0.70 to be acceptable, while those above 0.80 to be good (Melewar and Saunders, 1999; Hair et al., 1998). These Cronbach alphas indicate that the scales used in the questionnaire satisfactorily measured the constructs. This is illustrated by the table below:

Table 4.5

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach’s Alpha</th>
<th>Number of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonding</td>
<td>0.726</td>
<td>9</td>
</tr>
<tr>
<td>Trust</td>
<td>0.833</td>
<td>6</td>
</tr>
<tr>
<td>Communication</td>
<td>0.792</td>
<td>3</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.766</td>
<td>5</td>
</tr>
<tr>
<td>Commitment</td>
<td>0.770</td>
<td>3</td>
</tr>
<tr>
<td>Customer loyalty</td>
<td>0.808</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: Primary Data
4.5 Hypothesis

This section analyzes the hypothesis of this research. The proposed five hypotheses were tested using regression analysis. All the five proposed hypotheses were supported and the section below provides a detail discussion of the hypothesis testing.

4.5.1 H1: There is positive relationship between bonding on customer loyalty

The first hypothesis (H1) states that, there is a positive relationship between relationship marketing (bonding) and customer loyalty. Therefore the table below show the results which can be used in order to accept or reject the stated hypothesis.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.915a</td>
<td>.837</td>
<td>.658</td>
<td>.344</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), bonding

Source: Primary Data

The above table shows the regression results of bonding and customer loyalty. The predictive power of the model is shown by a moderate R Square value of 0.837; hence the model is a good fit. The model summary shows that 83.7% of the variation in customer loyalty is caused by bonding.

The table below shows the regression coefficient of the relationship
Table 4.7 Coefficientsa

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>T</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.350</td>
<td>.107</td>
<td>3.261</td>
</tr>
<tr>
<td></td>
<td>bonding</td>
<td>.650</td>
<td>.059</td>
<td>.915</td>
</tr>
</tbody>
</table>

a. Dependent Variable: customer loyalty

Source: Primary Data

The table shows that there is a significant relationship between customer loyalty and bonding which is indicated by a beta weight of .915 as well as the unstandardized coefficient of .650 at p which is .000. These results indicate that there is a positive relationship between bonding and customer loyalty, hence accept H1. The hypothesis above postulates that bonding has an impact on customer loyalty in the logistic service industry.

4.5.2 H2: There is a positive relationship between trust and customer loyalty

The second hypothesis (H2) states that, there is a positive relationship between relationship marketing (trust) and customer loyalty. Therefore the table below show the results which can be used in order to accept or reject the stated hypothesis.

Table 4.8 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.865a</td>
<td>.748</td>
<td>.743</td>
<td>.298</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), trust

Source: Primary Data
The above table shows the regression results of trust and customer loyalty. The predictive power of the model is shown by a moderate R Square value of 0.748; hence the model is a good fit. The model summary shows that 70% of the variation in customer loyalty is caused by trust.

The table below shows the regression coefficient of the relationship.

**Table 4.9 Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.346</td>
</tr>
<tr>
<td></td>
<td>trust</td>
<td>.767</td>
</tr>
</tbody>
</table>

a. Dependent Variable: customer loyalty

Source: Primary Data

The table shows that there is a significant relationship between customer loyalty and trust which is indicated by a beta weight of .865 as well as the unstandardized coefficient of .767 at p which is .000. These results indicate that there is a positive relationship between trust and customer loyalty, hence accept H2. The hypothesis above postulates that trust has an impact on customer loyalty in the logistic service industry.

**4.5.3 H3: There is positive relationship between communications on customer loyalty**

The third hypothesis (H3) states that, there is a positive relationship between relationship marketing (communication) and customer loyalty. Therefore the table below show the results which can be used in order to accept or reject the stated hypothesis.
The above table shows the regression results of communication and customer loyalty. The predictive power of the model is shown by a moderate R Square value of 0.834; hence the model is a good fit. The model summary shows that 80% of the variation in customer loyalty is caused by communication.

The table below shows the regression coefficient of the relationship.

<table>
<thead>
<tr>
<th>Table 4.11 Coefficients²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: customer loyalty

Source: Primary Data

The table shows that there is a significant relationship between customer loyalty and communication which is indicated by a beta weight of .914 as well as the unstandardized coefficient of .880 at p which is .000. These results indicate that there is a positive relationship between communication and customer loyalty, hence accept H3. The hypothesis above postulates that communication has an impact on customer loyalty in the logistic service industry.
4.5.4 H4: There is positive relationship between satisfaction and customer loyalty

The fourth hypothesis (H4) states that, there is a positive relationship between relationship marketing (satisfaction) and customer loyalty. Therefore the table below show the results which can be used in order to accept or reject the stated hypothesis.

Table 4.12 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.813a</td>
<td>.661</td>
<td>.656</td>
<td>.345</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), satisfaction

Source: Primary Data

The above table shows the regression results of satisfaction and customer loyalty. The predictive power of the model is shown by a moderate R Square value of 0.661; hence the model is a good fit. The model summary shows that 60% of the variation in customer loyalty is caused by satisfaction.

The table below shows the regression coefficient of the relationship.

Table 4.13 Coefficientsa

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.320</td>
<td>.110</td>
<td></td>
<td>2.896</td>
</tr>
<tr>
<td>satisfaction</td>
<td>.862</td>
<td>.078</td>
<td>.813</td>
<td>11.004</td>
</tr>
</tbody>
</table>

a. Dependent Variable: customer loyalty

Source: Primary Data
The table shows that there is a significant relationship between customer loyalty and satisfaction which is indicated by a beta weight of .813 as well as the unstandardized coefficient of .862 at p which is .000. These results indicate that there is a positive relationship between satisfaction and customer loyalty, hence accept H4. The hypothesis above postulates that satisfaction has an impact on customer loyalty in the logistic service industry.

4.4.5 H5: There is positive relationship between commitment and customer loyalty

The fifth hypothesis (H5) states that, there is a positive relationship between relationship marketing (commitment) and customer loyalty. Therefore the table below show the results which can be used in order to accept or reject the stated hypothesis.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.796&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.633</td>
<td>.627</td>
<td>.359</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), commitment

source: Primary Data

The above table shows the regression results of commitment and customer loyalty. The predictive power of the model is shown by a moderate R Square value of 0.633; hence the model is a good fit. The model summary shows that 60% of the variation in customer loyalty is caused by commitment.

The table below shows the regression coefficient of the relationship.
The table shows that there is a significant relationship between customer loyalty and commitment which is indicated by a beta weight of .796 as well as the unstandardized coefficient of .686 at p which is .000. These results indicate that there is a positive relationship between commitment and customer loyalty, hence accept H5. The hypothesis above postulates that commitment has an impact on customer loyalty in the logistic service industry.

H1-H5 postulates that relationship marketing orientation has significant positive effect on customer loyalty. In order to test this hypothesis, a multiple regression was conducted and analysis using customer loyalty as the dependent variable, and the various components of relationship marketing (bonding, trust, communication, satisfaction and commitment) as the predicting variables. Thus, the researcher identified the relative importance of relationship marketing components in explaining the variation in the customer loyalty levels. However, since the five components of relationship marketing orientation are closely related, multicollinearity may exist. Therefore, to remove this impact, a two-stage analysis was conducted. First, the 27 items of the relationship marketing orientation were factor analysed into five factors. Then the factor scores of the five dimensions were used as independent variables for the regression analysis (see Sin et al. 2002). Therefore, on the basis of the analysis made, it can be said that successful relationship marketing efforts of the DHL courier company can improve customer loyalty.
4.6 Discussion

This study tested the impact of relationship marketing on customer loyalty in the logistic industry. In order to test hypothesis relationship marketing were split into five dimensions, bonding, trust, communication, satisfaction and commitment on customer loyalty. The overall results showed that there is a positive relationship between relationship marketing and customer loyalty. The impact of bonding on customer loyalty was tested. The findings reveal that there is a positive relationship between the two variables represented by $R^2=.864$. Bonding was found to be the most dominant relational dimension in determining the variation on customer loyalty. This result is consistent with some previous research and support their findings (Sin et al., 2002; Wilson and Mummilaneni, 1986).

As far as the relative impact of an individual component of relationship marketing on customer loyalty is concerned, our finding revealed that, relationship marketing has a positive relationship on customer loyalty represented by $R^2$ = bonding 0.837, trust 0.748, communication 0.834, satisfaction 0.661 and commitment 0.633.

This positive relationship is in line with what other researcher’s results. In their study Foster and Cadogan (2000) the relationship marketing strategies (bonding, trust, communication, satisfaction and commitment) has produced same results that the relationship marketing variables have positive impact on customer loyalty and the relationship that customers experience with sales people play a vital role in ensuring their long term relationship with the firm.

In a study conducted by Liang and Wang (2005) examine the connection between relationship bonding, satisfaction, trust, commitment and customer behavioural loyalty. The study's findings concurred with the researcher’s study that is bonding, trust, commitment and satisfaction has a positive relationship with customer loyalty.

Moreso, Lei and Mac (2005) carried a study to examine the relationship between empathy and customer loyalty. At the same time, the study also conducted on other variables of relationship marketing bonding, trust and commitment and revealed that they are important determinants of
customer loyalty in the transport service sector, meaning there is a positive relationship between relationship marketing and customer loyalty.

Moreover, Sharma Anand et al (2008) investigated the basic strategies of (customer loyalty) which help hospitals to achieve a competitive advantage through relationship marketing. The results concurred with the results of the researcher and showed that relationship marketing have a positive impact on strategies to improve competitive advantage that includes customer loyalty.

To add on, Raechel Johns and Bruce Perrot (2008) applied internet banking as a variable of customer loyalty on business customer relationships. Findings of the research was in line of the researcher’s findings that there is a positive relationship between internet banking as a variable of customer loyalty and customer relationships though the variable which was used to determine the relationship was of the depended variable unlike of the researcher the variable were of the independent variables. It was expected that perceptions of technology would impact on the relationship however it was the perception of the relationship which led respondents to develop a perception of the technology.

Ehigie (2006), his study agreed with the researcher’s findings though two of the variables of relationship marketing differ that is customer expectations and perceived service quality. It showed that perception of service quality and satisfaction are significant predictors of customer loyalty, with customer satisfaction contributing more. However, an unexpected result on the contribution of customer expectations was not significant in explaining customer loyalty this result differ with the results of the researcher probably because they were carried out in different sectors. This study argued that the more favorable customers perceived bank services and the more satisfied they are, the more loyal they are to their banks.

Ndubisi (2007) empirically investigated the impact of relationship marketing strategy on customer loyalty taking evidence from Malaysian banking industry. Four key constructs of relationship marketing that is trust, commitment, communication and conflict handing were used. Results of the research concurred with the results of the researcher that the four variables have a
significant effect and predict a good proportion of the variance in customer loyalty. Moreover they are significantly related to one another although different variable of conflict handling was used.

In addition, Yieh, Chiao and Chiu (2007) in their study, investigated that perceived price fairness, perceived product quality, and employee customer interaction were the three most important antecedents to customer satisfaction together with trust on customer loyalty. The empirical findings of the study revealed that perceived price fairness, perceived product quality, customer satisfaction, and trust all play an important role in forming customer loyalty and have a positive relationship between customer loyalty and relationship marketing which concurred with the researcher’s findings.

Furthermore, Ndubisi et al. (2009) made an attempt to establish and test the relationship between various dimensions of relationship marketing: competence, communication and conflict handling and customer satisfaction on customer loyalty. The results of the data analysis agreed with the researcher’s that the higher the level of communication and conflict handling, the greater the level of customer satisfaction and that will result in loyalty though competence differ on significant direct relationship with customer satisfaction at a 5 percent significance level. Furthermore, this study confirmed that customer loyalty depends largely on customer satisfaction with the bank unlike of the researcher which showed that bonding largely depends on customer loyalty.

Hazra and Srivastava (2009) examined the strength of association between service quality, customer loyalty, customer commitment and customer trust. The results also revealed that customer commitment and customer trust have a positive significant impact on customer loyalty. The study showed that in case of private sector banks, enhancements in reliability make differences in customer commitment and willingness to pay, whereas enhancements in security make differences in loyalty to a company for the public sector banks. The evidence agreed with the researcher’s findings.
Vanniarajan and Gurunathan (2009) investigated the linkage between relationship marketing on service quality and customer loyalty. This study revealed that the core service Quality as perceived by the customers, is positively related to their satisfaction. At the same time, positive correlation was found in between customer satisfaction and customer loyalty. Authors suggested that the service providers must focus on improving core and value added service quality to enrich their customer satisfaction which will result in higher customer loyalty. Researcher has found a positive relationship between satisfaction and customer loyalty which concur with this previous research.

Alrubaiiee and Al - Nazer (2010) examined the impact of relationship marketing on customer loyalty in Amman, Jordon. The results concurred of the researcher in that only four out five relationship dimensions (bonding, trust, communication, satisfaction) demonstrate a positive and significant association with customer loyalty. Moreover, results agreed with the researcher’s study that bonding is found to be the most dominant relational dimension in determining the variation in customer loyalty. However, commitment, a key construct is found to have no significant effect on customer loyalty. This was an interesting and unexpected finding of this study this could be as a result of the sector which was used customers can choose not to be committed to a particular bank because of competition within the industry.

Yaw Koi-Akrofi et al. (2012) carried out a study in Ghana which was aimed at assessing the impact of relationship marketing tactics on customer loyalty in the Ghanaian mobile industry. The results concurred with the researcher that there is a positive relationship between service quality and customer loyalty which indicates that when service quality increases customer loyalty also increases, relationship tactics have influence on customer loyalty to a mobile telephone service provider.

Ching-Fu Chena and Odonchimeg Myagmarsurenb (2011) carried a study to examine customer loyalty and explore the interrelationships between customer equity variables, namely brand image, company image, relationship quality and relationship value, (relationship marketing variables) and customer loyalty. The findings tend to differ with the researcher’s findings it indicated that brand and company images significantly influence relationship quality, and
relationship quality has a significant influence on relationship value but customer loyalty is not affected by either dimensions of images and relationship quality directly rather images and relationship quality affect customer loyalty mediated by relationship value.

Vazifehdust et al (2012) carried out a study to assess how the relationship marketing tactics has an impact on relationship quality and loyalty of bank customers. The results were in line with the researcher’s findings that there is a positive and meaningful relationship between the relationship marketing tactics and the relationship quality as well as between relationship quality components and loyalty.

Doaei et al (2010) identified Relationship Marketing (RM) tactics impacts on loyalty due to Relationship Quality (RQ). The RM tactics under investigation trust, commitment, and satisfaction. The data from this study showed that, the RQ had a positive influence to create customer loyalty. Commitment and satisfaction had a significant influence, but trust tends to have a negative relationship with customer loyalty which differs with the researcher’s findings. Although similar results was almost found, they can be ranked in order of their performance in enhancing of customer loyalty by the tested RQ tactics to relationship satisfaction, relationship commitment and trust.

Zahir Osman (2010)’s study concurred with the researcher’s study in that service quality, customer satisfaction and trust have significant and positive influence on customer loyalty in Malaysia rural tourism. The findings imply that the relationship of satisfaction and trust on customer loyalty will lead to rural tourism operators’ profitability.

4.5 Summary

This chapter has discussed the results interpreted them and outlined the major findings of the study. It has also been instrumental in answering the research objectives and research questions. The next chapter looks at the findings, conclusions, recommendations and conclusions of the study.
CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter seeks to give summary of findings, recommendations and to make concluding remarks on the subject under probe. The recommendations were made based on the critical analysis of the research findings and information gathered during the research. It presents major findings of the study and their implications for practice. Lastly this chapter looks at suggestions for future research.

5.1 Summary of findings

Results from the study indicated that the majority of stakeholders have acknowledged loss of market share of the company as result of being reluctant on providing good service on the concept of relationship marketing. It was established from this research that the findings suggest that DHL Zimbabwe is not performing well in comparison to its competitors. In addition, the research also revealed the major relationship marketing dimensions that the company may use in creating loyal customers that can be used as a tool to fight competition in the logistic industry. From the study findings on the management perception towards DHL Zimbabwe is based on the customers not them. In addition results also revealed that continuous improvement of the dimensions of relationship marketing may led to customer satisfaction, loyalty increased market share and last have a competitive edge.

5.2 Conclusions

From the findings it can be concluded that the lost of market share of the company as result of being reluctant on the concept of providing good service and not implementing relationship marketing strategies is far much important in creating loyal customers thereby increasing the market share. In addition, the research findings revealed that In order for a company to grow, be
successful and become the market leader it needs to implement relationship marketing strategies that is (bonding, trust, communication, satisfaction and commitment).

The research further established that the DHL Zimbabwe is not performing well in comparison to its competitors in terms of providing good service. It should improve on their service delivery, clearance process and pricing strategies so as gain a competitive edge and have customer retention and word of mouth that will be able to fight any competition in the country thereby increasing customer loyalty. However the firm was average good in terms of its image and reputation but need to improve to gain a competitive advantage.

The results of the research demonstrated that DHL has to implement the dimensions of relationship marketing in order to create loyal customers that can be used as a tool to fight competition. As these are antecedents of relationship marketing that need to be continuous monitored and improved to as to maintain loyal customers.

This research has verified that the measurement of relationship marketing variables can predict customer loyalty very well in the case of DHL Zimbabwean customers. Therefore, top managements of DHL in Zimbabwe, while designing strategies aimed to build the customer loyalty, should pay close attention to relationship marketing variables like bonding, trust, commitment, communication and satisfaction.

Lastly the research concluded that the that continuous improvement of the dimensions of relationship marketing may led customer satisfaction thereby increasing customer loyalty, market share and last have a competitive edge. So it is imperative to used relationship marketing as a tool to fight competition in the logistic industry. Also it is important to note that it’s difficult to win new customer but rather to maintain existing customers. So having a good relationship marketing will help to maintain a loyal customer base and it can be used to fight competition.
5.3 Recommendations

In the light of the above conclusions, it is recommended that DHL should engage in relationship marketing (bonding, communication, trust, satisfaction and commitment) so as to gain competitive advantage in courier services which will result in building customer loyalty.

On managerial Implications, there are several factors management of courier service providers can use to improve their specific service delivery process and to establish long-lasting relationships with their customers. Relationship marketing orientation is one of key strategic issues for managers of courier companies for establishing and maintaining long-term relationships with their clients. First, to remain competitive and obtain competitive advantages, the DHL managers can try to increase relationship and thus customer loyalty by managing each dimension of relationship marketing orientation in the context with the DHL customers. Secondly, relationship bonding is found to be one of key strategic issues for DHL managers for establishing and maintaining long-term relationships with their customers therefore DHL managers need to monitor their behaviours and internal processes. Lastly, the five dimensions of the relationship marketing orientation scale may serve training needs for DHL staff to develop appropriate training programs that can help to improve their understanding of the activities involved in developing relationship marketing.

5.4 Suggestions for Future Research

This study also opens some additional avenues for future research in the context of Zimbabwean courier services. Thus further research should focus on the following issues: First, future research should examine the effect of relationship marketing orientation on business performance as multidimensional construct. Second, future research should investigate the antecedents and consequences of the dimensions of relationship marketing orientation. Third, Future research should examine the impact of commitment as multi-attribute measure, which includes all three components of commitment: affective, calculative and normative. Lastly, the
relationship investigated needs a further research because the data analyzed were collected from one sector of the service industry in one country in Harare, Bulawayo and Chirundu. More studies were required before general conclusion can be drawn. The sample size which was used consists of 81 DHL customers which were too small to be generalized to all courier service companies. However the strength of the study was that the quantitative methods were used.

5.5 Chapter Summary

The chapter focused on the major findings, conclusions and recommendations of the research findings. In addition, it highlighted suggestions that could be of importance to the organisation when it considers being involved in relationship marketing as a marketing tool. It also highlights the suggestions for future research.
REFERENCE


extension. Journal of Marketing, 56, 55-68.


Lei, Mandy and Mac, Lancy (2005), Service Quality and Customer Loyalty in a Chinese Context: Does Frequency of Usage Matter? ANZMAC 2005 Conference: Services Marketing,


Relationship Marketing Tactics on Relationship Quality and Customers Loyalty. Journal of Basic and Applied Scientific Research, vol 2(9)9724-9729


Appendix 1

Formula to calculate sample size using unknown population

**Formula**

\[ n = \frac{pq}{\sigma p^2} \]

\( (\sigma p) = 0.10 \div 1.96 \)

\( = 0.051 \)

\( q = 1 - 0.30 \)

\( = 0.70 \)

\[ n = \frac{0.3 \times 0.7}{0.051^2} \]

\( n = 81 \)

Therefore the sample size is 81 customers that the researcher is going to use.

Appendix 2

Formula to calculate validity of the following 6 variables

\[ AVE = \sum \text{of (standardized factor loadings2)} \div \sum \text{of (standardized factor loadings2)} + \text{indicator of measurement error} \]

\( \text{Bonding} = \frac{5.528984 \div 5.528984 + 5.471016}{9} \)

\( = 0.614 \)

\( \text{Trust} = \frac{3.965772 \div 3.965772 + 3.034228}{6} \)

\( = 0.660 \)
Communication = \frac{2.382199}{2.382199 + 2.617801}

= \frac{2.382199}{4}

= 0.595

Satisfaction = \frac{2.695077}{2.695077 + 2.304923}

= \frac{2.695077}{5}

= 0.5390154

Commitment = \frac{2.286526}{2.286526 + 1.713474}

= \frac{2.286526}{3}

= 0.7621

Customer loyalty = \frac{5.294886}{5.294886 + 1.713474}

= \frac{5.294886}{9}

= 0.699
Appendix 3
Research permit form from the organisation

Bindura University of Science Education
P.O Box 1020
Bindura

The Marketing Manager
DHL
Harare

Dear Sir/ Madam

**REF: PERMISSION TO CONDUCT RESEARCH AT YOUR ORGANISATION**

My name is Matanga Patricia. I am a third year student at Bindura University of Science Education studying for a Bachelor of Business Studies Honours Degree in Marketing. I am kindly seeking permission to conduct my research at your company. The title of my research topic is ‘The impact of relationship marketing on customer loyalty on courier services at Harare DHL

I would be thankful to be permitted to conduct this research at your organisation.

Yours faithfully

Matanga Patricia
Appendix 4

BINDURA UNIVERSITY OF SCIENCE EDUCATION

QUESTIONNAIRE INTRODUCTION LETTER

Matanga Patricia as the fourth year student of the Bindura University of Science Education, studying towards a Business Studies degree in Marketing is carrying out a research on the impact of relationship marketing on customer loyalty on courier services companies’ case of DHL. The study is being carried out in partial fulfillment of the requirements of the aforementioned area of study. In this regard, I kindly ask for your assistance in filling this questionnaire.

This questionnaire only serves the purpose of academic research. Use of information availed herein in otherwise is illegal and it defeats the original cause of the initiative.

Your response is greatly appreciated

Thank you

Matanga Patricia
SECTION 1: Demographics of respondents (*indicate by circling*)

**Gender**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>1</td>
<td>Male</td>
</tr>
<tr>
<td>2</td>
<td>Female</td>
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</table>

**Age**

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<td>1</td>
<td>&lt;20</td>
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<td>2</td>
<td>21-30</td>
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<tr>
<td>3</td>
<td>31-40</td>
</tr>
<tr>
<td>4</td>
<td>41-60</td>
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</tbody>
</table>

**Level of education**

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1</td>
<td>Primary level</td>
</tr>
<tr>
<td>2</td>
<td>Secondary level</td>
</tr>
<tr>
<td>3</td>
<td>Tertiary level</td>
</tr>
<tr>
<td>4</td>
<td>Non</td>
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</table>

**Location**

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<table>
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<th></th>
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<tbody>
<tr>
<td>1</td>
<td>Low density</td>
</tr>
<tr>
<td>2</td>
<td>Medium density</td>
</tr>
<tr>
<td>3</td>
<td>High density</td>
</tr>
</tbody>
</table>

SECTION 2

(A) RELATIONSHIP MARKETING

*Rating scale: Strongly disagree-1  Disagree-2  Neutral-3  Agree-4  Strongly agree-5*(use this scale for all the items below)

1. **Communications**

   How are the following methods used by DHL satisfactory

   1. DHL communicate frequently
      1  2  3  4  5
   2. DHL executes public relations programs
      1  2  3  4  5
   3. Staff communicate in friendly manner
      1  2  3  4  5
   4. Information helps provide better prices
      1  2  3  4  5
   5. Other…………………………………………………………….1  2  3  4  5
<table>
<thead>
<tr>
<th></th>
<th>Bonding</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>DHL sends mail in occasion</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>7</td>
<td>Employees show respect to customers</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>DHL has well defined standards for customer contact</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>9</td>
<td>Encourages customer complaints</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>10</td>
<td>Show sincere interest in solving problems on time</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>11</td>
<td>Try hard to understand customer needs constantly</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>12</td>
<td>DHL always search reasonable price solution for me</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>13</td>
<td>Employees will search for the best service for me</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>14</td>
<td>DHL has customer interest at heart</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>15</td>
<td>Other…………………………………………</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>Trust</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>DHL has high integrity</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>17</td>
<td>Work in close cooperation</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>18</td>
<td>DHL has goodwill reputation</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>19</td>
<td>DHL is trustworthy</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>20</td>
<td>Consistency in providing quality service</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>21</td>
<td>DHL is reliable on providing unique service</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>22</td>
<td>Other…………………………………………</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td></td>
<td><strong>Satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>23</td>
<td>DHL completely meets my expectation</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>24</td>
<td>DHL shows a sincere interest in solving complaints</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>25</td>
<td>Employees work in tidy professional ways</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>26</td>
<td>Satisfied with all the services offered</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
27. DHL try very hard to establish long-term relationships  1  2  3  4  5
28. Other………………………………………………..  1  2  3  4  5

5. **Commitment**

29. Remain client to enjoy the relationship  1  2  3  4  5
30. I feel DHL is looking out for my interest  1  2  3  4  5
31. I have strong sense of loyalty towards DHL  1  2  3  4  5
32. Other………………………………………………..  1  2  3  4  5

**CUSTOMER LOYALTY**

Rating Scale  Strongly disagree-1  Disagree-2  Neutral-3  Agree-4  Strongly agree-5

1. Are the following items satisfactory to maintain DHL loyal customers?

<table>
<thead>
<tr>
<th>Item</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td>33. Low tariff rates</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>34. Branches all over Zimbabwe</td>
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<td>35. Delivers packages on time</td>
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<td>36. Offer discounts to customers</td>
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<tr>
<td>37. Runs promotions and offers prize</td>
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<tr>
<td>38. Networking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>39. Variety of services to support its product (TDT, TDK, and Normal)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40. Offer benefits to product value</td>
<td></td>
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<td></td>
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<tr>
<td>41. Other</td>
<td></td>
<td></td>
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</tbody>
</table>

The end ……………….Thank you!

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