DETERMINANTS OF CUSTOMER RETENTION AMONG THE KENYA’S INFORMATION TECHNOLOGY DISTRIBUTION FIRMS: A CASE STUDY OF MITSUMI DISTRIBUTION COMPANY

BY

PATRICIA NDAIGA

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2019
DETERMINANTS OF CUSTOMER RETENTION AMONG THE KENYA’S INFORMATION TECHNOLOGY DISTRIBUTION FIRMS: A CASE STUDY OF MITSUMI DISTRIBUTION COMPANY.

BY

PATRICIA NDAIGA

A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfilment of the Requirement for the Degree of Masters in Management and Organizational Development (MOD)

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

SUMMER 2019
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: _______________________________    Date: _______________________

Patricia Ndaiga (ID 655943)

Supervisor’s declaration

This project report has been presented for examination with my approval as the appointed supervisor.

Signed: _______________________________    Date: _______________________

Dr. Peter Kiriri

Signed: _______________________________    Date: _______________________

Dean Chandaria School of Business
ABSTRACT
The study sought to examine the determinants of customer retention among the Kenya’s Information Technology Distribution Firms: a case of Mitsumi Distribution Company. The study aimed to answer the following research questions: what is the effect of product value on customer retention among the Kenya’s Information Technology distribution firms?; what is the effect of quality of service on customer retention among the Kenya’s Information Technology distribution firms?; what is effect of sales promotion on customer retention among the Kenya’s Information Technology distribution firms?; and what is the effect of suitability of IT products on customer retention among the Kenya’s IT distribution firms.

The study used a descriptive Research design and the total population of the study was 656 workers of the seven (7) partners of Mitsumi Distribution Company, Kenyan offices. Stratified random sampling was used to select the respondents based on their management levels. The study thus utilized a questionnaire as the principle instrument to accumulate essential information. Slovene’s formula was used to select 126 participants. Using Statistical Package for Social sciences the mean and standard deviation of the variables was also calculated to establish the distribution of the variables. Pearson's correlation analyses was used in this investigation to determine the association between independent variables and customer retention among the Kenya’s Information Technology Distribution Firms. The finding was presented in tables and figures.

Findings on the research question indicated that distributor does not entertain ethical shortcuts and takes time to rewards the most profitable (VIP) customers. The findings established that customer care representatives speak to customers politely and pleasantly. At the same time, the distributor has built good relationships with customers and keeps in touch using a rolling calendar of communications and the distributor is consistent on-time delivery.

The second research question revealed that distributor operates in hours convenient to all their customers and offers customer service “surprises”. In addition, the distributor is accessible and available and willing to help customers whenever there is a problem and distributor’s sales team is consistently courteous with customers.
The third research question established that distributor reward the customers by sending them a birthday gift and repeat customers are rewarded during sales promotion campaigns. At the same time, distributor sets customer expectations by giving them something to look forward to and offers discount to repeat and new customers. The results from the last objective also indicated that the products are designed to meet customer needs and the firm train its customers with educational emails. High quality administrative systems are in place to support the efficiency of the distribution channel.

The study concluded that ethical behaviour is observed and that customer care representatives speak to customers politely and pleasantly, the distributor is able to create a good relationship with its customers and they also keep in touch with customers by using a rolling calendar of communications. Secondly, Distributor’s puts customer needs first before organisational needs. Thirdly, customers are rewarded by birthday gifts, use of sales promotion campaigns, free gifts, and discount are also offered to repeat and new customers. Lastly, products are designed to meet customer needs, customers are sent educational emails to make them aware of products or services that distributors are offering.

The study recommended that Kenya information technology distribution firms should train their customer services representatives through this, employees will be able to learn skills that will help them deal effectively with customers. Secondly, it was recommended that Kenya information technology distribution firms ought to increase the quality of service they provide by giving customer feedback, provide customers with information regarding their brand and offer customers incentives. Thirdly, Customer’s complaints should be solved during sales promotions. This will help the organization to listen carefully to what customers has to say, demonstrate to them on how to use the product or service, get feedback from them and use that feedback to develop products or services of good quality. Lastly, the distributor should develop an interactive live webinars to educate and inspire customers as well as develop a strategy to deliver products or services to customers on time.
ACKNOWLEDGEMENT

Notwithstanding whatever else, I give my thankfulness and humble gratefulness to the Almighty God for the gift of life, staggering flourishing, a sound personality and grand fortune that empowered me to consider this proposition.

Plus, I wish to accord my Supervisor, Dr. Peter Kiriri amazing validation, for furnishing me with the learning and aptitudes in shaping the undertaking with mind blowing understanding, consolation and course all through the examination by investigating and surveying my work. God Bless You
DEDICATION

This examination is devoted to my regarded family for their help, tirelessness and support amidst the whole proposal. May the Almighty support each one of you.
# TABLE OF CONTENTS

STUDENT'S DECLARATION ........................................................................................................... ii  
COPYRIGHT ............................................................................................................................... iii  
ABSTRACT ................................................................................................................................. iv  
ACKNOWLEDGEMENT ............................................................................................................... vi  
DEDICATION ............................................................................................................................. vii  
TABLE OF CONTENTS ............................................................................................................. viii  
LIST OF TABLES ....................................................................................................................... x  
LIST OF FIGURES ..................................................................................................................... xi  
LIST OF ABBREVIATIONS AND ACRONYMS ................................................................. xii  

## CHAPTER ONE .............................................................................................................. 1  
1.0 INTRODUCTION ............................................................................................................. 1  

1.1 Background of the Problem ......................................................................................... 1  
1.2 Statement of the Problem .......................................................................................... 5  
1.3 Purpose of the Study .................................................................................................. 6  
1.4 Research Questions .................................................................................................... 6  
1.5 Significance of the Study ............................................................................................ 6  
1.6 Scope of the Study ....................................................................................................... 7  
1.7 Definitions of Key Terms ........................................................................................... 7  
1.8 Chapter Summary ....................................................................................................... 8  

## CHAPTER TWO .............................................................................................................. 9  
2.0 LITERATURE REVIEW .................................................................................................... 9  

2.1 Introduction ................................................................................................................... 9  
2.2 Product Value and Customer Retention .................................................................... 9  
2.3 Quality of Service and Customer Retention ............................................................... 14  
2.4 Sales Promotion and Customer Retention ................................................................. 18  
2.5 Suitability of IT Products and Customer Retention .................................................... 23  
2.6 Chapter Summary ....................................................................................................... 27  

## CHAPTER THREE .......................................................................................................... 28  
3.0 RESEARCH METHODOLOGY ....................................................................................... 28
**LIST OF TABLES**

Table 3.1: Population Distribution...........................................................................................................31
Table 3.2: Sample Size ................................................................................................................................32
Table 3.3: Reliability Statistics ....................................................................................................................33
Table 4.1: Response Rate.................................................................................................................................35
Table 4.2: Descriptive Statistics of After Sale Service..................................................................................38
Table 4.3: Descriptive Statistics of Perceived Product Quality ....................................................................39
Table 4.4: Descriptive Statistics of Staff Service Reliability .........................................................................40
Table 4.5: Descriptive Statistics of Reliability ...............................................................................................41
Table 4.6: Descriptive Statistics of Assurance ................................................................................................41
Table 4.7: Descriptive Statistics of Empathy ..................................................................................................42
Table 4.8: Descriptive Statistics of Tangible ..................................................................................................42
Table 4.9: Descriptive Statistics of Responsiveness ......................................................................................43
Table 4.10: Correlation of Service Quality and Customer Retention ............................................................44
Table 4.11: Descriptive Statistics of Monetory Promotion ............................................................................45
Table 4.12: Descriptive Statistics on Non Monetory Promotions ................................................................45
Table 4.13: Descriptive Statistics of Suitability of Information Technology Products .........47
Table 4.14: Correlation of product value, quality of service, sales promotion, suitability of IT products and Customer Retention ...............................................................................................................48
Table 4.15: Model Summary ..........................................................................................................................48
Table 4.16: Anova ...........................................................................................................................................49
Table 4.17: Coefficient of Customer Retention .............................................................................................50
LIST OF FIGURES

Figure 4.1: Age of respondent ................................................................. 36
Figure 4.2: Gender of respondent ............................................................ 36
Figure 4.3: Education level of respondent .............................................. 37
Figure 4.4: Job Title of the respondent .................................................. 37
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMA</td>
<td>American Marketing Association</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>PCs</td>
<td>Personal Computer</td>
</tr>
<tr>
<td>SIs</td>
<td>System Integrators</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>VARs</td>
<td>Value-Added Resellers</td>
</tr>
</tbody>
</table>
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

There are a variety of different market systems that exist, depending on the industry and the companies within that industry. Markets systems include; perfect competition, monopoly, oligopoly, monopolistic competition and monopsony (Rootman, 2016). According to Saccani (2014), it is important for information technology distribution channels to understand what type of market system they are operating in when making pricing and production decisions, or when determining whether to enter or leave a particular industry (Sahoo, 2014). For instance in china the consumer is digitally-driven, both through discovery as well as through purchase. In USA, 80 percent of businesses surveyed rely on email marketing for customer retention (Rouse, 2014), while 8 percent of U.S. retail businesses prefer mobile marketing to drive customer retention.

Marketing has historically been focused only on tactics to attract more people to a brand (Varki, 2014). Retention changes the marketing paradigm: firms no longer just look for new potential customers but they focus on making more money from the existing ones (Zwelling, 2014). Customer retention is an important component of growing market share. Sahoo (2014), argues that it does little good to spend significant resources acquiring new customers only to lose them to some other competitor that offers greater value.

Customer retention is an assessment of the product and service quality provided by a business that measures the level of loyal its customers (Munyiri, 2014). Consequently, customer retention is vital for continuity of an organization. This is because the organization is ensured of repeat purchases, word-of-mouth advertisement and lower customer handling costs as the customer is aware of the standard operating procedures among many other benefits (Neslin, 2015). Besides, customer retention is the activity that an organization undertakes in order to reduce customer defections (Mbithi, 2013). According to Mbithi, successful customer retention commences with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship. Sahoo (2014), posits that a firm’s ability to interest and retain new customers, is not only related to its product or services, but strongly related to the way it serves its
existing customers and the reputation it creates within and across the marketplace. Muntiri argued that creating a customer was initially regarded as the solitary purpose of a business.

However, Pegler (2015), contended that today customer retention is now regarded important because it has become increasingly difficult for firms to assume that there exists an unlimited customer base. Marketers recognize that it is usually less costly and easier to do business or sell to an old satisfied customer, than to keep seeking new ones (Hughes, 2014). The globalization of competition, saturation of markets, and development of information technology have enhanced customer awareness and created a situation where long-term success is no longer achieved through optimized product price and qualities. Instead, companies build their success on a long-term customer relationship (Venetis & Ghauri, 2014).

According to Ghauri (2014), customer retention programs have increased in recent decades and customers are members in several loyalty programs. Customer retention programs are seen as a tool of exploiting customer relationship management with the aim of long-term, profitable customer relationships (Eriksson, 2016). Companies have created such a market where customers are rewarded automatically, even if they are disloyal. In addition, companies are struggling as they try to motivate customers to purchase more and make more frequent visits (Arantola, 2003).

Kassim (2016), investigated the factors affecting customer retention in the United Arab Emirates mobile banking sector and he found that consumers were more likely to retain the bank as its provider if they enjoyed satisfactory services. Similarly, Cohen (2015), discussed the impact of policies that determined customer retention in New Zealand online banking. According to Cohen, customer retention by online banks in New Zealand is a key competitive strategy that is adopted. Online Banks that had higher levels of customer retention were more profitable and stable than those with lower ratios of customer retention. Cohen mentioned that factors such as customer satisfaction, switching costs, and a good corporate image are some of the most important factors influencing customer loyalty levels in New Zealand.

Msoka (2014), in a study on determinants of customer retention in Tanzanian computer shops, established that satisfaction is vital in making customers remain and continue to use the products and services of the same shops. The study also revealed that customers are
satisfied through staff kindness, adequate information, timely information, well-handled complaints and better prices in shops products and services. According to Rootman (2016), customer retention contributes to profitability. Rootman noted that information technology firms in South Africa have faced intense competition from peers, outsiders and other substitute institutions. Consequently, customer retention was key and critical in IT services. Rootman argued that some of the factors that influenced customer retention in IT distribution channels included: prices of products and services, ethical behaviour by the firms, communication strategies and levels of service quality.

In Kenya, the government has responded to customer retention related challenges with a market-oriented economic policy, which emphasizes openness to the world economy and export-led growth (Mbithi, 2016). According to Mbithi, one of the more intriguing aspects of IT distribution firms in Kenya in recent years has been the establishment of a variety of special purpose networks making use of state of-the-art technology to solve specific communications problems. The majority of these have been established by international public sector organizations, by universities and other research institutions, by non-profit organizations, and by the financial services sector (Auka & Bosire, 2014). Matern (2013), examined the impact of service quality on customer retention in the Kenya’s M-pesa services with regards to empathy, assurance, responsiveness, reliability, and tangibility and found that service quality had a considerable impact on customer loyalty.

Rouse (2014) describes an IT channel distributor as a business that acts as an intermediary between vendors and value-added resellers (VARs) or system integrators (SIs) in the distribution of software or hardware. Distributors handle procurement and payment between VARs and vendors and are usually the only way in which a vendor will distribute its products to the channel. A distributor's customer base consists of a vendor's resellers and SIs, which are often referred to as its channel (Mishra, 2014). Distributors serve a huge range of customers on behalf of vendors (Aaker, 2013). These customers range in size from small, independent resellers to large multinational retailers, but all have the common requirement of a “one-stop shop,” where they can source products and services from the hundreds of suppliers whose products are part of their own offering to end customers (Chen, 2014). It is more efficient for these “final-tier” players to be able to work with a limited number of distributors with whom they can establish trading relationships that meet most of their needs (Garvin, 2013).
The distributor plays a critical role in selecting the right vendors and products to enable this one-stop shopping and to facilitate customers’ business retention (Karrai, 2014). Karrai posits that, core to this element is availability: the distributor’s ability to provide a significant proportion of products on demand, saving many of its customers the need to carry stock themselves. IT distribution is particularly strong in this domain, providing same-day shipping of thousands of SKUs to customers who are widely dispersed across geographies (Gedenk, 2013). Information technology (IT) has been seen as a key resource for a country’s development and hence the importance to understand the trends that influence its penetration in the country (Hull, 2013). According to Cullen (2015), Information technology like the mobile telecommunication industry is gaining popularity and importance in many advanced and developing countries. Cullen averred that today, telecommunication is becoming the nerve of the life. Similarly, Hinsen (2013), posited that mobile usage is growing rapidly, and telecommunication marketers are developing new strategies to take advantage of the potential customers.

According to Federal Communications Commission (2013), subscribers for mobile telephony services in the United States for 2012 stood at 141.8 million. Literature also shows that 7.5% of all mobile phone subscribers actually use the phones to browse the Internet. On the other hand, an estimated 11.9 million in the U.S. subscribe to mobile Internet service. Customer retention is an important issue for marketing managers, particularly those in information technology distribution channels (Lewis, 2016). In general, if the customers are satisfied with a provided goods or a particular service, the probability that they use the service again increases (Venetis & Ghauri, 2014).

Mitsumi IT Distribution was formed in Nairobi, Kenya in the year 1996 with the aim of introducing appropriate and affordable technologies to Africa (Mitsumi yellow pages, 2016). Mitsumi Distribution provides a wide range of supply chain solutions for all categories of Information Technology products (PCs, PC building blocks, networking, software and enterprise solution products) and Consumer and Lifestyle products (Telecom, Entertainment products and Digital Printing Machines) for the leading brands which have been dominating for years. With 10 warehouses and 8 service centers in Africa and a strategic mother hub warehouse located in Dubai helps the company reduce turnaround time in distributing products to the African markets (Mitsumi, 2016).
In addition, Mitsumi’s credit facilities to customers also consolidated its leadership advantage in Africa. Mitsumi has a first-mover advantage in Africa since the company was the first to establish a chain of in-country presence in Africa ranging from facilities like warehousing, stocking points and support service centres in 1996 (Mitsumi, 2016). Mitsumi’s regional geographical coverage and extensive customer base has made the group the largest and fastest growing distributor in Africa. According to the company websites, the firm is keen to creating new business avenues to enhance customer life styles in Africa (Cotinho, 2016). In addition, the company has established a reputation as one of the most dependable and customer centric distributor in Africa. Patterson (2015), argues that the firm has a Pan Africa distribution strategy/vision, strong in-country presence and targeted marketing campaigns which has taken IT distribution to the next level.

1.2 Statement of the Problem

Information technology globally is a one fundamental aspect that brings people close and helps to unite the world into a common village trough communication (Zwelling, 2014). For example IT in Africa has highly uplifted the status of business where individuals and business partners get to discuss business across borders without having to come together in a common physical meeting (Kasper, 2013). However, an understanding of the drivers of brand choice by customers in the IT distribution channel is not clear (Lee, 2015). For example, the major challenge confronting all the mobile operators in Kenya, is the execution of various marketing initiatives that would not only lead to attraction of new subscribers, but retaining existing ones who would then become loyal customers (Davidson & McCarty, 2014).

The other problem is that few studies have been conducted to address customer retention in IT firms in Kenya (Mwangi, 2016). Ndyamukama and Machibya (2015) also conducted a study on pricing strategies and customer retention: a case study of Airtel Company Ltd. The study did not look at the IT distribution firms in Kenya as a whole. Kihara and Ngugi (2014) conducted a study on factors influencing customer loyalty in telecommunication industry in Kenya. However, the study did not take into consideration the effect of customer satisfaction on customer retention in IT firms. Nzuki (2015) study on determinants of customer retention in Kenyan commercial banks. The study did not look into other sectors which makes it difficult to generalize the findings. Generally, studies in Kenya have almost exclusively focused on other sectors to the neglect of IT distribution firms (Kipkorir, 2014).
Hence this study sought to examine the determinants of customer retention among the Kenya’s information technology distribution firms: a case of Mitsumi Distribution Company.

1.3 Purpose of the Study

The purpose of this study was to examine the determinants of customer retention among the Kenya’s Information Technology Distribution Firms: a case of Mitsumi Distribution Company.

1.4 Research Questions

The following research questions guided the study:-

1.4.1 What is the effect of product value on customer retention among the Kenya’s Information Technology distribution firms?
1.4.2 What is the effect of quality of service on customer retention among the Kenya’s Information Technology distribution firms?
1.4.3 What is effect of sales promotion on customer retention among the Kenya’s Information Technology distribution firms?
1.4.4 What is the effect of suitability of IT products on customer retention among the Kenya’s IT distribution firms?

1.5 Significance of the Study

1.5.1 Management of Mitsumi.

The managers at Mitsumi Distribution Company would gain additional knowledge in relation to the issues that need to be addressed to retain customers. This will enable them beat the competition experienced from other companies. The study will also act as a benchmark for the IT firms in the country on the factors they need to consider in order to enhance customer retention and as a consequence their performance.

1.5.2 Customers

The customers will be able to understand the factors that need to be put in place to be able to obtain adequate and quality service. They will be adequately informed on what they should demand from the company. This study will provide an insight to customers on the
kind of goods and services to focus on when making a choice on the IT service provider to join.

1.5.3 Other Researchers

In future, other researchers and scholars will seek to extend further studies on determinants of customer retention among the Kenya’s Information Technology Distribution Firms. This study is therefore important to future researchers as it could be used as a source for future references and citation to improve the body of knowledge in this field of customer retention.

1.6 Scope of the Study

The study was limited to determinants of customer retention among the Kenya’s Information Technology distribution firms with specific reference to Mitsumi Distribution Company based in Westland’s, Nairobi, Kenya. The target population of the study was 656 employees of the seven partners of Mitsumi Distribution Company based in Nairobi City County.

The study was used as a questionnaire as the main tool to gather primary data. Mitsumi was formed in Nairobi, Kenya in the year 1996 with the aim of introducing appropriate and affordable technologies to Africa (Mitsumi, 2017). The company distributed a wide range of supply chain solutions for all categories of IT products (PCs, PC building blocks, networking, software and enterprise solution products) and Consumer and Lifestyle products (Telecom, Entertainment products and Digital Printing Machines) for the leading brands (Mitsumi, 2017). The study took a period of 3 months to be completed starting January to March 2019.

1.7 Definitions of Key Terms

1.7.1 Quality of Service

The description or measurement of the overall performance of a service, such as a telephony or computer network or a cloud computing service, particularly the performance seen by the users of the network (Cotinho, 2016).
1.7.2 Sales Promotion

Sales promotion is the process of persuading a potential customer to buy the product (Fred, 2013).

1.7.3 Product Value

An assessment of the worth of a good or service. The product value assessed by a business when setting a price for a particular product can depend on its production costs, its overall market value and the value of the product as perceived by a targeted group of consumers (Ramaswamy, 2016).

1.7.4 Information Technology

The use of systems especially computers and telecommunication for storing, retrieving, and sending information (Kipkorir, 2014).

1.7.5 Information Technology (IT) Distributor

Patrick (2015), described IT distributor as a business that acts as an intermediary between vendors and value-added resellers (VARs) or system integrators (SIs) in the distribution of software or hardware.

1.8 Chapter Summary

The chapter gave a global and local overview of strategy customer retention. It further highlights the research question of the study, significance of the study and scope of the study Chapter two reviews the literature on determinants of customer retention among IT distribution firms. Chapter three portrays the system, explore outline, and investigation technique. Furthermore, the techniques for guaranteeing legitimacy and unwavering quality will be talked about in chapter three. Chapter four exhibit the essential information in light of the exploration questions. Chapter five examines the outcomes and uncover how they identify with the current writing. The chapter will likewise show answers to the examination inquiries in form of guidelines and suggestions.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
Chapter two tries to analyze the determinants of customer retention among the Information Technology Distribution Firms in view of the particular research targets. The chapter displays theoretical writing in perspective of the independent variables (product value; quality of service; and sales promotion) lastly synopsis of the literature review.

2.2 Product Value and Customer Retention
2.2.1 Perceived Price Fairness
From the consumer’s perspective, the monetary cost of something is what is given up or sacrificed to obtain a product or a service (Chen, 2013). Thus, in studies on related topics, price has often been conceptualized and defined as a sacrifice (Berry and Parasuraman, 2014). There are three components to the concept of price: objective price, perceived non-monetary price, and sacrifice. The objective monetary price also known as the amount of money paid for product is not equivalent to the perceived price or the price as understood and recorded in the mind of consumer since consumers do not always know or remember the actual price paid for a product. Instead, they encode the price in a way that it is meaningful to them (Reichheld, 2016). As to the relationship between price and customer satisfaction, research has shown that price is one of the determinants of customer satisfaction (Ovenden, 2015).

A study conducted by Hassan (2014), on mobile phone retail outlets in Nigeria, showed that customers consistently considered the price charged for the product. Similarly, a study done by Berry and Parasuraman (2015), revealed that in those cases in which consumers did not consider price in forming their judgments about the quality of product, it was generally because they lacked a reference price. According to the study, this group though ranked price as an important factor when it came to their overall satisfaction. The theoretical formation of price perception in products and services remains largely unexplored (Varki & Colgate, 2014). Varki suggests that the perception of price fairness plays an important role in any exchange transaction.
The feeling of fairness depends on the gain-loss ratio felt by both partners in the exchange. From the consumer's perspective, the gain is the product to be received, whereas, the loss is the money to be paid (Smith, 2014). According to Smith, when a consumer pays a higher price than others do, or when a consumer receives a lesser product than anticipated either in terms of quantity or quality, perceived negative price inequity occurs. On the other hand, perceived positive price inequity may result from either receiving a larger or better product than others, who paid the same price, or paying a lower price but receiving the same product. Price fairness should have an influence on customer satisfaction as well as on behavioural intentions (Athanas, 2013).

In addition, importance of customer satisfaction in today’s dynamic corporate environment is obvious as it greatly influences customers repurchase intentions whereas dissatisfaction has been seen as a primary factor for customers’ intention to switch (Faiza, 2015). It is therefore obvious for IT distribution firms to create and maintain favourable relationship with their customers in order to not only give room for repeat purchase but also create room for customer retention (Garrett, 2013). When there is a favourable relationship between the organization and the customers, customers tend to repeat purchase and continue patronizing the organization, thereby telling their favourable experiences with other members of the society which can have positive effect on the organization (Lowe, 2014). In addition, dissatisfied customers are more likely to tell people about their unfortunate experiences which will negatively affect the performance of the organization (Anderson, 2013). In order to achieve customer satisfaction, IT distribution companies or any other organization must be able to build and maintain long lasting relationship with customers through satisfying various customers’ needs and demand which resultantly motivates them to continue to do business with the organization on on-going basis (Barbera & Mazursky, 2015).

2.2.2 After Sales Service

After-sales service has emerged as a major source of competitive manoeuvring. Findings of a studies conducted by Goffin (2014); Slater (2015) and Ruben (2016) found that IT distribution firms strive for competitive advantages with their after-sales service portfolio to differentiate offers from competitors. After-sales services are an important marketplace differentiator because primary products are often physically comparable (Ruben, 2014). Saccani (2015) defined After Sales service for manufactured IT goods as the set of activities taking place after the purchase of the product, devoted to supporting customers in the usage
and disposal of goods. Furthermore, Rigopoulou (2014), described After Sales services as services that are provided to the customer after the products have been delivered.

Every organization has to provide better After Sale services to retain and satisfy its customer (Yoon, 2014). Making and retaining a valuable relationship with customer while using every aspect of taking, retaining and enhancing the customer is known as Customer Relationship Management (Kotler & Porter 2013). Kotler (2013) also posited that through customer relationship management, organizations can achieve their objective of retaining and satisfying customers. Customer satisfaction, results in increased demand of product/service and the organization or brand reputation increases (Kayali, 2015). When organizations sell products effectively it has to make effective planning for services products after sale, such planning is a part of customer relationship management. According to Mark (2014), after sale service is important for IT distribution businesses and any other business to compete in the market by using such extended services, However, Vittasek (2015), averred that most of the business organizations are not aware about the after-sales service factors and its impact towards the customer satisfaction.

Failing to realize the importance of the after sale service can lead to a disastrous and threatening business relationship (Hauser, 2014). Hauser argues that dissatisfied customers will turn to competitors who can offer better after-sales services. Profitable business relationship is not something that a company can take easily as it requires enormous effort and cost to build it. According to Irini (2016) installation and delivery are the keys to the after-sales service that have an influence on the customer. Buyers of product want assurance that the product will perform satisfactorily over its useful life when operated properly. This is achieved through post-sale support such as installation, warranties, extended warranties, maintenance service contracts, provision of spares, training programs, and product upgrades among others (Murthy, 2014).

Goffin (2013); Hawariat (2015) and Abel (2014), developed the dimensions of After Sales services in different contexts. In that manner, Goffin (2013), stated in his research that installation, user training, documentation, maintenance and repair, online support, warranty and upgrades are the elements of the After Sales services. Further, Hawariat (2015), in Ethiopia, applied the above to the telecommunication sector and classified that the major tasks related to After Sales services are: fixed line provision of information, service delivery, maintenance and repair service, billing service and customer complaint handling.
More over Abel (2014), incorporated the following as the elements of After Sales services: maintenance, repair, online service, warranty, and training. Attafar (2015), developed a model of After Sales services and it incorporated the following elements: repair, spare parts supply, online (telephone) service, warranty services. Understanding the causal relationship between After Sales services and customer satisfaction has captured the interest of marketing for well over a decade now. Evolving out of the drive to increase product quality (Deming, 2013; Hauser & Clausing, 2016). Customer satisfaction has become the battle cry of companies trying to compete in a newly globalized marketplace. In that way, Rigopoulou (2014), examined the consequences of After Sales services on customer satisfaction in Greece. The results showed that After Sales service has significant and positive impact on customer satisfaction. Rigopoulou contend that service marketing managers should understand the impact of After Sales service on customer satisfaction and behavioral intentions. Further, Gupta and Lehmann (2014), studied the impact of After Sales service on customer satisfaction and they discovered that after-sales service is regarded as an important factor that has an impact on establishing good relationships with customers.

In addition, Alexander (2014), also accepted the claim that retaining customers is the most profitable as it requires less marketing effort and relationship building and that after-sales service acquires a critical role as a means to achieve customer satisfaction, hence customer retention. In that manner, Rosen and Surprenant (2013), studied whether After Sales service is enough for the long relationship with customers. Their findings showed the After Sales service is a marketing tool that create and establish a relationship with customers through good communication and flexibility. In long term, it leads to customer satisfaction. Finally, a recent study done by Cohen (2016); Cohen and Whang (2015) found that large number of extra aftersales service plans to consumers will lead to customer satisfaction and retention as well as higher profitability.

2.2.3 Perceived Product Quality

Surprenant (2016), defined quality as belief statements or attribute performance. Meanwhile, perceived quality is defined as the consumers’ judgment about an entity’s (service’s) overall excellence or superiority (Rowley, 2014; & Zeithaml, 2015). Perceived quality is basically the overall customer’s perception about the quality of a product. Evidence from prior studies has indicated that there is a positive and
direct relationship between perceived quality and customer satisfaction (Hatz, 2015). In addition, Anderson (2013), noted that quality is a significant predictor of customer satisfaction and that this relationship, over the long term, is an important predictor of superior economic returns through repeat sales.

Gronroos (2014), shows that service quality include three dimensions. The first is the technical quality which refers to the results or what is being delivered to or what the customer gains from the service. The second dimension is the functional quality which refers to the manner in which the service is delivered or how it is delivered. Finally, the corporate image which refers to store’s image which is mainly based on both the quality of technical, artistic, and to some extent other factors such as traditional marketing activities.

Perceived quality of a product or service is related to but not the same as satisfaction resulting from comparison of expectations with a perception of performance (Rowley, 2013). Fornell (2014), also suggested that when the perceived quality of a particular product rises, customer satisfaction is expected to increase and ultimately can lead to brand loyalty (Hatz, 2015). In short, satisfied customers are more loyal. The quality of the present is no longer a competitive weapon but the core principle expected by customers from all organizations in IT distribution companies. Quality advantages are very important in maintaining customer trust in corporate market leadership.

However, the company's goal should not only reach the leadership market, but to maintain its leadership. Brucks, Zeithaml, and Naylor (2014), posited that in order to build a quality durable goods perceived by consumers, perceived products play an important role affecting the purchase of choice. Zeithaml and Berry (2015), also noted that quality products are essential to affecting customer satisfaction. Customer satisfaction depends on the performance of product on the perceived expectations of the buyer. If the given product is not the same as the customers expect then consumers will feel dissatisfied. In other words, consumer satisfaction will be obtained if the product is given in accordance with the expectations of consumers (Jeong, 2014).

Customers are influenced by expectations, service perceptions and quality perceptions. The impact is influenced by total satisfaction when the customer evaluates the product or service. Fornell (2014), argues that changes in satisfaction are consequences from past decisions. Fornell observed that quality is judged by the consumer and that the most
important measurement of quality is how it affects customer satisfaction. This is further amplified by Herrmann, Huber and Braunstein (2014), who argue that whether or not a customer considers their purchase to live up to their expectations is dependent on the perceived quality.

Ibojo (2014), was of the view that, for any organization to constantly retain its numerous customers in this competitive global village, there is the need to strategically and constantly satisfy the needs of the customers. Similarly, Rayport (2015), averred that a satisfied and retained customer will give room for repeat purchase while unsatisfied customer may decide to switch to other brands or competitive brands of other organizations. According to Rayport, customer retention and customer satisfaction is an integral part of business objectives of any organization irrespective of the nature of the organization. However, more pronounced in business oriented organizations can be achieved through understanding the needs of the target market and the provision of needs satisfying packages in meeting and satisfying these needs at a greater extent, thus, building and maintaining long lasting and favourable relationship with the target market (Anderson, 2013).

The need to create and maintain customer retention has been emphasized by researchers and academicians (Bodet, 2014). According to Bodet, this is because the realization of other business objectives leans on the level and degree of satisfaction received by the target market. This is the reason why organizations are focusing on customers’ retention and customer satisfaction (Chang, 2015). It is therefore necessary for organizations to make sure that all activities tend to the retention of their customers. This will create a path way for customers to see the possibility of integrating their loyalty with the organization, taken into cognizance continued purchasing and repurchasing of the organization’s products (Kanna, 2013).

2.3 Quality of Service and Customer Retention
2.3.1 Staff Service Reliability

In any business service, the service personnel reflect the organizational realities (Anderson, 2013). Through the interaction with the staff the customers form an opinion of the organization. A service organization may have all equipment and technical facilities (Ghorbani & Mostafav, 2013). According to Jamier (2013), customer care service is a series
of activities designed to enhance the level of customer satisfaction. That is, the feeling that a product or service has met the customer expectation. Similarly, Jones and Silvestro (2015) defined internal service quality as the perceived quality of the services provided by different organizational units or people who work in this unit to other employees in the organization.

In addition, customer service can be expressed in personal and interpersonal skills such as communication skills, listening skills, language, gestures and posture, telephone techniques. Customer service is an organization's ability to supply their customers' wants and needs. Attitudinal loyalty addresses the psychological component of a customers' commitment to a brand and encompasses beliefs of service superiority as well as positive and accessible reactions toward the brand (Oliver, 2014). Kursunluoglu (2014) averred that even if customers fail to make a repeat purchase, their recommendation of the service to other customers provides evidence of their attitudinal loyalty. Importantly, although attitudinal loyalty can lead to repeat patronage, not all repeat purchases are the result of attitudinal loyalty (Thompkins & Tam, 2013).

Sasser and Arbeit (2013) view service reliability as an internal product and strive to offer products that satisfy internal customers and addressing and responding to organizational goals. The concept of internal service reliability is based on internal customers’ satisfaction and has implication on quality services to external customers on (Schilesinger & Zomitsk, 2015). Internal service quality is defined as the sense of satisfaction felt by the internal customer from organization. In addition, Hallowell (2014), contended that Internal service quality is also supported by the waiter given by different organizational units or employees in the organizational unit to another unit or employee in organization (Stauss, 2015) in which the provider is charged with responding to the needs of their internal customers for professionalism (Randheer, 2015). Reynoso and Moores (2013), reveals that service internal customers have impact on overall company performance. According to Heskett (2016), the achievement of internal customer (employee) satisfaction is the basis for achieving excellent external customer satisfaction. Employees who have been given good service and needs are be able to improve the services to external customers (Vandermerwe & Gilbert, 2013).

Customers have an inherent expectation that they will be treated well, in a friendly, kind and respectful manner. According to Mustang (2014), answering customer questions and being knowledgeable about the product or service is also a characteristic of good customer
care service. If a company delivers the product or service in the manner in which it promised, and help the customer with any difficulties or challenges they may have with the product or service, and the customer is ultimately happy with the experience, that's good customer service (Kayali, 2014). Good customer service is also about ensuring the customer is receiving the appropriate product or service they truly need and not selling them more product or service than they need.

Customers perceive service in terms of quality, but how satisfied they are with the overall experience, is what defines their satisfaction. Whether the customer is satisfied after purchase depends on the offer’s performance or the customer care service in this case, in relation to the customer expectations (Shah, 2013). However, according to Zeithaml (2016), although service quality and customer satisfaction are used interchangeably, there is indeed a distinction. Building a good relationship with the customer is one of the key elements of customer satisfaction. Research shows that empathy plays an important role when dealing with customers (Hughes, 2013).

A quality product or service must have an acceptable amount of reliability; that is the product/service must perform its intended function over its intended life under normal environmental and operating conditions (Zeithaml & Bitner, 2014). Most consumers are reluctant to buy digital goods and services online because they do not have enough information to be confident with their purchases. According to a study done by Gomez (2013), one of the reasons that many customers purchase travel tickets offline is the unreliability of the on-line service when making a reservation. However, if a service proves to be reliable, then customers will use it and be satisfied (Athanas, 2014).

### 2.3.2 Employee Involvement

The concept of employee involvement related to the psychological identification of an individual with the work or importance of work in the individual’s self-image. According to Evans (2013), employee involvement has a direct correlation with job satisfaction and also influences the work performance, sense of achievement and unexplained absenteeism. However, there is a significant difference in the level and extent of job involvement in different types of work (Khan & Nemati, 2015). In addition, employee involvement indicates the degree to which a person perceives his total work situation to be an important part of his life and to be central to him and his identity because of the opportunity it affords him to satisfy his important needs (Ekmekçi, 2014).
Similarly, Herrmann et al., (2014), averred that the re-emergence of interest in employee involvement in the managerial literature was premised on the increasing importance of product and service quality in an increasingly competitive environment. Employees with high job involvement are more focused towards their jobs (Hackett, Lapiere, & Hausdorf, 2013), and it is a critical factor in shaping worker outcomes (Diefendorff, 2015). Having employees with high levels of job involvement may benefit organizations because when individuals immerse themselves in work, their motivation may increase, which may positively influence their job performance (Hackman & Lawler, 2014). Organization’s point of view for job involvement is the major factor to encourage employees and retain and create competitive advantages through service quality (Wall, 2016).

All employees should be empowered and participate in the development of quality. This is one of the main contributions from the Japanese development of quality management and is the basis for the practice of quality circles (Varki & Colgate, 2013). For services, this is particularly important for the front staff who carry out their duties in direct interaction with the customers. In order to ensure a high employee commitment, researchers suggests increasing the level of employee involvement. Berry and Parasuraman (2015) identifies three central elements concerning employee participation: Influence, interaction, and information sharing.

Bwisa (2014), classifies employee involvement into three elements: first employee participation in the decision making process without the intention to quantify their impact on the final decision. Secondly, employees intentions should have an impact on the decision making process and the final decision. Finally, employees’ ability to link participation and control in decision making processes. The involvement of employees in decision making processes requires an exchange of information among all participants (Ovenden, 2015). To make valuable decisions it is necessary to obtain as much information as possible concerning possible outcomes of a decision and potential alternatives. Thus, the level of empowerment and provided information depends on two aspects. First, the dimension the employee is involved in the decision making process and second, the service business. Where service is customized or personalized, relationships are long-term, and employees have high growth and social needs and strong interpersonal skills, the potential gains from empowerment can be significant (Reichheld, 2012).
According to Boland (2014), relationship between both internal and external service quality depends on how services are rendered. Bolan contends that employees will serve in earnest when they are satisfied by service companies, and consumers will be satisfied if the services provided by the employees very well. An analysis of the services within Higher Education institutions reveals that the services provided to students coming from all the good elements of the lecturer, leadership and staff, have ties that need each other (Sharabi & Yezreel, 2013). This is also supported by a research conducted by Mosahab, Mahamad and Ramayah (2014) that found a negative relationship between faculty and students because of the responsibility and the dimensions of tangibility. An improvement of service perceived effect on the quality of teaching and its impact on the quality of student services may be an increase in the CPI changes in behavior and attitudes (Snipes & Thomson, 2014).

In addition, human behavior plays a significant role in maximizing organizational effectiveness, regardless of technological development. In particular, any effort to maximize organizational effectiveness requires a higher degree of employee involvement among members of an organization (Elankumaran, 2014). According to Checkland (2015) employee involvement is how people see their jobs as both a relationship with the working environment, the job itself and how their work and life are commingled. Having low job involvement contributes to employees’ feelings of alienation of purpose, alienation in the organization or feeling of separation between what the employees see as their “life” and the job they do (Hirschfeld & Field, 2014).

2.4 Sales Promotion and Customer Retention

2.4.1 Monetary Promotion

Monetary promotion have been reported to be preferred over non-monetary promotion across all consumer goods in terms of their ability to elicit purchase intentions. In addition, several other studies have reported different impact of sales promotion on consumer behavior. For example, Blatterger and Wisniewski (2014) reported that consumers gain more from price cut when buying an established up-market brand than a mass market brand. Pauwels, Hanssens and Siddarth (2016) argued that price promotion elicits temporary changes in brand and product choices and purchased quantity for established brand in mature market. These changes are because up-market brands are associated with prestigious brand with high level of reliability, low level of risks, greater concerns for customer’s needs and stronger hedonic benefits.
It is not settled in literature whether sales promotion can enhance or undermine brand preference beyond the time they are offered (Henard & Freling, 2013). Monetary sales promotions could lead to negative impact on brand preference and trust. This is because monetary promotion can divert attention to financial incentives which may encourage brand switching behaviour, increase price sensitivity and make quality criterion less important. However, Gedenk and Neslin (2013) argued further that sales promotion can lead to a significant decrease in brand loyalty. From the above discussions sales promotion seem to have double-edge impact on consumer behavior depending on the consumer level of commitment. A committed consumer is less receptive of sales promotional efforts. However, a less committed consumer is highly influenced by sales promotional efforts.

American Marketing Association (AMA, 2013) defines sales promotion as media and non-media marketing pressure applied for a predetermined, limited period of time in order to stimulate trial, increase consumer demand, or improve product quality. But this definition does not capture all the elements of modern sales promotion. Schoell and Guiltinan (2014), describes sales promotion as any activity that offers an incentive for a limited period to induce a desired response for target customers, company sales people, or intermediaries. Jobber (2015), simply captures sales promotion as a package of incentives to consumers or the trade that are designed to stimulate purchase. Sales promotion, a key ingredient in marketing campaigns, consists of a collection on incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers of the trade (Kotler & Keller, 2014).

However, whether the effect of consumer retention and purchasing behavior could be moderated by sales promotions has not yet been examined extensively (Joshua, 2015). Regardless of a widespread interest in the relationship between sales promotion and purchasing behavior, most studies of this kind focus on the effect of sales promotions on choice at the time they are offered (Vecchio, Henard & Freling, 2016). Sales promotion plays an important role in retaining old consumers and attracting new ones. Every firm aims to make profit (Simestér, 2013). It is generally agreed that one of the keys to making profit is boosting sales. To boost sales, a substantial number of customers must choose one’s product over and above that of its competitors on a substantial number of occasions (Taher, 2014). One of the surest way of ensuring this happens is to cultivate brand loyalty to one’s
product or service. Brand loyal consumers are more likely to choose their preferred products and/or service over its competitors on a consistent basis (Wang, 2016).

In the one study that examined the effect of exposure to promotions on pre-purchase brand evaluations, rather than the effect of promotions after product trial, Davis, Inman and McAlister (2014), found no evidence that sales promotions affect brand evaluations. However, Yin and Huang (2014), contends that price discount is a very prevalent marketing strategy to attract consumers by providing an extra value or incentive, which encourages consumers to purchase the promoted products immediately. In marketing research, theoretical models have been developed to investigate the relationship between price and customers’ perceptions of products, and two well-known models in the pricing literature are the price-quality-value model (Monroe and Krishnan 2012), and the means-end model (Zeithaml, 2013).

According to these models, price increases both perceived quality and perceived sacrifice (the sacrifice of paying more), and the trade-of between perceived quality and perceived sacrifice affects perceived value (Holwell, 2015). According to Holwell, when the price is high, consumers perceive that the quality of the product is high. With respect to price discounts, according to the price-quality-value model and means-end model, consumers should perceive that more highly discounted products are of lower quality. However, a study done by Pappard (2015) found inconsistent results in the effects of price discounts on perceived product or service quality. Similarly, Huang (2014) found that a high price discount led to a perception of high product quality while Garretson and Clow (2016) found a high price discount led to a perception of low quality, whereas Grewal (2014) found no relationship between price discounts and product quality.

Monetary promotion have been reported to be preferred over non-monetary promotion across all consumer goods in terms of their ability to elicit purchase intentions (Luk & Yip, 2013). Several other studies had reported different impact of sales promotion on consumer behavior. For example, Blatterger and Wisniewski (2013) reported that consumer gain more from price cut when buying an established up-market brand than a mass market brand. Kwok and Uncles (2015) argued that price promotion elicits temporary changes in brand and product choices and purchased quantity for established brand in mature market. However, it is not settled in literature whether sales promotion can enhance or undermine brand preference beyond the time they are offered.
However, whether the effect of consumer loyalty and purchasing behavior could be moderated by sales promotions has not yet been examined extensively. Regardless of a widespread interest in the relationship between sales promotion and purchasing behavior, most studies focused on the effect of sales promotions on choice at the time they are offered (Vecchio, Henard & Freling, 2013). Only a few have investigated the lag effect of sales promotions on brand preference and the resultant buying retention rates once the promotion campaign is rescinded. Existing literature has showed that sales promotions could be in form of monetary and non-monetary ones. According to the literature reviewed, these types provide both utilitarian and hedonic benefits to the consumers. Utilitarian benefits refer to such benefits such as quality, convenience in shopping, saving in time efforts and cost (Luk & Yip, 2014). Hedonic benefits on the other hand refer to value expression, exploration, entertainment, intrinsic stimulation and self-esteem (Chandon, Wansink & Laurent, 2013).

2.4.2 Non-Monetary Promotion

A marketer generally spends a huge amount of money on sales promotions activities, so it is important to know the effects of activities on brand attitude (Yoo, 2013). Westlife (2013) posits that it is crucial to study the effect of sales promotions on different span of time because it is common practice to use sale promotions for long term. Raghubir, Inman, and Grande, (2014) explain consumer behaviour in prospect theory that, consumers evaluate price of any product on a reference point and gains or losses is considered on deviations of reference point. Consumers always avoid loss and are more reactive for loss in comparison to gains (Kahneman & Tversky, 2013). Tversky (2013) argues that monetary promotion reduces the perceived loss and non-monetary promotion increases the perceived gain.

In addition, Tversky (2013) suggest that consumers’ responses are more favourable for non-monetary promotions in comparison to monetary promotions because non-monetary promotions are considered as gains while monetary promotion is considered as reduced losses. Sales promotions have been classified by many researchers as monetary and nonmonetary promotion (Chandon, 2013). According to Johnson, an example of monetary promotion is price discount while a nonmonetary promotion is premium. A premium is simply product or service offered free with purchase of any products or services (Astous & Jacob, 2013). According to Chandon, Wansink and Laurent (2015) different benefits are provided by monetary and non-monetary promotions which are hedonic benefit and utilitarian benefits. Hedonic benefits are savings, higher product quality, and improved
shopping convenience and utilitarian benefits are opportunities for value expression, entertainment and exploration.

The impact of sales promotion on consumer retention reveals mixed results. For example, Diamond and Johnson (2016) study showed that sales promotion is an important factor to differentiate hard-core loyal consumers from brand switchers and that sales promotion was the most important factor to attract brand switchers. However, a gap that is yet to be fully explored is the comparison of the effects of promotion on loyal consumer and non-loyal consumers. That is the use of sales promotion as a factor that influence loyalty among consumers and switcher had not been fully explored and more importantly in an emerging economy like Kenya.

It has been established in literature that only consumers with repeat purchases are profitable. It is not every repeat purchase that is connected to consumer’s commitment of a brand. However, consumer’s commitment is important for a repeat purchase. Therefore, business operators need to develop marketing programmes that will not only reinforce customer’s commitment but also encourage repeat purchases. A part of the functions of sales promotion is not only to reinforce commitment of consumers but to encourage repeat purchases. Effects of sales promotion on consumer behavior has been widely studied in the present literature. Findings of studies done by Bridges, Briesch and Yim (2016) found that sales promotion has effects on various aspects of consumer’s purchase decisions such as brand choice, purchase time, quantity and brand switching consumers’ sensitivity to price.

The existing literature has argued that customer retention can be reflecting customer satisfaction (Hallowell, 2014). Similarly, studies done by Bolton, Kannan and Bramlett (2015), showed that customer care service has significant effect on retention. Studies done by Gerpott, Rams and Schindler (2014), on the relation between customer retention and customer loyalty in telecommunication market showed a significant relationship between the two aspects. According to the existing literature, sales promotion technique is an important tool in creating loyalty, this is so because sales promotion does not only bring the product to the attention of the buyers but provide incentives to encourage purchase.
2.5 Suitability of IT Products and Customer Retention

2.5.1 Information Technology (IT) Products

Information Technology (IT) has changed the way people interact as well as the way corporates serve the public, in a process known as digital organisation or e-commerce. This process enhances the delivery of organisational services to citizens, the interaction of a firm and industry, the provision of information to citizens; and for a more efficient management of a company (Shah, 2014). In addition, commitment is an essential ingredient for successful long-term relationships between customer satisfaction and information communication technology utilization (Zmund, 2013). According to Zmund, developing Customer’s commitment in business relationships pays off in increased profits, customer retention, willingness to refer and recommend.

Boisvert and Ashill (2014), conducted a study on the perception of service quality to customer retention, and the result is that there is positive influence of the perception of quality on the customer retention. Research by Santoso & Kunto (2014); Horvat & Dosen (2013); Ing and Lie (2016) obtained the same results in researching the influence of the perception of product quality on the customer retention. Aynadis (2014), from the research concluded that the quality of product is the dominant factor influencing the customer's retention toward a product.

Most organizations in all sectors of industry, commerce, not- for- profit, and government are now fundamentally dependent on their information systems (IS) and information technology (IT) (Daniel, 2015). In industries such as telecommunications, media, entertainment, gambling and financial services, where the product is already, or is being increasingly digitized, the very existence of an organization depends on the effective application of IT (Wallace, 2013). Wallace posits that with the commercialization of the Internet, the use of technology has become the expected way of conducting many aspects of business and some businesses exist purely online.

Organisations have launched many digital services (Himmelstein, 2013). The ubiquity of mobile devices and new forms of social media are raising consumer demands for immediacy of access and speed of response (Wright, 2015). Similarly, Chichester (2014) contends that the increasing pervasiveness of smart connected devices and ‘things’ of all kinds is opening up opportunities for new products and services, further operational efficiencies and new types of businesses and business models. While organizations want to
develop a more ‘strategic’ approach to harnessing and exploiting IT, most have arrived at their current situation as a result of many short-term, ‘tactical’ decisions (Ward, 2015). Many would no doubt like to rethink their investments, or even begin again with a ‘clean sheet’, but unfortunately have a ‘legacy’ resulting from a less than strategic approach to IT in the past; many organizations including banks, insurance companies and public administrations still depend on systems first developed over 30 years ago (Chichester, 2014).

In a research done by Chen and Cheng (2014); Jaafar (2015); Christiansen (2013), and Sirfar (2014) proved that there is a significant influence on the quality of service on the customer retention. In addition to the research of product quality perception on the customer retention, there is another study that examined the direct relationship between the perception of product quality and the sale volume. Iranita (2014) found that there is direct relationship between the quality of products and retention, either simultaneously or partially. Empirically there are many studies that discuss the quality of the product against both values. The study has proved that there is positive influence of the product quality to customer retention and sale volume.

Even investments that were once seen as ‘strategic’ eventually become part of a costly and complex legacy (Baines, 2014). Baines averred that learning from previous experience the successes and failures of the past is perhaps one of the most important aspects of strategic management. In addition Kay (2013), contends that much of the learning about the capability of IT is experiential, and organizations tend to learn to manage IT by doing, not appreciating the challenges until they have faced them. However, Evans (2014) found that few organizations are likely to have been exposed to the whole range of IT experiences; nor is it likely that those experiences have been evaluated objectively. This evolution is considered from a number of viewpoints, using a variety of models. With the emergence of smartphones and tablets, the concept of ‘an app’ has entered the lexicon and it is usually seen as differing from an application (Warner, 2014). In general, an app is designed for a single purpose, i.e. it has one piece of functionality, not as a means to an end but an end in itself. An application, on the other hand, may handle a wide variety of functions (Rylander, 2014).

Many of the standard apps on a smartphone are small bits of what a web browser can do: stock quotes, maps, YouTube, weather, messaging (Zuckerbuger, 2015). Google.com is an
app; the one function it performs is search, and it provides a highly usable interface for that function. And, of course, Google’s search app is delivered through desktops, laptops, phones and tablets. Enterprise applications from Oracle, SAP, Workday and Salesforce and most internally developed software applications contain a larger number of capabilities packed into a single program or suite of programs (Zimmerman, 2014). According to Becker (2014), in recent years, ‘digital’ has been gaining attention, with the label being increasingly used. Many consultancies and IT vendors are now promoting their wares under the label of ‘digital disruption’, ‘digital transformation’ or the ‘digital enterprise’ (Samuel, 2013). Governments have relabelled e- government as ‘digital government’. Organizations of all types are looking to build ‘digital strategies’ or ‘digital business strategies’.

Kumari (2013), examines the relationship between customers’ perception regarding the quality of service and the customer's retention and found that the customer's retention is influenced by the perception of service quality by customers. Khare (2016) conducted a study which obtained the result that the firms that provide a good perception of service quality will get positive customer response and retention from the customers. The results of the research conducted by Khan (2014) also demonstrate the close relationship between service quality and customer attitude towards the products offered.

Yulianto (2014), Vinayagamoorthy and Magdaline (2015) have shown a close relationship between product quality and customer retention. In addition to the research on the perception of service quality to the customer attitude, there are other studies that examined the direct relationship between the perception of service quality and sale volume. Jahri and Pitaloka (2015) concluded that there is a positive relationship between product quality and sale volume.

According to Al-Nasser (2016) information communication technology is now perceived as a social necessity and various factors have contributed its extraordinary industry growth rate such as technological change, market demand and the stiff competition. Thus, in today’s information technology distribution markets, businesses are facing wider range of competitors who offer similar products to same customers (Chandon, 2013). According to Dick and Basu (2014), the majority of IT distribution activities of a firm are related to expansion, preservation or improvement of customer retention. Darsono and Junaedi (2016), Dick and Basu (2014) believe that the strategy for attaining sustainable competitive advantage begins from customer retention.
Arbore and Estes (2013) conducted a study on the perception of IT products and the customer retention. The study found that there is a positive relationship between the perception of IT products with the retention of customers of IT firm. The conducted research proved the existence of significant influence between IT products and customer retention. Boeck (2014) conducted research on a loyalty program by promotions and found that the perception of IT products directly affects the volume of product sales. Empirically, there has been a lot of research with the different object of research that have proven that there is influence of the perception of product quality on customer retention and sale volume directly.

2.5.2 Customer Retention

Customer retention is not only a cost effective and profitable strategy, but in today’s business world it is necessary. This is especially true when you remember that 80% of sales come from 20% of customers and clients (Chandon, 2013). Customer Retention is the activity 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 company’s ability to attract and retain new customers, is not only related to its product or services, but strongly related to the way it services its existing customers and the reputation it creates within and across the marketplace (Reicheld, 1996).

Customer retention is more than giving the customer what they expect; it is about exceeding their expectations so that they become loyal advocates for the brand. Research by Fleming and Asplundh (2009), indicates that engaged customers generate 1.7 times more revenue than normal customers, while having engaged employees and engaged customers returns a revenue gain of 3.4 times the norm Customer retention refers to keeping a client's business rather than have the client use competitors' services or products. Businesses want to reduce customer defections to their competitors because a reduction in their market share and profits could result in a collapse of the company. Customer service retention is a popular marketing strategy as it involves focusing on meeting or exceeding clients' expectations in order to maintain their loyalty. When people feel loyal to a certain brand or business, they are less likely to be persuaded by a competitor's adverts and offers.
Today’s companies are facing their toughest competitive ever. Companies are now moving from products and sales philosophy to a marketing philosophy. John Chambers, CEO of Cisco systems 2000, said “make your customer the center of your culture of your company” that companies need to rapidly move into the new economy and employ internet, wireless and other technologies to achieve a competitive advantage which means companies must be think of producing what the customers expect from them (Kotler, 2008).

2.6 Chapter Summary

This study sought to add to the existing knowledge gap of customer retention among the Information Technology Distribution Firms. The research established among other studies the influence of customer satisfaction; customer care service; and sales promotion on customer retention. Different studies have examined the relationship between customer retention and customer satisfaction in different context some have studied it as there is positive relation, other have studied that they have negative relation, while evidence exist that there is no relation between them. Chapter three discusses the research methodology used in the study to collect data.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter has distinctive sections aimed to exhibit the procedures used to grasp this particular examination with the target of answering the four specific objectives of the study. The segments are as follows: - research design, population and sampling procedure, data collection methods, research procedures, data analysis methods and summary of the chapter.

3.2 Research Design
Research design is a framework for the collection and analysis of data to answer research question and meet research objectives providing reasoned justification for choice of data sources, collection methods and analysis techniques (Strauss, 2015). A descriptive research is a design used to answer the question, what is happening? How it is happening? Why it is happening? This study shall adopt this design because the study aims at collecting information from respondents on their perceptions in relation to what is the effect of product value on customer retention among the Kenya’s Information Technology distribution firms?; what is the effect of quality of service on customer retention among the Kenya’s Information Technology distribution firms?; what is effect of sales promotion on customer retention among the Kenya’s Information Technology distribution firms?; and what is the effect of suitability of IT products on customer retention among the Kenya’s IT distribution firms?.

Further, the correlational approach shall be adopted as the study will be seeking to describe relationship between the independent variables; product value, quality of service, sales promotion and suitability of IT products and dependent variables customer retention. According to Cooper and Schindler (2011) one of the objectives of descriptive studies is the discovery of associations among different variables. This objective is sometimes labeled a correlation study, a sub set of descriptive studies.

The study intends to obtain the views of the respondents from partners of Mitsumi distribution company. The main objective of this study is to provide a clear understanding of the determinants of customer retention among the Kenya’s Information Technology Distribution Firms: a case of Mitsumi Distribution Company.
3.3 Population and Sampling Design

3.3.1 Population

Population is the total social occasion of individuals from which a sample might be drawn (Foss, 2013). The target population of the study is the seven (7) partners of Mitsumi Distribution Company, Kenyan offices located in Nairobi City County. Founded in the year 1996, the company has seven main partners also operating in Nairobi city county: Dell EMC, Hewlett-Packard (HP), Canon, Hitachi, and LG (Life’s Good), Toshiba and Dell Wyse (Mitsumi, 2017). The company distributes a wide range of supply chain solutions for all categories of IT products (PCs, PC building blocks, networking, software and enterprise solution products) and Consumer and Lifestyle products (Telecom, Entertainment products and Digital Printing Machines) for the leading brands (Mitsumi, 2017).

Table 3.1: Population Distribution

<table>
<thead>
<tr>
<th>Partners</th>
<th>Employee population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dell EMC</td>
<td>114</td>
<td>17</td>
</tr>
<tr>
<td>Hewlett-Packard</td>
<td>125</td>
<td>19</td>
</tr>
<tr>
<td>Canon</td>
<td>84</td>
<td>13</td>
</tr>
<tr>
<td>Hitachi</td>
<td>73</td>
<td>11</td>
</tr>
<tr>
<td>LG</td>
<td>123</td>
<td>19</td>
</tr>
<tr>
<td>Toshiba</td>
<td>57</td>
<td>9</td>
</tr>
<tr>
<td>Dell Wyse</td>
<td>80</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>656</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

HR, Mitsumi Distribution Company, (2018)

3.3.2 Sampling Design and Sample Size

3.3.2.1 Sampling Frame

A sampling frame represents the source material or device from which a sample is drawn. It represents a list of all those who can be sampled, and may include individuals, households or institution (Zikmund & Babin, 2012). The following categories of individuals formed the sampling frame: top level managers; middle level managers, supervisors and subordinates.
3.3.2.2 Sampling Technique

The present examination applied stratified random sampling technique. Stratified random sampling involves splitting subjects into mutually exclusive groups and then choosing members from those groups (Foss, 2013). This study stratified the target population in order to achieve a sample that reflects the seven partners of Mitsumi Distribution Company. This was done by stratifying staff member as follows: top level managers; middle level managers, supervisors and subordinates.

3.3.2.3 Sample Size

A sample is defined as a group of people who take part in an examination (Bethwell, 2015). This study used Slovene formula: \( \hat{N} = \frac{N}{(N \times d^2 + 1)} \) where; \( \hat{N} \) = sample size, \( N \) = total population; \( d = 1 \) = degree of confidence with a desired 92% degree of confidence to come up with 126 participants to fill in the questionnaires as shown below:

\[
656 / (656 \times 0.08^2 + 1) = 126.39
\]

The sample size was 126 respondents drawn from the seven partners of Mitsumi Distribution Company, Kenyan offices located in Nairobi City County. This sample size (126) is sufficient as indicated by Hum (2015) who communicated that, using an extreme number of individuals in an examination is exorbitant and adds a number of subjects to the sampling technique.

This is amplified by another study conducted by Russel (2001) which observed that an examination should be of an adequate size regarding the objectives of the examination. According to Russel, a sample size must be adequately immense that an effect of such significance as to be of consistent vitality in like manner with the genuinely colossal. Table 3.2 shows that the sample size of the study is 85% of the target population.
Table 3.2: Sample Size

<table>
<thead>
<tr>
<th>Categories</th>
<th>Population</th>
<th>Sample size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top level managers</td>
<td>7</td>
<td>2</td>
<td>1.6</td>
</tr>
<tr>
<td>Middle level managers</td>
<td>98</td>
<td>12</td>
<td>9.5</td>
</tr>
<tr>
<td>Supervisors</td>
<td>240</td>
<td>42</td>
<td>33.3</td>
</tr>
<tr>
<td>Subordinates.</td>
<td>311</td>
<td>70</td>
<td>55.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>656</strong></td>
<td><strong>126</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

The study used a questionnaire as the major instrument for primary data collection. The usage of a questionnaire in this study was supported by four reasons: it ensured that confidentiality is kept up; it spared cash and time; and it is definitely easy to administer. This is as per another research done by Newton (2015) which found that questionnaires give a more noticeable opinion subsequently encouraging open responses to fragile questions and is free from bias, guaranteeing accuracy and significant data. In addition, a questionnaire was ideal for this study in light of the fact that the researcher can accumulate information from a greater sample size.

The questionnaire had closed ended and open ended questions to bring out specific responses for quantitative and qualitative examination respectively. Structured questions required a response on a five point Likert scale, demonstrating to what degree each independent variable affected customer retention among the Kenya’s Information Technology distribution firms. Furthermore, the questionnaire was organized into two subsections. The first section covering demographic characteristics like; sex, age, and number of years as a staff at Mitsumi Distribution Company. The second section was on product value, the third looked at questions on quality of service, the fourth covered aspects of sales promotion and the last bit was focused on questions with regard to suitability of IT products.

3.5 Research Procedures

To ensure constancy and consistency of the examination instrument, a pilot study was coordinated using a subjective sample of 10 individuals from the seven partners of Mitsumi Distribution Company. Moreover, Sekeran (2013) found that a pilot test is central for
testing the legitimacy and unavering quality of data gathering instruments. In this research pilot test was aimed to assess the sensibility of study questions, the interview time, the wording of the questions and the consistency in the responses.

For the purposes of unavering quality (reliability), the results from the pilot study was subjected to split-half examination framework as recommended by Cronbach's formula;

$$\alpha = (N^*r/1+ (N-1)^*r)$$

Where N = number of items; and r = is the average covariance between item-pairs. Cronbach’s alpha provides a good measure of reliability because holding other factors constant the more similar the test content and conditions of administration are, the greater the internal consistency reliability (Peil, 2013). A reliability coefficient of 0.70 and above from the pilot study results was acceptable as appropriate for this study (Milton, 2014).

By use of Cronbach’s Alpha in SPSS a reliability analysis was done to evaluate internal consistency of the variables and findings shows that effect of quality of service on customer retention had the highest reliability ($\alpha = 0.764$), effect of sales promotion on customer retention ($\alpha = 0.737$), and effect of suitability of IT products on customer retention ($\alpha = 0.731$), effect of quality of service on customer retention ($\alpha = 0.721$). The data on the reliability scale indicated that all the variables were reliable $\alpha > 0.7$

<p>| Table 3.3: Reliability Statistics |
|-----------------------------------|----------------|</p>
<table>
<thead>
<tr>
<th>Scale</th>
<th>Cronbach's (\alpha)</th>
<th>Number of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect of quality of service on customer retention</td>
<td>.721</td>
<td>9</td>
</tr>
<tr>
<td>Effect of quality of service on customer retention</td>
<td>.764</td>
<td>7</td>
</tr>
<tr>
<td>Effect of sales promotion on customer retention</td>
<td>.737</td>
<td>6</td>
</tr>
<tr>
<td>Effect of suitability of IT products on customer retention</td>
<td>.731</td>
<td>9</td>
</tr>
</tbody>
</table>

For purposes of validity of data, this study applied face validity. This was done by asking participants to give suggestions regarding the nature of the questions in relation to the specific objectives. Content and construct validity was used to evaluate the inferences based on the results from the research instrument. To establish content and construct validity the
researcher sought expert opinion concerning the research instrument from the supervisor at United States International University (USIU).

Questionnaires were distributed to respondents at their respective outlets and the researcher sought the assistance from the supervisors at the various enterprises who aided with the distribution of the data collection tool. To ensure valid response, the aim of the research was communicated and the researcher guaranteed anonymity and confidentiality of the response received.

3.6 Data Analysis Methods

Data received from the questionnaire was coded according to different variables of the study for ease of data entry and interpretation. The descriptive statistical tool, Statistical Package for Social Sciences (SPSS) was used to help the researcher describe the data and this was through descriptive analysis of means, standard deviations and frequencies.

Qualitative data was analyzed using content analysis method. This approach was proper for this study since it took into consideration profound sense, nitty gritty records in evolving conditions.

To determine the relationship between independent variables (product value; quality of service; sales promotion; suitability of IT products) and customer retention among the Kenya’s IT distribution firms, the study used Pearson’s correlation analysis method:

\[ r = x = \frac{n(\Sigma xy) - (\Sigma x)(\Sigma y)}{\sqrt{n\Sigma y^2 - (\Sigma y)^2}[n\Sigma y^2 - (\Sigma y)^2]} \]

Pearson’s correlation was suitable for this study because it allows to determine the extent of association between independent variables and customer retention among the Kenya’s IT distribution firms.

3.7 Chapter Summary

This chapter clearly described the methodology that the research expects to use to reach the objectives of the study. The research methodology was presented under the following
sections; research design, population, sampling frame, sampling technique, Sample size, data collection and data analysis.

The accompanying chapter (chapter four) presents the primary findings and discuss the literature review in association with the primary findings. Presentation of the findings are discussed starting with descriptive, then the inferential while interpreting the findings by comparing and contrasting with the literature reviewed.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

In this section the researcher present the findings of the study. This chapter aims at providing the data analysis and interpretation of the data collected from the questionnaires filled during the study. The findings are based on the research questions which include response on examining the determinants of customer retention among the Kenya’s Information Technology Distribution Firms: a case of Mitsumi Distribution Company. Information is presented in tables and graphs so as to enable comparative discussion and interpretation.

4.2 Response Rate

The data was collected using a structured questionnaire. The researcher issued a total of 126 questionnaires to the respondents out of which only 115 responded resulting in 91% response rate as indicated in Table 4.1. This was considered sufficient for the study.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and returned</td>
<td>115</td>
<td>91</td>
</tr>
<tr>
<td>Non-response</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>126</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

4.3 Demographic Information

4.3.1 Age of Respondents

An analysis of the respondents age revealed that majority of respondents accounting for 39.1% were aged between 24-28 years while those aged 34-38 were 21.7%, and those aged 29-33 years represented 20%, while those aged above 43 years were 19.1%. This implies that Mitsumi Distribution Company had a diverse age group and majority were still young thus able to serve the company longer. This information is provided in Figure 4.1 below.
4.3.2 Gender of Respondents

Analysis of the respondents gender established that majority of respondents accounting for 61.7% were male while only 38.3% were female as shown in Figure 4.2. This implies that the data received represented the views of all the genders.

![Gender of Respondents](image)

**Figure 4.2: Gender of Respondents**

4.3.3 Education Levels

Analysis of the respondents education established that majority of respondents accounting for 60.9% were Bachelor degree holders while only 30.9% were master degree holders shown in Figure 4.3. This implies that the respondents had the necessary education to understand the questions asked.

![Education Levels](image)

**Figure 4.3: Education Levels**
4.4.4 Job Title

A review of the job title revealed that IT managers and Accounts had the highest representation at 20%, this was followed closely by engineers at 17%. At the same time employees in operations were 12% while sales agents and sales managers accounted for 10% as sown in Figure 4.4

**Figure 4.3: Education Levels**

4.4.4 Effect of Product Value on Customer Retention

The first research question was set to establish effect of product value on customer retention. Respondents were asked a set of questions to indicate to what extent they agree
or disagreed with statement using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agreed.

4.4.1 Descriptive Statistics of After Sale Service

It was agreed that the distributor rewards the most profitable (VIP) customers (M=3.92, SD=0.829). The findings established that customer care representatives speak to customers politely and pleasantly (M=3.87, SD=0.594). At the same time, the distributor has built good relationships with customers and keeps in touch using a rolling calendar of communications (M=3.63, SD=0.811) and the distributor is consistent on-time delivery (M=3.5, SD=0.921). Respondents were however uncertain about distribution channel having an established customer advisory panel to understand customers’ wants and needs (M=3.46, SD=0.858). Based on the means, the findings indicated a lack of certainty with regard to customer service representatives being well trained to handle customer complaints promptly (M=3.4, SD=0.673).

Table 4.2: Descriptive Statistics of After Sale Service

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer service representatives are well trained to handle customer complaints promptly.</td>
<td>115</td>
<td>3.40</td>
<td>.673</td>
</tr>
<tr>
<td>The distributor has built good relationships with customers and keeps in touch using a rolling calendar of communications.</td>
<td>115</td>
<td>3.63</td>
<td>.811</td>
</tr>
<tr>
<td>The distributor is consistent on-time delivery</td>
<td>115</td>
<td>3.50</td>
<td>.921</td>
</tr>
<tr>
<td>Customer care representatives speak to customers politely and pleasantly.</td>
<td>93</td>
<td>3.87</td>
<td>.594</td>
</tr>
<tr>
<td>The distribution channel has an established customer advisory panel to understand customers’ wants and needs</td>
<td>104</td>
<td>3.46</td>
<td>.858</td>
</tr>
<tr>
<td>The distributor rewards the most profitable (VIP) customers</td>
<td>115</td>
<td>3.92</td>
<td>.829</td>
</tr>
</tbody>
</table>

4.4.2 Descriptive Statistics of Perceived Product Quality

The study established that the distributor does not entertain ethical shortcuts (M= 4, SD=0.898). in addition, although there was a lack of certainty about distributor is committed in delivering what they promised before and after the sale (M=3.49, SD=1.103). The findings also established that majority were uncertain about the distributor being committed in delivering what they promised before and after the sale (M=3.49, SD=
and the distributor being keen on a zero-defects and error-free-delivery process by recruiting outstanding people to deliver customer service (M= 3.41, SD=0.794). Respondents were neutral about the distribution channel insists on error free product (M=3.29, SD=0.896).

Table 4.3: Descriptive Statistics of Perceived Product Quality

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The distributor is committed in delivering what they promised before and after the sale.</td>
<td>115</td>
<td>3.49</td>
<td>1.103</td>
</tr>
<tr>
<td>The distribution channel insists on error free products</td>
<td>115</td>
<td>3.29</td>
<td>.896</td>
</tr>
<tr>
<td>The distributor is keen on a zero-defects and error-free-delivery process by recruiting outstanding people to deliver customer service.</td>
<td>115</td>
<td>3.41</td>
<td>.794</td>
</tr>
<tr>
<td>The distributor does not entertain ethical shortcuts</td>
<td>115</td>
<td>4.00</td>
<td>.898</td>
</tr>
</tbody>
</table>

4.5 Effect of Quality of Service on Customer Retention

The second research question was set to establish effect of quality service on customer retention. Respondents were asked a set of questions to indicate to what extent they agree or disagreed with statement using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agreed.

4.5.1 Descriptive Statistics of Staff Service Reliability

The respondents agreed that distributor operates in hours convenient to all their customers (M=4.22, SD=1.074) and distributor offers customer service “surprises” (M=4.02, SD=1), in addition, the distributor is accessible and available and willing to help customers whenever there is a problem. (M=3.9, SD=0.295) and he distributor’s stales team is consistently courteous with customers (M=3.8, SD=0.402). Results also show that the distributor returns customers phone calls promptly (M=3.67, SD=0.663) and distributor puts customer needs first before organisational needs (M=3.54, SD=0.823).

The study also indicated that customer service representatives of the distributor are always neat in their appearance (M= 3.52, SD=0.799) and the distributor reaches out to the customers on a regular basis through a newsletter, coupon or an event invitation (M=3.51, SD= 0.931). Respondents failed to agree on whether the distributor regularly hires mystery shoppers to find out how good the customer service really is (M=3.4, SD=1.016)
or if the distributor is never too busy to respond to customers' requests \( (M=3.19, \ SD=0.867) \).

**Table 4.4: Descriptive Statistics of Staff Service Reliability**

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer service representatives of the distributor are always neat in their appearance</td>
<td>115</td>
<td>3.52</td>
<td>.799</td>
</tr>
<tr>
<td>The distributor returns customers phone calls promptly.</td>
<td>103</td>
<td>3.67</td>
<td>.663</td>
</tr>
<tr>
<td>The distributor is accessible and available and willing to help customers whenever there is a problem.</td>
<td>115</td>
<td>3.90</td>
<td>.295</td>
</tr>
<tr>
<td>The distributor regularly hires mystery shoppers to find out how good the customer service really is.</td>
<td>115</td>
<td>3.40</td>
<td>1.016</td>
</tr>
<tr>
<td>The distributor is never too busy to respond to customers' requests</td>
<td>115</td>
<td>3.19</td>
<td>.867</td>
</tr>
<tr>
<td>The distributor’s sales team is consistently courteous with customers</td>
<td>115</td>
<td>3.80</td>
<td>.402</td>
</tr>
<tr>
<td>The distributor operates in hours convenient to all their customers</td>
<td>115</td>
<td>4.22</td>
<td>1.074</td>
</tr>
<tr>
<td>The distributor offers customer service “surprises”</td>
<td>115</td>
<td>4.02</td>
<td>1.000</td>
</tr>
<tr>
<td>The distributor puts customer needs first before organisational needs</td>
<td>104</td>
<td>3.54</td>
<td>.823</td>
</tr>
<tr>
<td>The distributor reaches out to the customers on a regular basis through a newsletter, coupon or an event invitation</td>
<td>115</td>
<td>3.51</td>
<td>.931</td>
</tr>
</tbody>
</table>

**4.5.2 Service Quality**

The study also intended to establish if the products offered adhered to the service quality attributes and the results are as follows.

**4.5.2.1 Reliability**

Respondents acknowledged that the distributor meets their promised time-frames for response and is sympathetic and reassuring, when the customer has problems. It was also established that customer needs and expectations are communicated throughout the distribution channel and the channel conducts customer feedback surveys regularly. Findings also show that the distributor stresses the importance on obtaining feedback on its quality control systems from customers and undertakes market based research annually on quality issues.
Table 4.5: Descriptive Statistics of Reliability

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The distributor meets their promised time-frames for response</td>
<td>115</td>
<td>1.10</td>
<td>.295</td>
</tr>
<tr>
<td>The distributor is sympathetic and reassuring, when the customer has problems</td>
<td>115</td>
<td>1.19</td>
<td>.395</td>
</tr>
<tr>
<td>Customer needs and expectations are communicated throughout the distribution channel</td>
<td>115</td>
<td>1.30</td>
<td>.458</td>
</tr>
<tr>
<td>The channel conducts customer feedback surveys regularly</td>
<td>115</td>
<td>1.19</td>
<td>.395</td>
</tr>
<tr>
<td>The distributor stresses the importance on obtaining feedback on its quality control systems from customers</td>
<td>115</td>
<td>1.31</td>
<td>.466</td>
</tr>
<tr>
<td>The distributor undertakes market based research annually on quality issues</td>
<td>115</td>
<td>1.49</td>
<td>.502</td>
</tr>
</tbody>
</table>

4.5.2.2 Assurance

A review of whether the firm’s products offer assurance, it was established that the distributor’s employees are trustworthy and has a well-trained as telephone customer care. In addition, customers feel safe when transacting with employees and the distributor responds to customer complaints in the organization proactive in dealing with Customers.

Table 4.6: Descriptive Statistics of Assurance

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The distributors employees are trustworthy</td>
<td>115</td>
<td>1.10</td>
<td>.295</td>
</tr>
<tr>
<td>The distributor has a well-trained as telephone customer care.</td>
<td>115</td>
<td>1.10</td>
<td>.295</td>
</tr>
<tr>
<td>Customers feel safe when transacting with employees</td>
<td>115</td>
<td>1.00</td>
<td>.000</td>
</tr>
<tr>
<td>The distributor responds to customer complaints in the organization proactive in dealing with Customers</td>
<td>115</td>
<td>1.30</td>
<td>.458</td>
</tr>
</tbody>
</table>
4.5.2.3 Empathy

A review of the empathy attribute established that the distributor gives each customer individualized attention and distributor fully understand the needs of the customers. Results also show that the distributor has the best interests of the customer at heart and operates at hours convenient to all customers.

Table 4.7: Descriptive Statistics of Empathy

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The distributor gives each customer individualized attention</td>
<td>115</td>
<td>1.41</td>
<td>.494</td>
</tr>
<tr>
<td>The distributor fully understand the needs of the customers</td>
<td>115</td>
<td>1.10</td>
<td>.307</td>
</tr>
<tr>
<td>The distributor has the best interests of the customer at heart</td>
<td>115</td>
<td>1.21</td>
<td>.408</td>
</tr>
<tr>
<td>The distributor operates at hours convenient to all customers</td>
<td>115</td>
<td>1.19</td>
<td>.395</td>
</tr>
</tbody>
</table>

4.5.2.4 Tangible

A review of the Tangible attribute established that the distributor has up-to-date equipment, Physical facilities are visually appealing, the employees are well-dressed/neat and the appearance of the physical facilities are consistent with the type of service industry.

Table 4.8: Descriptive Statistics of Tangible

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The distributor has up-to-date equipment</td>
<td>115</td>
<td>1.19</td>
<td>.395</td>
</tr>
<tr>
<td>Physical facilities are visually appealing</td>
<td>115</td>
<td>1.19</td>
<td>.395</td>
</tr>
<tr>
<td>The employees are well-dressed/neat</td>
<td>115</td>
<td>1.10</td>
<td>.295</td>
</tr>
<tr>
<td>Appearance of the physical facilities are consistent with the type of service industry</td>
<td>115</td>
<td>1.10</td>
<td>.295</td>
</tr>
</tbody>
</table>
4.5.2.5 Responsiveness

A review of the responsiveness attribute established that the distributor is never too busy to respond to customers’ requests. The distributor are always willing to help customers and gives prompt services to customers. It was also established that the distributor makes information easily obtainable to customers.

Table 4.9: Descriptive Statistics of Responsiveness

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The distributor is never too busy to respond to customers’ requests.</td>
<td>115</td>
<td>1.40</td>
<td>.492</td>
</tr>
<tr>
<td>The distributor are always willing to help customers.</td>
<td>115</td>
<td>1.10</td>
<td>.295</td>
</tr>
<tr>
<td>The distributor gives prompt services to customers.</td>
<td>115</td>
<td>1.40</td>
<td>.492</td>
</tr>
<tr>
<td>The distributor makes information easily obtainable to customers.</td>
<td>115</td>
<td>1.20</td>
<td>.402</td>
</tr>
</tbody>
</table>

4.5.3 Correlation of Service Quality and Customer Retention

A Pearson correlation analysis was done to establish the relationship between service quality attributes and customer retention and the results indicated a significant correlation between customer retention and Reliability ($R=.518$, $p$ value=.000), assurance ($R=.315$, $p$ value=.001), empathy ($R=.163$, $p$ value=.082), tangibles ($R=.469$, $p$ value=.000), and responsiveness ($R=.786$, $p$ value=.000) as shown in Table 4.10. This implied that an increase in reliability, assurance, tangibles and responsiveness positively influenced customer retention. In addition, responsiveness had the highest significant influence.
Table 4.10: Correlation of Service Quality and Customer Retention

<table>
<thead>
<tr>
<th></th>
<th>RET</th>
<th>REL</th>
<th>ASR</th>
<th>EMP</th>
<th>TAN</th>
<th>RES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Retention (RET)</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliability (REL)</td>
<td>Pearson Correlation</td>
<td>.518**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assurance (ASR)</td>
<td>Pearson Correlation</td>
<td>.315**</td>
<td>.227*</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empathy (EMP)</td>
<td>Pearson Correlation</td>
<td>.163</td>
<td>.077</td>
<td>.060</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.082</td>
<td>.411</td>
<td>.524</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangibles (TAN)</td>
<td>Pearson Correlation</td>
<td>.469**</td>
<td>.758**</td>
<td>.229*</td>
<td>.378**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.014</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Responsiveness (RES)</td>
<td>Pearson Correlation</td>
<td>.786**</td>
<td>.528**</td>
<td>.282**</td>
<td>.618**</td>
<td>.519**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.002</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>115</td>
<td>115</td>
<td>115</td>
<td>115</td>
<td>115</td>
<td>115</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

4.6 Effect of Sales Promotion on Customer Retention

The third objective set to establish effect of sales promotion on customer retention. Respondents were asked a set of questions to indicate to what extent they agree or disagreed with statement using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agreed.

4.6.1 Descriptive Statistics of Monetary Promotion

The study established that repeat customers are rewarded during sales promotion campaigns (M=3.9, SD=0.837) and distributor offers discount to repeat and new customers (M=3.81, SD=0.76). In addition, the distributor stays in touch and encourages customer interaction and alert customers to promotions, rewards programs, product updates (M=3.61, SD=.658).
Table 4.11: Descriptive Statistics of Monetory Promotion

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The distributor stays in touch and encourages customer interaction and</td>
<td>115</td>
<td>3.61</td>
<td>.658</td>
</tr>
<tr>
<td>alert customers to promotions, rewards programs, product updates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The distributor offers discount to repeat and new customers</td>
<td>115</td>
<td>3.81</td>
<td>.760</td>
</tr>
<tr>
<td>The repeat customers are rewarded during sales promotion campaigns</td>
<td>115</td>
<td>3.90</td>
<td>.837</td>
</tr>
</tbody>
</table>

4.6.2 Descriptive Statistics on Non Monetary Promotions

A review on the non monetary promotions the findings indicated that the distributor reward the customers by sending them a birthday gift (M=3.92, SD=1.036) and at the same time, distributor sets customer expectations by giving them something to look forward to (M=3.81, SD=0.62).

Table 4.12: Descriptive Statistics on Non Monetary Promotions

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The distributor make the most of social media in maintaining customer</td>
<td>115</td>
<td>3.60</td>
<td>.916</td>
</tr>
<tr>
<td>contact after the initial sale.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The distributor reward the customers by sending them a birthday gift.</td>
<td>115</td>
<td>3.92</td>
<td>1.036</td>
</tr>
<tr>
<td>The distributor gives back to the best customers by offering free gifts.</td>
<td>115</td>
<td>3.71</td>
<td>1.098</td>
</tr>
<tr>
<td>The distributor sets customer expectations by giving them something to</td>
<td>115</td>
<td>3.81</td>
<td>.620</td>
</tr>
<tr>
<td>look forward to</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The distributor has built trust through relationships</td>
<td>115</td>
<td>3.61</td>
<td>.658</td>
</tr>
<tr>
<td>The distributor informs customers about new products and services</td>
<td>115</td>
<td>3.61</td>
<td>1.015</td>
</tr>
<tr>
<td>monthly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customers complaints are solved during sales promotions</td>
<td>115</td>
<td>3.11</td>
<td>.934</td>
</tr>
</tbody>
</table>
The findings also reveals that the distributor gives back to the best customers by offering free gifts (M=3.71, SD=1.098), and the distributor also stays in touch and encourages customer interaction (M=3.61, SD=0.658) while distributor has built trust through relationships (M=3.61, SD=0.658). Results also established that distributor informs customers about new products and services monthly (M=3.61, SD=1.015) while the distributor make the most of social media in maintaining customer contact after the initial sale (M=3.6, SD=0.916) and there was uncertainty about customers complaints are solved during sales promotions (M=3.11, SD=0.934).

4.7 Effect of Suitability of Information Technology Products on Customer Retention

The last objective set to establish effect suitability of Information Technology Products on customer retention. Respondents were asked a set of questions to indicate to what extent they agree or disagreed with statement using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agreed.

4.7.1 Descriptive Statistics of Suitability of Information Technology Products

The results also indicated that the products are designed to meet customer needs (M=4.02, SD=0.772) and the firm train its customers with educational emails (M=3.81, SD=0.736), and high quality administrative systems are in place to support the efficiency of the distribution channel (M=3.8, SD=0.595).

Findings also show that majority were uncertain about distributor using live webinars to educate and inspire customers (M=3.4, SD=0.804). The results also indicated that, there was a lack of agreement on distributor measuring customer lifetime value (M=3.29, SD=0.77) or leverage customer feedback surveys (M=3.22, SD=0.604). The distributor has developed a frequent communication calendar (M=3.22, SD= 0.866) and products are delivered to customers on time (M=3.11, SD=0.698). There was also uncertainty about distributor consistently adds valuable content to the funnel (M=3.11, SD=1.033) and the distributor over delivers on the promise (M=2.71, SD=0.896).
Table 4.13: Descriptive Statistics of Suitability of Information Technology Products

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leverage customer feedback surveys</td>
<td>115</td>
<td>3.22</td>
<td>.604</td>
</tr>
<tr>
<td>The distributor has developed a frequent communication calendar</td>
<td>115</td>
<td>3.22</td>
<td>.866</td>
</tr>
<tr>
<td>The distributor over delivers on the promise</td>
<td>115</td>
<td>2.71</td>
<td>.896</td>
</tr>
<tr>
<td>The distributor measures customer lifetime value</td>
<td>115</td>
<td>3.29</td>
<td>.770</td>
</tr>
<tr>
<td>Products are delivered to customers on time</td>
<td>115</td>
<td>3.11</td>
<td>.770</td>
</tr>
<tr>
<td>High quality administrative systems are in place to support the efficiency of the distribution channel</td>
<td>115</td>
<td>3.80</td>
<td>.595</td>
</tr>
<tr>
<td>The distributor consistently adds valuable content to the funnel</td>
<td>115</td>
<td>3.11</td>
<td>1.033</td>
</tr>
<tr>
<td>The distributor uses live webinars to educate and inspire customers</td>
<td>115</td>
<td>3.40</td>
<td>.804</td>
</tr>
<tr>
<td>The firm train its customers with educational emails</td>
<td>115</td>
<td>3.81</td>
<td>.736</td>
</tr>
<tr>
<td>The products are designed to meet customer needs</td>
<td>115</td>
<td>4.02</td>
<td>.772</td>
</tr>
</tbody>
</table>

4.7.2 Correlation of product value, quality of service, sales promotion, suitability of IT products and Customer Retention

A Pearson correlation analysis was done to establish the relationship between product value, quality of service, sales promotion, suitability of IT products and Customer retention and the results indicated a significant correlation between customer retention and product value ($R= .897, p\ value= .000$), quality of service ($R= .816, p\ value= .000$), sales promotion ($R= .915, p\ value= .000$), and suitability of IT products ($R= .770, p\ value= .000$) as shown in Table 4.14. This implied that an increase in product value, quality of service, sales promotion, suitability of IT products positively influenced customer retention. In addition, sales promotion, value and quality had the highest significant influence.
Table 4.14: Correlation of product value, quality of service, sales promotion, suitability of IT products and Customer Retention

<table>
<thead>
<tr>
<th></th>
<th>Retention</th>
<th>Value</th>
<th>Quality</th>
<th>Promotion</th>
<th>Suitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>retention</td>
<td>Pearson Correlation 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>value</td>
<td>Pearson Correlation .897**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>quality</td>
<td>Pearson Correlation .816**</td>
<td>.869**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .000</td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>promotion</td>
<td>Pearson Correlation .915**</td>
<td>.773**</td>
<td>.724**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .000</td>
<td>.000</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suitability</td>
<td>Pearson Correlation .770**</td>
<td>.786**</td>
<td>.695**</td>
<td>.701**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>115</td>
<td>115</td>
<td>115</td>
<td>115</td>
<td>115</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

4.7.3 Regression Analysis

The research analyzed relationship between product value, quality of service, sales promotion, suitability of IT products and customer retention. The results showed that the $R^2$ value was 0.925 hence 92.5% of the variation in customer retention was explained by the variations in product value, quality of service, sales promotion, and suitability of IT products usage as illustrated in Table 4.15

Table 4.15: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>Square</th>
<th>Adjusted R Square</th>
<th>Estimate</th>
<th>Change</th>
<th>Change</th>
<th>df1</th>
<th>df2</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.963a</td>
<td>.928</td>
<td>.925</td>
<td>.09559</td>
<td>.928</td>
<td>352.192</td>
<td>4</td>
<td>110</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Suitability, quality, promotion, value

An ANOVA analysis was done between product value, quality of service, sales promotion, suitability of IT products and customer retention against other core factors at 95% confidence level, the F critical was 352.192 and the P value was (0.000) therefore significant and the results are illustrated below in Table 4.16
Table 4.16: Anova

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>12.873</td>
<td>4</td>
<td>3.218</td>
<td>352.192</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>1.005</td>
<td>110</td>
<td>.009</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Total</td>
<td>13.878</td>
<td>114</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: retention  
b. Predictors: (Constant), Suitability, quality, promotion, value

As per the coefficient Table 4.17, the equation \( Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 \) becomes:

\[
Y = 1.124 + 0.283 X_1 + 0.025 X_2 + 0.370 X_3 + 0.028 X_4
\]

Where:

- \( Y \) = Customer retention  
- \( X_1 \) = product value  
- \( X_2 \) = quality of service  
- \( X_3 \) = sales promotion  
- \( X_4 \) = suitability of IT products

The regression equation illustrated in Table 4.17 has established that all other factors held constant customer retention increases by 1.124 units. The findings presented also showed that with all other variables held at zero, a unit change in product value would lead to 0.283 units increase in customer retention, and a unit change in quality of service would lead to 0.025 unit increase in customer retention.

Moreover, the study also showed that a unit change in sales promotion would result in 0.370 unit increase in customer retention, at the same time a unit change in suitability of IT products would lead to 0.028 units increase in customer retention. The study revealed that product value and sales promotion were significant (p<0.05), therefore in the equation product value and sales promotion are significant in determining customer retention.
Table 4.17: Coefficient of Customer Retention

<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></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.124</td>
<td>.082</td>
</tr>
<tr>
<td>value</td>
<td>.283</td>
<td>.042</td>
</tr>
<tr>
<td>quality</td>
<td>.025</td>
<td>.042</td>
</tr>
<tr>
<td>promotion</td>
<td>.370</td>
<td>.029</td>
</tr>
<tr>
<td>Suitability</td>
<td>.028</td>
<td>.033</td>
</tr>
</tbody>
</table>

4.8 Chapter Summary

This chapter presents the results obtained from the data analysis done. This includes results relate to the respondents’ demography and the specific research objectives of this study based on the research questions which include questions on the effect of product value on customer retention, effect of quality of service on customer retention, effect of sales promotion and effect of suitability of IT products on customer retention among the Kenya’s IT distribution firms.

The research utilised mean and standard deviation to show data distribution. On the other hand, to establish the nature of the association inferential statistics which includes correlation and regression was also employed to establish the relationship between product value, quality of service, sales promotion, suitability of IT products and customer retention. This information is presented in tables and figures so as to enable comparative discussion and interpretation. In the next chapter the conclusion, discussion and recommendations as per the objectives of this study are presented.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter starts by giving an over view of summery of the study. The chapter then provides a detailed discussion on their findings and gives evidence based on literature review. It also presents conclusion, recommendation for improvement and recommendation for future studies

5.2 Summary
The study sought to examine the determinants of customer retention among the Kenya’s Information Technology Distribution Firms: a case of Mitsumi Distribution Company. The study aimed to answer the following research questions: what is the effect of product value on customer retention among the Kenya’s information technology distribution firms?; what is the effect of quality of service on customer retention among the Kenya’s information technology distribution firms?; what is effect of sales promotion on customer retention among the Kenya’s information technology distribution firms?; and what is the effect of suitability of IT products on customer retention among the Kenya’s IT distribution firms.

The study used a descriptive Research design and the total population of the study was 656 workers of the seven (7) partners of Mitsumi Distribution Company, Kenyan offices. Stratified random sampling was used to select the respondents based on their management levels. The study thus utilized a questionnaire as the principle instrument to accumulate essential information. Slovene’s formula was used to select 126 participants. Using Statistical Package for Social sciences the mean and standard deviation of the variables was also calculated to establish the distribution of the variables. Pearson's correlation analyses was used in this investigation to determine the association between independent variables and customer retention among the Kenya’s Information Technology Distribution Firms. The finding was preseted in tables and figures.

The first research question sought to establish effect of product value on customer retention. Findings revealed that respondents agreed that distributor does not entertain ethical shortcuts, distributor rewards the most profitable (VIP) customers, customer care representatives speak to customers politely and pleasantly, the distributor has built good relationships with customers and keeps in touch using a rolling calendar of communications
and the distributor is consistent on-time delivery. However, there was a lack of certainty about distributor is committed in delivering what they promised before and after the sale, distribution channel having an established customer advisory panel to understand customers’ wants and needs, the distributor is keen on a zero-defects and error-free-delivery process by recruiting outstanding people to deliver customer service, customer service representatives are trained to handle customer complaints promptly and the distribution channel insists on error free product.

The aim of the second research question was to determine the effect of quality of service on customer retention among the Kenya’s information technology distribution firms. It was revealed that respondents agreed that distributor operates in hours convenient to all their customers, distributor offers customer service “surprises”, the distributor is accessible and available and willing to help customers whenever there is a problem, the distributor’s sales team is consistently courteous with customers. Findings also revealed that respondents agreed that distributor returns customers phone calls promptly, distributor puts customer needs first before organisational needs, customer service representatives of the distributor are always neat in their appearance and the distributor reaches out to the customers on a regular basis through a newsletter, coupon or an event invitation. However, respondents disagreed on the distributor regularly hires mystery shoppers to find out how good the customer service really is and if the distributor is never too busy to respond to customers' requests.

The third research question sought to investigate effect of sales promotion on customer retention among the Kenya’s Information Technology distribution firms. It was indicated that respondents agreed that distributor reward the customers by sending them a birthday gift, repeat customers are rewarded during sales promotion campaigns, distributor sets customer expectations by giving them something to look forward to and distributor offers discount to repeat and new customers. The findings also reveals that the distributor gives back to the best customers by offering free gifts, the distributor also stays in touch and encourages customer interaction, distributor has built trust through relationships, distributor informs customers about new products and services monthly, the distributor make the most of social media in maintaining customer contact after the initial sale and there was uncertainty about customers complaints are solved during sales promotions.
The fourth research question examined the effect of suitability of information technology products on customer retention. The findings revealed respondents agreed that products are designed to meet customer needs, the firm trains its customers with educational emails and high quality administrative systems are in place to support the efficiency of the distribution channel. However, respondents were uncertain about distributor using live webinars to educate and inspire customers, there was a lack of agreement on distributor measuring customer lifetime value, leverage customer feedback surveys, the distributor has developed a frequent communication calendar, products are delivered to customers on time, distributor consistently adds valuable content to the funnel and the distributor over delivers on the promise.

5.3 Discussion

5.3.1 Effect of Product Value on Customer Retention

The findings revealed that distributor has built good relationships with customers and keeps in touch using a rolling calendar of communication. Similar to this statement, Garrett (2013) stated that IT distribution firms should create and maintain favourable relationship with their customers in order to not only give room for repeat purchase but also create room for customer retention (Garrett, 2013). When there is a favourable relationship between the organization and the customers, customers tend to repeat purchase and continue patronizing the organization, thereby telling their favourable experiences with other members.

The study showed that respondents agreed that customer care representatives speak to customers politely and pleasantly. Customers have an inherent expectation that they will be treated well, in a friendly, kind, and respectful manner. Research shows that empathy plays an important role when dealing with customers (Hughes, 2013). In addition, customer service can be expressed in personal and interpersonal skills such as communication skills, listening skills, language, gestures and posture, telephone techniques (Mutuse, 2013).

It was revealed that respondents agreed that the distributor is consistent on-time delivery. According to Kayali (2014), if a company delivers the product or service in the manner in which it promised, and help the customer with any difficulties or challenges they may have with the product or service, and the customer is ultimately happy with the experience, that's good customer service. Good customer service is also about ensuring the customer is
receiving the appropriate product or service they truly need and not selling them more product or service than they need.

The findings showed that respondents disagreed on distributor is committed in delivering what they promised before and after the sale and distribution channel insists on error free product. According to Irini (2016) installation and delivery are the keys to the after-sales service that have an influence on the customer. Buyers of product want assurance that the product will perform satisfactorily over its useful life when operated properly. This is achieved through post-sale support such as installation, warranties, extended warranties, maintenance service contracts, provision of spares, training programs, and product upgrades among others.

It was established that respondents disagreed on the distribution channel insists on error free product and distributor is keen on a zero-defects and error-free-delivery process by recruiting outstanding people and to deliver customer service. Zeithaml and Bitner (2014) noted that a quality product or service must have an acceptable amount of reliability; that is the product/service must perform its intended function over its intended life under normal environmental and operating conditions. Most consumers are reluctant to buy digital goods and services online because they do not have enough information to be confident with their purchases. According to a study done by Gomez (2013), one of the reasons that many customers purchase travel tickets offline is the unreliability of the on-line service when making a reservation. However, if a service proves to be reliable, then customers will use it and be satisfied (Athanas, 2014).

5.3.2 Effect of Quality of Service on Customer Retention

The study established that respondents agreed that distributor offers customer service “surprises”. Studies conducted by Goffin, (2014); Slater, (2015); and Ruben, (2016) found that IT distribution firms strive for competitive advantages with their after-sales service portfolio to differentiate offers from competitors. Every organization has to provide better After Sale services to retain and satisfy its customer (Yoon, 2014). According to Mark (2014), after sale service is important for IT distribution businesses and any other business to compete in the market by using such extended services, However, Vittasek (2015) averred that most of the business organizations are not aware about the after-sales service factors and its impact towards the customer satisfaction.
It was revealed that respondents agreed that the distributor’s sales team is consistently courteous with customers and that distributor returns customers phone calls promptly.

According to Rosen and Surprenant (2013) studied whether After Sales service is enough for the long relationship with customers. Their findings showed the After Sales service is a marketing tool that create and establish a relationship with customers through good communication and flexibility. In long term, it leads to customer satisfaction. Answering customer questions and being knowledgeable about the product or service is also a characteristic of good customer care service. Attafar (2015) developed a model of After Sales services and it incorporated the following elements: repair, spare parts supply, online (telephone) service, warranty services.

It was established that respondents agreed that distributor reaches out to the customers on a regular basis through a newsletter, coupon or an event invitation. Terkan (2014) agrees that while advertising performs the communicative function of informing consumers about a company’s product or services, creative advertising as a method has been used to attract people to the market. In todays current globalized and rapidly expanding business conscious world, creative advertising and marketing management are increasingly becoming more relevant to the businesses. Companies need to adopt creative strategies and innovations in their operations in order to survive the challenges of the ever expanding global market.

Findings also indicated that distributor operates in hours convenient to all their customers, the distributor is accessible and available and willing to help customers whenever there is a problem. This is a good way of ensuring customer satisfaction and Weinstein (2012) states that the value for customer is expressed in many ways as a combination of service, product quality, image and price. Customer value encompasses the total experience of the customer regarding the organization, its products and services, purchase and post-purchase services and customer support, as well as the overall impact of the interaction between consumer and product, the benefits conferred and how these affect well-being and are perceived by influential others (Kerin, Hartley & Rudelius, 2009).

The study revealed that customer service representatives of the distributor are always neat in their appearance. Entwistle (2015) notes that the manner in which people dress at work might be considered mundane or trivial and issues relating to attire can be easily disregarded in studying workplace relations. Clothing however, can play a significant role
in shaping the employment experience, particularly for frontline service workers. Adam and Galinsky (2012) indicates that individual dress practices are interlinked with one’s identity and clothing is found to shape the wearer’s selfperception and subsequent behaviour. On the other hand Karl (2013) also noted that dress can provide a cue to one’s personality and can be adopted to manage impressions during interactions.

5.3.3 Effect of Sales Promotion on Customer Retention

It was established that respondents agreed that respondents agreed that distributor offers discount to repeat and new customers. Yin and Huang (2014) contends that price discount is a very prevalent marketing strategy to attract consumers by providing an extra value or incentive, which encourages consumers to purchase the promoted products immediately. Similarly, Huang (2014) found that a high price discount led to a perception of high product quality while Garretson and Clow (2016) found a high price discount led to a perception of low quality, whereas Grewal (2014) found no relationship between price discounts and product quality

The study established that distributor reward the customers by sending them a birthday gift, and repeat customers are rewarded during sales promotion campaigns. Jeevananda (2011) also agreed with the finding and notes that satisfying customers is one of the main objectives of every business. Businesses recognize that keeping current customers is more profitable than having to win new ones to replace those lost. Management and marketing theorists underscore the importance of customer satisfaction for a business"s success. Customer loyalty program is one of retail marketing strategies with many benefits for both the customers and business.

Fulgoni and Lipsman (2015) highlights that customer’s loyalty is one of the important tool or way for brand awareness. The retailers have to design loyalty programs and make it more communicable and meaningful for the customers. The right loyalty program benefits influence the customers' decision on choosing a particular retail outlet. The retailers have to make an effort to understand their customers' expectations of benefits in the form of reward programs. Gocek and Beceren (2012) indicates that measuring the effectiveness of the loyalty programs periodically is more profitable for both retailers and customers. This will certainly help to increase the footfalls and conversion rate at the retail outlets. Also, this enhances the retailer brand loyalty in the minds of customer.
The findings revealed that the distributor gives back to the best customers by offering free gifts. This findings are inline with Henderson, Beck and Palmatier (2011) who noted that loyalty forms through the relationship between the brand and the customer, not just the reward offered. For a successful reward program, certain psychological factors should be included (Henderson, Beck, & Palmatier, 2011). If a customer frequents a specific retail location without a known reason, this is a psychological connection. Reward programs have increased in popularity with businesses and customers. In some instances, a business could increase their profits by 100% with a customer reward program (Valenzuela, 2012). Habit-based reward programs can be very efficient in driving customer behavior (Henderson et al., 2011). Understanding customer behavior is beneficial to the retail pharmacy. Customer loyalty may hinge upon specific desired behaviors or simply convenience. If convenience is the driver behind customer loyalty, a reward program could encourage additional spending more often.

The findings also indicated that the distributor informs customers about new products and services monthly. Marketing strategies not only involve the product and the service, but also include the customer experience (Malik, 2012). The customer experience and expectations should be considered as one part of the strategy when implementing a successful reward program. A reward program that is properly implemented, maintained, and monitored could retain customer loyalty. The brand experience is the whole customer experience at every touch point associated with the retail store brand (Shamim & Muhammad, 2013). Through brand management and customer monitoring, the retail company can achieve brand loyalty and positive brand experience (Anilkumar & Joseph, 2012).

5.4 Conclusion

5.4.1 Effect of Product Value on Customer Retention

Ethical behaviour is observed, profitable customers are rewarded, customer care representatives speak to customers politely and pleasantly, the distributor is able to create a good relationship with its customers and they also keep in touch with customers by using a rolling calendar of communications. Distributors are not able to deliver what they have promised and they are also. Customer service representatives are not trained on how to deal with customer complaints quickly; distributor does not deliver what they promised and there is lack of customer advisory panel.
5.4.2 Effect of Quality of Service on Customer Retention
Distributor’s offer surprise customer service, are accessible, operates in hours convenient to all their customers, willing to help customers whenever there is a problem, have customer service representatives who are neat, puts customer needs first before organisational needs, sales team are usually polite with customers, use newsletter, coupon and event invitation to reach out to customers regularly and the distributor is never too busy to respond to customers' requests. Mystery shoppers are not hired to find out

5.4.3 Effect Sales Promotion on Customer Retention
Customers are rewarded by birthday gifts, use of sales promotion campaigns, free gifts, discount are also offered to repeat and new customers, customers are informed about new products and services monthly and they also stays in touch and encourages customer interaction. Customer’s complaints are not solved during sales promotions.

5.4.4 Effect of Suitability of Information Technology Products on Customer Retention
Products are designed to meet customer needs, customers are sent educational emails to make them aware of products or services that distributors are offering, high quality administrative systems are in place to support the efficiency of the distribution channel and distributor do not over delivers on the promise. live webinars are not used to educate and inspire customers, customer lifetime value are not measured, distributor’s do not influence customer feedback surveys, there is lack of communication calendar and products are not delivered to customers on time.

5.5 Recommendation
5.5.1 Recommendation for Improvement
5.5.1.1 Effect of Product Value on Customer Retention

Kenya information technology distribution firms should train their customer services representatives through this, employees will be able to learn skills that will help them deal effectively with customers, increase their communication, listening, problem solving and organizational skill. They should also deliver goods or services promptly and also create a customer advisory panel that will help them know customers’ needs and wants thus, increase customer retention
5.5.1.2 Effect of Quality of Service on Customer Retention

It is recommended that Kenya information technology distribution firms ought to increase the quality of service they provide by giving customer feedback, provide customers with information regarding their brand and offer customers incentives. This will increase customer retention and increase customer loyalty and organizational profits.

5.5.1.3 Effect Sales Promotion on Customer Retention

Customer’s complaints should be solved during sales promotions. This will help the organization to listen carefully to what customers has to say, demonstrate to them on how to use the product or service, get feedback from them and use that feedback to develop products or services of good quality, create a relationship with customers and influence their decision to buy or their product or service.

5.5.1.3 Effect of Suitability of Information Technology Products on Customer Retention

The distributor should develop an interactive live webinars to educate and inspire customers hence, raise awareness, have a direct contact with their target customers, understand their target audiences, adds valuable content, communicate and reach out to their customers on a regular basis. get quick feedback from them, demonstrate how a product is being used, build trust and relationship with customers. They should develop a strategy to deliver products or services to customers on time.

5.5.2 Recommendation for Future Studies

The study was only done in a distribution company and it conducted a research on product value, quality of service, sales promotion and suitability of IT products. Same research or another research should be done in other companies and other factors should be investigated to identify their influence on customer retention.
REFERENCES


Irini (2016 A multistage model of customers’assessments of service quality and value.


*Journal of Consumer Research*, 17, 375–384


Marketing, 14 (6) 451-72.


Weinstein (2012)


APPENDIX I: LETTER FROM SCHOOL

TO WHOM IT MAY CONCERN.

1ST JULY, 2019

Dear Sir/Madam,

REF: PERMISSION TO CONDUCT RESEARCH –PATRICIA WANJIJKU
STUDENT ID. NO. 655943

The bearer of this letter is a student of United States International University (USIU) - Africa pursuing a Masters of Science in Management and Organization Development.

As part of the program, the student is required to undertake a dissertation on the “Determinants of Customer Retention among the Kenya’s Information Technology Distribution Firms: A Case Study of Mitsumi Distribution Company,” which requires her to collect data.

Please note that information provided will be treated with utmost confidentiality and will only be used for academic purposes.

Kindly assist the student get the appropriate data and should you have any queries contact the undersigned.

Yours Sincerely,

[Signature]

Prof. Amos Njuguna,
Dean – School of Graduate Studies, Research and Extension
Tel: 730 116 442
Email: annjuguna@usiu.ac.ke
APPENDIX II: LETTER OF AUTHORIZATION

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Ref: No. NACOSTI/P/19/45575/31942 Date: 26th July, 2019

Patricia Wanjiku Kamau
United States International University
P.O. Box 14634 – 00800
NAIROBI

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “Determinants of customer retention among the Kenya’s Information Technology distribution firms: A case study of Mitsumi Distribution Company” I am pleased to inform you that you have been authorized to undertake research in Nairobi County for the period ending 25th July, 2020.

You are advised to report to the County Commissioner and the County Director of Education, Nairobi County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.

GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Nairobi County.

The County Directors of Education
Nairobi County.

APPENDIX III: NACOSTI PERMIT

THIS IS TO CERTIFY THAT:

MS. PATRICIA WANIJKU KAMAU of UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA, 75251-75251 Dallas, has been permitted to conduct research in Nairobi County on the topic: DETERMINANTS OF CUSTOMER RETENTION AMONG THE KENYA'S INFORMATION TECHNOLOGY DISTRIBUTION FIRMS: A CASE STUDY OF MITSUMI DISTRIBUTION COMPANY for the period ending: 25th July, 2020

Applicant's Signature

Permit No.: NACOSTI/P/19/45575/31942 Date Of Issue: 26th July, 2019 Fee Received: Ksh 1000

Director General
National Commission for Science, Technology & Innovation

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013
The Grant of Research Licenses is guided by the Science, Technology and Innovation (Research Licensing) Regulations, 2014.

CONDITIONS
1. The License is valid for the proposed research, location and specified period.
2. The License and any rights thereunder are non-transferable.
3. The Licensee shall inform the County Governor before commencement of the research.
4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
5. The License does not give authority to transfer research materials.
6. NACOSTI may monitor and evaluate the licensed research project.
7. The Licensee shall submit one hard copy and upload a soft copy of their final report within one year of completion of the research.
8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice.

National Commission for Science, Technology and Innovation
P.O. Box 30623 - 00100, Nairobi, Kenya
TEL: 020 490 7000, 97387878, 9735 404245
Email: digen@nacostt.gov.ke, registry@nacostt.gov.ke
Website: www.nacostt.gov.ke

Serial No. A 26194

CONDITIONS: see back page
APPENDIX IV: INTRODUCTION LETTER TO THE PARTICIPANTS

PATRICIA NDAIGA

P.O. Box 66713, 00100

NAIROBI,

Dear Participant

RE: REQUEST FOR PARTICIPATION IN A RESEARCH STUDY

My name is PATRICIA NDAIGA, a finalist; Master of Science in Management and Organization Development student at United States International University (USIU-Africa). I am currently undertaking a research on “DETERMINANTS OF CUSTOMER RETENTION AMONG THE KENYA’S INFORMATION TECHNOLOGY DISTRIBUTION FIRMS: A CASE STUDY OF MITSUMI DISTRIBUTION COMPANY.” I am requesting your commitment on this survey. All information given in the midst of this outline will be treated with utmost confidentiality and only for academic reason.

I will be thankful for the moment that you could save at some point or another from your busy timetable and fill in the survey. Any information given will be fundamentally used for scholastic purposes and your character will be treated as confidential.

Thank you.

Yours faithfully,

Patricia Ndaiga

Tel. +254733719510

Nairobi, Kenya
APPENDIX V: QUESTIONNAIRE

TOPIC: DETERMINANTS OF CUSTOMER RETENTION AMONG THE KENYA’S INFORMATION TECHNOLOGY DISTRIBUTION FIRMS: A CASE STUDY OF MITSUMI DISTRIBUTION COMPANY.

This questionnaire is administered on the seven partners of Mitsumi Distribution Company based in Nairobi City County. The information to be given in this questionnaire will be treated as confidential and purely for academic purposes.

The Questionnaire aims to answer the following questions: - what is the effect of product value on customer retention among the Kenya’s Information Technology distribution firms?; what is the effect of quality of service on customer retention among the Kenya’s Information Technology distribution firms?; what is effect of sales promotion on customer retention among the Kenya’s Information Technology distribution firms?; and what is the effect of suitability of IT products on customer retention among the Kenya’s IT distribution firms?.

SECTION A: RESPONDENTS DEMOGRAPHICS

(Tick once in the below given choices of all questions)

1. Name (optional): ..............................................................

2. Please indicate your age.
   19-23 years [ ]
   24-28 years [ ]
   29-33 years [ ]
   34-38 years [ ]
   39-43 years [ ]
   Above 43 years [ ]

3. Gender: Male [ ]
   Female [ ]

4. Educational qualification:
   Masters [ ]
   Certificate [ ]
   Bachelor’s degree [ ]
   others (specify)……………………………………
   Diploma [ ]

5. Job title?……………………………………
SECTION B: ATTRIBUTE ON PRODUCT VALUE
6. Indicate your level of agreement/disagreement concerning product value offered by Mitsumi as a distribution channel on a scale of 1-5: (5 - Strongly agree; 4 - Agree; 3 - Neutral; 2 - disagree; 1 - strongly disagree).

<table>
<thead>
<tr>
<th>No.</th>
<th>Indicator</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td>Customer service representatives are well trained to handle customer complaints promptly.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b)</td>
<td>The distributor has built good relationships with customers and keeps in touch using a rolling calendar of communications.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c)</td>
<td>The distributor is consistent on-time delivery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d)</td>
<td>The distributor is committed in delivering what they promised before and after the sale.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e)</td>
<td>The distribution channel insists on error free products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f)</td>
<td>The distributor is keen on a zero-defects and error-free-delivery process by recruiting outstanding people to deliver customer service.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g)</td>
<td>Customer care representatives speak to customers politely and pleasantly.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h)</td>
<td>The distributor does not entertain ethical shortcuts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i)</td>
<td>The distribution channel has an established customer advisory panel to understand customers' wants and needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>j)</td>
<td>The distributor rewards the most profitable (VIP) customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION C: ATTRIBUTE ON QUALITY OF SERVICE
7. Indicate your level of agreement/disagreement concerning quality of services offered by Mitsumi as a distribution channel on a scale of 1-5: (5 - Strongly agree; 4 - Agree; 3 - Neutral; 2 - disagree; 1 - strongly disagree).

<table>
<thead>
<tr>
<th>No.</th>
<th>Indicator</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td>Customer service representatives of the distributor are always neat in their appearance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b)</td>
<td>The distributor returns customers phone calls promptly.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c)</td>
<td>The distributor is accessible and available and willing to help customers whenever there is a problem.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
d) The distributor regularly hires mystery shoppers to find out how good the customer service really is.

e) The distributor is never too busy to respond to customers' requests.

f) The distributor’s sales team is consistently courteous with customers.

g) The distributor operates in hours convenient to all their customers.

h) The distributor offers customer service “surprises”.

i) The distributor puts customer needs first before organisational needs.

j) The distributor reaches out to the customers on a regular basis through a newsletter, coupon or an event invitation.

SERVQUAL MODEL: Indicate Yes or No (Tick Once)

<table>
<thead>
<tr>
<th>Main Factor</th>
<th>No</th>
<th>Dimension</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability</td>
<td>1</td>
<td>The distributor meets their promised time-frames for response</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>The distributor is sympathetic and reassuring, when the customer has problems</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Customer needs and expectations are communicated throughout the distribution channel</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>The channel conducts customer feedback surveys regularly</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>The distributor stresses the importance on obtaining feedback on its quality control systems from customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>The distributor undertakes market based research annually on quality issues.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assurance</td>
<td>7</td>
<td>The distributors employees are trustworthy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>The distributor has a well-trained as telephone customer care.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>Customers feel safe when transacting with employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>The distributor responds to customer complaints in the organization proactive in dealing with Customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empathy</td>
<td>No.</td>
<td>Description</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----</td>
<td>----------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>The distributor gives each customer individualized attention</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>The distributor fully understand the needs of the customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>14</td>
<td>The distributor has the best interests of the customer at heart</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>The distributor operates at hours convenient to all customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangibles</td>
<td>16</td>
<td>The distributor has up-to-date equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>17</td>
<td>Physical facilities are visually appealing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>The employees are well-dressed/neat</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>19</td>
<td>Appearance of the physical facilities are consistent with the type of service industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsive ness</td>
<td>20</td>
<td>The distributor is never too busy to respond to customers’ requests.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>The distributor are always willing to help customers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>22</td>
<td>The distributor gives prompt services to customers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>The distributor makes information easily obtainable to customers.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SECTION D: ATTRIBUTE ON SALES PROMOTION**

8. Indicate your level of agreement/disagreement concerning sales promotion offered by Mitsumi as a distribution channel on a scale of 1-5: (5- Strongly agree; 4-Agree; 3-Neutral; 2- disagree; 1- strongly disagree).

<table>
<thead>
<tr>
<th>No.</th>
<th>Indicator</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>k)</td>
<td>The distributor stays in touch and encourages customer interaction. Alert your customers to promotions, rewards programs, product updates</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>l)</td>
<td>The distributor make the most of social media in maintaining customer contact after the initial sale.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>m)</td>
<td>The distributor reward the customers by sending them a birthday gift.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n)</td>
<td>The distributor gives back to the best customers by offering free gifts.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>o)</td>
<td>The distributor sets customer expectations by giving them something to look forward to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>p)</td>
<td>The distributor has built trust through relationships</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q)</td>
<td>The distributor offers discount to repeat and new customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>r)</td>
<td>The distributor informs customers about new products and services monthly</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
s) The repeat customers are rewarded during sales promotion campaigns

t) Customers complaints are solved during sales promotions

SECTION E: ATTRIBUTE ON SUITABILITY OF IT PRODUCTS

9. What is your level of agreement/disagreement concerning suitability of IT products offered by Mitsumi as a distribution channel on a scale of 1-5: (5- Strongly agree; 4-Agree; 3-Neutral; 2- disagree; 1- strongly disagree).

<table>
<thead>
<tr>
<th>No.</th>
<th>Indicator</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td>Leverage customer feedback surveys</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b)</td>
<td>The distributor has developed a frequent communication calendar</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c)</td>
<td>The distributor over delivers on the promise</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d)</td>
<td>The distributor measures customer lifetime value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e)</td>
<td>Products are delivered to customers on time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f)</td>
<td>High quality administrative systems are in place to support the efficiency of the distribution channel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g)</td>
<td>The distributor consistently adds valuable content to the funnel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h)</td>
<td>The distributor uses live webinars to educate and inspire customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i)</td>
<td>The firm train its customers with educational emails</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>j)</td>
<td>The products are designed to meet customer needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

THANK YOU SO MUCH FOR YOUR TIME