

Impact of Customer Relationship Management as a Strategy for Competitive Advantage in Kenyan Public Universities: A Case Study of Moi University

Rajab Nurwin Fozia

Doctoral Student of Business Administration PhD (Candidate)
Jomo Kenyatta University of Agriculture and Technology

Simon M. Shiamwama

Doctoral Student of Business Administration PhD (Candidate)
Jomo Kenyatta University of Agriculture and Technology
Department of Business Management Science
Kenyatta University

Kennedy Ntabo Otiso

Kibabii University College

Abstract

The presence of the information technology revolution and, in particular, the World Wide Web is the opportunity to build better relationships with customers than has been previously possible in the offline world. By combining the abilities to respond directly to customer requests and to provide the customer with a highly interactive, customized experience, companies have a greater ability today to establish, nurture, and sustain long-term customer relationships than ever before. The ultimate goal is to transform these relationships into greater profits by increasing repeat purchase rates and reducing customer acquisition costs. The purpose of the study was to investigate the impact of customer relationship management on a company's sales performance and gaining competitive advantage. The investigators carried out a survey aimed to determine the effect of customer relationship management on customer loyalty in Moi University. The study adopted the case study research design and targeted a population of 25,013 broken into 1 vice chancellor, 12 heads of schools in Moi University, and 25,000 students. The targeted population was put into strata of three consisting of the vice chancellor, the heads of schools and the students. The sample size for the students was calculated using fishers formula, giving sample size of 100. Therefore the total sample size was 113. The sampling technique used was purposive sampling technique for the vice chancellor and heads of schools, the students were selected using convenience sampling technique. The data was collected using questionnaires and the interviews. The questionnaires were administered to the students and heads of schools while the vice chancellor was interviewed. The data was analyzed using descriptive statistics. The study will benefit the organizations especially institutions of higher learning in understanding certain aspects that could be considered in managing their Customer Relationship Marketing programme, products and services to be imaginative and entertaining

Keywords: Brand preference, Customer Relationship Management, Customer loyalty, Profitability, Rightful consumer perception and Value addition

1.1 Background Information

Modern marketing calls for more than developing a good product, pricing it attractively and making it accessible. Companies must equally communicate creatively both with potential and present customers. Every company is inevitably cast into the role of communicator and promoter. For most companies, the question is not whether to communicate, but rather what to say, to whom and how often (Kotler, 2003). But the communication gets harder and harder as more companies clamor to grab the customers' increasingly divided attention (Czinkota et al, 2005).

To reach the target markets, build consumer awareness, inform or persuade customers as well as reach a larger number of potential customers, companies rely on advertising as a suitable tool of communication. (Boone and Kurtz, 2006) Advertisements here need not only capture the target audience's attention, but equally support and enhance the brands and their positioning (Kotler et al, 2006). "The market place isn't what it used to be", it has changed radically due to technological advances, globalization and deregulation which have led to new behaviors and challenges.

(Kotler 2003) Customers increasingly expect higher quality of products and services and customization and brand manufacturers are facing stiff competition from foreign and local brands resulting in higher awareness costs and shrinking profits. Faced with stiff competition amidst product inventions, Universities are shouldering an enormous challenge of ensuring that their products and services are bought in rightful quantities, their customers well informed, reminded, persuaded and their products are articulated in a manner that assures excellent positioning in a competitive market. Currently Kenya has liberalized its higher education sector albeit with some control through the Commission of University Education, there are now almost 40 universities and hundreds of middle level colleges while the Global village ensures that Education is available 24 hours a day at your doorstep through the distance learning system from many institutions across the globe.

It is in this background that Moi University has to up its game and come up with innovative ways of ensuring brand loyalty for its products and services. Customer Relationship Management (CRM) is a process that enables companies to provide excellent real-time customer service by developing a relationship with each valued customer through the effective use of individual account information. Customer Relationship Management holds that a major driver of company's profitability is the aggregate value of the company's customer base. (Kotler, 2003) Moi University, being a large company with international customers and international linkages has to start this process as part of its change strategy in line with being ISO 9000-2008 certified.

The impact of CRM is not how many customers you have or how large the competition is but how you manage your current and potential customers effectively and efficiently. Being a public institution, the university has been getting the bulk of its students from the Joint Admissions Board (JAB) and a few international students for its courses. With new entrants into the market, the university has had to also aggressively market its products and services to private students so as to increase its customer and financial base.

First and foremost is the treatment of individual students, alumni, parents, friends, and each other (internal customers). Some of the institutions perceive the CRM as an important practice that should be adopted in their institutions but still have no means to implement the same because the CRM practices can be sometimes costly.

The concept of CRM has not yet been adopted in the institutions of higher learning in Kenya (Mwangi, D.K, 2009). The idea is still foreign and yet to be put to test. Some companies in Kenya, however, have already adopted the idea. There are some companies that have integrated the CRM in their public relations, reaping great benefits in the process.

1.2 Statement of the Problem

The globalized world is changing very fast. As business conditions continually change, mid-market enterprises are forced to constantly realign their business strategy to maintain profitability and growth. Faced with the increased infiltration of companies that offer equal satisfaction levels to customers in the market, Universities are compelled to come up with appropriate means of presenting their products so that brand preference, consumer loyalty and rightful perception in regard to product attributes among other objectives are realized. There have however been complaints from the students of the poor service delivery by the universities.

The universities offer poor services in disregard to the consumers' needs or preferences. For example most universities still use the outdated manual registration of students rather than online registration. Today's systems have little to offer students, particularly the new breed of technology-savvy students who want to be more in control of their learning environment. Today's students demand a higher level of access to information about their options, their performance, and their future. They also demand that technology resources be an integral part of their learning experience. The standard for access to faculty and student services will change as students come to expect virtual access to faculty and student services resources. The old ways of interacting with students will become untenable—like expecting them to line up for hours when instead they can choose an institution that can meet their needs on their own terms, on their schedule, with virtual support systems.

1.3 General Objective

To find out the impact of customer relationship management on the profitability of Kenyan public universities.

1.4 Specific Objective

To find out the effects customer relationship management on the customer loyalty of Moi university

1.5 Justification of Study

CRM has become a very important aspect in the institutions, since it facilitates customer retention and loyalty. From the perspective of the customer, a CRM business strategy allows interaction with the college or university from a single entity that has a complete understanding of their unique status. In the case of a student, this might be seen through the interaction with and between the admissions, registration, financial aid, student accounts, and housing offices. For a faculty or staff member, a CRM business strategy would optimize interaction with departments administering benefits, payroll, staff training, information technology (IT), or facilities.

From the perspective of the college or university, the CRM business strategy provides a clear and complete picture of each individual and all the activities pertaining to the individual. CRM activities greatly influence the all aspects of the company not excluding the profitability of the company, it is therefore very important to analyze the impact of CRM on the profitability of the public companies, so as to discern whether it will be profitable to adopt it or discard it especially in Moi University Eldoret.

2.1 Literature Review

2.2 Customer Relationship Management

According to Russell, S. Winner (2001), Customer Relationship Management is the new Mantra of marketing. Companies like Oracle have come up with products and services that can track customers through the World Wide Web and be able to predict their future moves needs and wants. Kotler (2003) uses customer relationship management interchangeably with customer relationship marketing. He says that customer relationship management's aim is to produce high quality equity which he called customer equity. Rust, et al (2001) further distinguishes the three drivers of customer equity, value equity, brand equity and relationship equity. Rust, et al (2001) described Value Equity as the customers' objective assessment of utility of an offering based on perception of its benefits relative to its costs.

The sub drivers of value equity are quality, price and convenience. Brand Equity is the customers' subjective and intangible assessment of the brand, above and beyond its objectively perceived value (Morgan and Hunt, 1994). The sub drivers of brand equity are customer brand awareness, customer attitude towards the brand, and customer perception of brand ethics. Relationship Equity is the customer tendency to stick with the brand, above and beyond objective and subjective assessments of its worth (Rust et al, 2001). Sub drivers of relationship equity include loyalty programs, special recognition and treatment programs, community building programs and knowledge building programs.

According to Berry (2003), Customer relationship management (CRM) consists of the processes a company uses to track and organize its contacts with its current and prospective customers. Wilson (2005) stated that the CRM software is used to support these processes; information about customers and customer interactions can be entered, stored and accessed by employees in different company departments.

The primary goal of CRM according to Gary and Greg (2002) is to improve long-term growth and profitability through a better understanding of customer behavior. CRM aims to provide more effective feedback and improved integration to better gauge the Return on Investment (ROI) in these areas.

2.3 Customer Retention

Unfortunately, most marketing theory and practice centers on the art of attracting new customers rather than on retaining and cultivating existing ones (Chen, 2000). The emphasis traditionally has been on making sales rather than building relationships, on pre-selling and selling rather than caring for customers afterwards. The key to customer retention is customer satisfaction and companies need to measure customer satisfaction regularly. A highly satisfied customer stays longer, buys more and promotes the company for free to other consumers Lyu et al (2000). The best thing a company can do is to make it possible for customers to complain as it is feedback for the company to improve its products and services.

According to Kotler (2008), of the companies who register a complaint, between 54 and 70% will do business again with the organization if their complaint is resolved and the figure can go to a staggering 95% if the customer feels that the complaint was resolved quickly. Lyu et al (2001) proposed that companies should come up with several motto's which can include:- A customer is the most important person ever in the office whether in person, telephone, or mail; A customer is not dependent on us, we are dependent on him; A customer is not an interruption to our work; he is the reason of it.

We are not doing him a favor by serving him; he is doing us a favor by giving us the opportunity to do so; a customer is not somebody to argue or match wits with. Nobody ever won an argument with a customer; a customer is a person who brings us his wants. It is our Job to handle them profitably to him and to us (Lyu et al, 2001).

2.4 Measuring Customer Lifetime Value

Customer Lifetime Value (CLV) is a concept of measuring customer retention rate Lynette (2008). CLV describes the present value of the stream of future profits expected over the customer's lifetime purchases. The company must subtract from the expected revenues the expected costs of attracting, selling and servicing the customer (Kumar, 2008). There are two ways of strengthening customer retention, one is erecting high switching costs and the other is to deliver high customer satisfaction.

2.5 The Eight Building Blocks of CRM

According to Radcliff et al (2001), "CRM needs a framework to ensure that programmes are approached on a strategic, balanced and integrated basis. Lyu et al (2001) introduce such a framework to help enterprises implement "true" CRM and maximize benefits." To achieve long term value of CRM, it is necessary to understand that it is a strategy that involves the whole business and therefore should be approached at an enterprise level (Lyu et al, 2001). The main reason enterprises are not implementing true CRM as Radcliff et al (2001), observed is an inability to see the big picture and understand what is involved. Just as a map helps you understand the context of your journey (the roads you need to navigate and alternative routes), so the CRM framework helps enterprises make decisions about the best route and objectives for their situation.

Following an analysis of several enterprises, Gartner (2009) has created a CRM framework, or map, called "The Eight Building Blocks of CRM. The eight building blocks in the model are the fundamental components for effective true CRM. Britt (2003) gave the first block as CRM vision. This is a picture of what the customer-centric enterprise should look like. Without a CRM vision, employees, customers and other stakeholders will not have a clear idea of: the value proposition the company is offering, which customers it wants to have a relationship with, the importance and benefits of CRM to the enterprise strategy and the nature of the customer experience to be delivered.

Kotler and Fox, (2005), gave the second block as CRM Strategy. This should be interwoven with the marketing strategy and provide direction to other operational strategies, such as IT, HR and production. Kotler and fox (2005) stated that the ultimate driver for all these strategies is the corporate business strategy, which outlines how stakeholder value is to be delivered. Gary and Greg, (2002) gave the third block which is Valued Customer Experience. People tend to focus on the things that they can understand and influence these things includes the technology, the customer information, the processes or the organization. The result is that most CRM initiatives are inwardly focused and provide little value to customers.

They fail to take into account that value must be created for both sides in relationship management. Kumar (2008) commented that it is foolhardy to pretend that you understand customers without talking to them. Organizational Collaboration is the fourth block advanced by Britt (2003). True CRM normally involves changing internal processes, organizational structures, compensation incentives and employees' skills and behaviors. Gary and Greg, (2002) gave CRM Processes as the fifth block. They stated that the relationship with the customer needs to be viewed and managed in terms of the customer life cycle and formalized processes must exist to manage that life cycle. The next block, given by Lyu et al, (2001) is CRM Information. Customer information is key to CRM. It must be acquired, stored, analyzed, distributed and applied throughout the enterprise and potentially to its business partners in a timely manner.

The next block of CRM is the CRM technology. According to David and Malone (2002), CRM is not just about technology, but the technology enables the necessary analytical insight and operational interaction. Some consistency in the underlying hardware, software, networking and telephony infrastructure is also required to aid integration, skills management and commercial management. Finally, the last CRM building block is the CRM metrics. Britt (2003) explained that enterprises must set measurable, specific CRM objectives and monitor indicators if they are to become customer centric. CRM metrics, according to Britt (2003), not only gauge the level of success, but also provide the feedback mechanism for continuous development of strategy and tactics. In addition, they can act as a great tool for change management and are vital for the structure of employees' incentives.

2.6 Future of CRM

The CRM system depends upon a database of customer information and analysis of that data for more effective targeting of marketing communications and relationship-building activities (Chaturvedi, 2009). There is an obvious tradeoff between the ability of companies to better deliver customized products and services and the amount of information necessary to enable this delivery. Particularly with the popularity of the Internet, many consumers and advocacy groups are concerned about the amount of personal information that is contained in databases and how it is being used (David and Malone, 2002).

2.7 Empirical Review: Effects of CRM on the Customer Loyalty

Oliver (2009) defines loyalty as a deeply held commitment to re buy or re- patronize a preferred product/service consistently in the future, thereby causing repetitive same brand or same-brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviors. Although frequent usage and satisfaction with a product or service are frequently associated with loyalty, they by themselves insufficiently serve as precursors to loyalty. A major goal of CRM is to capitalize on future opportunities presented by a core group of long-term customers. Two approaches for retaining these customers have been loyalty programs and cross selling. Loyalty programs play an important role in retaining customers and linking the business to future opportunities. The objective of a loyalty program is to build a positive attitude toward a brand and provide the customer with an incentive to patronize the product, service or brand.

A successful program will decrease its members' purchase of non-program brands, and increase their allocation, repeat -purchase rates, usage frequency, propensity toward exclusivity and switching to program brands (Sharp and Sharp, 2007) Prior studies have found that the development of loyalty programs in CRM, frequently leads to increases in repeat-purchases and profitability (Reichheld, and Sasser, 2000), decreases to price sensitivity (Reichheld, 2006), and raises barriers of entry to markets by making it difficult for new entrants to court customers away from existing businesses (Sharp and Sharp, 2007). Furthermore, loyal customers tend not to consider alternatives or shop for lower prices Goodwin, and Gremler. (2006). The market research studies of, Sharp and Sharp, (2007) and Reichheld and Sasser (2000) strongly suggest that loyalty programs can increase business revenue and total customer market share.

2.8 Theoretical Framework: Customer Relationship Model

A major purpose of this paper is to provide a managerially useful, end-to-end view of the CRM process from a marketing perspective. The basic perspective taken is that of the customer, not the company. In other words, what do managers need to know about their customers and how is that information used to develop a complete CRM perspective? The basic model proposed by different proponents is shown below and contains a set of 7 basic components: The first component as proposed by Perrine and Richard (2005) is the database of customer activity: This is the foundation for any customer relationship management activity (Perrine and Ricard, 2005). For Web-based businesses, this should be a relatively straightforward task as the customer transaction and contact information is accumulated as a natural part of the interaction with customers (Kumar, 2008).

For existing companies that have not previously collected much customer information, the task will involve seeking historical customer contact data from internal sources such as accounting and customer service (Lynette, 2008). Rogers and Peppers (2001) gave the second component as analysis of the database. As a result, a new term, lifetime customer value or LCV, has been introduced into the lexicon of marketers (Rogers and Peppers, 2001). The idea is that each row/customer of the database should be analyzed in terms of current and future profitability to the firm. When a profit figure can be assigned to each customer, the marketing manager can then decide which customers to target.

According to Wayland et al (2007) after the analysis of customer database, the next component is to consider which customers to target with the firm's marketing programs. William et al (2008) also stated that the marketing manager can use a number of criteria such as simply choosing those customers that are profitable (or projected to be) or imposing an ROI hurdle. The goal is to use the customer profitability analysis to separate customers that will provide the most long-term profits from those that are currently hurting profits. This allows the manager to "fire" customers that are too costly to serve relative to the revenues being produced (William et al, 2008). While this may seem contrary to being customer-oriented, the basis of the time-honored "marketing concept," in fact, there is nothing that says that marketing and profits are contradictions in terms (Wayland et al, 2007).

The 80/20 rule often holds in approximation: most of a company's profits are derived from a small percentage of their customers. Another component is the tools for targeting the customers. According to Wang and Mowen (2007), mass marketing approaches such as television, radio, or print advertising are useful for generating awareness and achieving other communications objectives, but they are poorly-suited for CRM due to their impersonal nature. More conventional approaches for targeting selected customers as Wang and Mowen (2007) suggested include a portfolio of direct marketing methods such as telemarketing, direct mail, and, when the nature of the product is suitable, direct sales. Another component is how to build relationships with the targeted customers. According to Rogers and Peppers, (2001), CRM is more of a technique for implementing CRM than a program itself. Relationships are not built and sustained with direct e-mails themselves but rather through the types of programs that are available for which e-mail may be a delivery mechanism.

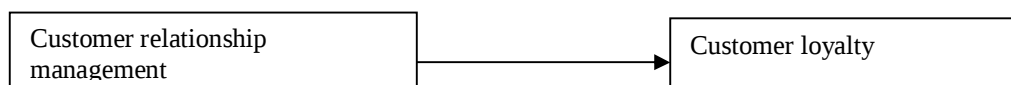
The overall goal of relationship programs is to deliver a higher level of customer satisfaction than competing firms deliver (Kumar, 2008). A comprehensive set of relationship programs includes: - customer service, frequency/loyalty programs, customization, rewards programs and community building. Another component as per Perrien and Ricard (2005) is privacy issues. The CRM system described in this paper depends upon a database of customer information and analysis of that data for more effective targeting of marketing communications and relationship-building activities. There is an obvious tradeoff between the ability of companies to better deliver customized products and services and the amount of information necessary to enable this delivery (Perrien and Ricard, 2005). Particularly with the popularity of the Internet, many consumers and advocacy groups are concerned about the amount of personal information that is contained in databases and how it is being used (David and Malone, 2002).

Thus, the privacy issue extends all the way through the hierarchy of steps. The last component is the metrics for measuring the success of the CRM program. Wang and Mowen, (2007) stated that the increased attention paid to CRM means that the traditional metrics used by managers to measure the success of their products and services in the marketplace have to be updated. Financial and market-based indicators like profitability, market share, and profit margins have been and will continue to be important. However, in a CRM world, increased emphasis is being placed on developing measures that are customer-centric and give the manager a better idea of how her CRM policies and programs are working William et al, (2008).

2.9 Conceptual Framework

This study will have independent and dependent variables. The independent variable is customer relationship management, while the dependent variables are brand preference, customer loyalty, rightful customer perception and value addition. The relationship between the variables is as illustrated below.

Figure 2.1: Conceptual Framework



Source: author (2014)

The customer relationship is the independent variable in this study. It affects the brand preference in that the Consumers prefer the brands that have CRM activities. The customer relationship management is instrumental in the improvement of customer loyalty. The customers will always be loyal to the company that meets their specific needs and provides quality customer services. Loyalty programs initiated through CRM activities has proven to be success. The consumers become loyal to the organization and are not easily swayed by the other competitors.

3.1 Research Methodology

3.2 The Study Area

The research study was carried out in Eldoret town, located in Uasin Gishu County in the rift valley region of Kenya. Eldoret town is located on latitude 0.5167 (031'0.001"N) and longitude 35.2833 (3516'59.880"E). It is at an altitude of 2,103 meters above sea level. (Republic of Kenya, 1994)

3.3 Research Design

In this study, case study research design was used, and the case study was Moi University, main campus. According to Ranjit (2005) Case studies are analyses of persons, events, decisions, periods, projects, policies, institutions, or other systems that are studied holistically by one or more methods.

The case that is the subject of the inquiry will be on which the study was conducted and which the case illuminates and explicates." The research design was used because it allows the researcher to analyze the issue at hand in details. It enabled the researcher to gain a deep insight into the issue at hand.

3.4 Unit of Analysis

The total targeted population consisted of vice chancellor, heads of schools that were in Moi university main campus and the students. The total number of the schools at main campus was 7. Therefore the total targeted population was 1 vice chancellor, 7 heads of schools and 25, 000 students. The total targeted population was 25,007. The population was chosen because they were in better position to give insightful information concerning the impact of Customer Relationship Management and how it was generally handled by the university; the heads of schools were also interviewed and gave their opinion on how Customer Relationship Management conducted by the company impacted on their work and how it could best be improved upon to create a distinctive market position; lastly, since the focus was on Customer Relationship Management on gaining a competitive advantage, the recipients of such management i.e. students, were targeted

3.5 Population and Sampling Procedure

Sample size is a representative of the whole population. (Kothari, 2007) The sample size for the vice chancellor will be 100% of 1 which is 1, the sample size for the heads of schools will be 100% of 7 which is 7. The sample size for the students was calculated using the fishers' formula advocated by Mugenda and Mugenda (2003), which gave 100. Therefore the total sample size was 107.

Table 1: sample size

Population	Total targeted	Procedure	Sample size
Vice chancellor	1	100%*1	1
Heads of schools	12	100*12	12
students	25,000	Fishers formula	100
Total	25,013		113

The researcher used stratified sampling technique on the targeted population to give the three strata of vice chancellor, the heads of schools and the students. Purposive sampling technique was used to select the vice chancellor and the heads of schools. This method was used since it will give the sample that was in a better position to give rich and insightful information. The students were selected using the convenience sampling technique.

3.6 Research Instruments

The instruments that were used to collect data include: Questionnaires and interviews

4.1 Findings

The study aimed at establishing factors that affect Customer Relationship Management as a strategy for competitive advantage in Moi University. The task included determining the impact of CRM on gaining customer loyalty, and finding out the effect of competitive advantage on gaining sustainable long-term profits. The research reviewed previous studies with a view to establish academic gaps which the present study sought to bridge. This was done through library research. The procedure included: reading, evaluating the methodology employed in terms of design choice, target population, sample and sampling procedure data collection instruments (that is suitability, validity and reliability), data collection procedures, data analysis, findings and recommendations. The research benefited from the literature review for it guided the present study by pointing to areas that need to be investigated.

This study employed descriptive research as the main approach to guide the study. The target population included staff and students of Moi University. The research instruments used in data collection were a questionnaires, interviews and observation to collect data from the subjects. To ensure validity of the instruments, expert opinion was sought. Data analysis was started immediately after collection of data. Data was summarized into percentages and presented in graphs and tables. The study findings revealed that majority of the respondents (77%) were of male gender which indicated that most students and staff were men.

It was also noted that age was dispersed across the board but with a majority (59%) being about 25 years indicating that quite a number of youth were in the university. For the staff, 60% had attained some level of tertiary education indicating that even upcountry enterprises set in a rural setting had professionals. The study findings in regard to work experience/ interaction with the company had cumulatively 71% of staff having been there for more than 4 years.

On the specific interval variables, the research found that the impact of CRM on competitive advantage in the industry was high. Customers cumulatively 79% agreed that the CRM led to an increase in customer confidence in the products, 73% agreed that CRM made them have repeat purchases, 88% agreed that the CRM improves customer confidence in the company, 76% believed that CRM enhances customer relationships with the company and its programs and 78% agreed that CRM improves customers view in general. On the part of staff, cumulatively, 86.7% agreed that CRM increased customer confidence in the products, 78.8% believed that CRM increased repeat purchases, 86.6% agreed that CRM improves customer confidence in the company, 80% agreed that CRM enhances customer relationships with the company and its programs and 80% agreed that CRM improves how customers view the company in general.

In regard to the independent customer loyalty, it is worth noting that cumulatively, customers 73% of customers felt that CRM increase customer confidence in products, 88% agreed that it increased responsiveness to marketing campaigns, 88% believed that improved customer confidence in the company, 76% decided that CRM enhanced customer confidence to the company programs, and 72% believed CRM improves how customers view the company in general. On the staff perspective, cumulatively, it was noted that 86.7% of the staff were sure that CRM increased customer confidence in the products, 78.8% believed that increased responsiveness to marketing campaigns, 86.6% agreed that customer confidence in the company was improved, 80% granted that CRM enhances customer confidence to the company's programs and 80% agreed that CRM improves how customers view the company in general.

The research also looked at the extended variable "can competitive advantage lead to long-term sustainable profitability?" Cumulatively, 88% of the customers thought that competitive advantage promotes overall image of the company, 52% disagreed that competitive advantage customer loyalty by enhancing organization culture, 53% agreed that competitive advantage enhances innovation in the company hence customer loyalty, 87% believed that competitive advantage enhances coordination between company and its customers while 76% thought that through competitive advantage, company is able to increase its market base. From the staff perspective, cumulatively, 84.4% agreed that competitive advantage promotes overall image of the company hence customer loyalty, 67.8% thought that competitive advantage enhances customer loyalty by enhancing organizational culture, 91.1% felt that competitive advantage enhances innovations in the company hence customer loyalty, 86.6% agreed that competitive advantage enhances coordination between company and the customers and 100% agreed that through value addition, the company is able to increase its market share.

4.2 Conclusions

Based on the findings of the study, the following main conclusions were made for the effect of Customer Relationship Management as a strategy for competitive advantage in Moi University. In regard to the impact of CRM on competitive advantage in the industry it was noted that a majority of the respondents felt that CRM increased customer confidence in their products, increased repeat purchases, improved customer confidence in the company, enhanced customer relationships with the company and its programs and improved how customers view the company in general. Therefore Nzoia Sugar Company should note this. It was also found that on the effect of CRM on customer loyalty, a majority of the respondents felt that CRM increases customer confidence in the products, increases responsiveness to marketing campaigns, improves customer confidence in the company, enhances customer confidence to the company's programs and improves how customers view the company in general.

On the perspective that competitive advantage can lead to long-term sustainable profitability, a majority of the respondents felt that it promotes the overall image of the company hence customer loyalty, enhances customer loyalty by enhancing organizational culture, enhances innovations in the company hence customer loyalty, enhances coordination between company and its customers and finally through value addition, the company is able to increase its market base. This study therefore concludes that CRM has an effect as a strategy for gaining competitive advantage for the company.

4.3 Recommendations

4.4 Policy Recommendations

On the basis of the above, conclusions, the following recommendations were made for effect of CRM as a strategy for gaining competitive advantage for Moi University. The study found out that although majority of the respondents dealt with the university for a long time.

There is need for Moi University to invest in ICT and CRM as a long-term strategy in gaining competitive advantage against its competitor's. It is also the recommendation of this research that Moi University prudently and efficiently utilize revenues generated from students in the privately sponsored programmes. The university should prioritize the projects being undertaken to ensure that the university gains a competitive advantage from its strategies. This will greatly enhance customer perception and encourage openness and good relations with the customers and staff. It is further recommended that all CRM should be acknowledged as a major strategy in ensuring companies keeps in touch with their staff and also keeps track of their customer records of purchases, contacts and other related activities. In summarizing the effects of CRM as a strategy for competitive advantage for Moi University, CRM has positively affected both the customers and staff and as such Moi University should take it seriously and invest in it.

References

- Alexander, J.H., Kim, S.K., and Roberts, S.D. (2003), Loyalty: The influences of satisfaction. And brand community integration, *Journal of Marketing Theory and Practice*, 1-11
- Boone and Kurtz, (2006), *Contemporary Marketing*, 12th ed. Thomson, Southwest, USA
- Britt Philip, (2003), eight building blocks for CRM success, Gartner Agencies, USA
- Carbaugh, Robert J., (January 2006), *Contemporary economics: an applications approach*, Cengage Learning.
- Chaio, C.L., (2000), translated, Robert E. Wayland and Paul M. Cole, *Customer Relationship Management*, Business Weekly Press, Taiwan
- Chen, Wen-hua, (2000), *Successful Key of CRM, High-quality Customer Information*, Taiwan.
- Chaturvedi P., (2009), *customer relationship management*, Ganid publishers, India.
- Craven D. et al (2006), *Marketing Management*, Laxman, Chand Arya Publications, New York
- Czinkota M. and Kotabe M, (2005), *Marketing Management*, 3rd ed, Atomic Dog Publishing, USA
- Davidow, W.H., and Malone, M.S., (2002), *The Virtual Corporation*, New York, Harper Collins.
- Goodwin, C., and Gremler, D.D. (1996), Friendship Over the Counter: How Social Aspects of the Service Encounters Influence Consumer Service Loyalty, *Advances in Service Marketing and Management*, 5, 247-282.
- Hellofs, L., Jacobson, R., (2009), Market share and customers' perceptions of quality: When can firms grow their way to higher versus lower quality? *Journal of Marketing*. 63(1), page 16
- Harvey, L. and Green, D., 2003, defining quality, *Assessment and Evaluation in Higher Education*, 18(1). pp. 9–34.
- Jack Hirshleifer; Amihai Glazer; David Hirshleifer (2005). *Price theory and applications: decisions, markets, and information*. Cambridge University Press.
- Jepkins F, (1994,) *Advertising*, 3rd ed, Pitman Publishing-London
- Kraus M. (2003) *Television Advertising*, *Marketing News*, pg. 4
- Kotler P., (2003), *Marketing Management* Prentice Hall, USA
- Kotler P. and Armstrong G. (2004), *Principles of Marketing*, Pearson Prentice Hall, USA
- Kothari CR, (2007), *research methodology, a new age international publishers*, New Delhi, India
- Krell, E., (2005), *Differentiate a satisfied customer from a loyal one*, prentice hall. New York
- Lyu, Chi-chung, et al., (2001), *Strategic Application of Customer Relationship Management," Quality Control Journal*, Taiwan.
- Lynette Ryals (2008). *Managing Customers Profitably*. Prentice hall, U.S.A
- Mugenda and mugenda, (2003), *research methods: qualitative and quantitative approaches*, Macmillan publishers, Nairobi, Kenya
- Mwangi D.K.,(2009), *customer relations in universities in Kenya*, Macmillan publishers, Kenya
- McCarthy E. and Perreault W. (1993) *Basic Marketing*, 11th edition Vontoffinann Press, USA
- McCarthy, M (2001), Critics Target Omnipresent Adverts" *USA Today*, April, 16 (2001) "Advertisement Are Here, There, Everywhere", *USA Today*, June, 19

- Orotho J.A (2004), techniques of writing research proposals and reports in education, Masda publishers, Kenya
- Oliver, R.L. (2009), Whence Customer Loyalty? Journal of Marketing, 63, Special Issue, 33-44.Wayland
- Perrien, J. and Ricard, L., (2005), The Meaning of a Marketing Relationship: A Pilot Study, Industrial Marketing Management, Vol. 24, pp.37-57.
- Robert E. and Paul M. Cole., (2007), Customer Connections: New Strategies for Growth, Boston, Harvard Business School Press.
- Reichheld, F. F. (1996), The Loyalty Effect, Boston, MA:Harvard Business School Press
- Kumar (2008). Customer Lifetime Value, Journal of Interactive Marketing, 12: 17–30.
- Rogers and Peppers, (2001), The Relationship-Base Enterprise: Powering Business Success through CRM, Journal of marketing pp.52
- Reichheld, F.F. and Sasser W.E. (1990), Zero defections: Quality comes to services”, Harvard Business Review, 68,
- Stone B (2004), Tivo 's Big Moment, prentice hall, New York
- Sharp, B., and Sharp, A. (2007), Loyalty programs and their impact on repeat-purchase loyalty patterns, International Journal of Research Marketing.
- Tromp DLA and Kombo DK, (2006), proposal writing and thesis proposal: an introduction. Pauline's publications, Nairobi Kenya.
- Wang, C.L. and Mowen, J.C., (2007), AIM: A New Perspective on Relationship Marketing for Professional Services,” Journal of Professional Services Marketing, Vol. 15, No. 2, pp. 55-68.
- Williams, J.D., Sang-Lin Han and Qualls, W.J. (2008), A Conceptual Model and Study of Cross-Cultural Business Relationships, Journal of Business Research, Vol. 42, pp. 135-143.
- Zeithamel, V., Berry, L., Parasuraman, A., (2006), The behavioural consequences of service quality, Journal of Marketing. 60 (2), page 31,