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Influence of Strategic Customer Retention Practices on
the Performance of Automotive Firms in Nairobi City
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Influence of Strategic Customer Retention Practices on the Performance of Automotive Firms in Nairobi City County, Kenya

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Abstract

Purpose: The main focus of the study was to establish how strategic customer retention practices influences performance of automotive firms in Nairobi City County, Kenya. The study specifically focused on establishing the influence of customer support programs, technological advancements, and strategic communication practices and customer's motivation programs on performance of automotive firms in Nairobi City County, Kenya. The study was anchored on Expectancy Theory, Diffusion of Innovation Theory, Communication Theory and Customer Service Theory.

Methodology: The study employed a descriptive survey research design and targeted 18 franchised automotive firms registered by Kenya Motor Industry Association. The unit of observation comprised of employees in strategic, marketing and IT departments. A total of 80 respondents were involved in the study. Primary data was utilized in the study and was gathered through 5-point Likert scale structured questionnaires. Both descriptive and inferential statistics were adopted in analyzing the collected data. The statistics were generated by help of SPSS software and results presented in form of tables and figures. The study conducted a pilot test before the main study on two randomly selected automotive firms to assess the reliability and validity of questionnaires. Respondents involved in the pilot study was not be included in the main study.

Findings: The study established that strategic customer retention practices accounts for 61.8% in variations of performance of automotive firms in Nairobi County. The study further established that strategic customer retention practices comprising of customer support programs, technological advancements, and strategic communication practices and customer's motivation programs positively and significantly influences performance of the firm. This was depicted by beta values of 0.508, 0.324, 0.216, and 0.196 and significant values of 0.000, 0.000, 0.007, and 0.012.

Unique Contribution to theory, Policy and Practice: The study concluded that enhancing the strategic customer retention practices leads to enhanced performance levels of the firms. The study provided recommendations to the management of the automotive firms to enhance aspects of customer support programs, technological advancements, and strategic communication practices and customer's motivation programs since the practices leads to enhanced performance levels of the firms.

Keywords: *Customer Support Programs, Technological Advancements, Strategic Communication Practices, Customers Motivation Programs, and Automotive Firms.*

Background of the Study

Customers forms one of the crucial assets of a firm since firms are incapable of increasing and upholding their performances in absence of customers since firms by themselves are perceived as without revenues, profits as well as market values. The main purpose of a business is to create customers who adds value to the business through purchases. However, Ngo and Vu (2021) notes that retention of customers is of crucial importance to the success of the business. The prevailing environment surrounding operation of automotive firms is characterized with intense competition where firms compete with new entrants and small ones for the same market. Majority of the automotive firms offers services and products that are duplicate to each other with differentiating factors being the quality, brand and price. Through adoption of effective retention strategies, firms are guaranteed of support from clients that culminates into generation of high profits and firms' success. Remarkably, strategies adopted for retaining customers can be applied by firms to strategically position themselves in the markets and attain competitive advantage. Existence of high competition in the automotive sector necessitates firms to focus on retaining prevailing customers to ensure continuity in the firms' operations for long period. This is due to arguments postulated by Farquhar and Panther (2018) that acquiring new customers is a costly affair compared to retaining existing ones and that the approach enables the firms sustain competitiveness and enjoy savings emanating from retaining prevailing customers.

Cambra-Fierro et al., (2021) defines customer retention as the ability of a firm of turning prevailing customers into repeat buyers and preventing them from turning to a competitor. Olomu (2019) adds that customer retention entails engaging prevailing customers to go on purchasing and consuming products and services of the firm. The customer retention capability acts as an indicator of the extent to which the firm's products and services pleases prevailing customers. Customer retention practices on the other hand refers to the initiatives and processes that a firm formulates aiming at building the loyalty of customers and improving the lifetimes customer values. According to Nili and Keramati (2012), a good strategy for retaining customers rewards and encourages long term relationship with clients instead of blocking firm's associations with customers. Olomu (2019) adds that positive retention practices for customers comprises of creating delight to customers, creating structural and social boons, adding the desired customer values, and engaging customers while they are making purchases. In a bid to exceed the expectations of customers, a firm is required to strive in comprehending what impresses customers and formulating ways of offering it. According to Farquhar and Panther (2018), firms in the same sector normally foils customer's attempts of switching to competitors through formulating strategies that retains customers in their firms. For realization of continued performances, firms ought to direct marketing efforts to entice prevailing customers aiming at retaining them and fostering long term relationships. Customers continuously patronize firms that satisfies their needs through repeated purchases which culminates in to increasing the levels of profits for the firm.

Statement of the Problem

Kenya automotive sector faces competition from firms importing second hand vehicles which comes with cheaper prices compared to new ones. This has exposed the firms to performances challenges. According to Kabure and Ragui (2020), the sector has continued to record deteriorating performances occasioned by dynamisms in operational environment, changes in the preferences of customers, stiff competition as well as dynamisms in customer preferences. This has culminated to the sector to minimally contribute to the economic growth of the country. Reports from KAM(2020) shows that the sector's productivity levels have been associated with declining sales where in FY 2018/2019, the annual sale was \$600 million while operating at 16%. The sector further accounts for 6% of GDP but in the same financial year recorded a deficit of \$1.1 million on the performances of the sector (KNBS, 2020). Olomu (2019) notes that the poor performances experienced in the sector is majorly attributable to the firm's incapability of retaining customers who shifts to other similar firms. To enhance the levels of customer retention thus performance, Buttle (2013) advocates for adoption of strategic customer retention practices. The current study sought to assess whether adoption of strategic customer retention practices influence the performances of firms in the automotive sector. A study by Molapo and Mukwada (2011) focused on establishing how customer retention strategies impacts customer retention and performance of S.A cellular sector. The study found that implementation of customer retention strategies greatly impacts customer retention rates and enhances firm's performances. The study was however conducted in SA thus presenting contextual knowledge gaps. A study by Padmashantini and Gengeswari (2013) focused on how customer retention strategies impacts performance of firms in the retail sector in Malaysia. The study was conducted in different country and in different contexts thus presenting contextual knowledge gaps. Wanyang'i (2016) sought to establish how loyalty programs affect financial performances of Kenya mobile telecommunication firms while Hinga (2019) focused on establishing how technological innovations impacts retention of customers focusing on Safaricom PLC in Kenya. These studies focused on different concepts thus presenting conceptual knowledge gaps. The current study sought to fill both contextual and conceptual knowledge gaps from past studies by establishing how customer retention strategies influences performances of automotive firms in Nairobi City County, Kenya.

Research Objectives

- i To find determine the influence of customer support programs on performance of automotive firms in Nairobi City County, Kenya
- ii To assess the influence of technological advancements on performance of automotive firms in Nairobi City County, Kenya
- iii To establish the influence of strategic communication practices on performance of automotive firms in Nairobi City County, Kenya
- iv To analyze the influence of customers motivation programs on performance of automotive firms in Nairobi City County, Kenya

LITERATURE REVIEW

Theoretical Review

Expectancy Theory

The theory was proposed by Vroom in 1964 and suggests that individuals behave and act in a specified way as they bear a motivation of selecting distinct behaviors amongst a pool of many being promoted by expected outcomes associated with the selected behavior. The theory bears a perception that an increase in levels of efforts culminates into increased performances. The theory additionally lays an emphasis on the rewards and needs of the organization as relating directly to its perceived performance levels. Rewards according to Lee (2007) should not only be extended to employees but also to the customers who are responsible for making the organization succeed in its performance set goals. The theory is anchored on three key components: Expectancy, Instrumentality and Valence. Expectancy is conceptualized as the expectations that customers have with the organization as a result of being loyal to the organization. Instrumentality on the other hand is viewed as a form belief with assertions that if there is a high degree of commitment of a person, there is an attached valued outcome associated with the commitment and transparency in reward plays a key role. The theory perceives valence as degree of importance attached on individuals on expected outcomes. People value final outcomes differently since the results are attached to individual's personal and basic needs. An organization therefore needs to check and evaluate what a customer values at a personal level. Expectancy theory further argues that individuals first join and becomes members of an organization with certain expectations which determines how they perceive the organization. Secondly, the behavior of a person such as the need to stay is a deliberate move. Thirdly, different individuals joining the organizations bears varied organizational expectations which determines their longevity of their stay in the organization. The fourth argument is that from presented alternatives, individuals possess the capabilities of selecting alternatives at their disposal which are deemed beneficial to them and fulfils their needs. The theory is adopted in the current study to bring out the reasons why customers join and become loyal to a firm. According to the theory, people become customers of a firm with a mindset that the firm satisfies their needs. When these needs are not met or when they feel unappreciated, they tend to shift to another firm until they feel they are fully satisfied. Firms needs to ensure they make customers feel part of the organization by providing them with incentives that encourages them to stay being customers. Customer education programs serve as one of the practice the firms can adopt to ensure they retain their customers in the firms.

Diffusion of Innovation Theory

The theory was proposed by Rogers in 1962 and describes the speed and patterns through which practices, new ideas or product spread in a population. The key player in the theory comprises of innovators, early majority, early adopters, late majority and laggards. Application of the theory emphasizes on recruitment and identification of influential early adopters who helps in accelerating the acceptance of customers. Diffusion of innovation according to the theory refers to the means of communicating idea that is considered noble to the social system members through

preferred and accepted channel. The extent to which the idea is spread is determined by four factors: social system, actual innovation, time and communication channel. Santacreu (2014) noted that of most important is the fact that the innovation have to gain and achieve acceptability in a broad area for it to be sustainable. The degree of success of an innovation is determined by modalities put forward by the social system in a stepwise format. The steps comprise of knowledge which is the level of innovation awareness and knowledge continuity pertaining to the innovation; persuasion which entails the willingness to acquire detailed knowledge pertaining the innovation; resolution which considers the cons and pros associated with the innovation and the decision to adopt the innovation or not; application which comprises of an assessment of the usefulness of the innovation and confirmation which entails an eventual resolution to continue using the innovation.

For there to be a successful adoption of innovation, Ho (2021) urges existence of and effective communication channel to all concerned parties. The firm further needs to inform customers on advancement in the technology innovations especially when the innovation is aimed at easing the transaction processes between the firm and the customer. The theory supports the needs of a firm to implement technological innovations and advancements that supports conduct of business with customers. Customers understands the needs of advanced technology especially when making purchases and always stays longer with firms that provides the avenue.

Communication Theory

The goal of the theory, which was proposed in 1949 by Weaver and Shannon, was to offer a platform for effectively receiving and sending messages through a well-established channel while also evaluating communication-related issues. The theory holds that the sender, from whom the message originates, the medium of transmission—through which it travels and is subject to noise and distortions—and the recipient make up communication (the destination of the message). Receivers are primarily concerned with decoding messages in order to comprehend their contents. When the intended recipient interprets the message and grasps the sender's intentions, a communication is deemed successful and complete. Remarkably, it is believed that communication is more successful when the recipient fully comprehends the message communicated and responds to the sender's wishes. This is accomplished when the recipient replies to the message to show that they have received it and understand what it says. In order to conceptualize the performance of a communication channel, Mason (1978) first used the communication model. Mason (1978) offered a communication framework in his conceptualization that was defined by three success criteria that were regarded necessary but insufficient for capturing performance changes. The criteria include technical, which specifies the degree of accuracy of a message when it is transferred to the receiver, semantic, which specifies the precise manner in which the receiver receives the projected message, and effectiveness, which demonstrates the effectiveness of the communication channel in terms of the advantages gained by stakeholders (sender or receiver). The research uses communication theory to explain why effective communication is necessary while dealing with customers. The theory states that communication between sender and receiver should be precise and clear. Additionally, the message should travel clearly from the sender to the recipient via the

communication channel. To make sure the intended message is heard as intended, the channel has to be clear of distractions like noise. A clear channel of communication between the firms and customers is necessary for enhancing their relationships thus advancing the firms' performance.

Customer Service Theory

The theory was proposed by Susan Doring in 1964 and is solely concerned with identification and satisfaction of the needs of customers beyond their expectations. The theory revolves around means through which a firm can retain customers through ensuring there is loyalty on customers. According to the theory, a firm's insufficient understanding of the basic principles of customer services including their comforts and concerns culminates into a firm's failure and puts off potential purchasers. For a firm to be successful, the management of the firm ought to be fully involved and engaged in fulfilling the needs of customers. Lack of customers need compliance in a firm portrays it as unsuccessful which is bad for business. The theory highlights that for a firm to achieve customer loyalties and generate revenues, there is need for paying attention to them. According to (Spicuzza, 1992), for a firm to achieve customer loyalties, five fundamental customer satisfaction principles have to be put in place by a firm. The firm need to be reliable in delivering services and goods to customers. The reliability aspect is characterized by deliveries on time, and timely response to customers' needs. Firms further need to be consistent in their duties of serving customers. This implies that the firm ought to ensure there is constant availability of goods and services when needed at the place of need. The firm also need to portray empathy and value to customers for the purpose of enhancing and building relationships that retains customers. Agyapong (2011) posits that aspects physically affecting customers such as firm's aesthetics in areas of brightness, comfortability and warmth ought not to be left out. Customers generally crave for an experience which he/she perceives as efficient and pleasant. Agyapong (2011) understands that a customer bears expectations pertaining to a product or service which he/she hopes to confirm. If the expectation is met and confirmed forms the basis of loyalty with the firm. The theory informs of the need of a firm to have good customers motivation programs that encourages customer to return back to the firm in future for similar service or good. The programs ought to be satisfying to the customer and consequently fulfill their desired needs. The theory informs of the importance of customer motivation practices that a firm can put in place to retain existing customers while attracting new ones.

Conceptual Framework

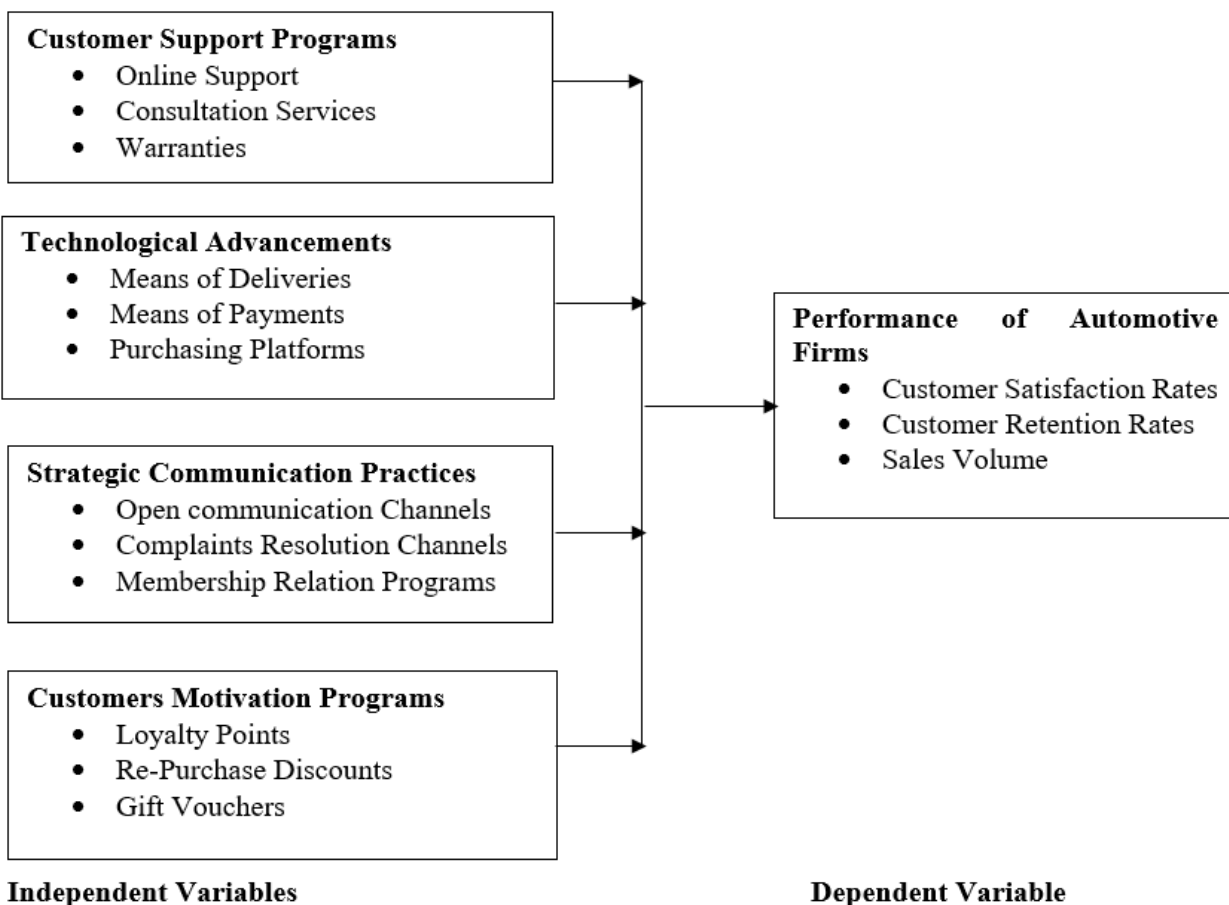


Figure 1: Conceptual Framework

Customer Support Programs

Wahjudi et al.,(2018) defines customer support programs as support activities that take place and extended to a customer after a purchase has been made and are devoted to supporting customers in using and disposing purchased items to make the customers loyal. Choudhary and Mughal (2011) add that customer support programs are alternatively viewed as product support activities implying that they comprise of all activities supporting the usage of a product after purchase. According to Chiguvi (2020), customer support programs bear advantages to the firm such as competitive advantage, long-term association with customers, customer satisfaction, customer loyalty and retention, new product development and success, branding, differentiation and high profits. Delivering customer support programs has of late become increasingly important since firms try as much as possible to enhance their cost effectiveness, increase profit margins and satisfy and meet demands of customers in areas of services and products. Remarkably, firms use customer support programs as avenues for enhancing firm's competitiveness in a highly competitive market. In the long run, customer support programs form one of the critical aspects for supporting performances of markets and increasing productivity and customer loyalty (Wahjudi et al.,2018).

Customers bear different needs whereby after a purchase has been made, they want delivery of the product to their destination at the right form and time. Extending such services creates confidence with the customer which enhances the degree of relationship with the firm. Firms in the automotive sector can extend support service to a customer after as purchase has been made. The support can be in the form of online engagement, calls, or sending a mechanic to the customers' premises to address an issue. Additionally, the firm can avail free consultation services to customers on areas pertaining to vehicle maintenance and care that extends the lifetime of the vehicle. After a customer purchases a product, the firm can provide warranties which guarantees the customer of non-interrupted services from the purchased item within a specific period of time (Chiguvi, 2020). In case the purchased item malfunctions before warrant time elapses, the firm bears the responsibility of replacing/servicing the item at no additional costs. These after sale services cements the relationship between the customer and the firm.

Technological Advancements

Folarin and Hassan (2015) define technological advancement as successful design and implementation of creativity within an organization with a view of achieving set performance goals. Molapo and Mukwada (2011) adds that technological advancements entail developing and enhancing organizational opportunities into new ideas and utilizing the ideas for performance gains. In another dimension, Hinga (2019) views technological advancements as a composition of technical, manufacturing, managing and designing commercial activities with a view of attracting customers and retaining existing ones. The environment in which firms operate is associated with risks and uncertainties that prompts firms to come up with coping survival strategies. As opposed to the past, Folarin and Hassan (2015) posits that the prevailing business environment is dynamic which forces firms to take into account technological advancements aiming at satisfying the customers' needs as well as in enhancing firm's competitive position. Hinga (2019) contends that technological advancements overall management entails a firm's efforts of directing and organizing capital and human resources to generate new ideas and knowledge for the sole purpose of developing improved and new products, production processes, delivery processes, usage and distribution processes that attracts consumptions from customers. Advancements in technology forms important sources of a firm's sustainable competitive advantage in a dynamic operational environment since it enhances process and production processes that contributes to survival of firms enabling them to grow efficiently and become profitable through customer base enlargement. Dynamisms surrounding technological advances and globalization forces innovation investments by firms aiming at meeting customers growing needs. Thus, firms are increasingly adding efforts to improve services and products or even introducing newer delivery modalities to meet the customer needs and dynamic tastes and preferences (Wasike, 2016). Adoption of technological innovations in a firm's operations aims at easing operations internally and externally especially when dealing with customers. When a firm possesses a technology that eases the cost of doing business on the customer's side, it bears the capability of attracting more customers thus increasing sales levels. Consequently, customers find

the urge to remain with a firm if the level of technology put in place enables them to carry out their transactions with ease.

Strategic Communication Practices

According to McAdam et al. (2011), communication is the process of verbal and nonverbal information transmission in which the information sender transmits a message to the intended recipient, who receives it through a channel. According to Mutiso (2017), effective communication is a crucial component in enhancing relationships between firms and customers. Business owners need to be motivated by three important qualities in order to establish a long-lasting relationship with customers: participation, empathy, and communication. Participation includes the capacity to engage customers in the activities of the business. According to Femi (2014), the degree of motivation of customers to feel being part of the business operations depends on the levels of engagement from the business. Effective and accurate communication is essential for ensuring that customers embrace the products and services offered by the firm. According to Bull and Brown (2012), inadequate information exchange leads to increased uncertainty, a fragmented attitude about the business, and increased customer alienation, all of which are detrimental to the success of the business. Therefore, it is crucial for businesses to promote open and transparent communication that gets rid of all miscommunications resulting from the business operations and encourages customers to embrace what the business offers in term of products and services. Femi (2014) asserts that one of the most crucial components in ensuring customers remain loyal to a business is the business's degree of communication efficacy. Every task carried out in a firm requires communication, making it necessary to build effective channels of communication that guarantee the right and correct information when it is needed. To ensure existence of continuity in the business operations, it is important for the business to avail right communication channels through provision of reliable channels for feedbacks and having an accessible complaints resolution channel.

Customers Motivation Programs

Customer retention is the process through which businesses concentrate their efforts on current clients in an effort to keep doing business with them, according to Nickols (2011). Managers in any sector or organization that offers some kind of service to external or internal customers should be aware of customer retention strategies, which are the steps businesses take to consistently provide the level of customer service expected by those customers in order to reduce the number of customers. Increased revenue, fewer costs associated with acquiring new customers, and an increase in referrals are three critical business metrics that are benefited by customer retention. Businesses must become more creative and proactive in keeping customers given the rising expenses of customer acquisition (Nickols, 2011). Utilization of reward programs is a popular norm in various industries such as drug stores, automotive industries, supermarkets, commercial banks, airlines and clothing stores. The programs serve as a popular marketing tool used by firms in collecting customers information, increase retention rates, and enhance customer loyalties and relationships. Wanyang'i (2016) acknowledges that while making customers loyal towards a

firm's products/services is a difficult task, loyalty in customers plays a crucial role in towards attaining and maintain competitive advantage. Enhanced retention practices for customers, in addition to improving customers' acceptances as reflected in increased sales volume, further encourages customer participations via increased customer-firm interactions. According to Mugambi and Kagiri (2013), firms incorporate retention practices to customers for reasons such as increasing profits and retentions rates, developing closer relations between a firm's products and customers, and creating resilient to customer's available alternatives. In automotive business, it's a difficult task to attract and retain customers due to existence of numerous alternatives available in the sector. Firms in the industry therefore requires implementation of relationship efforts aiming at realizing customer loyalty and retention. Relationship efforts form an active part of automotive business in contributing towards realizing customers' expectations through delivering core services and products that fosters sustainable relationships and loyalties.

Performance of Automotive Firms

According to Krabec and Čižinská (2021), the firms' accomplishment of the set goals and objectives are assessed to measure firm performance. Firm enactment and accomplishments meet set managerial objectives and goals for a given period which is equivalent to efficiency, effectiveness and economy, quality, consistent conduct and required measures. Calculating firm's performances can too be achievable through stable scorecard that measures associate's learning to growing, internal trade processes, financial performances to customer performances. The three-way bottom track performance extent also emphasizes on communal economic, ecofriendly and social performance (Day & Farid, 2019). Performance is a function to several key issues amid them competitive plans, which be influenced through information structure and same to supply chain organization practices. Hanaysha and Saleh (2021) suggest that adoption of key customer retention practices is crucial in helping firms to attain the dynamic needs of customers and retaining them. This culminates into realization of high firm performance associated with a substantive market share commands in the highly competitive markets. Formulation and implementation of key strategies for attracting and retaining customers proves to be one of the most useful strategies capable of enabling firms' aspect of retention alongside increasing the market share within highly dynamic as well as competitive global markets.

Research Methodology

A descriptive survey research design was adopted in the study. The current study targeted 18 franchised automotive firms operating in Kenya. The unit of observation comprised of 80 employees in strategic, marketing and IT departments. A census was employed in the current study. The study relied on primary data which was gathered through structured questionnaires with close-ended questions. Data analysis for the study was conducted using Statistical Package for Social Sciences (SPSS) version 24 in order to determine whether the results indicated positive or negative relationships. Inferential as well as descriptive statistics were applied in the analysis. Descriptive statistics comprised of means and standard deviation. Inferential statistics comprising of correlation and regression analyses was utilized for the purposes of testing the significant

relationship between study variables. A multiple linear regression model was adopted to measure the relationship between the independent and dependent variables. The model for this study is as illustrated below:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where: Y = Performance of Automotive Firms, X_1 = Customer Support Programs, X_2 = Technological Advancements, X_3 = Strategic Communication Practices, X_4 = Customers Motivation Programs, α =regression coefficient (constant), $\beta_1, \beta_2, \beta_3$ and β_4 = coefficients of various independent variables and ε =error term

Findings of the Study

Response Rate

Out of the 80 questionnaires distributed to the intended respondents, 69 were completely filled out and returned. This results in a response rate of 86.3%. According to Cooper and Schindler (2011), a response rate of 70% or higher is considered excellent for analysis, thus this rate was deemed sufficient for the study. The high response rate was attributed to the drop-and-pick method of data collection, facilitated by research assistants.

Descriptive Statistics

Customer Support Programs

Table 1 illustrates the descriptive results on customer support programs. According to the output, respondents were in agreement with the statements that their firms offer customers with free online support services, warranties on purchased items and free consultation services as shown by a mean of 4.117, 4.032 and 3.752 respectively. Additionally, the respondents agreed with the statements that offering after-sale service encourages customers to remain with the firm and further encourages customer referrals as shown by a response mean of 4.361 and 4.253 respectively. Respondents finally agreed with the statement that their firms ensures that new customers are notified on available after sale services upon making purchases (mean=4.321). All respondents were in agreement with statements on customer support programs as shown by average response of 4.139 and standard deviation of 0.268. The results tallied with Wahjudi *et al.*, (2018) who noted that customer support programs form one of the critical aspects for supporting performances of markets and increasing productivity and customer loyalty.

Table 1: Descriptive Statistics on Customer Support Programs

Customer Support Programs	Mean	Standard Deviation
Our firm offers customers with free online support services	4.117	0.195
Our firm offers customers warranties on purchased items	4.032	0.213
Our firm offers customers with free consultation services	3.752	0.761
Offering after-sale service encourages customers to remain with us	4.361	0.165
Offering after-sale service encourages customer referrals	4.253	0.125
Our firm ensures that new customers are notified on available after sale services upon making purchases	4.321	0.154
Average	4.139	0.268

Technological Advancement

Table 2 illustrates the descriptive results on technological advancement. According to the results, respondents were in agreement with the statements that their firms had a simplified means of delivering purchases (mean=3.861), that their firms had a convenient means of delivering purchases (mean=3.722), that the firms had an advanced technological means of making payments (mean=4.017) and that customer had easy access to the payment methods established by the firms (mean=3.914). Respondents further agreed with the statements that the level of technology in the firms enables customers to make purchases with convenience and guarantees customers of security while making payments (mean=3.741 and mean=4.217 respectively) and that having advanced technologies serves as a form of attracting and retaining customers (mean=3.579). On average, all respondents were in agreement with the statements on technological advancement as shown by average response of 3.864. The results contend with (Wasike, 2016) who noted that when a firm possesses a technology that eases the cost of doing business on the customer's side, it bears the capability of attracting more customers thus increasing sales levels.

Table 2: Descriptive Statistics on Technological Advancement

Technological Advancement	Mean	Standard Deviation
Our firm have a simplified means of delivering purchases	3.861	0.715
Our firm have a convenient means of delivering purchases	3.722	0.816
Our firm have an advanced technological means of making payments	4.017	0.186
Customers have easy access to the payment methods established by our firm	3.914	0.737
The level of technology in our firm enables our customers to make purchases with convenience	3.741	0.693
The level of technology in our firm guarantees customers of security while making payments	4.217	0.131
Having advanced technologies serves as a form of attracting and retaining customers	3.579	0.762
Average	3.864	0.577

Strategic Communication Practices

Table 3 illustrates the descriptive results on strategic communication practices. According to the results, respondents were in agreement with the statements that the firms had established channels for communicating to customers (mean=4.326), that they had established channels for receiving feedback from customers (mean=4.425) and that they had a well formulated channels for resolving disputes from customers (mean=3.969). Respondents were further in agreement with the statements that the firms listen to issues raised by customers and ensures they are addressed amicably (mean=3.814), that the firm had an established relation programs for loyal customers (mean=3.676) and that members with the relation program interacts and suggests to the firm on the area of improvement (mean=3.814). All the respondents were in agreement with the statements on strategic communication practices as shown by average response of 4.004. The results were consistent with Femi (2014) who asserted that one of the most crucial components in ensuring customers remain loyal to a business is the business's degree of communication efficacy. Every task carried out in a firm requires communication, making it necessary to build effective channels of communication that guarantee the right and correct information when it is needed.

Table 3: Descriptive Statistics on Strategic Communication Practices

Strategic Communication Practices	Mean	Standard Deviation
Our firm have established channels for communicating to customers	4.326	0.133
Our firm have established channels for receiving feedback from customers	4.425	0.219
Our firm have a well formulated channels for resolving disputes from customers	3.969	0.649
The firm listens to issues raised by customers and ensures they are addressed amicably	3.814	0.837
The firm have an established relation programs for loyal customers	3.676	0.753
Members with the relation program interacts and suggests to the firm on the area of improvement	3.814	0.617
Average	4.004	0.535

Customers Motivation Programs

Table 4 illustrates the descriptive results on customers motivation programs. The results shows that respondents were in agreement with statements that the firms had a loyalty card offered to repetitive customers(mean=3.612), that the cards gain points for customer on repeated buying or services which can be redeemed for free gifts/products/services(mean=3.614 and mean 3.987) and that the firms offer repurchase discounts to repetitive buyers(mean=4.006). Respondents consequently agreed with the statements that discounts offered retains customers within the firm(mean=3.585), that the firm offers gift vouchers to loyal customers(mean=3.719) and that having an established reward program in the firm ensures customers are attracted and retained in the firm(mean=3.969). All respondents were in agreement with the statements on customers motivation programs as shown by average response of 3.785. The results were in tandem with Wanyang'i (2016) who acknowledged that while making customers loyal towards a firm's products/services is a difficult task, loyalty in customers plays a crucial role in towards attaining and maintain competitive advantage.

Table 4: Descriptive Statistics on Customers Motivation Programs

Customers Motivation Programs	Mean	Standard Deviation
We have a loyalty card offered to repetitive customers	3.612	0.887
The card gains points for customer on repeated buying or services	3.614	0.814
The points can be redeemed for free gifts/products/services	3.987	0.713
Our firm offers repurchase discounts to repetitive buyers	4.006	0.268
The discounts retain customers within the firm	3.585	1.001
Our firm offers gift vouchers to loyal customers	3.719	0.875
Having an established reward program in the firm ensures customers are attracted and retained in the firm	3.969	0.663
Average	3.785	0.746

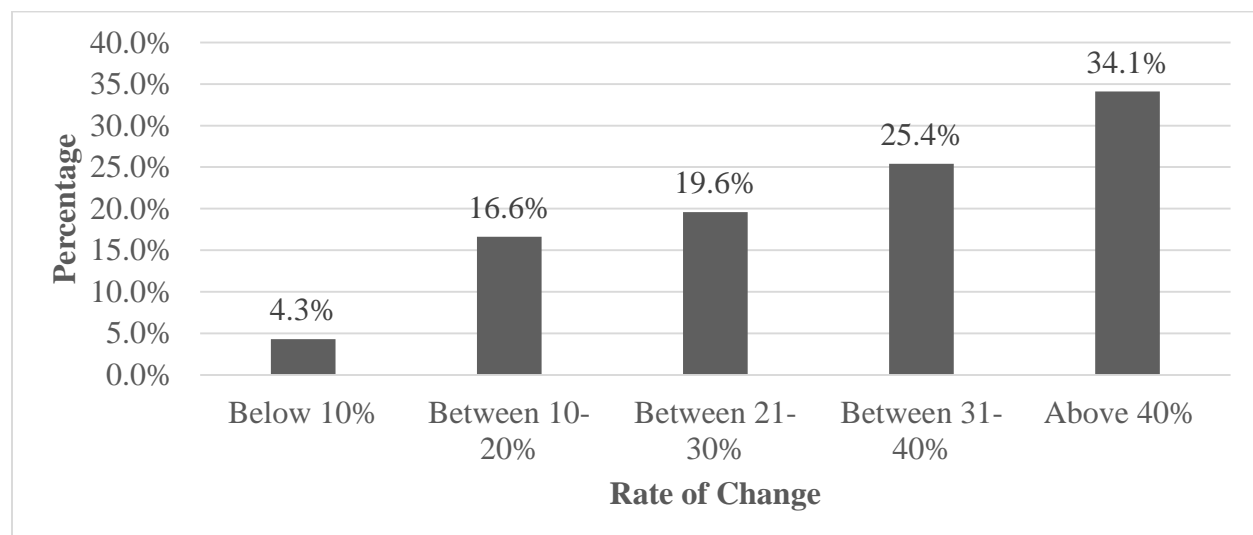
Performance of Automotive Firms

The study assessed the performance of performance of automotive firms using three aspects: customer satisfaction rates, percentage change in the customer retention rates resulting from applying customer retention practices and percentage change in levels of sales resulting from applying customer retention practices. The study first requested respondents to indicate their levels of customer satisfaction rates based on customer reviews from 2018 to 2022 where 1=Very Low satisfaction, 2=Low satisfaction, 3=Moderate satisfaction, 4=High satisfaction and 5=Very high satisfaction. The results illustrated in table 5 shows that in 2018, 13.3% of respondents had a customer review of low satisfaction, 27.1% had moderate satisfaction, 29.4% had high satisfaction while 30.2% had very high satisfaction. In 2019, 21.9% had moderate satisfaction, 30.6% had high satisfaction while 47.5% had very high satisfaction. In 2020, 19.3% received a customer review of very satisfaction, 27.9% had low satisfaction, 30.3% had high satisfaction while 22.5% had very high satisfaction. In 2021, 20.4% of respondents had a customer review of low satisfaction, 27.6% had moderate satisfaction, 22.7% had high satisfaction while 29.3% had very high satisfaction. In 2022, 16.4% of the firms received a customer review of moderate satisfaction, 23.3% had high satisfaction while 60.3% had very high satisfaction. The results show varying rates of customer satisfaction reviews with 2020 having the lowest level of satisfaction and 2022 having the highest satisfaction review.

Table 5: Customer Satisfaction Rates

Customer Satisfaction	1	2	3	4	5
2018		13.3%	27.1%	29.4%	30.2%
2019			21.9%	30.6%	47.5%
2020	19.3%	27.9%		30.3%	22.5%
2021		20.4%	27.6%	22.7%	29.3%
2022			16.4%	23.3%	60.3%

The study secondly requested respondents to indicate the percentage change in the customer retention rates resulting from applying customer retention strategies. The results displayed in figure 2 shows that 4.3% of the respondents had a customer retention change rate of below 10%, 16.6% had a change of between 10% and 20%, 19.6% had a change of between 21% and 30%, 25.4% had a change of between 31% and 40% while those with a change rate of above 40% accounted for 34.1%. The results shows that majority of the firms had a change of above 30% in customer retention rates as result of applying customer retention strategies.

**Figure 2: Changes in Customer Retention Rates**

The study thirdly requested the respondents to indicate the percentage change in levels of sales resulting from applying customer retention strategies. The results presented in figure 3 shows that 5.3% of the firms had a sales change of below 15%, 11.4% had a change of between 15% and 30%, 17.2% had a change of between 31% and 45%, 30.6% had a change of between 46% and 60% while the majority accounting for 35.6% had a change of above 60%. The results implied that adoption of customer retention strategies resulted into improves sales levels amongst the firms.

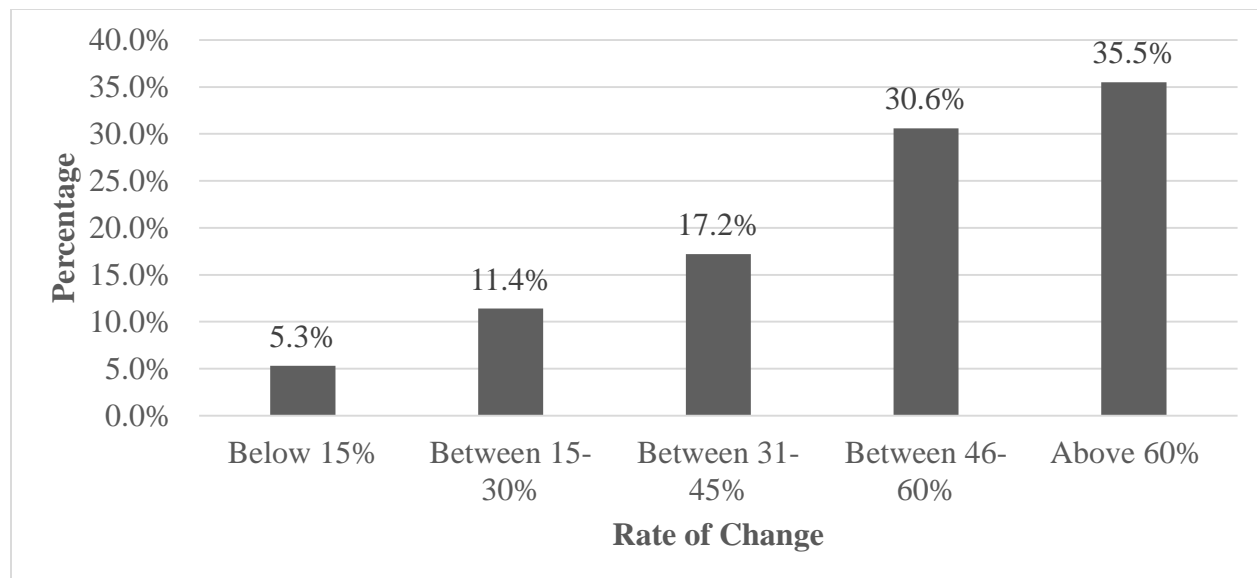


Figure 3: Changes in Sales Levels

Inferential Statistics

Correlation Results

Table 6 illustrates the correlation analysis results. According to the results, customer support programs bear a positive and significant correlation with performance of automotive firms in Nairobi City County, Kenya. This is shown by a correlation value of 0.421 and significant value of 0.000. The results imply that enhancing customer support programs in the operations of automotive firms enhances the performance levels. The results tallied with Wahjudi *et al.*, (2018) who noted that customer support programs form one of the critical aspects for supporting performances of markets and increasing productivity and customer loyalty. The correlation results consequently revealed that technological advancement bears a positive and significant correlation with performance of automotive firms in Nairobi City County, Kenya. This is shown by a correlation value of 0.369 and significant value of 0.000. The results imply that enhancing technological advancement in the operations of automotive firms enhances the performance levels. The results contend with (Wasike, 2016) who noted that when a firm possesses a technology that eases the cost of doing business on the customer's side, it bears the capability of attracting more customers thus increasing sales levels.

The correlation results additionally revealed that strategic communication practices bear a positive and significant correlation with performance of automotive firms in Nairobi City County, Kenya. This is shown by a correlation value of 0.301 and significant value of 0.000. The results imply that enhancing strategic communication practices in the operations of automotive firms enhances the performance levels. The results were consistent with Femi (2014) who asserted that one of the most crucial components in ensuring customers remain loyal to a business is the business's degree of communication efficacy. The correlation results further revealed that customers motivation programs bear a positive and significant correlation with performance of automotive firms in

Nairobi City County, Kenya. This is shown by a correlation value of 0.214 and significant value of 0.002. The results imply that enhancing customers motivation programs in the operations of automotive firms enhances the performance levels. The results were in tandem with Wanyang'i (2016) who acknowledged that while making customers loyal towards a firm's products/services is a difficult task, loyalty in customers plays a crucial role in towards attaining and maintain competitive advantage.

Table 6: Correlation Analysis

		Customer Support Programs	Technological Advancement	Strategic Communication Practices	Customers Motivation Programs	Performance of Automotive Firms
Customer Support Programs	Pearson Correlation	1				
	Sig.(2-tailed)					
Technological Advancement	Pearson Correlation	.061**	1			
	Sig.(2-tailed)	0.133				
Strategic Communication Practices	Pearson Correlation	.150**	.142**	1		
	Sig. (2-tailed)	0.106	0.115			
Customers Motivation Programs	Pearson Correlation	.176**	.047**	.134**	1	
	Sig. (2-tailed)	0.102	0.129	0.084		
Performance of Automotive Firms	Pearson Correlation	.421**	.369**	.301**	.214**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.002	
	N	69	69	69	69	69

Multiple Regression Analysis

The inclusion of the multiple regression analysis in the study aimed was to assess the nature of relationships between the independent and dependent variables. The regression analysis was

conducted at 0.05% confidence level. The outcomes of the multiple regression analysis comprised of three outcomes: Model Summary, ANOVA and Regression Coefficients. Table 7 illustrates the results of the model summary. According to the results, the R-value was 0.786 implying existence of a moderately high relationship between the independent variables (customer support programs, technological advancement, strategic communication practices and customers motivation programs) and the dependent variable. The R-square value was 0.618 implying that the combined independent variables accounted for 61.8% in variations of the dependent variable.

Table 7: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.786 ^a	0.618	0.548	0.2463

Predictors: (Constant), Customer Support Programs, Technological Advancement, Strategic Communication Practices and Customers Motivation Programs

The ANOVA was included in the study to assess whether the model linking dependent variable with the independent variable was statistically significant. According to the results outlined in table 8, the significant value was 0.01163. The value was less than the significant level of 0.05 implying that the model was statistically fit for the study.

Table 8: ANOVA (Model Significance)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	98.362	4	24.5905	12.68154165	0.01163 ^b
Residual	124.101	64	1.939078125		
Total	222.463	68			

a. Dependent Variable: Performance of Automotive Firms

b. Predictors: (Constant), Customer Support Programs, Technological Advancement, Strategic Communication Practices and Customers Motivation Programs

The inclusion of the model coefficient was to assess the nature of influence of independent variable on the dependent variable and further to assess how the dependent variable changes as a result of changing the independent variable. The outcomes outlined in table 9 shows that customer support programs bear a positive and significant influence on performance of automotive firms in Nairobi County, Kenya. This is shown by a beta value of 0.508 and significant value of $0.000 < 0.05$. The

results show that increasing the aspects of customer support programs with one-unit results to 0.508 units increase in the performance levels of automotive firms in Nairobi County, Kenya. The results concur with Chiguvi (2020) who asserted that customer support programs bear advantages to the firm such as competitive advantage, long-term association with customers, customer satisfaction, customer loyalty and retention, new product development and success, branding, differentiation and high profits. The outcomes further shows that technological advancement bears a positive and significant influence on performance of automotive firms in Nairobi County, Kenya. This is shown by a beta value of 0.324 and significant value of $0.000 < 0.05$. The results show that increasing the aspects of technological advancement with one-unit results to 0.324 units increase in the performance levels of automotive firms in Nairobi County, Kenya. The results are in tandem with Folarin and Hassan (2015) who established that adoption of advanced technology in serving customers places increases the customer retention rates and places the firms at a highly competitive edge.

The outcomes further shows that strategic communication practices bear a positive and significant influence on performance of automotive firms in Nairobi County, Kenya. This is shown by a beta value of 0.216 and significant value of $0.007 < 0.05$. The results show that increasing the aspects of strategic communication practices with one-unit results to 0.216 units increase in the performance levels of automotive firms in Nairobi County, Kenya. The results tallied with Kibe(2014) who established that existence of open communication positively affects the level of organizational performance. The outcomes finally revealed that customers motivation programs bear a positive and significant influence on performance of automotive firms in Nairobi County, Kenya. This is shown by a beta value of 0.196 and significant value of $0.012 < 0.05$. The results show that increasing the aspects of customers motivation programs with one-unit results to 0.196 units increase in the performance levels of automotive firms in Nairobi County, Kenya.

Table 9: Model Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0.937	0.233		4.021	0.000
Customer Support Programs	0.508	0.104	0.451	4.885	0.000
Technological Advancement	0.324	0.129	0.269	2.512	0.000
Strategic Communication Practices	0.216	0.148	0.176	1.460	0.007
Customers Motivation Programs	0.196	0.174	0.128	1.126	0.012

Dependent Variable: Performance of Automotive Firms

The optimal regression model of the study after substituting with the regression results becomes:

Performance of Automotive Firms = 0.937+ 0.508 (Customer Support Programs) + 0.324 (Technological Advancement) + 0.216 (Strategic Communication Practices) + 0.196 (Customers Motivation Programs)

According to the optimal model, performance of automotive firms in Nairobi County stood at 0.937 units while holding all other indicators constant. Customer support programs according to the model accounts for the highest influence on performance of automotive firms followed by technological advancement, then strategic communication practices and finally customers motivation programs.

Conclusion of the Study

The analysis results led to conclusions that customer support programs bear a positive and significant influence on performance of automotive firms in Nairobi County, Kenya. Additionally, customer support programs such as offering customers with free online support services, warranties on purchased items, free consultation services, after-sale service and ensuring that new customers are notified on available after sale services upon making purchases further contributes to improved performance of the automotive firms. The analysis results also led to conclusions that technological advancement bears a positive and significant influence on performance of automotive firms in Nairobi County, Kenya. Additionally, technological advancement practices such as having a simplified and convenient means of delivering purchases, having an advanced technological means of making payments, having a technology that enables customers to make purchases with convenience and guarantees customers of security while making payments further contributes to improved performance of the automotive firms.

The analysis results further led to conclusions that strategic communication practices bear a positive and significant influence on performance of automotive firms in Nairobi County, Kenya. Additionally, strategic communication practices such as having established channels for communicating and receiving feedback with customers, establishing a well formulated channels for resolving disputes from customers, listening to issues raised by customers and ensuring they are addressed amicably, and establishing a relation program for loyal customers further contributes to improved performance of the automotive firms. The analysis results finally led to conclusions that customer motivation programs bear a positive and significant influence on performance of automotive firms in Nairobi County, Kenya. Additionally, customer motivation programs such as having a loyalty card offered to repetitive customers which gains points that can be redeemed for free gifts/products/services, offering repurchase discounts to repetitive buyers and gift vouchers to loyal customers and having an established reward program that ensures customers are attracted and retained further contributes to improved performance of the automotive firms.

Recommendations of the Study

The study offers recommendations to the management of the automotive firms operating in Nairobi County to enhance the levels of customer support programs since the practices bears a positive significant influence on performance of automotive firms. The management can achieve this by

undertaking customer support programs such as offering customers with free online support services, warranties on purchased items, free consultation services, after-sale service, and ensuring that new customers are notified on available after sale services upon making purchases. The study additionally offers recommendations to the management of the automotive firms operating in Nairobi County to enhance the levels of technological advancement since the practices bears a positive significant influence on performance of automotive firms. The management can achieve this by undertaking technological advancement practices such as having a simplified and convenient means of delivering purchases, having an advanced technological means of making payments, having a technology that enables customers to make purchases with convenience and guarantees customers of security while making payments.

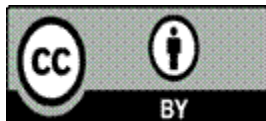
The study further offers recommendations to the management of the automotive firms operating in Nairobi County to enhance the levels of strategic communication practices since the practices bears a positive significant influence on performance of automotive firms. The management can achieve this by undertaking strategic communication practices such as having established channels for communicating and receiving feedback with customers, establishing a well formulated channels for resolving disputes from customers, listening to issues raised by customers and ensuring they are addressed amicably, and establishing a relation program for loyal customers. The study also offers recommendations to the management of the automotive firms operating in Nairobi County to enhance the levels of customer motivation programs since the practices bears a positive significant influence on performance of automotive firms. The management can achieve this by undertaking customer motivation programs such as having a loyalty card offered to repetitive customers which gains points that can be redeemed for free gifts/products/services, offering repurchase discounts to repetitive buyers and gift vouchers to loyal customers and having an established reward program that ensures customers are attracted and retained..

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