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ZIMBABWE OPEN UNIVERSITY

**THE EFFECT OF RELATIONSHIP MARKETING ON THE
GROWTH OF THE ZAMBIAN BANKING INDUSTRY - CASE
STUDY OF INVESTRUST BANK PLC LUSAKA BRANCHES**

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A Dissertation

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DECLARATION

I, Estella Sakala, do hereby declare that this dissertation represents a product of my work, and it has not been submitted at this or any other university, all scholarly work used in this dissertation has been duly acknowledged.

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DEDICATION

This dissertation is dedicated to my husband, my children Liseli & Thabo and indeed the entire family at large.

ABSTRACT

The study's main objective was to investigate the effect of relationship marketing on the organisational performance of the banking industry, focusing on Investrust Bank Plc. Descriptive research design was chosen as the method for this study. All Investrust Bank Plc clients and front line managers working on key accounts at 10 chosen bank branches made up the study population. Purposive and stratified random samplings were the sampling techniques used in the study to choose the 60 bank customers and 30 bank staff as respondents. The bank customers included retail, small business, and large business clients at the chosen branches. For the purpose of data collection, questionnaires were used. The descriptive analysis was performed to evaluate the proportions of the variables and to generate frequencies, percentages, and make conclusions. Charts, graphs, and tables were used to present the results. Statistical Package for Social Sciences (SPSS) was used to analyse quantitative data using Chi Square. According to the findings, customer acquisition, technology use, and customer trust are the key components of relationship marketing strategy building. These factors have an impact on customer satisfaction, customer retention, positive word-of-mouth growth, repeat business, effective cost management, increased revenue, capital asset ratio, increased bank transactions, competitive advantage, high return on investment, and credit risk management. The research has demonstrated that Investrust Bank Plc, which is currently not competitive, may achieve the targeted organisational performance by implementing a relationship marketing method by gaining the crucial competitive advantage. The survey's findings contributed to the understanding of the relationships between the relationship marketing's several variables and helped the study formulate important recommendations. Bank managers should put in a lot of effort to build strong client relationships in order to maintain their competitive edge through cautious marketing partnerships. To remain competitive and accomplish the required organisational performance, managers should work to improve relationships by managing each relationship marketing strategy component from the perspective of the customer, including their likes and dislikes.

Key words: Customer acquisition, Technology use, Customer trust, Relationship marketing

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CERTIFICATION OF APPROVAL

This Dissertation of Estella Sakala is approved as fulfilling the requirements for the award of the degree of Master of Business Administration (MBA) offered at the University of Zambia in collaboration with Zimbabwe Open University.

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

An overview of the connection between relationship marketing and the growth of commercial banks, case study of Investrust Bank Plc is the goal of this section. The study background, which aids in problem identification, the statement of the problem, which serves as the justification for the research, and the objectives, which must be attained by the study conclusion, are its three main sections. To conduct this investigation, a number of research questions which have been outlined must be resolved. The importance and scope of the study are also covered in this section.

1.1 Background to the Study

During the 20th century, relationship marketing began to dominate the marketing field. At that time, relationship marketing became a major issue in marketing and managing business (Adrian & Pennie, 2017). Relationship marketing has been developed over the years as a stimulating area of marketing that emphasises on creating and maintaining long-term relationships with customers and other parties. In the competitive market, organisations are not only concerned with providing quality products or services but the key concern is to communicate with customers and understand their requirement to satisfy and retain them for growth (Ali & Raza, 2017). The relationship marketing strategy plays a decisive role in growth, especially in service industries because of the intangible nature of service and high level of interaction with customers. Nowadays, most organisations are implementing customer relationship marketing as a strategy for growth (Antonio, 2017). Today's world is competitive where customer demands from organizations' products/service are more than before. For a bank such as Investrust Bank Plc, with negative growth recorded over the past several years, it has only lived on as a result of being Government-owned under the Industrial Development Corporation (IDC) which increased its shares from 45.4% to 71.4% (ZCCM-IH, 2018).

During the past decade, Investrust Bank Plc has undergone drastic changes, resulting in a financial institution that has struggled to meet the minimum regulatory capital requirement in a sector characterised by intense competition, little growth in primary demand and increased regulation (Phiri, 2018). Government of the Republic of Zambia had to increase its shareholding in Investrust Bank Plc by becoming a major shareholder. Finding a place in an

intense competitive sector became vital to the long-range profitability and ultimate growth of Investrust Bank Plc. This can be done both by retention of customers and attracting new ones. Additionally, the financial sector has been facing a number of factors, particularly in light of a sluggish economy with the poor performance of the mining sector in Zambia. The problem of Investrust Bank Plc at hand is that bank managers are under pressure not only to maintain customer satisfaction while sustaining lower costs, but also to achieve growth. The traditional product-oriented system is becoming increasingly customer-oriented in accordance with basic principles of relationship marketing, which focuses on customer loyalty (Duggal & Verma, 2019). Practically, financial institution's commitment and often inherited relationships between customer and banks were becoming increasingly scarce (Eklof, Podkorytova & Malova, 2018).

It must be noticed that customers' needs and demands are increasing rapidly. Therefore, banks are looking for strategies to go beyond the needs and expectations of their customers. In 2010, a new viewpoint was formed at Investrust Bank Plc in this respect and that is relationship marketing. One of the challenges for Investrust Bank Plc is how to differentiate itself from its competitors. Differentiation based on price and cost strategies is normally short-lived, and the only real way to differentiate is through relationships and service propositions (Datta, 2018).

The responsibility of the marketing function includes the notion that the most should be made of existing customers, which is essential for business growth. "The challenge for Investrust Bank Plc is to own the relationship with the client and use this as a springboard for growth over other banks (Phiri, 2018, p. 5). To establish and maintain a growth, banks need to retain customers through strong relationships (Bergel & Brock, 2018). A good standard of measuring the quality of a relationship is loyalty. True loyalty is based on a partnership, which is based on mutual interest and shared goals. Loyalty ensures that the relationship is retained during the best of times as well as the worst. "For loyalty, it is not only how satisfied an organisation keeps its customers, but the number of satisfied customers that are kept" (Biesok & Wyród-Wróbel, 2018, p. 27). One of the objectives of the relationship marketing in banking has been to establish a high level of customer loyalty. Customer loyalty results in numerous benefits, which include increased profits and customer retention which results in growth (Bonnie, 2019). Studies of the impact of relationship marketing on customer loyalty outcomes lean to approach the way customers encounter a problem with regard to the services provided by the banks.

A small group of studies suggest that customer loyalty is a function of trust, commitment and conflict handling. The evidence is almost uniformly consistent in indicating that customers are loyal when the bank's relationship marketing is good. A study by Datta, Fraser and Lebcir (2018) revealed that relationship marketing such as trust, commitment and conflict handling have a direct effect on business growth, the same is yet to be seen at Investrust Bank which embarked on relationship marketing in March 2010.

Although, zero defections should be the goal of all organisations, in reality this probably will not be achieved. It requires finding out switching factors and calculation of customers' life time value, customer's loyalty rate, and building lasting consumer relationship management (Grönroos, 2017). Due to the above mentioned reasons, it is imperative to apply relationship marketing. Gummesson (2017) pointed out that relationship building and management is a vital cornerstone for service industries. This is achieved by a mutual exchange and fulfilment of promises. Such relationships are usually but not necessarily long-term. Most previous studies also tried to investigate the impact of relationship marketing on customer loyalty (Kasaye, 2015). Despite these promising results, findings from previous studies have limitations. Many studies lack information on the specific components of relationship marketing and its effect on growth. Therefore, the aim of this study will be to investigate the relationship marketing dimensions on growth of Investrust Bank Plc in order to assess whether the strategy has had the intended strengthening effect on the growth of the bank or not.

1.2 Statement of the Problem

Investrust Bank Plc today is working in a competitive and rapidly changing environment, with not only competing among other banks but also with other non-bank financial institutions (Aderaw and Manjit, 2016). Investrust Bank Plc offers varying products and benefits to grow. However, customers perceive very little difference in the banking products offered, as any new offering is quickly matched by competitors in services. In addition, despite the efforts made by Investrust Bank Plc to grow using relationship marketing, there is high customer switch from the bank to other competitors. Management of Investrust Bank Plc has developed a customer relationship strategy whose purpose is to achieve growth (Investrust Bank Plc, 2017). In terms of competitiveness with other players in the market, Investrust Bank Plc has been on the tail end of competition as it has been losing market share and recording losses.

From the year 2013, the bank recorded a loss of ZMW2.7 million and ZMW1.034 billion in customer deposits; 2014 – ZMW5m loss and K1.4 billion in customer deposits; 2015 – ZMW50m loss and ZMW1.1 billion in customer deposits; 2016 - K47m Loss and K933m in customer deposits; 2017 - ZMW38 million Loss and ZMW1.015 billion in customer deposits. The bank's losses as per published annual reports have been increasing exponentially over a five-year period from 2018 to 2022 as collectively; all the branches have not performed well, according to the major shareholder's reports (ZCCM-IH, 2023). From the reports, it is not known what may be contributing to the bank's poor performance despite the introduction of relationship marketing in 2010. It is evident that Investrust Bank Plc is finding it difficult to experience optimal growth, a gap that motivated this study to examine the effect of relationship marketing on growth of the bank.

1.3 Purpose of the Study

The purpose of the study is to establish the effect of relationship marketing practices on the growth of the Zambian banking industry, focusing on Investrust Bank Plc.

1.4 Study Objectives

1.4.1 Main Objective

The main objective of the study is to examine the effect of relationship marketing on the growth of the Zambian banking industry, a case of Investrust Bank Plc.

1.4.2 Specific Objectives

Arising from the main aim above, the specific research objectives are as follows:

- i. To determine the effect of the use of technology in relationship marketing on the growth of Investrust Bank Plc.
- ii. To examine the influence of customer acquisition in relationship marketing on the growth of Investrust Bank Plc.
- iii. To establish how customer trust in relationship marketing effect on the growth of Investrust Bank Plc.

1.5 Research Questions

The study considered the following research questions:

- i. What is the effect of the use of technology in relationship marketing on the growth of Investrust Bank Plc?
- ii. What is the effect of customer acquisition in relationship marketing on the growth of Investrust Bank Plc?
- iii. How does customer trust in relationship marketing effect on the growth of Investrust Bank Plc?

1.6 Significance of the Study

Several assumptions stem from the importance of the study. The research is important for academics, as relationship marketing studies tend to be limited in the Zambian banking industry. This would direct management in the banking sector by increasing competition to achieve business success and better strategic position by applying relationship marketing strategy, in order to maximise customer interest in more collaboration and long-term relationships. The importance of optimising the customer contribution in terms of profit is again highlighted by the increasing focus on management. The greatest challenges facing most of the world's CEOs are customer satisfaction, loyalty and retention (Ball, 2004).

Simultaneously, an effective relationship marketing approach may also help companies understand the needs of consumers so that service organisations can better serve customers than their rivals and ultimately reduce costs, increase loyalty to customers and create competitive edge. The results from this study may be seen as a reference to existing work on how corporations should develop their customers' relationships. The research may also play an important part in further persuading work on other aspects of the subject. This study can serve as a benchmark for Investrust Bank Plc to implement growth strategies in Zambia's banking industry.

1.7 Scope of the Study

The research concentrated on Investrust Bank Plc, a Zambian bank which is owned by Zambian individuals and institutions and one of the country's indigenous banks. This has been decided on the basis that the bank has been around long enough and that it would be important to assess how the financial institution which was established as the only wholly owned indigenous bank,

is coping with existing competition in the banking sector with respect to relationship marketing. This may offer the analytical perspective that the study seeks to provide. The bank has 25 branches in Zambia and covers a large number of bank customers and this strategy becomes imperative to build relationships in the banking sector. The study covered employees from the 10 different branches and some customer groups that were stratified by retail, small businesses and large companies. This study was designed to address the above issues and is based on the complex business environment that has to be managed using relationship marketing. The study discusses the relationship marketing strategies for client control and the requisite loyalty for Investrust Bank Plc.

1.8 Theoretical Framework

A theory that robustly supports a study on the effect of relationship marketing on the growth of the Zambian banking industry is Relationship Marketing Theory. According to Relationship Marketing Theory, developed by Berry (1983) and Gronroos (1994), businesses, including banks, can foster long-term, mutually beneficial relationships with their customers to enhance customer loyalty, satisfaction, and ultimately, organisational performance. This theory posits that cultivating strong, personalised relationships with customers can lead to increased customer retention, higher customer lifetime value, and positive word-of-mouth referrals, all of which contribute to sustainable growth and competitive advantage (Gronroos, 1994). In the context of the Zambian banking industry, where customer retention and loyalty are crucial for sustained profitability and growth, Relationship Marketing Theory provides a robust theoretical framework for understanding how strategic investments in relationship-building initiatives can drive business success.

Furthermore, Social Exchange Theory offers additional insights into the dynamics of relationship marketing within the banking industry context. According to this theory, developed by Homans (1958) and expanded by Blau (1964), social interactions, including those between banks and their customers, are governed by the principle of reciprocity. Customers engage in transactions and maintain relationships with banks based on the expectation of receiving benefits in return. By delivering superior value, personalised services, and tailored solutions to their customers, banks can stimulate positive reciprocity, fostering trust, loyalty, and commitment among customers. This, in turn, can lead to enhanced customer retention, increased share of wallet, and positive customer advocacy, ultimately driving the growth and profitability of the Zambian banking industry (Blau, 1964).

In summary, Relationship Marketing Theory and Social Exchange Theory provide robust theoretical foundations for understanding the impact of relationship marketing strategies on the growth trajectory of the Zambian banking industry. By leveraging these theories, researchers can elucidate the mechanisms through which relationship marketing initiatives influence customer behaviour, organisational performance, and competitive advantage within the banking sector. Through empirical validation and application of these theories, policymakers, practitioners, and scholars can gain actionable insights to inform strategic decision-making, enhance customer-centric practices, and drive sustainable growth in the Zambian banking industry.

1.9 Operational Definitions of Key Terms

The following terms are used in this study with the definitions as stated below:

Brand strategy - is a long-term plan for the development of a successful brand in order to achieve specific goals.

Customer acquisition - refers to gaining new consumers. Acquiring new customers involves persuading consumers to purchase a company's products and/or services.

Customer loyalty - is defined as the behaviour that can be seen in various forms such as relationship continuance, cross-selling, up-selling, and word of mouth or customer referral (recommendation).

Customer relationship management - is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments.

Customer satisfaction - is defined as the customer's feeling regarding the gap between his or her expectations towards a company, product or service and the perceived performance of the company, product or service.

Customer trust - exists if a customer believes a service provider is reliable and has a high degree of integrity. In the banking context, trust is defined as customer confidence in the quality and reliability of the services offered by the organisation.

Relationship marketing - refers to all marketing activities directed to establishing, developing and maintaining successful relational exchanges.”

1.10 Limitations and Delimitations of the Study

Delimitations in a study outline the boundaries, limitations, and constraints within which the research is conducted. The study focused exclusively on the Zambian banking industry, with particular emphasis on Investrust Bank Plc. Other banks operating within Zambia were not included in the analysis. The study covered a specific time frame, the past five to 10 years; to analyse the effect of relationship marketing on the growth of Investrust Bank Plc. Historical data beyond this period was included due to availability constraints. The research utilised a specific sample size determined based on feasibility and statistical considerations. The sample consisted of customers, employees, or other relevant stakeholders of Investrust Bank Plc, and the sampling method was specified (e.g., Purposive sampling, stratified random sampling). The study primarily relied on quantitative data collected through surveys. Qualitative data collection methods, such as focus groups, were excluded due to resource constraints or time limitations. While the study aimed to examine the effect of technology in relationship marketing on the growth of Investrust Bank Plc, it did not delve deeply into the technical aspects of specific technologies. Instead, the focus was on the perceived impact of technology adoption on customer engagement and satisfaction.

The study focused on analysing the influence of customer acquisition strategies within the realm of relationship marketing on the growth of Investrust Bank Plc. However, factors outside the scope of relationship marketing, such as macroeconomic conditions or regulatory changes affecting customer acquisition, were not addressed. The investigation into the impact of customer trust in relationship marketing on the growth of Investrust Bank Plc was limited to perceptions and attitudes of customers towards the bank's marketing initiatives. External factors influencing trust, such as socio-cultural dynamics or competitive landscape, were acknowledged but not extensively explored. The study employed specific statistical analysis techniques, such as Chi Square analysis, to examine the relationships between variables. More complex analytical methods may not have been feasible due to data limitations or the scope of the research. While the findings of the study may provide insights into the relationship marketing practices of Investrust Bank Plc and their impact on growth within the Zambian banking industry, the generalisability of results to other banks or industries may be limited due to contextual differences. By delineating these delimitations, the study establishes clear

boundaries and ensures a focused and manageable research endeavour aimed at addressing the specified objectives.

1.11 Structure of the Report

The study is divided up into six chapters. The problem, the investigation's objectives, the research questions and goals, and the importance and scope of the study are all discussed in Chapter 1. A theoretical framework, a critical analysis, and an assessment of the body of literature are provided in Chapter 2. The research methodology, the many types of data used and how they were acquired, as well as the shortcomings of the data gathering techniques employed, are all covered in Chapter 3. The presentation and analysis of the data are included in Chapter 4. The chapter covers all the data obtained, results, and analysis. It displays every table that was utilised to present the data and demonstrates the data collection process. Each table contains a summary and analysis of the research's findings. The findings are discussed in Chapter 5 along with comparisons to other findings from related studies in the empirical review. This makes it clear how research objective is achieved and how chapter one's questions are answered. The final Chapter 6 presents the conclusion of the study and makes recommendations to the stakeholders and suggests potential areas for further research on the subject.

1.12 Chapter Summary

The introductory chapter of the research on the effects of relationship marketing on the financial performance of the banking industry serves as the foundation for the study, providing an overview of the research topic, its significance, and the research objectives. It begins by introducing the concept of relationship marketing and its relevance within the banking sector, highlighting the shift towards customer-centric approaches in response to changing market dynamics and customer expectations. The chapter outlines the research problem, emphasising the need to understand how relationship marketing strategies impact the financial performance of banks in terms of profitability, market share, and customer loyalty. It states the research objectives, which include exploring the theoretical underpinnings of relationship marketing, examining empirical evidence on its effects in the banking industry, and identifying factors that may influence the relationship between relationship marketing efforts and financial outcomes. By setting the stage for the subsequent chapters, the introductory chapter provides a roadmap for the research, outlining its scope and significance in advancing understanding of the linkages between relationship marketing and financial performance within the banking sector.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The literature discussed in this section is pertinent to relationship marketing studies. The chapter includes a survey of the pertinent literature related to the two fundamental subjects of this study: Relationship marketing and organisational performance. The empirical investigations have been presented using a funnel-style format, starting with a global perspective and moving on to regional, then local before winding up with the summary of the research gaps.

2.1 Overview of Relationship Marketing

Relationship marketing puts less importance on purchases and more emphasis on long-term relationships, and this means that companies are more focused on customer retention by preventing defections. Changes in customer requirements often enable businesses to strive to meet these requirements. This is done by developing contacts with clients and exchanging important information between the client and the consumer. The retention of customers calls for partnerships marked by engagement, honesty and reality (Nwakanma, Jackson & Burkhalter, 2007). Profitability is the long-term consequence of any advertising partnership approach. Confidence in relationship marketing is very critical and closely linked to commitment. Organisations have to develop confidence and this can be accomplished by good results. Trust calls for words to be trustworthy. Trust is regarded by many as an important aspect because not many of its characteristics establish a bond between an organisation and its customers.

Many relationships are, therefore, based on trust between the two involved parties and are reinforced by past experience, the level of satisfaction and empathy earned by a group. Confidence becomes a vital aspect of these partnerships in any volatile business environment. It also has to be done before the satisfaction of consumers, and is important for creating strong customer relations and market share (Yu & Tung, 2013).

2.2 Global Perspective

Al-Hersh and Saaty (2014) conducted a research on the impact of customer relationship marketing on customer satisfaction of the Arab Bank Services in KSA and Jordan. The aim of

this investigation is to examine the bearing of customer relationship marketing on customer satisfaction in Banking Industry in KSA and Jordan. The investigation adopted the primary data collection method, whereby an e-mail questionnaire was originated and disseminated to 500 clients of Arab Bank in KSA and Jordan, generating two sample groups of respondents. 151 questionnaires that were collected were deemed valid. The results indicated that, there was medium to high degree of customer relationship marketing aspects such as commitment, reliance, understanding, bonding among others which are essential for customer satisfaction and also the customer's attitudes towards the customer relationship marketing dimension was also discovered in the two samples. It also indicates the impacts of the customer relation market on customer satisfaction such as age, gender and education level. In conclusion, the Arab banks should adopt the customer relationship marketing in various branches of theirs to ensure that they have achieved customer satisfaction.

Bataineh and Shoter (2015) conducted an investigation on the bearing of relationship marketing on client retention in the pharmaceutical business in Jordan. The investigation aimed at verifying the bearing of relationship marketing on the client loyalty or retention in the Pharmaceutical business in Jordan. The investigation adopted primary method of data collection whereby, a sample of 500 pharmaceuticals was involved and questionnaires were employed in data collection. According to the results, communication is important in defining the quality of relationship quality; significantly seller expertise has a positive bearing on the quality of association between the establishment and the customer. The outcomes of the impact of relationship quality on client retention, pointed out a positive and important impact of client satisfaction and commitment, whereas trust bears unimportant consequence on client retention. In conclusion, it is important that the firm understand what they should employ to ensure customer retention, this will enable them to increase their competitive advantage hence performance.

Hefferman et al. (2008) in Australia explored the banking sector" relationship development between customers and the banking sector staff, the study measured dependability, knowledge and expectations as its main variables and associated financial performance of brought about by the relationship managers and their levels of emotional intelligence and trust. They concluded that there were significant correlations between both trust and emotional intelligence, when compared to the financial performance of the bank as a result of the input of relationship managers.

Hafeez, Khan, Saeed and Javed (2016) performed a research on the bearing of relationship marketing on client loyalty in the banking industry in Pakistan. The paper sought to pursue relationship marketing practices the impact of for instance trust, commitment, communication, competence and customer satisfaction on customer loyalty in the banking sector of Pakistan. The study adopted the primary method of data collection, whereby 150 questionnaires were used as data collection instruments. Statistical analysis is performed on the data by way of multiple regression analysis and reliability test. The investigation's findings indicated that, relationship marketing practices such as trust, commitment, communication, competence and customer satisfaction have a positive bearing on the customer loyalty. In conclusion, the study recommends that to retain long run client loyalty, banks should consider relationship marketing as a core strategy. Hence, relationship marketing is key for banks' survival in current intense competition.

Based on the empirical reviews provided, several knowledge gaps can be identified in the context of relationship marketing and its effects on the financial performance of the banking industry, particularly in Zambia. The studies mentioned focus on various regions such as Saudi Arabia, Jordan, Australia, and Pakistan. However, there is a lack of research specifically addressing the banking industry in Zambia. This creates a gap in understanding how relationship marketing impacts financial performance within the Zambian banking sector, which may have its own unique characteristics, customer behaviour and market dynamics. Each study examines relationship marketing within a specific industry context, such as pharmaceuticals or banking. While the banking sector is touched upon in some studies, there may be nuances and industry-specific factors unique to the Zambian banking sector that requires further investigation. Understanding these nuances is crucial for implementing effective relationship marketing strategies tailored to the Zambian banking environment.

While the studies discuss relationship marketing variables such as trust, commitment, communication, competence, and customer satisfaction, there may be variations in how these variables are measured across different studies. Standardized and consistent measurement of these variables would enable better comparisons across studies and contribute to a more comprehensive understanding of their impact on financial performance. The studies mentioned provide insights based on cross-sectional data at a single point in time. Longitudinal studies tracking the impact of relationship marketing over time would provide a deeper understanding of how these strategies evolve and their sustained effects on financial performance within the

banking industry. The studies primarily focus on internal factors within the organisation, such as relationship quality and customer satisfaction. However, external factors such as regulatory changes, economic conditions, and technological advancements can also influence the effectiveness of relationship marketing strategies and their impact on financial performance. Further research could explore how these external factors interact with relationship marketing efforts within the Zambian banking industry.

Addressing these knowledge gaps through further research would contribute to a more comprehensive understanding of the relationship between relationship marketing and financial performance within the Zambian banking industry, facilitating the development of more targeted and effective strategies for enhancing performance in this context.

2.3 Regional Perspective

Studies conducted in Kenya regarding relationship marketing and customer satisfaction include: Owich (2013) performed a research on relationship marketing impact on client retention in the Kenyan banks; Context of the Bank of Africa. The purpose of the investigation was to verify the link between relationship marketing and customer retention in Kenyan banks. The study used descriptive research design where by it targeted a population of managers, bank staffs and account holders. Sampling was used to get the population sample purposive as well as simple random were used. The investigation utilized purposive sampling to obtain 16 managers and 24 general employees while simple random was used to obtain 40 account holders respondents. The research gathered primary data through semi-structured questionnaires. The findings indicate that, relationship marketing was very key in defining the banks' performance, banks tend to adapt to different relationship marketing strategies such as the access convenience, customised services, as well as e-Banking solutions utilisation (technological). It too discovered relationship marketing impacts that has a bearing on the customer satisfaction, they include, better customer care services, suitable bank/ATM location, constant product reviews on offer so as to concur with clients' shifting lifestyles, better rate of pricing, personalised banking, better services with diversified products, and mobile and internet banking services use in bringing services closer to clients.

The study established the factors that enhance customer value and improves the performance of the firm, they include, open, honest and regular communications; enhanced ethics and trust between the clients and the direct sales representatives; suitable customer knowledge and

liberal friendship in retaining existing clients; enhanced quality services by keeping promises to customers; maximum and continuous customer satisfaction; and developing and preserving long-term client relations that affected the profitability of a bank. In conclusion, the RM strategies not only increase customer satisfaction, but also loyalty, absorb the risk shocks and also attracts customers hence performance of the firm.

Mwalimu (2015) undertook a research on the effect of relationship marketing on the competitiveness of the Kenyan commercial banks. The investigation aimed to investigate the bearing of relationship marketing on the growth in the Kenyan commercial banks. The investigation adopted the cross-sectional survey among the Kenyan commercial banks, whereby, 47 banks were examined by usage of purposive sampling, only one relationship managers was selected to be part of the study, therefore 47 respondents were involved. The study adopted both primary and secondary methods of data collection. The primary method entailed, utilisation of questionnaires administered to the respondents and the secondary method entailed an analysis of obtainable works on the theme under investigation and the Kenyan banks. With the use of the Statistical

Package for Social Sciences (SPSS), data was coded and analysed. The analysis entailed descriptive statistics as well as content analysis. According to the findings, customer trust, organisational culture, quality services and information technology each has influence on the banks market share index and each variable is very important in increasing the banks competitiveness through customer satisfaction. Summing up, the investigation recommends that for the purpose of ensuring customer satisfaction and hence competitiveness, the bank should employ skilled relationship.

Kibeh and Wanjiku (2015) undertook a research on the relationship marketing and client loyalty in mobile telecommunication business in Nairobi, Kenya. The purpose of the paper was to scrutinise the link between customer relationship marketing and client loyalty in mobile telecommunication business. Descriptive research design was utilized to this research and the total of four telecommunication companies were used as the population study. By usage of the stratified sampling technique, a sample size of 348 respondents was sourced. The study adopted primary data collection method whereby, semi-structured questionnaires were used and data analysis was by way of descriptive statistics as well as simple regression analysis. The findings indicated that, the service quality is individually observed by clients during the dealings with

an establishment and bears key influence on clients' assessment of service quality; effective articulation of pricing strategies and flexible pricing for different services provided are key in client loyalty; positive brand image allows an establishment to communicate its brand value to customers and similarly develop promising client loyalty amongst individuals.

Companies that operate in an environment with a price based competition are reliant on their big size and with small degree of personnel-client relations are likely to undergo shocks in their profitability as well as market positions. Though there are huge investments on interactive strategies for instance developing trust, commitment, communication as well as contentment can turnaround the shocks.

Mita (2018) pursued research on relationship marketing effect on client loyalty in SPA and wellness services in Nairobi County. The investigation aimed to verify if the services offered by the SPAs are of quality and the effects they have on customer loyalty or satisfaction. The researcher targeted total of 24 spas and wellness centre in the city of Nairobi, by targeting 988 respondents. Simple random sampling was utilized to pick 25% of the respondents from the Spa and wellness centres in Nairobi County. Data analysis was by way of the descriptive and inferential statistics to generate graphical and numerical description. The findings indicate that, there are various relationship marketing strategies such as the personalised services, electronic relationship which are recognised to increase customer loyalty to a certain spa and wellness services in the city. He explains that, giving the customer the freedom of expression to the services that they have received works so well in firms which main products are services and enables them to improve their service delivery since customer satisfaction is the main addiction for competitiveness through customers' loyalty. In conclusion, for firm to increase their customer satisfaction, they should adopt the relationship marketing strategies which are essential for the competitive advantage.

Using a descriptive research methodology, Kithinji (2017) conducted research on RM and brand performance of Kenyan micro-finance banks. Participants in the study were managers and client service representatives from intermediate level micro-finance organisations. The findings were in line with those of other researchers who hypothesised that management of critical accounts has a favourable impact on the reputations of Kenyan institutions engaged in micro-finance.

In a different study, Ndambuki (2018) investigated relationship marketing practices, market sensing abilities, institutional characteristics, and performance of Kenyan commercial banks. The results of the study showed a correlation between key account management practices and performance that was statistically significant (Sig=0.002; Adj. R²=0.243). Statistics showed that the combined impact of RM methods, market sensing abilities, institutional qualities, and performance was significant.

Ibojo and Dunmade (2016) did a research on relationship marketing impact on customer satisfaction: context of the undergraduate students in a private university, Oyo state, Nigeria. The intention of the research was to investigate relationship marketing effects on customer satisfaction, with undergraduate students in a private university. It also encompassed other objectives such as to ascertain the effect of relationship marketing to client relation, the degree at which trust impinges on customer relation and finally to verify the bearing of competence and long-standing relationship on customer satisfaction. The research adopted both primary and secondary approaches of data collection whereby. Secondary data entails historical records of the University and primary method of data collection entailed the use of questionnaires that were relevant in collecting information from the respondents. Data analysis was through inferential as well as descriptive statistics and hypotheses were verified by way of Pearson correlation as well as multiple regression analysis. The outcomes indicated that, 1% change in relationship marketing will bring about 81.1% changes in customer satisfaction. Additionally, a 1% change in trust will bring about 72.2% change in customer satisfaction, and finally, the R² value of 0.604 points out that competence and long-standing relations both constitute 60.4% of the change in customer satisfaction. The investigation hence determines that relationship marketing bears a positive link with customer satisfaction, and hence impinges on customer satisfaction to a great degree.

Based on the empirical reviews provided on relationship marketing in various industries and contexts within Kenya and Nigeria, several knowledge gaps can be identified. The studies primarily focus on Kenya and Nigeria, with no mention of research conducted in other African countries. Extending the scope to include a more diverse range of African nations could provide insights into regional variations in relationship marketing practices and their impacts on financial performance. While the studies cover industries such as banking, telecommunications, spa and wellness services, and education, there is a lack of research on relationship marketing in other sectors such as manufacturing, agriculture, or retail. Exploring

relationship marketing in a broader range of industries could uncover sector-specific challenges and opportunities. The majority of the studies rely on quantitative methods such as surveys and statistical analysis. Incorporating qualitative research methods such as interviews, focus groups, or case studies could offer deeper insights into the underlying mechanisms and contextual factors influencing the relationship between marketing strategies and financial performance.

There is a lack of comparative analysis across different types of organisations (e.g., small vs. large enterprises, domestic vs. multinational corporations) or between urban and rural settings. Such comparative studies could shed light on how relationship marketing strategies vary based on organisational size, industry dynamics, or geographic location. While some studies touch upon the importance of customer satisfaction and loyalty, there is limited exploration of how relationship marketing strategies might differ based on customer segmentation (e.g., demographics, psychographics, and behaviour). Understanding the unique needs and preferences of different customer segments could inform more targeted marketing approaches. Although some studies mention the utilisation of e-banking solutions, mobile and internet banking services, and electronic relationship management, there is limited discussion on the integration of emerging technologies (e.g., artificial intelligence, block chain) in relationship marketing practices. Exploring the role of advanced technologies in enhancing customer engagement and satisfaction could provide valuable insights into future trends in relationship marketing.

Addressing these knowledge gaps through further research would contribute to a more comprehensive understanding of the relationship between relationship marketing strategies and financial performance in the African context.

2.4 Zambian Perspective

Relationship marketing as a technique for competitive advantage in a Zambian bank was the subject of a research by Mbewe (2020). The research design used in the study was descriptive. Customers of banks and front-line managers engaged in customer relationship marketing in Zambia made up the target population. Purposive and stratified random selections were the sampling techniques used in the study to choose the 100 respondents, who were retail, small business, and large business clients at the chosen branches. According to the research, creating relationship marketing strategies should focus on developing: trust, engagement, interactions,

satisfaction, efficiency, loyalty, and addressing complaints. The results of this study have demonstrated that a relationship marketing strategy can give a bank the crucial competitive edge over its competitors.

Based on the information provided, the knowledge gap in the study conducted by Mbewe (2020) could include several aspects. The study may not have addressed the long-term effects of relationship marketing on financial performance. While the research demonstrates a positive relationship between relationship marketing strategies and competitive advantage in the short term, it may not have explored whether these effects are sustainable over time. The study might not have thoroughly examined the influence of external factors such as economic conditions, regulatory changes, or technological advancements on the relationship between relationship marketing efforts and financial performance. These factors could affect the effectiveness of relationship marketing strategies and their impact on competitive advantage. The study may not have utilised comprehensive or standardised measures to assess financial performance. Different aspects of financial performance (e.g., profitability, market share, return on investment) could have different relationships with relationship marketing strategies. Thus, a more nuanced understanding of financial performance metrics could provide deeper insights. The research might lack generalisability due to its focus on a specific bank or a limited geographic area within Zambia. Extending the study to include a broader range of banks or regions could enhance its applicability and validity.

The study may not have sufficiently explored the differences in the effectiveness of relationship marketing strategies across various customer segments. Different types of customers (e.g., retail, small business, large business) may respond differently to relationship marketing efforts, necessitating a more nuanced segmentation approach. The study may not have adequately addressed the competitive dynamics within the Zambian banking industry. Understanding how competitors are implementing relationship marketing strategies and their impact on market dynamics could provide valuable insights into the effectiveness of such strategies in gaining a competitive edge. Addressing these knowledge gaps could enrich the understanding of the relationship between relationship marketing strategies and financial performance in the Zambian banking industry and provide more actionable insights for practitioners and policymakers.

Table 2.0 below presents a summary of empirical studies and knowledge Gaps identified in the literature.

Table 2.0: Summary of empirical studies and knowledge gaps

Study	Study Focus	Methodology	Main Finding	Knowledge Gap	Current Study
Hefferman, et al. (2008)	Development of trust in the banking sector for relationships between staff and customers.	Internet survey	The conclusion of the study was that three aspects make up trust, namely: knowledge, dependability and expectations.	The study failed to address aspect that determine customer trust such as product awareness and duration of relationship	The Effect of Relationship Marketing on the Growth of the Zambian Banking Industry - Case Study of Investrust Bank Plc
Aggarwal and Arora (2013)	Global brands' impact of relationship marketing on customer loyalty	Descriptive design	The study concluded that there is a significant impact of relationship marketing strategy of global brands on their customer loyalty as each satisfied customers refer others	The study however didn't explain whether a good global brand strategy impacts the competitiveness of the organization	
Ndubisi (2007)	Relationship marketing strategy on customer loyalty in the Malaysian Banking Industry: trust, commitment, communication and conflict handling	Multiple regression analysis	The study revealed that the four variables significantly affect and predict a great amount of the variance in customer loyalty	This study however left out other aspects that determine customer loyalty such as product visibility and availability	
Niladri and James (2006)	Acquisition versus Retention: Competitive Customer Relationship Management	Descriptive research	The study found out that a monopolist gains greater returns through embarrassing customer acquisition rather than retention	The study however did not address how the two aspects; acquisition and retention affect competitive advantage	

Source: Researcher (2023)

2.5 Chapter Summary

The literature review chapter on the effects of relationship marketing on the financial performance of the banking industry provides a comprehensive analysis of existing research in this area. It begins by defining relationship marketing and its significance in the banking sector, emphasising the shift from transactional to relational approaches in customer interactions. The review examines various theoretical frameworks and models that underpin relationship marketing strategies adopted by banks, such as the Relationship Marketing Continuum and the Service Profit Chain. Additionally, it explores empirical studies and case analyses that investigate the impact of relationship marketing initiatives, including customer satisfaction, loyalty programs, personalised services, and customer relationship management systems, on key financial indicators such as profitability, revenue growth, customer retention and market share. Furthermore, the review discusses the moderating factors and contextual influences that may affect the relationship between relationship marketing efforts and financial performance such as technological advancements, regulatory changes, market competition and customer demographics. By synthesising and critically evaluating the literature, the chapter provides insights into the mechanisms through which relationship marketing contributes to the financial success of banks, identifies gaps in knowledge, and proposes avenues for future research in this dynamic and evolving field. The next chapter presents the research methodology of the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section presents a brief review of the research methodologies, a description of the data collection process, a discussion of the research techniques that were used, and a justification for their selection. The characteristics of the sample, testing methods, data analysis, study limitations, and lack of bias are listed as the main issues.

3.1 Philosophical Perspective

Research can be affected by the knowledge and behaviour of the researcher related to area of the study. The author having an interest in the evidences like quantity of resources required, possibly has a different aspect of thinking than the researcher dealing with the feelings and emotions of managers or employees concerning relationship marketing. The research philosophy influences scientific approach to study about how they view the world and knowledge, principally the development of new knowledge (Ponterotto, 2005, p. 127; Saunders et al., 2009, p. 108). One generally used research philosophy is ontology. Ontology is linked to the philosophy of realism. Ontology is referred to as "a theory of the nature of social entities" by Bryman and Bell (2011, p. 20). The ontological philosophy provides explanations to the researcher about how social reality is viewed. Reality can be logically developed on self-basis or it can be perceived as objective or subjective. Objective perspective believes that knowledge is accessible to all people theoretically while the knowledge depends on individual experience and conception in a subjective view (Long et al., 2000, pp. 192-193).

Further the ontological approach guides researchers to select either objectivism or constructivism approach. Objectivism approach ascertains that "social phenomena and their meanings have an existence that is independent of social actors" (Bryman & Bell 2011, p. 716). While on the other hand, the constructionism is related to the formulation of social phenomena from the judgement and actions of social actors (Saunders et al., 2009, p. 111). This study was based on objectivism because of the main objective of the research which is to investigate the effect of relationship marketing on the growth of the Zambian banking sector. The researcher explained different variables such as use of technology, customer acquisition and customer trust and the growth of the Zambian banking sector. The researcher believes that optimum growth of the banking sector is the main objective of all the commercial banks in the industry.

In accordance with the researcher's understanding, relationship marketing practices and level of growth of banks are not the same in different financial institutions and the relationship between them generates different outcomes.

3.2 Research Design

The study used a descriptive research design. There are three ways a researcher can go about doing a descriptive research project, and they are: Observational, defined as a method of viewing and recording the participants; case study, defined as an in-depth study of an individual or group of individuals, and finally a survey (Dantzker and Hunter, 2012). In a survey method research, participants answer questions administered through interviews or questionnaires. The study used Investrust Bank Plc employees in order to examine relationship marketing as a source of growth for commercial banks.

3.3 Study Area

The study was conducted in Lusaka, the capital city of Zambia, which serves as a central hub for economic activities and houses numerous banking institutions, including Investrust Bank Plc. Ten branches of Investrust Bank PLC located within different regions of Lusaka were selected for the study. These branches were strategically chosen to represent various demographics and economic zones within the city, ensuring diversity in customer profiles and market dynamics. Lusaka is a cosmopolitan city with a diverse population comprising individuals from various ethnic, socio-economic, and cultural backgrounds. The study area encompasses neighborhoods, business districts, and commercial areas where the selected branches of Investrust Bank PLC are situated. The selected branches are situated in areas with adequate infrastructure and accessibility, including well-maintained roads, public transportation facilities, and commercial establishments. This ensures ease of access for both customers and the researcher conducting the study. Lusaka serves as the economic heartbeat of Zambia, hosting a wide array of industries, businesses, and financial institutions. The study area reflected the dynamic economic landscape of the city, encompassing both established commercial districts and emerging business corridors.

The banking industry in Lusaka is characterised by intense competition among various players striving to capture market share and establish a competitive edge. The study took into account the competitive environment surrounding the selected branches of Investrust Bank Plc, analysing their positioning and strategies vis-à-vis other banking institutions operating in the

same areas. Lusaka's social fabric is rich and diverse, with cultural influences shaping consumer behaviour and preferences. The study considered the cultural and social dynamics prevalent in the selected study area, examining how they impact customer relationships and banking practices. Overall, the study site/area description provided a comprehensive overview of the geographic, demographic, economic, and socio-cultural factors influencing the relationship marketing strategies and financial performance of Investrust Bank Plc branches in Lusaka, Zambia.

3.4 Study Population

Population is a group of individuals, objects or items from which samples are taken for measurement and have at least one thing in common (Kombo & Tromp, 2011). Mugenda and Mugenda (2003) state that, "A population is a group of individuals or objects with a common observable characteristic." For this study, the target population consisted of all the 275 Investrust Bank Plc corporate customers and 45 bank front-line managers involved with CRM at the eight Lusaka based branches. These categories of staff are deemed to be well conversant with the organisations' relationship marketing strategies for business growth.

3.5 Study Sample

According to Mugenda and Mugenda (2003), for the sole purpose of statistical analysis, a minimum sample size of 30 provides a useful rule of thumb. However, a sample size between 30 and 500 at 5% confidence level is generally sufficient for many researchers (Altunışık et al., 2004); the decision on the size should reflect the quality of the sample in this wide interval (Morse, 1991, 2000; Thomson, 2004). A sampling of bank customers who interface with relation managers was carried out to select 162 clients determined using Cochran's (1957) formula as below at 95% confidence level:

$$X = n/[1+n(e)^2]$$

X = Sample size, n=total population, e=level of error which is 5%

$$= 275/ [1+275(0.05)^2]$$

$$= 275/ [1+275(0.0025)]$$

$$= 275/ (1+0.6875)$$

$$= 275/ (1.6875)$$

$$\underline{\underline{= 162}}$$

3.6 Sampling Technique

The sampling technique the researcher adopted in this study was purposive and stratified random sampling as per Table 3.0 below to select the respondents.

Table 3.0: Distribution of sample

	Sample distribution	Total number of employees/ customers	Sample size	Method	Sampling technique
1	IBP Lusaka based branches (Operations Officers/Managers, Relationship Officers/Managers and Branch managers)	45 employees	30	Quantitative	Purposive sampling
2	IBP Lusaka based corporate customers interfacing with Relation Managers	275 corporate customers	162	Quantitative	Stratified random sampling

The researcher used purposive sampling to select 30 supervisory bank employees to participate in the study. The stratified random sampling of all types for retail, small business and big business customers was conducted. This was done using business managers in the respective branches of the Bank. The approach used for the collection of data was through questionnaires, which were administered to customers and employees respectively as defined in Table 3.0.

3.7 Data Collection Instruments

The data collection instruments comprised of closed-ended questionnaires meticulously designed to explore the effects of relationship marketing on the financial performance of the banking industry in Zambia, with a specific focus on 10 branches of Investrust Bank Plc located in Lusaka. The closed-ended questionnaires were structured to gather quantitative data, providing a standardised framework to capture respondents' perceptions and attitudes towards various aspects of relationship marketing practices and financial performance metrics. The questions were carefully crafted to ensure clarity, coherence, and relevance to the research objectives, thereby enabling comprehensive data collection essential for robust analysis and insightful conclusions.

3.8 Data Collection Procedures and Timelines

The data collection procedures for this research involved a comprehensive approach utilising closed-ended questionnaires. Initially, the research team liaised with the management of Investrust Bank Plc to gain approval and cooperation for the study. Following this, the distribution of questionnaires to customers and staff across the selected 10 branches in Lusaka

commenced. The data collection phase spanned over a period of three weeks, allowing for thorough data gathering and analysis. Additionally, periodic reviews and updates were conducted to ensure the smooth progress of the research within the stipulated timeline.

3.9 Validity and Reliability of Data

The study used measures from the available literature to complete the survey and Cronbach's alpha reliability coefficient was used to evaluate the instruments' internal consistency. To assess the selected instrument which was utilised in this study, a pilot test was conducted with a reasonable sample of three (3) branches in Lusaka. One factor from the Workman et al. (2013) research, with a reliability score of 0.85, was used to evaluate relationship marketing performance. The "Molinari et al. (2018) scale" with a reliability of 0.91, was used to assess repeat business, ROI, customer satisfaction, revenue growth, good word-of-mouth, and four other criteria. One item from the Doney and Cannon (2017) scale was used to calculate the length of the relationship. Each item for the research variables, with the exception of Doney and Cannon's item was graded on a 5-point Likert scale, with anchors ranging from 1 to 5 (Strongly disagree to strongly agree). A self-made ration scale was also used to collect three different types of demographic data: the year the branch was founded, the number of employees, and the annual client serving capacity.

The question of whether the investigator effectively measures what they have proposed to do is addressed by validity, when the reliability of a study tool relates to consistency or repeatability of phenomena measurement. There are four validity kinds—each of which would be established by the investigator before administering the research instrument for the real study: Face-validity needs that the research tool be applicable to the study participants; the investigator seeks specialists in the sector to express their view on the adequacy of the research tool in its content validity. The validity of the database and the formula of problems to be illuminated are important and legitimate. The validity of the research and the collection of information lead to information that is applicable to the formulations of problems (Bryman, 2012). The methodology of the research focuses heavily on collecting data to respond directly to the problem of the study and, therefore, the formulation of the research questions. But this study was largely based on data from a survey, meaning that the validity of the data depended on the honesty, accuracy and recollection of the respondents. In order to make the information valid, each respondent was asked to verify whether the answers were actually the truth, which does not constitute an individual perception of the problem.

Saunders et al. (2012) distinguish between inner and external validity, explaining that internal validity mainly affects the satisfactory performance of the test itself to guarantee validation under controlled inquiry. The research used quantitative data in order to ensure inner validity. The validity of the information is in some way supported by quantitative data, the number of participants and the risk that the correct individuals surveyed were at risk of undermining the internal validity.

3.10 Data Analysis Instruments and Procedures

In this study to examine the impacts of relationship marketing on the financial performance of the banking sector in Zambia, with a specific focus on 10 branches of Investrust Bank Plc in Lusaka, the data analysis instruments and procedures were carefully designed to ensure robust and comprehensive analysis. Closed-ended questionnaires served as the primary data collection tool, enabling the quantification of customer perceptions, attitudes, and behaviours regarding relationship marketing initiatives employed by the bank. The collected data underwent rigorous statistical analysis, including descriptive statistics and Chi Square analysis, to assess the relationships between various dimensions of relationship marketing and financial performance indicators such as profitability, customer retention, and market share. The SPSS aided in coding, entering and analysis of quantitative data obtained from the closed-ended questions and analysed using the Chi Square in terms of inferential statistics.

3.11 Ethical Considerations

In conducting a study on the effect of relationship marketing on the growth of the Zambian banking industry, particularly focusing on Investrust Bank Plc, several ethical considerations must be carefully addressed. Firstly, ensuring the voluntary and informed consent of all participants, including bank customers and employees, is paramount. The respondents were fully aware of the study's purpose, procedures, and potential risks, with the option to withdraw participation at any time without consequence. Confidentiality and anonymity of participants' data was also rigorously maintained, especially given the sensitive nature of financial information and customer opinions. Additionally, the researcher strived to avoid any harm to participants or the bank, while maximising the benefits of the research for both Investrust Bank Plc and the broader banking industry in Zambia. Fair treatment and respect for autonomy are essential, as is transparency in research practices and the disclosure of any conflicts of interest.

Furthermore, the researcher upheld data integrity and complied with all relevant ethical guidelines and regulations to ensure the credibility and trustworthiness of the study's findings. By addressing these ethical considerations, the researcher conducted the study on relationship marketing in the Zambian banking industry with integrity and responsibility, promoting the well-being of all stakeholders involved.

3.12 Chapter Summary

This chapter has defined and explained the chosen research design which was used in this study. It also explained the population and sampling design. It further specifies and shows the population size and it also defines and explains the chosen sampling design that is, the sampling frame, the sampling technique and the sample size. The chapter helps to understand the data collection methods, the research procedures and the data analysis techniques. The next chapter presents the results and findings in relation to the specific objectives of the study.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

Data from the field was presented and analysed in this chapter. Based on interviews with bank management and retail customers in eight selected branches in Lusaka, data collected from the respondents was analysed in an effort to examine the relationship marketing strategies and policies essential to the growth of the bank.

4.1 Data Presentation and Analysis

The section below presents the collected data starting with the profile of the respondents.

4.1.1 Socio-demographic background of respondents

The eight branches selected had 162 customer questionnaires distributed and the response rate was 37%, with only 60 customer respondents answering successfully. Despite the low response rate, a sample of 60 was considered adequate for the investigation. The following table presents the results of the respondents' age distribution.

Table 4.1: Ages of retail customers of Investrust Bank

Age	Frequency	Percentage
21-30	23	38.3%
31-40	13	21.7%
41-50	11	18.3%
51-60	9	15%
61 and above	4	6.7%
Total	60	100

Source: Field data (2023)

The highest to lowest age groups and their percentages were 21-30 years old 38.3% (23), 31-40 years old 21.7% (13), 41-50 years old and 18.3% (11), 51-60% 15% (9) and older than 61 years represented by 6.7% (4) of 60 people. In the eight participating IBP branches, 30 questionnaires were allocated and the response rate was 100% as all interviewees responded. The distribution of the gender of the respondents was as discussed below.

Table 4.2: Gender of the respondents

Variable	F	%	Variable	F	%
Gender of customer respondent			Gender of staff respondent		
Male	35	58.3	Male	18	60
Female	25	41.7	Female	12	40
Total	60	100.0		30	100.0

Source: Field data (2023)

The results on respondents' gender are summarised in Table 4.2 where 35 people representing 58.3% were male, and 25 representing 41.7% were female, from customer responses. Of the responses received from the 30 bank employees, 60% (18) were males, and 40% (12) were females.

Table 4.3: Educational background of respondents

Education	Frequency	Percentage
Primary	0	0%
Secondary	5	8.3%
Tertiary	55	91.7%
Total	60	100

Source: Field data (2023)

The education level for the respondents (bank customers) is listed in Table 4.3. From the results, none of the 60 respondents had a Zambia Primary School Certificate as their highest achievement, whereas 5 (8.3.0%) only have a secondary education certificate, 55 of whom had a tertiary diploma or a degree (91.7%). Bank employees have a degree of education that shows that 30 (100%) respondents have high tertiary qualification. The findings mean that banks employ mainly skilled personnel in their sales and marketing areas who are able to implement their marketing relationship strategies.

Table 4.4: Occupation of respondents

Occupation	Frequency	Percentage %
Self-employed/ Businessperson	13	21.7
Employed in private sector	23	38.3
Civil servant	21	35
Parastatal	3	5
Total	60	100

Source: Field data (2023)

In this study, it was a fundamental necessity to learn about the occupation of the respondents. The outcome of the occupational findings was as provided by Table 4.4 above. Studies show

that 13 (21.7%) employees were self-employed/business person, 23 (38.3%) were in the private sector, 21 (35%) were in civil service and 3 (5%) were formal employees in parastatal organisations. The findings showed that the private sector is where the majority of customer respondents were working.

4.1.2 Organisational information of selected Investrust Branches

The organisational information was analysed and presented as per Table 4.5. The table shows that 30% of the respondents have confirmed that their branches employ more than 30 employees, while a similar percentage confirmed that their outlets employ a total of 11 to 20 employees. On the other hand, 4 (40%) respondents reported that they were 21-30 employees in their divisions. That means that a third of the branches are small, employing 21-30 workers. Table 4.5 summarises the findings on whether the company's role and goals have been clearly defined for its customers. A total of 70% of respondents reported that their branches defined their missions and objectives to their customers clearly, and only 30% confirmed otherwise. Similarly, the research results also indicate that 60% of the sector has a well-specified marketing plan while the remaining 40% have no well-specified marketing plan.

Table 4.5 also sums up the findings concerning the competitiveness of the bank; the findings show that 10% of the branches are highly competitive, 40% are competitive, a similar percentage also shows that they are not competitive and only 10% feel uncompetitive.

Table 4.5: Organisational information

Variable	Frequency	Percentage %
Staff employed by the organisation		
Below 10 staff	0	0
11 – 20 Staff	9	30
21 – 30 Staff	12	40
Above 30 Staff	9	30
Total	30	100
Adequacy of staffing in Customer Services		
Department		
Very Adequate	3	10
Adequate	9	30
Not Adequate	12	40
Very Inadequate	4	20
Total	30	100
Has the organisation defined its mission and goals?		
Yes	21	70
No	9	30
Total	10	100
Existence of well stipulated marketing plan		
Yes	18	60
No	12	40
Total	30	100
Competitiveness of the Organisation		
Very Competitive	3	10
Competitive	12	40
Not Competitive	12	40
Uncompetitive	3	10
Total	30	100
Regularity in collecting feedback from clients pertaining customer services		
Very Often	3	10
Often	6	20
Not Often	15	50
Very Rarely	6	20
Total	30	100

Source: Field data (2023)

Only 3 (10%) of the respondents stated that the institution does this very often, 6 (20%) of the respondents confirmed that their organisation collects customer feedback many times, while 15 (50%) stated that their organisations collected the feedback, but not often and 20% rarely collected customer feedback.

The employee details are presented in Table 4.6. The table shows that the top management staff in their organisation were 3(10 percent), 21(70%) of those responded to the middle management stages in their branches, and the low management staff accounted for 6(20%) of those surveyed. This shows that most respondents are therefore very aware of bank marketing strategy and its effect on organisational growth in the decision-making field.

Table 4.6 shows also that 6 (20%) of respondents reported having had worked for not longer than two years in their respective branches, 18 (60.0%) reported having worked for a period of 2 to 5 years in their organisations and 3 (10%) reported having worked for the period 6 to 10 years in their branch. For more than 10 years, a similar percentage of respondents (10%) have been working for the organisation. These results show that majority of respondents have worked for more than two years in their respective organisations, an indication that they understand their organisation's relationship marketing and bank growth strategies and the results.

Table 4.6: Length and rank of service

Variable	Frequency	Percentage %
Rank of Service		
Top Management	3	10
Middle Management	21	70
Low Management	6	20
Total	30	100
Length of Service		
Less than 2yrs	6	20
2 – 5 yrs	18	60
6 – 10 yrs	3	10
Above 10 yrs	3	10
Total	30	100

Source: Field data (2023)

4.2 Effect of Use of Technology in Relationship Marketing on Bank Growth

The study aimed to determine how the bank uses customer relationship management (CRM) technology and whether technology typically has a sustainable competitive advantage to grow the business.

4.2.1 Use of customer relationship management

The respondents indicated whether their branch used CRM to manage its customer relations. Table 4.7 shows the CRM results.

Table 4.7: Use of customer relationship management

Variable	Frequency	Percentage %
Use of CRM		
Yes	18	60
No	12	40
	30	100.0
If yes, how greatly?		
Greatly Affected	12	66.7
Mildly Affected	3	16.7
Not Affected	3	16.7

Source: Field data (2023)

The findings on CRM usage are summarised in Table 4.7. The data show that 60% of the respondents said their branch is using CRM to manage customer relations, while 40% said their branch is not using CRM technology. Similarly, 66,7% reported that the technology had a substantial impact on customer relations, 16,7% said that their customer relations strategies were marginally influenced by the use of CRM, and the same percentage said CRM technology had no influence on their strategies for customer relations. The results show that the Bank used technology to maintain relationships with their customers.

4.2.2 Use of Technology

The table below shows the outcomes of using technology to attain growth, and interviewees were also asked on a variety of issues. They were to indicate how satisfied they are with each one of them, as indicated on this scale; [1 = Strongly Disagree; 2 = Disagree; 3 = Not sure; 4 = Agree; 5 = Strongly Agree]. The mean of 3.0 and the standard deviation 1.4 from the results show that workers of the Bank were not sure whether the company used the technology to achieve growth. The 3.2 mean with a standard deviation of 1.1 indicates that technology is not considered one of the key riders in organisation. The 2.8 mean and the 1.2 standard deviation show that most of the company's processes have not been integrated technologically successfully and intentionally. The mean of 3.4 and standard deviation of 1.2 meant that the Bank uses customer compliance technology. Mean 3.2, standard deviation 1.0 implies that the integration of processes into the organisation is restricted by high costs.

Table 4.8: Use of technology for bank growth

Aspects on use of technology	N	Min	Max	Mean	Std. Dev
Leverage on technology to gain competitive advantage	30	2	5	3	1.4
Technology is treated as one of the main riders in the organisation's processes hence its success	30	2	5	3.2	1.1
There is a strong relationship between customer partnership with the organisation and use of technology	30	1	5	2.8	1.2
The organisation has successfully and intentionally integrated most of its processes technologically	30	2	5	3.4	1.2
Use of technology to understand customer behaviour	30	2	5	3.2	1.0
High costs limit complete integration of processes within the organisation	30	1	5	3.3	1.4
Valid N (Listwise)	30				

Source: Field data (2023)

4.3 Effect of Use of Customer Acquisition in Relationship Marketing on Bank Growth

Table 4.9 summarises the responses on the impact of customer acquisition on their organisation in a five-point scale that ranged: [1 = Strongly Disagree; 2 = Disagree; 3 = Not sure; 4 = Agree; 5 = Strongly Agree]..

Table 4.9: Effect of use of customer acquisition in relationship marketing on bank growth

Statements	N	Min	Max	Mean	Std. Dev
The organisation's acquisition strategy is preceded by gaining of information from the potential customers.	30	1	4	2.7	1.3
Customer potential strongly determines their acquisition by the organisation	30	2	5	3.2	1.0
The organisation employs enough resources towards acquiring customers	30	2	5	3.1	1.1
The organisation's customer acquisition strategy has significantly impacted its performance	30	1	5	3.0	1.2
The organisation devotes its resources to the pursuit of new customers other than deepening the current relationships	30	1	5	2.6	1.3
Enhancing customer retention within the organization facilitates customer acquisition	30	2	5	3.7	0.9
Use of technology has been a platform for customer acquisition	30	2	5	3.2	1.1
Valid N(listwise)	30				

Source: Field data (2023)

A standard deviation of >1.0 implies a significant difference on the responses obtained from the respondents pertaining the impact of the variable. Table 4.9 shows the uncertainty that the customer acquisition strategies of the organisations were preceded by information from potential customers (mean 2.7), that customer potentials do not necessarily determine the acquisition of customers by the organisation (mean 3.2), and it is not clear that customer acquisition strategies of the organisations have a significant impact on their performance. The results show that the members of the organisation, other than enhanced existing relationships, have not realised how well the institution employs sufficient resources for the acquisition of customers (mean 3.0) and that it devotes more resources to the pursuit of new customers. The technology is also used for customer acquisition (mean 3.7), while customer retention outcomes were not assured (mean 3.2), customers are also being acquired.

4.4 Effect of Customer Trust in Relationship Marketing on Bank Growth

The study sought to assess the different aspects of customer trust and how this aspect is linked to bank growth.

4.4.1 Customer trust

Table 4.10 summarises the respondents opinions using scale; [1= very often, 2 = Often, 3 = rarely, 4 = very rarely, 5 = Not at all] on the various aspects relating to customer trust as observed in the bank.

Table 4.10: Customer trust for bank growth

Aspects	N	Min	Max	Mean	Std. Dev
Enhancement of deliverables	30	1	4	2.4	1.0
Organisational system and process upgrade	30	1	5	2.8	1.1
Customer feedback	30	2	5	3.2	0.9
Stabilisation of quality of products and services offered	30	2	5	3.4	1.0
Valid N (listwise)	30				

Source: Field data (2023)

Table 4.11 summarises findings concerning the use of customer trust by selected branches in achieving growth. The responses were given in the following scale; [1 = Strongly Disagree; 2 = Disagree; 3 = Not sure; 4 = Agree; 5 = Strongly Agree].

Table 4.11: Customer trust and growth of the bank

Aspects	N	Min	Max	Mean	Std. Dev
Investing in customer trust	30	2	5	3.1	1.0
Customer satisfaction and their trust	30	2	4	3.1	0.9
Enhanced customer trust has increased customer base	30	2	4	2.7	0.8
Valid N (Listwise)	30				

Source: Field data (2023)

The mean of 3.1 in the table showed that the Bank was not investing in increasing customer trust (standard deviation of 1.0) in order to grow. As shown by a mean of 3.1 and 0.9 standard, happy customers have not resulted in an increased company confidence. As per the mean of 2.7 and the standard deviation of 0.8, improved customer confidence of the organisation has not increased its customer base.

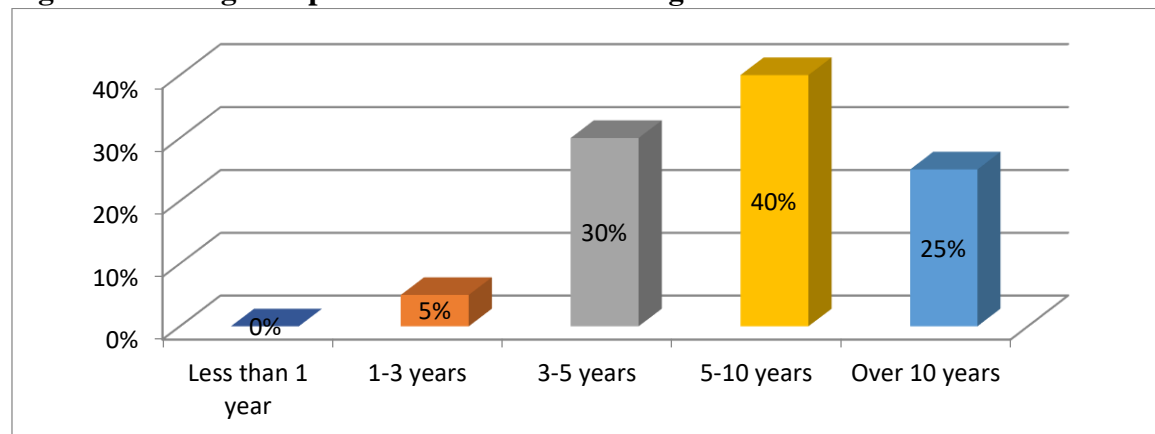
4.4.2 Satisfaction and loyalty levels of Investrust Bank customers

The study in this section, tried to define the level of customer satisfaction and loyalty to their banks in terms of the form of services and marketing partnership techniques employed in the bank for building long term relationships with its customers,

Length of time customers have banked with Investrust Bank

For the calculation of the loyalty standard the time that customers have saved at their bank is important.

Figure 4.1: Length of period of customers' saving with the bank



Source: Field data (2023)

This is valid because the longer the relationship, the higher the loyalty as long term communication is established. The answers provided by the respondents to the above variable are shown in Figure 4.1. The figure therefore shows that people who remain longer than five years but less than ten years are the most elevated, with 40%, closely followed by those who remain longer than three and less than five years at 30% and then ten years and older, represent 25%. No customer was less than one year, however.

The consequences of the above data are that more clients are loyal by staying with the bank for a longer period. No customer in the group of ‘less than one year,’ however, means that Investrust Bank does not attract new customers. The aim of any marketing relationship strategy is to acquire and maintain customers satisfied by providing high-quality services to their long term value. This was not the case as Investrust Bank was losing its new customers to rival banks.

Improvement in the level of interaction

Consumer interactions with the selling business reflect fruitful relationships and customer experiences. Therefore, improved interaction is essential for customer satisfaction and loyalty. The response to changes in customer experiences is shown in Table 4.12 below.

Table 4.12 Improvement in the level of customer interactions

Interactions	Frequency	Percentage
Great Improvement	2	3.3%
Some Improvement	35	58.3%
Little Improvement	18	30%
No Improvement	5	8.3%
Total	60	100

Source: Field data (2023)

These responses confirm the efforts of management to develop customer relations to ensure customer satisfaction and loyalty. It implies, however, that management programs in relation to interaction building are insufficient for those customers who have seen little or no improvement.

Customers with additional bank account

The following data indicates that clients now hold more accounts because 71.7% (43) have a new account with competing banks compared to 28.3% (17) without competing banks' accounts.

Table 4.13: Customers with accounts at another bank

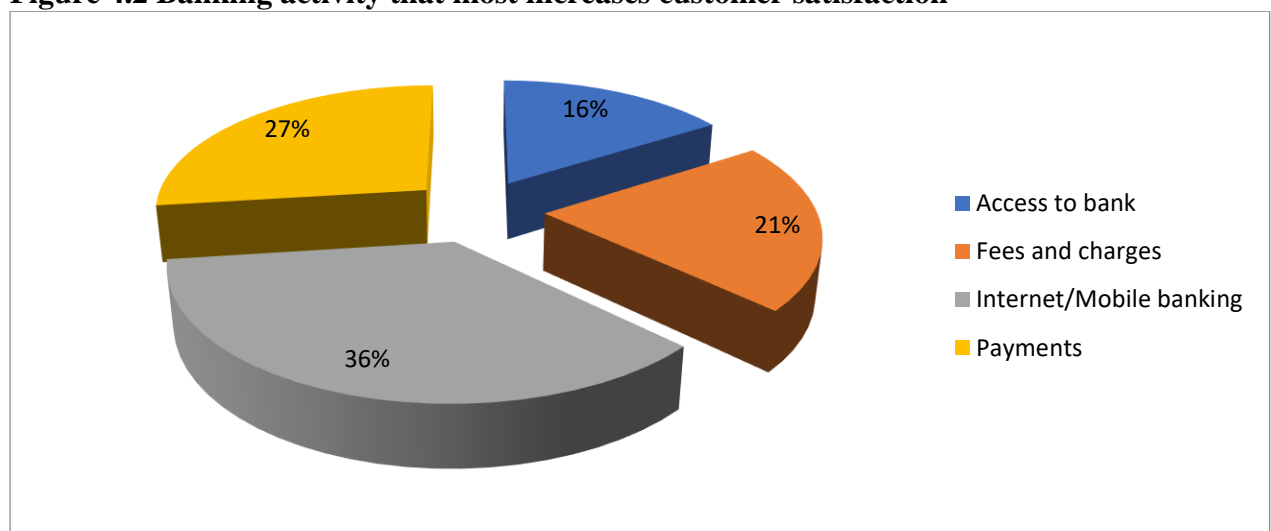
Account	Frequency	Percentage %
Yes	43	71.7
No	17	28.3
Total	60	100

Source: Field data (2023)

Bank activities that increase customer satisfaction

Bank clients were asked to respond to different banking activity which they wanted Investrust Bank to improve to better their satisfaction and the results were as follows: 38,3% prefer Internet banking, 28,3% prefer payment improvement and 21,7% prefer fee and charging improvements, while 16,7% prefer bank access. Better Internet and mobile banking has been described as the first engine of increased satisfaction among technologically savvy bank customers. The age of the customer can be a factor of influence.

Figure 4.2 Banking activity that most increases customer satisfaction



Source: Field data (2023)

The broader customer population is in line with the bank's quest to use the Internet platform as a priority area in which to interact with customers. The Internet is now an enabler of technology

in the forefront of banking and marketing ties. The impact of online banking such as convenience, time-maximisation, lower cost, and 24-hour banking is now well known to banking clients. Other banking activities should, however, improve equally in order to achieve full satisfaction which the bank needs for a competitive advantage.

Complaint about Investrust Bank service delivery

Complaint is a significant source of learning for businesses, but relatively few companies allow their clients to complain. But if customers complain about it and nothing good happens, it becomes a great source of dissatisfaction.

The information presented in the following table shows thus that 71.7% (43) of those who did not complain had reason to complain, versus 28.3% (17). This means that certain service delivery or marketing relationship programs are either absent or ineffectual to ensure reduced customer complaints. For instance, long queues in bank halls, lack of communication among banks and customers, customer insensitivity, and so on.

Table 4.14: Customers who have had complaints about Investrust Bank service

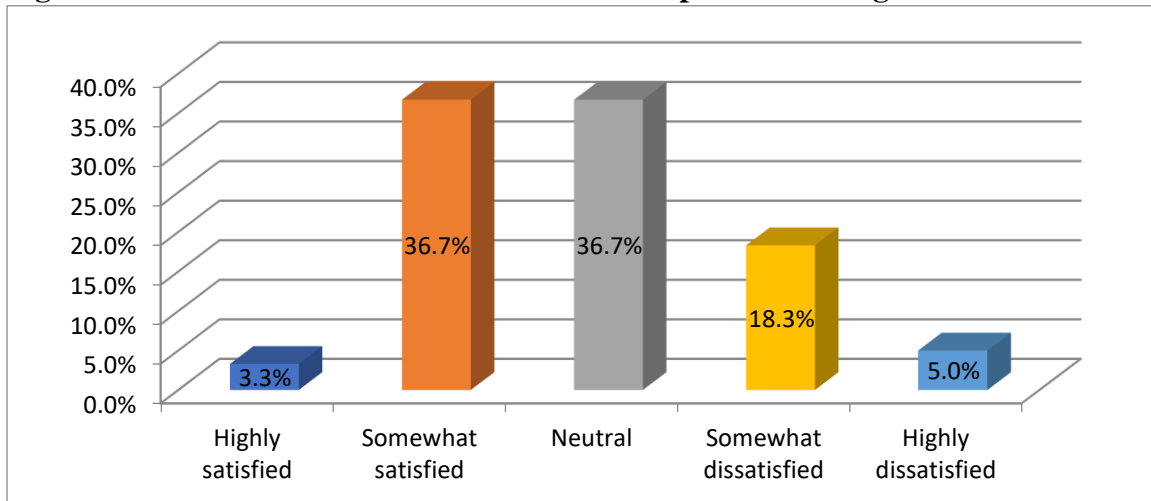
Any Complaint?	Frequency	Percentage
Yes	43	71.7%
No	17	28.3%
Total	60	100

Source: Field data (2023)

Satisfaction or dissatisfaction with complaint handling

Complaint handling is a process that produces especially low content and is identified as an enhancement area by customers. Efficient processing of complaints is a key factor to customer satisfaction in general. But poor customer experience in banks' complaints affects customer satisfaction and loyalty. The figure shows that, overall, 40% of bank customers either are pleased with the way bank employees treat grievances 36.7% (22) or are highly satisfied 3.3% (2). Customers who were not satisfied or unhappy were 36%. While most customers are satisfied with the handling of complaints, a reasonable proportion is either neutral or dissatisfied.

Figure 4.3 Customers satisfaction levels with complaint handling



Source: Field data (2023)

Intention to switch customer with Investrust Bank

Many bank customers 61.7% of the 60 respondents are not intending to change their account and 16.7% are still supportive.

Table 4.15: Customers planning to switch banks

Decision to Switch	Frequency	Percentage
Decided	13	21.7%
Not Decide	37	61.7%
Neutral (indecisive)	10	16.7%
Total	60	100

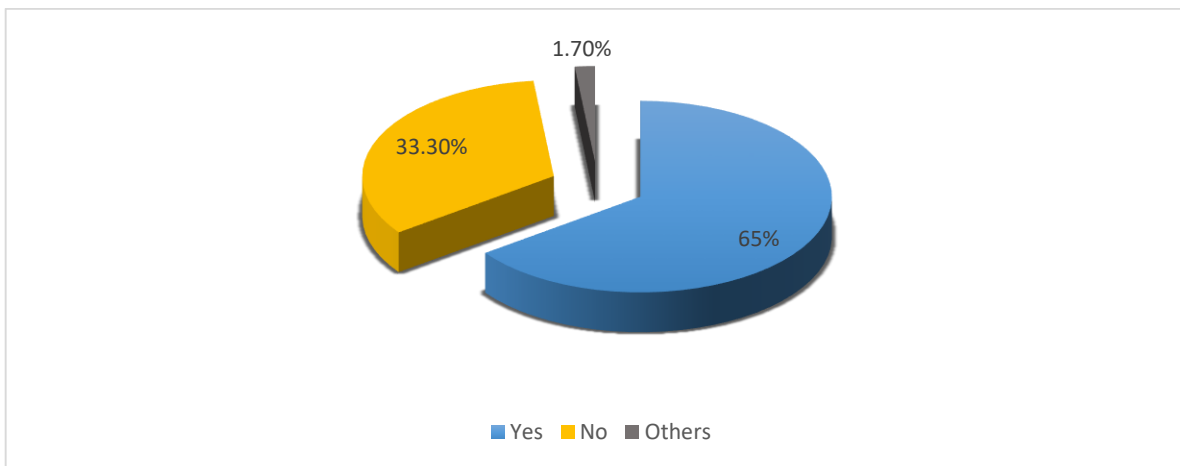
Source: Field Survey (2023)

This shows that more customers are pleased and loyal to the bank. But 21.7% (13) plan to customise, which implies that some customer categories are not satisfied with quality of services and, therefore, the relationship marketing strategy is not too effective. Bank management must only enforce good marketing partnerships in order to maintain these customers. The above definition is shown in the table below. The end outcome, however, reflects the Bank's determination to keep its customers satisfied and loyal with the multiple customer engagement programmes.

Investrust Bank's service quality comparison with competitors

The study sought to find out if Investrust Bank's customers compared their banks' products and services to competing banks. Figure 4.4 below shows that most clients accounting for 65% did compare quality of services between banks, 33.3% did not. The risk here is that, when customers identify high quality competitors' services, they will likely switch to competitors when compared with their current bankers.

Figure 4.4 Comparison of bank service quality by customers



Source: Field data (2023)

Reward for loyalty

A key aspect of the relationship marketing strategy is to reward people for their loyalty. The following table shows customers that they are loyal to the bank for their reward. The literature report confirmed that loyal customers want to give the selling company a share of their value through recompense. Those customers who wanted the Bank's loyal reward were 61.7% (37) compared to 13.3% (8) who said no. But 25% (15) were uncertain. Loyalty program enrolment is rapidly accelerating. Customised rewards for specific customer segment groups could help banks boost registration and improve retention rate in other markets. The retention and recruitment of loyalty programs which offer tangible rewards is critical. This is very much in contrast to the bank's low loyalty scheme. One retail manager interviewed said that these deals are usually performed at the national level and are not common at the branch level. This implies that the absence of such schemes will affect the level of loyalty if the competing banks do so. Within every aspect of the relationship marketing, all customer responses of the Investrust Bank have been analysed and discussed: trust; commitments; communications; satisfaction and loyalty. The following table shows the responses of the customer to the statements.

Table 4.16: Interest in loyalty reward

Response	Frequency	Percentage
Yes	37	61.7%
No	8	13.3%
Do not know	15	25%
Total	60	100

Source Field data (2023)

Trust

With the statement 'Bank is trustworthy,' the majority of banking clients agree on the question of trust by 53.3% and 16.7%. 20% of the clients were neutral, with 10% disagreeing. 61.7% agree and 11.7% strongly agree on the question of goodwill. Once again 18% of customers were neutral whereas only 10.7% disagreed with 1.7% disagreeing strongly. This may be one reason why Investrust Bank Plc has an extensive client base. These responses again confirm that trust is an essential underlying variable in the loyalty of our customers and also a key building block for relationship marketing strategies. The answers confirm once again that management is trying to achieve their relationship marketing programmes.

Commitment

The customer responses on the statement "Bank is consistent with delivering a quality of service were mixed. A total of 38.4% of customers agreed (including strongly agreed and agreed) with 23,3% remaining neutral on the above statement. The number of customers (including disagreements and strong disagreements) who disagree was 38.3%. The above information contrasts sharply with the responses to the confidence and management effort to provide its clients with quality services. For the bank, that does not augur well.

Table 4.17: Customers response to perception statements

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Bank is trust worthy.	16.7%	53.3%	20.0%	10.0%	0%
Bank is consistent in providing quality services.	6.7%	31.7%	23.3%	35%	3.3%
Bank works in close cooperation.	10%	43%	30%	16.7%	0%
Bank has goodwill reputation.	11.7%	61.7%	18.3%	6.7%	1.7%
Bank has customers' interest at heart.	1.7%	18.3%	38.3%	38.3%	3.3%
Bank tries to understand customer's needs constantly	5%	36.7%	33.3%	21.7%	3.3%
Bank staffs show respect to customers	6.7%	68.3%	10%	13.3%	1.7%
Bank has well defined standards for customer contact	5%	46.7%	31.7%	16.7%	0%
Bank show a sincere interest in solving problems on time.	3.3%	45%	25%	25%	1.7%
Bank communicates frequently.	0%	21.7%	13.3%	53.3%	11.7%
I have strong sense of loyalty towards IBP.	11.7%	51.7%	21.7%	10%	5%
Bank tries very hard to establish long-term relationship.	1.7%	58.3%	21.7%	18.3%	0%
Satisfied with all services offered.	0%	16.7%	21.7%	58.3%	3.3%
Staff communicates in friendly manner.	1.7%	80.1%	10%	8.3%	0%
Bank executes public relations programs.	0%	25%	33%	35.3%	3.4%
Employees work in a tidy professional manner.	6.7%	66.7%	13.3%	11.7%	1.7%
Bank always meets my expectation.	1.7%	25%	23.3%	40%	10%

Source Field data (2023)

Communication

The customer responses to the statement "staff interacts in a friendly way" were positive for the respondents that agreed (80.1%), 10% were neutral and only 8.3% did not agree. In other words, bank employees relate or interact positively with bank customers. However, in the declaration 'Bank frequently communicates,' clients were strongly opposed to the above-mentioned friendly communication by staff. 53.3% of customers agree with 11.7% who disagree greatly. Only 21.7% agree with 13.3% remaining neutral. This negative view on bank communication is vital if the bank's relationship marketing strategy is to be undermined.

Satisfaction

Customer satisfaction reflects the relationship exclusively and differs from the customer's total exchange satisfaction. In this regard, the majority of our customers agree with bank managers on the statement " Bank tries very hard to establish long-term relationship", 58.3% agree, 1.7%

agree strongly that the total amount of support is 60%, while 21.7% remain neutral and only 18.3% do not agree. However, on the statement “Satisfied with all services offered,” 58.3% disagreed and 3.3% disagreed strongly. Only 16.7% agree, and 21.7% remain neutral. This view is very much in contrast with the view of customers on the relationship between banks. Although most customers have not met the overall quality of services, the customers agreed with the bank's efforts to build ongoing relationships with its customers.

Loyalty

The views of the customer about their overall loyalty to their bank were pursued. As in Table 4.17, a total of 51.7% of customers agreed that they had a sense of loyalty plus 11.7% who strongly agreed. But 21.7% remained neutral, while 15% disagreed. This is a positive sign to the bank, as loyalty contributes to retentions of customers that represent in the long term the bank's competitive position through repeated transactions. Loyalty of the customers was found to increase profits.

Table 4.18: Relationship marketing activities and bank growth

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.132 ^a	28	.069
Likelihood Ratio	31.420	28	.039
Linear-by-Linear Association	.214	1	.565
N of Valid Cases	30		
a. 23 cells (57.5%) have expected count less than 5. The minimum expected count is .77.			

The p-value of 0.069 signifies that there is no relationship between the independent variables (relationship marketing activities) and the dependent variable (competitive advantage). The variables do not influence each other. The results show that relationship marketing activities of commercial banks have no effect on competitive advantage. From the given results it can be concluded that Investrust Bank Plc does not gain competitive advantage through relationship marketing.

4.5 Discussion of the Findings

This section presents a discussion of the study results arranged according to the objectives in chapter one.

4.5.1 Effect of Use of Technology in Relationship Marketing on Bank Growth

The results show that use of technology does not enhance Investrust Bank's organisational processes and customers' comprehension by enabling the company to achieve growth. To the contrary, Singh and Sirdeshmukh (2000) state that technological developments usually impact the selling of its products and services to any existing organisation. According to the study results, the use of technology may not necessarily improve organisational processes or enhance customers' comprehension, thereby limiting the potential for growth. However, Singh and Sirdeshmukh (2000) propose an opposing viewpoint, asserting that technological advancements typically influence how products and services are marketed and sold within existing organisations. While this finding provides insights into the perceived impact of technology on organisational processes and customer comprehension, prior research offers diverse perspectives on the relationship between technology adoption and business growth.

Research by Li and Liu (2014) supports the notion that technology can significantly enhance organisational processes and customer comprehension, leading to improved growth outcomes. The study emphasises the role of technology in streamlining operations, enhancing efficiency, and facilitating better communication with customers. Li and Liu (2014) argue that by leveraging technology effectively, organisations can gain a competitive edge, drive innovation, and achieve sustainable growth in today's digital economy.

Conversely, findings from a study by Brown and Jayakody (2016) present a contrasting view, suggesting that the mere adoption of technology does not guarantee organisational success or growth. The research highlights the importance of strategic alignment between technology investments and business objectives. Brown and Jayakody (2016) argue that while technology can offer potential benefits, its impact on organisational processes and customer comprehension may be contingent upon various factors, including organisational culture, leadership, and implementation strategy.

Moreover, research by Chen and Popovich (2003) underscores the complex nature of the relationship between technology adoption and business performance. The study suggests that

while technology can enable organisations to improve operational efficiency and enhance customer experiences, its effectiveness depends on how well it is integrated into existing processes and workflows. Chen and Popovich (2003) propose a comprehensive strategy to adopting technology, highlighting the significance of matching technological investments with strategic company objectives to promote long-term growth.

In summary, while the findings highlight the perceived limitations of technology in enhancing organisational processes and customer comprehension, prior research offers diverse perspectives on this issue. While some studies emphasise the transformative potential of technology in driving growth, others highlight the challenges and complexities associated with its adoption and implementation. By considering these varied viewpoints, organisations can make more informed decisions about leveraging technology to achieve their growth objectives effectively.

4.5.2 Effect of Use of Customer Acquisition in Relationship Marketing on Bank Growth

The results show that the members of the organisation, other than enhanced existing relationships, have not realised how well the institution employs sufficient resources for the acquisition of customers (mean 3.0) and that it devotes more resources to the pursuit of new customers. The findings suggest that, according to the study, employees of Investrust Bank recognise the importance of enhancing existing relationships but may not fully appreciate the bank's allocation of resources for customer acquisition, giving it a mean score of 3.0. Moreover, it implies that the bank devotes more resources to pursuing new customers. While this finding provides insights into the perceptions of Investrust Bank employees, prior research offers varied perspectives on the allocation of resources for customer acquisition and relationship management within banking institutions.

Research by Sin et al. (2018) aligns with the notion that investing in existing customer relationships is crucial for sustainable growth in the banking sector. The study emphasises the importance of relationship marketing strategies, highlighting their positive impact on customer retention, loyalty, and profitability. Sin et al. (2018) argue that while acquiring new customers is essential, banks should prioritise efforts to nurture and deepen existing relationships to maximise long-term value.

Contrarily, findings from a study by Smith et al. (2017) present a contrasting view, suggesting that banks often prioritise customer acquisition over relationship management. The research reveals that banking institutions tend to allocate a significant portion of their resources towards attracting new customers, sometimes at the expense of maintaining and strengthening existing relationships. Smith et al. (2017) argue that this imbalance in resource allocation may hinder banks' ability to foster loyalty and profitability in the long run.

Moreover, research by Johnson and Heikki (2019) underscores the need for a balanced approach to resource allocation in banking. The study advocates for a strategic mix of investments in both customer acquisition and relationship management initiatives. Johnson and Heikki (2019) argue that while acquiring new customers is essential for growth, banks should also prioritise efforts to retain and deepen relationships with existing customers to maximise overall profitability and competitiveness.

In summary, while the findings highlight Investrust bank employees' perceptions regarding resource allocation for customer acquisition and relationship management, prior research offers nuanced insights into this topic. While some studies emphasise the importance of investing in existing customer relationships, others highlight the challenges associated with balancing resources between customer acquisition and relationship management. By considering these diverse perspectives, banking institutions can develop more effective strategies to optimise resource allocation and enhance overall performance.

4.5.3 Effect of Customer Trust in Relationship Marketing on Bank Growth

The results in Table 4.11 show that the Bank was not investing in increasing customer trust (standard deviation of 1.0) in order to grow. As shown by a mean of 3.1 and 0.9 standard, satisfied customers have not resulted in an increased organisational confidence. As per the mean of 2.7 and the standard deviation of 0.8, improved customer confidence of the organisation has not increased its customer base. A study by Hafeez, Khan, Saeed and Javed (2016) indicated that, relationship marketing practices such as trust, commitment, communication, competence and customer satisfaction have a positive bearing on the customer loyalty. In conclusion, the study recommends that to retain long run client loyalty, banks should consider relationship marketing as a core strategy. Hence, relationship marketing is key for banks' survival in current intense competition.

The importance of relationship marketing in the banking sector has been extensively studied, with findings often highlighting its role in fostering long-term customer loyalty. One such study by Nguyen et al. (2019) specifically examines the impact of relationship marketing practices on customer loyalty in banks. Their results indicate a significant positive relationship between strategies such as trust, commitment, communication, and customer satisfaction, and the likelihood of retaining loyal customers.

Conversely, Nwankwo et al. (2018) present findings that suggest relationship marketing alone may not be sufficient to guarantee customer loyalty. Their study, focused on the mobile telecommunication industry, emphasizes the importance of factors like service quality, product innovation, and competitive pricing in influencing customer loyalty. However, a meta-analysis conducted by Ali et al. (2020) consolidates findings across multiple studies within the retail banking industry, affirming a positive correlation between relationship marketing strategies, relationship quality, and customer loyalty. This meta-analysis identifies specific practices, such as trust, commitment, and communication, which significantly contribute to enhancing customer loyalty in the banking sector. These studies collectively suggest that while relationship marketing remains crucial for fostering customer loyalty, banks should also consider integrating other strategic initiatives to effectively retain and attract loyal customers amidst intense competition.

4.6 Chapter Summary

This chapter summarises the research findings of this study concerning relationship marketing strategies by banks to attain growth in the Zambian commercial banking sector, which is the case of Investrust Bank Plc. This chapter included data presentation, analysis and discussion so that research questions from its findings could be answered. In an attempt to deduce the meaning from data, data collected were presented and analysed in this chapter. Column graphs, pie graphs and frequency tables were used to display the data. The next chapter presents the study conclusion and recommendations.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter includes a summary of the study's findings, conclusions and recommendations. The findings focused on the experience of the Zambian indigenous financial institution which is Investrust Bank Plc, with the impact of relationship marketing on the competitive advantage of the banking sector. The results related to issues discovered in the empirical literature review and the analysis of field data collected that was collected from the Bank's clients and staff members through the questionnaires and interview guides that were administered to the respondents.

5.1 Summary of Findings

This section discusses the main findings of research with related literature to determine what trends and problems have arisen in relation to the subject of the study. The literature states that no single driver for developing marketing relationship strategies is sufficient, but that multi-drivers are but not restricted to the main underlying factors such as confidence, engagement, communication, satisfaction, loyalty, quality and complaints handling. Therefore, literature supports alignment between customer satisfaction and the marketing relationship strategy, loyalty, retention and profitability of the company that ultimately has the competitive advantage of the company (Palmatier, 2008).

Critical analysis of bank managers' and customers' data has indicated that relationship marketing by Investrust Bank was found to be a strategy in order to satisfy and maintain its many customers across the eight branches of the Bank. This demonstrates the level of understanding and capacity of Bank managers to develop and implement marketing relationships. The marketing department of the Bank is responsible for the design and realisation of the Bank's marketing relationship programmes. In order to be able to receive full attention, the bank employs a cluster of customer relationship managers.

The Bank also has a public service department which develops public relations strategies which links both the Bank and the clients and potential clients in order to understand their needs and wishes and to achieve fruitful interactions. The marketing and public relations strategies aimed to create strong customer relationships by providing quality goods and services and positive experiences that often kept customers happy and loyal to the Bank.

The researcher's experiences showed, however, that some of the sections and the operations managers interviewed did not understand the concept of relationship marketing. A business manager commented that the retail manager, who was a marketing professional, would better reply as the subject of marketing discipline. The power and expertise of the staff in every branch visited were their best to give customer service. However, since the Bank's customer base was large in accordance with one manager, long queues were common during pay days and especially on Fridays, Mondays and at the end of the month but employees managed to improve the turnaround time of their tasks. While the presence of ATMs reduced congestion at the banks, some network systems were poor, leading to frustrations and complaints from customers. Loyalty programs were practically absent at the industry level and were a key aspect of the relationship marketing strategy to identify loyal customers (backed up by literature and customer response). The only such program at national level was the program design for Internet banking applicants.

New products and services have recently been developed by the Bank to satisfy the Bank customers. These included business customer cash management systems, retail banking solutions, schools and company payments. According to senior management, these offered various banking options for customers. Despite these results from management of Investrust Bank in order to establish good relationships with clients, bank clients were also asked, based on their own experience, to decide whether their views were supported by or in comparison with those of the bank managers, their satisfaction and loyalty towards the bank. Further, the data generated with these clients led to an intelligent understanding of their customers' likes and dislikes and how they feel about their own experience in relation marketing at the bank. Most of the clients of the Bank were young people between the ages of 21 and 30 who were interested in comparing service quality with competing banks with higher education in diplomas and degrees. The proportion of customers asserting that they compared the quality of service to competing banks was 65% against 35%. This finding is consistent with the literature that loyalty and retention rates are affected by age and education or knowledge; as such customers tend to change when services fail.

For five years or more, majority of clients had been banking with Investrust Bank. The Bank's interactions with customers and complaint handling had improved for the majority of bank customers. Once again, most bank customers saw their bank as trustworthy and friendly and respectful to their employees. The perception of customers about the communication between

banks and themselves was, however, negative. A total of 71.7% answered in the affirmative, while 28.3% were in disagreement in relation to having an additional bank account with competing banks. The consequences cannot be overemphasised because customers can easily change to the competitor in the event of the least service failure. Most bank customers had previously received complaints about the provision of services from Investrust Bank. To the satisfaction of the customer, customer complaints must be resolved. Quinn (1991) underlines the importance of customer listening-a fairy-based approach to customer understanding, but that not all companies follow this principle. Most banking customers wanted to reward their bank for its faithfulness. All in all, however, customers who agree to be loyal to their bank were positive. However, this positive outcome contradicts the negative public perception of the low-quality operation of the bank.

5.2 Conclusion

The nature, conception and forms of relationship marketing and the requirements for success have been investigated. Marketing relationships, as indicated by the researchers, cover all marketing practices aimed at positive interrelationships. The need for marketing relations is driven by the changing dynamics of the international market and by changing competitive advantage requirements. The findings of the research have led to an informed understanding of the like and dislike of the banks' retail customers and how they view their own interactions in relation marketing. Research has shown that customers' perceptions of the relationship strategies of the bank were mixed. In certain ways, customers were pleased with the bank and in other ways disappointed.

The findings showed that clients appreciated relationship marketing strategies based on relationships such as confidence, commitment, communication, satisfaction, quality and processing of complaints. Customers are not satisfied, however, with poor services, lack of respect, inconvenience, lack of programs of loyalty, lack of communication, frequent network defects and poor handling of complaints. Investrust Bank is a strong local bank that works in a competitive Zambian banking sector with measures and structures that facilitate marketing relationships. The public perception, however, is that the Bank does not perform in line with quality service standards that can lead to customer satisfaction, loyalty and an improvement of the retention rate of the bank's competitive benefit. Banks such as Standard Chartered Bank, ABSA and Zambia National Commercial Bank and many more, by providing a quality service, seriously compete for market shares. Compared to the large banks, Investrust Bank does not

seem to do much to create a loyal, satisfied customer relationship to provide the bank with the competitive benefit of repeated buys and referrals. The lack of frequent communication and loyalty programs is a critical problem identified at the Bank.

Relationships as a marketing strategy focus helps to understand the needs and wants of our customers and this is helpful for profitable trade. Marketing relationships also make it more efficient than ever to customise solutions for customers. Awareness and application of customer loyalty, retention and growth facilitates marketing. Relationship marketing performances can therefore be used to help design and development inputs, identify needs and want, enhance sales systems and pricing strategies. They are more and more unfair and likely to try new banks. They are interested in high-quality service, listening and vocalising as supporters or critiques. In the face of this fast-changing environment, Investrust Bank Plc needs to restructure its business model which is customer-driven and not cosmetic changes. It can, therefore, be inferred that bank managers will focus on building meaningful personal relationships with customers, backed by use of creative and value-driven relationship marketing strategies.

5.3 Implication of the Study on Policy, Theory and Practice

The study recognises the use of relationship marketing, customer confidence, customer acquisition, and brand strategy and technology utilisation to achieve a sustainable competitive advantage in the banking sector across the country. The results of this study may help to improve the overall organisational performance of the banking sector through the use of relationship-marketing strategies to achieve and maintain competitive advantages. The study may improve the management of relationship marketing processes for decision makers and policy makers in the industry. The results may also provide a clear indicator for other researchers who want to perform a study on the subject under discussion. The study recommends, in a political sense, that relationship marketing aspects are constantly, deliberately and strategically used in the search of sustainable competitive advantages in the financial services sector in the way that the Bank benefits.

5.4 Recommendations

The study thus makes the following recommendations:

- i. Managers at Investrust Bank Plc should put out a lot of effort to build strong client relationships so that their competitive edge can be sustained through cautious marketing partnerships.
- ii. Managers must work to strengthen relationships by approaching every aspect of the relationship marketing strategy from the perspective of the customer, taking into account their likes and dislikes in order to maximise customer satisfaction and loyalty in order to stay competitive and gain competitive advantages.
- iii. The findings showed that retail bank customers also needed frequent communication with their bank. Therefore, managers of Investrust Bank Plc should work to build relationships that prioritise buyer-seller interaction and consistent client communication.
- iv. Managers of banks should honour promises and assertions made about their goods and services. The bank must make a specific promise to the customer and keep that promise if it wants to win their loyalty. The Bank should develop strong client relationships that offer the customer value while creating a fantastic experience. Customers spread their experiences through word-of-mouth marketing to their friends, co-workers, and families.
- v. Concerns were raised by customers regarding the bank's level of customer service. The Bank will also make public and easy-to-access feedback channels better so that clients may express their concerns, complaints, or ideas. The bank will learn about these problems and improve its services by encouraging clients to lodge complaints.
- vi. When developing and implementing relationship marketing strategies, all departments should collaborate to achieve the required synergy.
- vii. Last but not least, management support and involvement should be given since relationship marketing programmes should purposefully grow to the top. Investrust Bank Plc, which is currently uncompetitive, can therefore create the crucial competitive edge by utilising a marketing connection strategy.

5.5 Suggestion for Further Research

The practice of relationship marketing in customer retention at Investrust Bank Plc in the Zambian banking industry has been dealt with in this study. In future, it is recommended that a study on the practice of relationship marketing should be rolled out to the rest of the country and mainly targeting the banks that are found along the line of rail where the clientele is cosmopolitan. By extending the research to the banks situated along the line of rail, the research findings will give a better picture about the challenges that are being faced in Zambia's banking sector because the challenges that are currently being faced at Investrust Bank, may not necessarily be the same challenges that other banks in the industry are facing. In addition, future research should look at avenues that will see to it that banks are able to attain growth using other variables other than solely depending on relationship marketing and these variables should be but not limited to establishing good ties with customers, quick resolution of customer complaints and high quality operations.

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APPENDIX I: QUESTIONNAIRE FOR INVESTRUST BANK CUSTOMERS

University of Zambia

School of Postgraduate Studies

Topic: The Effect of Relationship Marketing on the Growth of the Zambian Banking Industry - Case Study of Investrust Bank Plc (IBP)

The information required is meant for academic purposes only. To this effect, every piece of information provided will be confidentially treated. Please tick in the spaces provided where applicable and provide extra information where necessary. Thank you.

Section A: Demographic Characteristics of External Customers

1. Age

- A. 21-30 []
- B. 31-40 []
- C. 41-50 []
- D. 51-60 []
- E. 61 and above []

2. Gender

- A Male []
- B Female []

3. Marital Status

- A Single (never married) []

- B Married
- C Widowed
- D Divorced/Separated

4. Educational Background

- A. Junior Secondary
- B. High School
- C. Diploma
- D. Degree
- E. Others, Please specify-----

5. Occupation

- A. Self-employed
- B. Executive
- C. Employee
- D. Private
- E. Others, Please specify-----

Section B: Satisfaction and Loyalty Levels of Investrust Bank Customers

6. How long have you bank with IBP?

- A 1 year or less
- B More than 1 year but less than 3 years
- C More than 3 years but less than 5 years
- D More than 5 years but less than 10 years
- E 10 years or above

7. Have you seen any level of improvement in the way the bank interacts with its customers?

- A Great improvement
- B Some improvement
- C Little improvement
- D No improvement

8. Do you have any bank account apart from IBP?

- A Yes
- B No

9. Which of the following banking activities would you most like IBP to improve to increase your satisfaction with the service it provides?

- A Access to branch []
- B Internet banking/mobile banking []
- C Fees and charges []
- D Payments []

10. Have you had any complaint about IBP service delivery?

- A. Yes []
- B. No []

11. How satisfied or dissatisfied are you with regards to the way complaints are handled?

- A. Highly satisfied []
- B. Satisfied []
- C. Neither satisfied nor dissatisfied []
- D. Dissatisfied []
- E. Highly dissatisfied []

12. Do you have any plan to switch custom with your bank in future?

- A. Decided []
- B. Not decided []
- C. Neutral (indecisive) []
- D. Others, Please specify-----

13. Do you try to compare the quality of products and services provided by IBP with other banks?

- A Yes []
- B No []
- C Others, please specify-----

14. Do you want your bank to reward you for being loyal?

- A Yes []
- B No []
- C Don't know []

Section C: Relationship Marketing

15. Please indicate to what extent you agree or disagree with the following statements – Bank as used here refers to Investrust Bank Plc (IBP). See table below.

No.	Statements	Strongly disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly agree 5
i.	Bank is trustworthy.					
ii.	Bank is consistent in providing quality services.					
iii.	Bank works in close cooperation with customers					
iv.	Bank has goodwill reputation					
v.	Bank has customers' interest at heart.					
vi.	Bank tries to understand customers' needs constantly.					
vii.	Bank employees show respect to customers.					
viii.	Bank has well defined standards for customer contact.					
ix.	Bank shows a sincere interest in solving problems on time.					
x.	Bank communicates frequently.					
xi.	Staff communicates in friendly manner.					
xii.	Bank executes public relations programs.					
xiii.	Bank completely meets my expectation.					
xiv.	Employees work in a tidy professional manner.					
xv.	I am Satisfied with all services offered.					
xvi.	Bank tries very hard to establish long-term relationship.					
xvii.	I have strong sense of loyalty towards IBP.					

Thank You for Your Time and Effort

APPENDIX II: QUESTIONNAIRES FOR BANK STAFF

(Operations, Relationship & Branch Managers)

Topic: The Effect of Relationship Marketing on the Growth of the Zambian Banking Industry
- Case Study of Investrust Bank Plc (IBP)

Please the information required is meant for academic purposes. To this effect, every piece of information provided will be confidentially treated. Please express your opinion on the following questions. Thank you.

Section A: Background Characteristics

1. Name of Branch (Optional)

.....

2. What is your highest qualification attainment?

a) High School b) Diploma c) First Degree d) Postgraduate

3. How long have you been working in the financial institution?

a) 0 – 5 years b) 6 – 10 years c) 11 – 15 years d) 16 – 20 years e) Over 20 years

4. What is your role at the financial institution?

a) Operations Officer

b) Operations Manager

c) Branch Manager

d) Relationship Manager

e) Other..... (Specify)

Section B: Organisational Information

5. What is the staff compliment of your branch?
 a) Below 10 staff [] b) 11 – 15 staff [] c) 16 – 20 staff [] d) Above 20 staff []
6. In your opinion, how adequately staffed is the customer service department of your branch?
 a) Very Adequately [] b) Adequately [] c) Not adequately [] d) Very Inadequate []
7. Has the organisation clearly defined its mission and vision to its customers?
 a) Yes [] b) No []
8. Does the company have a well stipulated relationship marketing plan?
 a) Yes [] b) No []
9. How do you rate the competitiveness of your organisation to attain growth?
 a) Very competitive [] b) Competitive [] c) Not competitive []
 d) Very uncompetitive []
10. How regularly does your organisation collect feedback from the clients pertaining to your services?
 a) Very often [] b) Often [] c) Not often [] d) Very rarely []

Section C: Use of Technology

11. Does your organisation use of CRM (Customer Relationship Management) technology in managing its relationship with its customers? a) Yes [] b) No []
12. If yes, how greatly has it affected its customer relationship strategies?
 a) Greatly Affected [] b) Mildly Affected [] c) Not Affected []
13. The statements below relate to the use of technology as a relationship marketing tool in achieving growth.. Please indicate your opinion on the following dimension. [1=Strongly disagree, 2=Disagree, 3=Not sure, 4=Agree, 5=Strongly agree].

No.	Statements	1	2	3	4	5
i.	The organisation leverages on technology to achieve growth					
ii.	Technology is treated as one of the main riders in the organisation 's processes hence its success					
iii.	There is a strong relationship between customer partnership with the organisation and use of technology					

iv.	The organisation has successfully and intentionally integrated most of its processes technologically in-order to grow.					
v.	Technology is used by the organisation to understand customer behaviour					
vi.	High costs involved in technological advancements are the main factor limiting a complete integration of processes within the organisation.					

Section D: Customer Acquisition

14. The statements below relate to customer acquisition and its impact on the organisation.

Please indicate your opinion in the given scale

[1=Strongly disagree, 2=Disagree, 3=Not sure, 4=Agree, 5=Strongly agree].

No.	Statements	1	2	3	4	5
i.	The organisation's acquisition strategy is preceded by gaining of information from the potential customers.					
ii.	Customer potential strongly determines their acquisition by the organisation					
iii.	The organisation employs enough resources towards acquiring customers					
iv.	The organisation's customer acquisition strategy has significantly impacted its performance					
v.	The organisation devotes its resources to the pursuit of new customers other than deepening the current relationship					
vi.	Enhancing customer retention within the organization facilitates customer acquisition					
vii.	Use of technology has been a platform for customer acquisition					

Section E: Brand Strategy

15. The statements below relate to brand strategy as an aspect of relationship marketing in achieving sustainable growth. Please indicate your opinion on the following dimension.

[1=Strongly disagree, 2=Disagree, 3=Not sure, 4=Agree, 5=Strongly agree].

No.	Statements	1	2	3	4	5
i.	The organisation continuously carries out brand awareness campaigns					
ii.	The organisation's brand strategy has resulted to an improved economic value.					
iii.	Customers' changing demands have strongly advised the organisation's brand strategy.					
iv.	The organisation's brand uniquely identifies it within the market					
v.	The organisation has a strong positive brand image.					

vi.	The organisation uses the customer loyalty to measure its success in brand strategy					
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16. The following are common brand features. Please indicate which feature(s) identifies the organisation's brand most.

- i. Brand name Yes [] No []
ii. Brand slogan Yes [] No []
iii. Brand logo Yes [] No []
iv. Brand symbol Yes [] No []
v. Brand jingle Yes [] No []

Section F: Customer Trust

17. The aspects below relate to customer trust in connection with relationship marketing. Please indicate how often they are observed in your organisation using the provided scale.

[1= Not at all, 2= Very rarely, 3= Rarely, 4= Often, 5= Very Often]

No.	Statement	1	2	3	4	5
i.	Enhancement of deliverables so as to improve on customer trust					
ii.	Organisational system and process upgrade					
iii.	Collection of customer feedback					
iv.	Stabilisation of quality of products and services offered					

18. The statements below relate to customer trust as an aspect of relationship marketing in achieving sustainable competitive advantage. Please indicate your opinion on the following dimension. [1=Strongly disagree, 2=Disagree, 3=Not sure, 4=Agree, 5=Strongly agree].

No.	Statement	1	2	3	4	5
i.	The organisation invests in developing customer trust so as to achieve growth					
ii.	Customer satisfaction within the organisation has increased their trust towards the bank's growth					
iii.	Enhanced customer trust has increased customer base					

Section G: Bank Growth

19. Has the bank experienced any growth from the time relationship marketing was introduced?

- a) Yes [] b) No []

20. If yes, to what extent?

- a) Very large extent [] b) Large extent [] c) Some extent [] d) Little extent []

21. The following questions relate to organisational growth. Please indicate your opinion on the following dimensions. [1=Strongly disagree, 2=Disagree, 3=Not sure, 4=Agree, 5=Strongly agree].

No.	Statement	1	2	3	4	5
i.	Relationship marketing is key in achieving growth					
ii.	Every employee should be involved in building the organisation's sustainable growth					
iii.	Sustainable growth directly impacts the organisation's overall performance					
iv.	Sustainable growth cannot be attained without an active management team					

Thank You for Your Time and Effort