

**CUSTOMER LOYALTY IN FAST MOVING CONSUMER GOODS
INDUSTRIES IN NAIROBI COUNTY**

RAITON SABABE MULIMA

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REQUIREMENT FOR THE AWARD OF DEGREE OF MASTER OF BUSINESS
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UNIVERSITY**

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DECLARATION

This thesis is my original work and has not been presented for a degree or any other award in any other University.

Signature

Date

Raiton Sababe Mulima

BUS-3-4089-3/2013

I/We confirm that the work reported in this thesis was carried out by the candidate under my/our supervision.

Signature

Date

Mr. James Mbebe

Department of Businesses Administration

Kenya Methodist University

Signature

Date

Dr. Stephen Maore

Department of Businesses Administration

Kenya Methodist University

DEDICATION

I wish to give my special dedication to my Friends and family members for inspiration and encouragement they gave to me.

ACKNOWLEDGEMENT

Above all I would like to give honor and praise to the Almighty God for giving me grace and strength throughout the time of my study. I acknowledge the support of my supervisors Mr. James Mbebe and Dr. Stephen Maore for their guidance through out every stage of my thesis. I also thank my family members whose encouragement throughout the period of my study kept me going.

ABSTRACT

This study examined the effect of Customer Relationship Management (CRM) on customer loyalty among Fast-Moving Consumer Goods (FMCG) companies in Nairobi County, Kenya. The study aimed to analyse how specific CRM dimensions trust, perceived value, switching cost, and empathy influence customer loyalty. The study was guided by null hypotheses and was anchored on Social Exchange Theory, Relationship Marketing Theory, and Customer Relationship Management Theory.

A descriptive research design was employed. The target population consisted of 794 marketing and public relations professionals from 45 FMCG companies. A sample of 267 respondents was selected through stratified random sampling. Data was collected via self-administered structured questionnaires using a drop-and-pick method.

A pilot study was conducted to ensure the reliability and validity of the research instrument. Cronbach's Alpha was used to test internal consistency (reliability), while expert reviews confirmed content validity. Descriptive statistics (means, standard deviations, frequencies, and percentages) were used to summarize the data. Multiple linear regression analysis was conducted at a 95% confidence level to determine the influence of the independent variables on customer loyalty. Prior to regression analysis, key assumptions were tested including normality, linearity, multicollinearity, homoscedasticity, and independence of residuals.

The findings showed positive and statistically significant relationships between customer loyalty and all CRM dimensions: Trust ($\beta = 0.595$, $p = 0.001$), Switching cost ($\beta = 0.261$, $p = 0.001$), Perceived value ($\beta = 0.210$, $p = 0.001$) and Empathy ($\beta = 0.401$, $p = 0.001$)

The study concluded that enhancing these CRM components positively affects customer loyalty. It recommends that FMCG companies focus on maintaining product quality and transparency to build trust, use incentives to reduce switching, emphasize perceived value, and train staff in empathetic customer service to strengthen loyalty and retention.

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LIST OF ACRONYMS AND ABBREVIATIONS

AMOS	Analysis of moments and structures
CPG	Consumer Packaged Goods
CRM	Customer Relationship Marketing
FMCG	First Moving Consumer Goods
HKL	Hasbah Kenya Limited
RMT	Relation Marketing Theory
GDP	Gross Domestic Product
ARRP	Africa Recovery and Resilience Plan
AU	African Union
SD	Standard Deviation
KNBS	Kenya National Bureau of Statistics
SET	Social Exchange Theory
SPSS	Statistical Package for Social Sciences
BMW	Bavarian Motor Works
MTN	Mobile Telecommunication Networks
CRS	Corporate Social Responsibility
KMO	Keiser Meyer Olkin
RDT	Relationship Dialectic Theory
SNT	Social Network Theory
RM	Relationship Marketing
R.P	Relationship Proneness'
PRI	Perceived Relationship Investment
PV	Perceived Value

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Employee performance plays a pivotal role in shaping customer experiences and driving loyalty, particularly within the Fast-Moving Consumer Goods (FMCG) sector. Frontline employees are often the primary point of contact between a company and its customers, and their ability to deliver consistent, high-quality service significantly influences customer satisfaction and retention. High-performing employees are better equipped to implement relationship marketing strategies effectively, as they can engage customers in meaningful ways that build trust and encourage repeat purchases.

In the competitive FMCG landscape, maintaining customer loyalty is essential for sustaining market share and profitability. Loyalty is fostered by creating strong, long-term relationships that go beyond transactional interactions (Khairawati, 2020). Relationship marketing aims to nurture these connections by focusing on customer engagement, personalized service, and value-added interactions. Many FMCG companies now implement diverse strategies—such as loyalty programs, after-sales support, and tailored communication—to strengthen relationships and minimize customer churn (Vilkaite-Vaitonė & Škackauskienė, 2020).

Customer loyalty in FMCG companies leads to several benefits, including increased revenue through repeat purchases, reduced marketing costs due to lower customer acquisition expenses, and positive word-of-mouth marketing from satisfied customers, which further enhances brand reputation and attracts new customers (Milan et al., 2018). Several factors influence customer loyalty in FMCG companies, including product

quality, brand reputation, pricing strategy, convenience of purchase, customer service quality, and emotional connections formed through effective marketing campaigns. Understanding these factors helps companies devise strategies to strengthen customer loyalty (Agha et al., 2021).

Relationship marketing plays a crucial role in enhancing customer loyalty by fostering personalized interactions, addressing customer needs and preferences, and creating positive experiences throughout the customer journey. It helps most FMCG companies to build trust and emotional attachment with customers, leading to long-term loyalty. Customer loyalty directly impacts the performance of FMCG companies by contributing to sales growth, market share expansion, and profitability. Loyal customers tend to spend more, purchase a wider range of products, and are less sensitive to price changes, thereby providing a stable revenue stream for the company (Galvão et al., 2018).

Despite its importance, building customer loyalty in the FMCG sector poses several challenges. These include intense competition, changing consumer preferences, price sensitivity, and the need to continuously innovate and adapt to evolving market trends to meet customer expectations and maintain relevance. FMCG companies employ various relationship marketing strategies such as customer segmentation, targeted promotions, loyalty programs, and feedback mechanisms to engage customers and strengthen loyalty. This customer switching behavior can be explained by Rational Choice Theory, which posits that consumers make decisions based on the evaluation of costs and benefits rather than randomly. Customers weigh product quality, price, trust, and perceived value before choosing to switch or remain loyal. Hence, switching cannot be assumed to be a random occurrence but rather a calculated response to perceived dissatisfaction or better

alternatives. Such behavior has broader implications for national development as it affects market stability, business sustainability, and economic growth through its influence on consumer confidence and firm performance. Evaluating the effectiveness of these strategies is essential for optimizing resource allocation and maximizing returns on marketing investments (Park & Kim, 2019). Customer loyalty is a vital component of success for FMCG companies, and relationship marketing plays a pivotal role in enhancing it. By focusing on building strong, lasting relationships with customers through personalized interactions and value-added services, FMCG companies can foster loyalty, drive growth, and maintain a competitive edge in the market. However, achieving and sustaining customer loyalty requires continuous effort, innovation, and responsiveness to changing consumer needs and market dynamics. Therefore, FMCG companies must prioritize customer-centric strategies and invest in relationship marketing initiatives to secure long-term success in the dynamic and competitive FMCG landscape (Setiawati et al., 2019).

1.1.1 Global Perspective on Relationship Marketing and Customer Loyalty

Relationship marketing is a customer-centric model that builds long-term relationships and fostering loyalty with customers. It differs from traditional transactional marketing, which primarily focuses on individual sales transactions. Instead, relationship creates a strong emotional connection between the brand and the customer, ensuring more future engagements, advocacy, and ultimately, increased profitability (Steinhoff et al., 2019).

In Japan, relationship marketing is deeply rooted in the culture of trust and loyalty. Companies like Toyota exemplify this approach by prioritizing customer satisfaction

and long-term relationships. They go beyond merely selling cars by offering exceptional after-sales service, personalized experiences, and exclusive events for loyal customers. In Japanese society, where trust and loyalty are highly valued, such initiatives help strengthen the bond between the brand and its customers, fostering a sense of belonging and commitment (Wongkitrungrueng et al., 2020).

In the United States, relationship marketing often takes the form of loyalty programs and customer relationship management (CRM) systems. Companies like Starbucks and Amazon utilize data analytics to understand customer preferences and behaviors better. By offering personalized rewards, discounts, and recommendations, they encourage repeat purchases and deepen engagement. CRM systems enable them to track interactions across various touchpoints, allowing for targeted communication and personalized customer experiences (Van Tonder & Petzer, 2018).

In Germany, relationship marketing emphasizes quality and reliability. Companies such as BMW and Mercedes-Benz prioritize customer satisfaction through superior product quality and service. They invest in building transparent communication channels and actively seek feedback from customers to improve their offerings continually. By consistently delivering on their promises and exceeding customer expectations, the firms are able to create strong relationships with customers (Baker et al., 2019).

In Brazil, relationship marketing often revolves around building personal connections and fostering a sense of community. Brands like Natura leverage social selling through networks of independent consultants who establish relationships with customers through personalized consultations and product demonstrations. This direct engagement approach creates a strong emotional bond between the brand and its customers, leading

to increased loyalty and advocacy within the community (Ebrahim, 2020). China's relationship marketing landscape is shaped by its rapid digitalization and the dominance of e-commerce platforms like Alibaba and Tencent. These companies utilize big data and artificial intelligence to personalize marketing messages, recommendations, and promotions for individual customers. Social commerce platforms such as WeChat facilitate direct interactions between brands and consumers, enabling them to build relationships through content, live streaming, and community engagement activities (Sanders, 2020).

In India, relationship marketing is deeply influenced by cultural values and social networks. Companies like Tata Group prioritize building trust and credibility through philanthropic initiatives and community engagement. By aligning their brand values with those of the community and actively participating in social causes, Indian companies establish strong emotional connections with their customers, leading to enduring loyalty and support (Kotabe, & Helsen, 2022). In Australia, relationship marketing reflects the country's laid-back culture and emphasis on authenticity. Brands like Qantas Airways focus on delivering exceptional customer experiences through personalized services and rewards programs. Additionally, they invest in CSR activities to as a sign of their commitment to ethical and sustainable practices, thereby building trust and loyalty among customers (Parsons, & Rowling, 2018). Relationship marketing, therefore, encompasses a range of strategies tailored to the cultural, social, and technological contexts of different countries. Whether through personalized experiences, loyalty programs, or community engagement, companies worldwide aim to build ensure

strong connections, resulting in long-term relationships and business success (Sahari, et al., 2020).

1.1.2 Regional Perspective on Relationship Marketing and Customer Loyalty

Relationship marketing in Africa is a multifaceted approach that emphasizes the cultivation of long-term connections and trust between businesses and customers. This strategy is deeply rooted in the continent's rich cultural tapestry and socio-economic dynamics, shaping the way companies engage with their target audiences. Understanding the African perspective on relationship marketing requires delving into various countries' unique contexts and cultural nuances. Throughout Africa, the emphasis is placed on building enduring relationships that extend beyond mere transactions, fostering loyalty and mutual benefit (Van Tonder, & Petzer, 2018).

In Nigeria, relationship marketing is a cornerstone of business success, driven by the country's vibrant social fabric and entrepreneurial spirit. Businesses prioritize building personal connections with customers through genuine interactions and attentive service. For instance, local markets, provide a platform where vendors forge strong relationships with buyers, leading to repeat business and word-of-mouth referrals. Additionally, companies in Nigerian firms have used social media platforms to offer content that is appealing on a personal level, further strengthening the bond between brand and consumer (Abeza, et al.,2019). South Africa's diverse cultural landscape shapes its approach to relationship marketing, with companies recognizing the importance of understanding and catering to the unique needs of their customer base. In this multicultural society, businesses employ strategies such as loyalty programs and targeted

marketing campaigns to build lasting connections. For example, telecommunications giants like MTN and Vodacom offer tailored packages and incentives to retain customers in a competitive market. Moreover, South African businesses prioritize corporate social responsibility initiatives, further solidifying their bond with the community (Mahmoud et al., 2018).

In Ivory Coast, relationship marketing is deeply rooted in the country's vibrant cultural heritage and economic dynamism. Businesses prioritize building trust and fostering long-term connections with customers through personalized service and innovative solutions. With a diverse population and a growing middle class, companies in Ivory Coast understand the importance of adapting to changing consumer preferences and market trends. From local artisans to multinational corporations, businesses employ strategies such as loyalty programs, experiential marketing, and corporate social responsibility initiatives to build lasting relationships with customers and drive brand loyalty. Additionally, Ivory Coast's strategic location and robust infrastructure make it an attractive market for businesses looking to expand their presence in West Africa (Khan, et al., 2022).

In Ghana's cultural values of hospitality and reciprocity underpin its approach to relationship marketing, with businesses emphasizing personalized service and community engagement. Companies across various sectors prioritize building trust through face-to-face interactions and customer-centric initiatives. For example, banks like Eco-bank organize financial literacy workshops and community outreach programs to empower customers and foster loyalty. Additionally, Ghanaian businesses leverage

traditional marketplaces as hubs for building relationships and connecting with customers on a personal level (Paparoidamis, et al, 2019).

In Senegal, relationship marketing is deeply entrenched in the fabric of society, characterized by strong familial and communal ties. Businesses leverage these connections to build brand loyalty and trust, prioritizing customer satisfaction and community involvement. Traditional marketplaces like Sandaga in Dakar serve as vibrant hubs where vendors cultivate long-term relationships with customers, fostering a sense of belonging and loyalty. Moreover, Senegalese companies engage in corporate social responsibility initiatives aimed at improving the well-being of local communities, further strengthening their bond with customers (Boahen, 2020).

Tanzania's cultural ethos of "ujamaa," or “communal unity”, informs its approach to relationship marketing, with businesses emphasizing shared values and community empowerment. Companies prioritize building trust through transparent communication and customer-focused initiatives. Microfinance institutions like FINCA Tanzania prioritize customer education and support networks to empower individuals and strengthen relationships. Additionally, Tanzanian businesses leverage traditional cultural events and festivals as opportunities to connect with customers on a deeper level, fostering a sense of belonging and mutual benefit (Agag, 2019).

1.1.3 Local Perspective on Relationship Marketing and Customer Loyalty

Relationship marketing, from a Kenyan perspective, is deeply rooted in the cultural fabric of the nation, emphasizing trust, loyalty, and personal connections in business interactions. In Kenya, relationships are paramount, and this principle extends to the

realm of marketing where establishing and nurturing long-term relationships with customers is crucial for sustainable success (Tavenner & Crane, 2018). At its core, relationship marketing in Kenya focuses on building strong bonds with customers by understanding their needs, preferences, and cultural nuances. Businesses strive to forge genuine connections with their clientele, treating them not just as transactions but as valued partners in their journey. This approach is particularly significant in a society where word-of-mouth referrals and recommendations play a significant role in shaping consumer behavior (Almomani, 2019). In Kenya, relationship marketing extends beyond mere transactions to encompass a holistic approach centered on customer satisfaction and engagement. Businesses prioritize personalized interactions, offering tailored solutions and attentive customer service to foster a sense of belonging and loyalty among their clientele. This personalized touch is instrumental in nurturing enduring relationships and cultivating brand advocates who champion the business within their social circles (Joseph & Kibera, 2019).

Moreover, relationship marketing in Kenya emphasizes reciprocity and mutual benefit. Businesses understand the importance engaging in CSR initiatives that resonate with their customers' values. By aligning their brand with causes that matter to their target audience, companies not only demonstrate their commitment to social good but also strengthen their emotional connection with customers (Lines & Makau, 2018).

In the Kenyan context, relationship marketing thrives on transparency and authenticity. Customers value honesty and integrity in their dealings with businesses, and companies that prioritize transparency in their communications and operations earn the trust and loyalty of their clientele. This trust forms the foundation of enduring relationships,

enabling businesses to weather challenges and maintain a positive reputation in the market (Kangogo et al., 2020).

Furthermore, relationship marketing in Kenya leverages technology to enhance customer engagement and communication. With the widespread adoption of mobile technology and social media platforms, businesses have unprecedented opportunities to connect with their customers on a personal level, solicit feedback, and tailor their marketing efforts to individual preferences. By harnessing digital channels effectively, companies can strengthen their relationships with customers and stay relevant in an increasingly competitive landscape (Nwachukwuet al., 2020).

1.1.4 Customer Loyalty Performance in the FMCG Sector

Customer loyalty has emerged as a key performance indicator in the Fast-Moving Consumer Goods (FMCG) sector, where products are purchased frequently, at low-cost, and face intense competition due to minimal switching barriers. In such an environment, cultivating loyal customers is essential for firms aiming to maintain market share and improve profitability (Khairawati, 2020). Loyal customers are more likely to make repeat purchases, provide positive word-of-mouth, and be less sensitive to price changes factors that are critical to sustained growth in the FMCG space (Vilkaite-Vaitonė & Škackauskienė, 2020).

Despite its importance, customer loyalty in the FMCG sector has shown signs of weakening. A recent KPMG report revealed that customer referrals within FMCG firms have declined by 47% over the past decade, highlighting growing customer indifference and increased brand-switching behaviour (KPMG, 2022). Factors such as price sensitivity, increased access to alternative brands, and the rise of digital platforms have

made it easier for consumers to experiment with different products, leading to decreased brand attachment.

In Kenya, the FMCG market is characterized by intense competition and growing consumer expectations. Many firms have adopted loyalty programs, personalized marketing, and after-sales service strategies in an attempt to strengthen customer relationships. However, these efforts often fall short due to inconsistencies in implementation—particularly with regard to employee performance, which plays a crucial role in the delivery of relationship marketing initiatives (Chesula et al., 2023). Poor employee engagement, inadequate training, and lack of customer service consistency have been cited as major barriers to successful customer retention in the FMCG space (Muriuki, 2021).

Although several studies have explored the relationship between marketing strategies and customer loyalty in other industries—such as banking, telecommunications, and retail—there remains a notable research gap in understanding how relationship marketing, supported by **employee performance**, drives customer loyalty within Kenya's FMCG sector. This study, therefore, seeks to bridge this gap by investigating the role of relationship marketing and employee performance in shaping customer loyalty among FMCG firms in Nairobi County.

1.1.5 Fast Moving Consumer Goods (FMCG) Industry

The Fast-Moving Consumer Goods (FMCG) sector plays a critical role in Kenya's economy, particularly through food, beverage, and personal care product manufacturing, which significantly contributes to the manufacturing sector's 7.6% share of GDP (Kenya

National Bureau of Statistics [KNBS], 2023). FMCG firms also create employment, stimulate local value chains, and support national goals of industrialization and inclusive economic growth.

These contributions align with key development frameworks such as Kenya Vision 2030, which emphasizes manufacturing as a driver of economic transformation (Government of Kenya, 2020), and the Sustainable Development Goals (SDGs), especially SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 8 (Decent Work and Economic Growth), and SDG 12 (Responsible Consumption and Production) (UNDP, 2015). Additionally, the Africa Union's Agenda 2063 and the Africa Recovery and Resilience Plan (ARRP) promote regional industrialization, value addition, and private sector growth—areas where FMCGs are directly involved (African Union, 2020).

Despite this progress, customer loyalty remains a challenge in Kenya's FMCG sector. Several studies show that consumer switching behaviour is high, and firms struggle to build sustained brand relationships due to price sensitivity, weak loyalty programs, and intensifying competition (Kantar, 2023; Munene, 2022; Njoroge, 2023). As such, improving Customer Relationship Management (CRM) practices such as trust building, enhancing perceived value, increasing switching costs, and demonstrating empathy is essential to retaining customers.

Understanding and strengthening these CRM factors not only helps FMCG companies maintain competitiveness but also supports national development by promoting economic resilience, consumer satisfaction, and sustainable industrial growth in line with Kenya's long-term strategic goals.

1.2 Statement of the Problem

Employee performance plays a critical role in the successful implementation of relationship marketing strategies, especially in customer-facing sectors like Fast Moving Consumer Goods (FMCG). When employees perform effectively, they foster positive customer interactions, build trust, and strengthen long-term relationships that are essential for customer retention.

However, FMCG companies in Nairobi County are increasingly facing challenges in maintaining customer loyalty. Despite significant investments in loyalty programs and customer engagement initiatives, many firms report a sharp decline in customer referrals and repeat purchases. According to KPMG (2022), customer referrals in the FMCG sector have dropped by 47% over the past decade, indicating weakened brand-customer relationships and a failure to retain loyal customers.

While numerous studies have examined the link between relationship marketing and business performance in sectors such as banking (Mwangi, 2020), telecommunications (Kinoti & Kibeh, 2022), and beauty services (Njagi, 2021), few have specifically addressed the FMCG context. These existing studies reveal contextual, conceptual, and methodological gaps, particularly regarding the interplay between employee performance, relationship marketing, and customer loyalty in FMCG firms.

This study therefore aims to bridge these gaps by examining the impact of relationship marketing on customer loyalty, with a specific focus on how employee performance contributes to this relationship in FMCG companies within Nairobi County.

1.3 Research Objectives

This study aims to examine the relationship between relationship marketing and customer loyalty within the FMCG industry in Nairobi County. Specifically, it focuses on how four key dimensions trust, perceived value, switching cost, and empathy influence customer loyalty. The findings are expected to offer insights into effective customer retention strategies for FMCG companies operating in a competitive and dynamic market.

1.3.1 General Objective

To establish the relationship marketing and customer loyalty in FMCG industry in Nairobi county.

1.3.2 Specific Objectives

- i. To determine the influence of trust on customer loyalty in FMCG companies in Nairobi county.
- ii. To determine the influence of perceived value on customer loyalty in FMCG industry in Nairobi county.
- iii. To determine the influence of switching cost on customer loyalty in FMCG industry in Nairobi county.
- iv. To determine the influence of empathy on customer loyalty in FMCG industry in Nairobi county.

1.4 Research Hypotheses

To guide the investigation into the relationship between relationship marketing practices and customer loyalty in the FMCG industry in Nairobi County, the study was anchored on a set of testable null hypotheses. These hypotheses correspond to the study's specific objectives and were formulated to determine whether the key variables trust, perceived value, switching cost, and empathy have statistically significant influences on customer loyalty. The hypotheses were tested using inferential statistical methods to validate or refute the assumed relationships.

The study was guided by the following null hypotheses (H_0):

HO₁: Trust do not have a significant influence in FMCG industry in Nairobi County.

HO₂: Perceived Value do not have a significant influence in FMCG industry in Nairobi County.

HO₃: Switching Cost do not have a significant influence in FMCG industry in Nairobi County.

HO₄: Empathy do not have a significant influence in FMCG industry in Nairobi County.

1.5 Significance of study

1.5.1 Management

The study can be of importance to the management of FMCG, it will enable them to make data-driven decisions by evaluating the value of customer loyalty programs. It will help the managers to develop strategic models that lead to customer retention and high performance.

1.5.2 FMCG Companies

The FMCG Companies can benefit from the finding of this study. The study exposes some of the challenges that may hamper the success of relationship marketing. They can obtain guidance from this study in designing appropriate strategies that inform customer loyalty strategy formulation and implementation.

1.5.3 Policy makers

The policy makers can benefit from the finding of this study to make informed decisions in policy formulations. The study can help understand the interventions on policies on FMCG companies that need to be implemented in addressing the challenges that affect them to enhance customer loyalty.

1.5.4 Academicians

The empirical findings of offers a sound foundation for future researchers to examine this topic in depth. Academicians can benefit from the study in that it will add more knowledge on relationship marketing and customer loyalty.

1.6 Scope of the Study

The study was limited to establishing the relationship marketing and customer loyalty in Fast Moving Consumer Goods (FMCG) industry focusing on 45 FMCG companies. The study specifically focused on trust, perceived value, switching cost, empathy dimension and conflict handling on customer loyalty. The study was anchored on social identity theory, relational dialectics theory and social network theory. Target respondents were marketing and public relations managers in FMCG companies. The study was carried out in a period of six months.

1.7 Limitations of the Study

A major limitation of this study was the reluctance of some respondents to participate in the data collection process due to confidentiality concerns. Certain individuals expressed hesitation, fearing that their responses might be exposed to third parties or traced back to them.

To mitigate this concern, the researcher took several measures to ensure the protection of respondents' identities and data. Specifically, no personal identifiers, such as names or contact information, were collected or linked to the responses. Additionally, all participants were provided with an authorization letter from the University, clearly stating that the study was being conducted strictly for academic purposes. This letter also assured respondents that all information provided would remain confidential and would not be disclosed to any third parties.

Despite these efforts, the fear of potential exposure may still have influenced the willingness of some individuals to fully engage, which could have impacted the richness or completeness of the data collected.

1.8 Assumptions of the Study

This study was conducted under the following key assumptions:

Honesty and Accuracy of Respondents: It was assumed that the participants, mainly marketing and public relations personnel in FMCG companies, responded truthfully and accurately to all questionnaire items based on their knowledge and experiences.

Understanding of the Questionnaire: The study assumed that all respondents fully understood the questions as intended, and any ambiguity had been addressed during the pilot study phase.

Representativeness of the Sample: The sample selected through stratified random sampling was assumed to be representative of the broader population of FMCG companies in Nairobi County, thereby allowing for generalization of findings.

Stability of the Business Environment: It was assumed that no major changes occurred in the business environment during the data collection period that would significantly alter respondents' perceptions of customer loyalty or relationship marketing practices.

Construct Validity of Variables: The constructs used (trust, perceived value, switching cost, and empathy) were assumed to be valid representations of the relationship marketing dimensions being measured.

1.8 Operational Definition of Terms

Conflict handling	dealing with dissatisfied customers due to a product or a service by finding an amicable solution that works for the customers.
Customer loyalty	A customer's willingness to use a product in the future due to perceived benefits obtained from the previous use or interactions with the product or service.
Relationship Marketing	The maintenance of mutually beneficial relationships with customers. Relationship Marketing was measured using conflict handling, trust and commitment, perceived value, switching cost and empathy.

Switching cost	This is the addition cost incurred by the customer when ending up a relationship and securing an alternative one.
Empathy	The ability to connect with the target audience emotionally to ensure the company understands the specific needs and preferences of the customers.
Perceived Value	The custom's idea of how the product or service is worth and leads to emotional connection with the product or service.
Trust	Is partner's confidence in an exchange partners' reliability and integrity.
Fast moving Consumer Goods.	Products that move or sold quickly and at relatively low cost. Examples include non-durable goods such as soft drinks, dippers, toilet papers, over-the-counter drugs, processed foods and many other consumables.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section represents the theoretical review, the empirical review, and the conceptual framework used in the study. The theoretical review presents the theories used in this research, while the empirical review discussed the literature derived from other studies. Finally, the section critiqued the literature and identified the research gaps.

2.2 Theoretical Review

This section utilized several theories to describe the current study by explaining their applicability and connecting them to the research variables. The approaches used in this study include the social identity theory, relation dialectics theory, and the social network theory.

2.2.1 Social Exchange Theory (SET)

This theory was introduced by Homans in the 1950s and offers a foundational concept in understanding human relationships and interactions. At its core, this theory states that people will get into interactions because they expect something in return. It proposes that people use interactions akin to economic exchanges where individuals aim to achieve the greatest benefit for the least investment (Scheepers, & Ellemers, 2019).

One key argument of Social Exchange Theory is the notion of reciprocity, where individuals expect mutual benefits from their interactions. This principle emphasizes that relationships are maintained through a balance of give-and-take, where both parties contribute value and receive rewards in return. Furthermore, the theory highlights the

role of comparison levels and comparison levels for alternatives, which represent individuals' standards for what they believe they deserve in a relationship and their assessment of available alternatives, respectively (Demirden, 2021).

Despite its foundational status, Social Exchange Theory has faced several critiques. One major critique is its focus on rational decision-making and self-interest, which some argue oversimplifies the complexities of human relationships. Critics contend that the theory overlooks the role of emotions, altruism, and societal norms in shaping social exchanges. Additionally, the theory's emphasis on individual calculations of costs and rewards may not fully capture the intricacies of communal and cultural dynamics that influence relationships (Bochatay et al., 2019).

In the context of relationship marketing, this theory offers valuable insights into the dynamics of customer-brand interactions. Marketers can apply the principles of reciprocity by offering incentives, rewards, and personalized experiences to customers in exchange for their loyalty and repeat patronage. By understanding customers' expectations and preferences, businesses can tailor their offerings to provide value that exceeds customers' perceived costs, thus fostering stronger relationships and increasing customer satisfaction (Paruzel et al., 2020).

Furthermore, Social Exchange Theory underscores the importance of trust and commitment in sustaining long-term relationships. Marketers can build trust by ensuring they do what they have promised to do and by showing genuine concern for customers' needs. Through initiatives such as loyalty programs, personalized communication, and

post-purchase support, businesses can strengthen customer trust and commitment, thereby enhancing customer loyalty and retention (Liao et al., 2020).

In this study, Social Exchange Theory underpins the relationship between relationship marketing and customer loyalty, highlighting how perceived mutual benefits foster sustained customer relationships in the FMCG sector.

2.2.2 Relational Dialectic Theory (RDT)

This theory was developed by Leslie and Montgomery in the late 20th century. It offers a model to explain the intricacies of interpersonal relationships. At its core, RDT posits that relationships are characterized by dialectical tensions, or opposing forces, that manifest as contradictions between relational needs. These tensions arise from inherent human desires for both autonomy and connection, stability and change, and predictability and novelty within relationships (Cronin-Fisher, & Parcell, 2019).

Key arguments of RDT include the notion that relationships are not static but are instead in a constant state of flux due to the interplay of opposing forces. The theory identifies three primary dialectical tensions: autonomy-connection, openness-closed-ness, and novelty-predictability. For instance, the autonomy-connection tension reflects the simultaneous desires for independence and intimacy within relationships, while the openness-closed-ness tension encompasses the tension between disclosure and privacy. Recognizing the tensions in relationship helps to achieve the goals of these relationships (Johnson et al., 2018).

Critiques of RDT center on its emphasis on contradiction and tension, which some scholars argue may oversimplify the complexity of interpersonal relationships. Critics also contend that RDT lacks prescriptive guidance on how to effectively manage dialectical tensions within relationships. Additionally, RDT has been criticized for its focus on Western, heterosexual relationships, potentially overlooking variations in relational dynamics across cultures and social contexts.

However, RDT offers valuable insights applicable to relationship marketing and customer loyalty. In the realm of relationship marketing, businesses must navigate dialectical tensions between the desire for personalized interactions and the need for efficiency and scalability. By recognizing the autonomy-connection tension, marketers can tailor their strategies to provide customers with individualized experiences while also maintaining operational efficiency. Similarly, addressing the openness-closed-ness tension involves striking a balance between transparency and data privacy, respecting customers' boundaries while fostering trust and transparency in marketing communications (Sahlstein, et al., 2018).

Furthermore, RDT informs strategies for fostering customer loyalty by addressing the novelty-predictability tension. Marketers can introduce innovative products and experiences to captivate customers' interest while also providing consistency and reliability in service delivery. By acknowledging and managing these dialectical tensions, businesses can cultivate enduring relationships with customers built on mutual trust, respect, and satisfaction (Hintz, & Brown, 2020).

Relational Dialectics Theory, therefore, offers a nuanced understanding of the complexities inherent in interpersonal relationships, providing valuable insights applicable to relationship marketing and customer loyalty. While critics raise concerns about oversimplification and cultural specificity, RDT remains a foundational framework for understanding the dynamic interplay of opposing forces within relationships. By integrating RDT principles into their strategies, businesses can navigate relational tensions effectively, fostering stronger connections with customers and driving sustainable loyalty and growth.

In this study, Relational Dialectics Theory supports the internal dynamics of relationship marketing that influence customer loyalty, particularly in balancing changing consumer expectations with consistent brand engagement.

2.2.3 Social Network Theory (SNT)

This theory was pioneered by sociologists such as J.A. Barnes and Harrison White in the 20th century, provides a comprehensive framework for understanding the structure, dynamics, and implications of social relationships within networks. Fundamentally, the theory asserts that social structures characterized by interconnected nodes and ties, which influence their behaviors, attitudes, and interactions. Key arguments of social network theory revolve around the concepts of nodes (individuals or entities within a network), ties (the connections between nodes), and the structural properties of networks (such as density, centrality, and cohesion). Additionally, the theory emphasizes the role of network dynamics, including communication patterns, information flow, and social influence processes (Soltis, & Lepak, 2018).

Critiques of social network theory often focus on its deterministic assumptions regarding the influence of social structures on individual agency. Critics argue that the theory may overlook the agency of individuals in shaping and reshaping their social networks, as well as the role of context-specific factors in influencing network dynamics. Furthermore, some scholars point out that social network theory may oversimplify complex social phenomena by reducing them to abstract network structures, thereby neglecting the nuances of interpersonal relationships and cultural dynamics. Additionally, critiques highlight the potential for biases in network data collection and analysis, which may lead to inaccurate representations of social reality (Akar, & Dalgic, 2018).

However, despite these critiques, social network theory offers valuable insights into relationship marketing. In the context of relationship marketing, the theory provides a framework for understanding customers not as isolated individuals but as interconnected nodes within social networks. Marketers can leverage social network analysis techniques to identify key influencers, opinion leaders, and connectors within customer networks, enabling targeted marketing efforts and word-of-mouth strategies. By understanding the structural properties of customer networks, businesses can strategically position themselves to maximize their influence and reach within these networks (Cote, 2019). Moreover, social network theory informs strategies for cultivating customer loyalty by recognizing the importance of network ties and interpersonal connections. By fostering strong ties with customers and cultivating brand communities, businesses can enhance customer engagement, encourage repeat purchases, and stimulate positive word-of-

mouth referrals. Additionally, by leveraging the power of social networks, businesses can amplify the impact of loyalty programs, incentives, and personalized interactions, thereby strengthening the bond between customers and the brand. Ultimately, social network theory offers a valuable lens through which to analyze and understand the complex interplay between social relationships, marketing strategies, and customer loyalty in today's interconnected world (Tabassum et al., 2019).

In this study, Social Network Theory informs how employee performance and relationship marketing work together to build social and relational networks that influence customer loyalty.

2.2.4 Anchor Theory: Social Exchange Theory (SET)

This study is anchored on Social Exchange Theory (SET), which posits that human relationships are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives. In the context of business and marketing, SET suggests that both customers and companies engage in relationships with the expectation of mutual benefit. The theory implies that individuals are likely to remain in a relationship if the perceived benefits outweigh the costs.

In relationship marketing, SET provides a useful framework for understanding how customer loyalty is built over time. When FMCG companies offer value through quality products, responsive customer service, loyalty programs, or after-sales support, customers may feel a sense of obligation or commitment in return. Similarly, employees who interact positively with customers reinforce this exchange by delivering value that strengthens the relational bond.

Applied to this study, SET explains how employee performance, as part of the firm's relationship marketing strategy, contributes to the development of customer loyalty. Satisfied customers are more likely to reciprocate positive experiences through repeat purchases, brand advocacy, and long-term loyalty, which are crucial in the competitive FMCG sector.

Figure 2.1:

Summary of Theoretical Linkages

Theory	Key Concepts	Linked Variable(s)
Social Exchange Theory (SET)	Reciprocity, mutual benefit, trust	Relationship Marketing → Customer Loyalty
Relational Dialectics Theory (RDT)	Managing tensions, balancing expectations	Relationship Marketing → Customer Loyalty
Social Network Theory (SNT)	Influence, connectedness, information flow	Employee Performance → Customer Loyalty (via Relationship Marketing)

2.3 Empirical Literature.

Relationship marketing has gained considerable attention in recent years as firms increasingly focus on building long-term relationships with customers rather than pursuing short-term transactions. Empirical studies have established that relationship marketing dimensions such as trust, commitment, perceived value, switching cost, empathy, communication, and satisfaction significantly influence customer loyalty across various industries. The following section presents an empirical review of studies

examining the influence of these dimensions on customer loyalty, particularly within the fast-moving consumer goods (FMCG) context.

2.3.1 Trust and Customer Loyalty

Rather et al. (2021) carried out a study in a comprehensive model to examine the factors influencing customer intention in hospitality sector. Drawing from social identity theory data was gathered through a survey conducted with 345 customers staying in various hotels across six cities in India. It was noted that CBI significantly impacts CBIL both directly and indirectly through affective commitment, customer satisfaction, and brand trust. These findings shed light on previously understudied aspects within marketing and hospitality research, suggesting avenues for further exploration in this area. Atulkar and Singh, (2021) conducted a study to investigate the key emotional attachment constructs that play pivotal roles in cultivating brand trust and loyalty. Through the application of Structural Equation Modeling via Smart PLS 2.0 software, data from 332 mall shoppers, aged between 16 and 30, were analyzed, given their pronounced brand consciousness and propensity for purchasing branded products. The study underscores that brand loyalty isn't solely a function of perceived value and customer satisfaction, but also by brand trust itself. Moreover, the analysis reveals that findings are moderated by different income groups, particularly with the high-income segment displaying heightened brand consciousness and loyalty. The research offers actionable insights to retailers, suggesting the adoption of promotional programs and strategies targeting customers' emotional factors to fortify brand attachment and expand consumer markets. Additionally, it highlights factors like buying patterns, purchasing capacity, and lifestyle for future

researchers' focus. Encouraging retailers to improve customer engagement during the shopping process, the study emphasizes the importance of clearly distinguishing their brand from competitors by showcasing its superior attributes. Ultimately, the study's significant contribution lies in its empirical examination of emotional attachment antecedents on brand trust and loyalty, especially within emerging organized retail markets.

Lui et al. (2019) conducted a study on the impact of trust that entails placing confidence in someone and anticipating a positive response, while satisfaction stems from deriving pleasure from the fulfillment of one's expectations. Numerous studies affirm that trust and customer satisfaction are crucial for achieving customer loyalty. Key elements of trust include effective marketing, consumer research, and meeting expectations, all of which contribute to fostering enduring and robust customer relationships. Moreover, reliability, reputation, and exceptional customer service are essential for earning consumer satisfaction, thereby establishing a competitive advantage and mitigating brand crises. Ultimately, the primary objective of every provider is to cultivate trust and deliver maximum satisfaction to customers, aiming to secure their loyalty and drive business growth.

Rudzewicz and Strychalska-Rudzewicz (2021) carried out research to assess the influence of brand trust and its components on consumer loyalty. To achieve this, a study was conducted involving 428 sports consumers in Poland of sports apparel brands who participated in an online survey. Results indicated that brand trust significantly impacts consumer purchasing behavior and positively affects consumer loyalty. The

study also highlighted the complexity of measuring brand trust but affirmed the suitability of the proposed dimensions and structure for assessing this phenomenon. From a practical standpoint, improving how customers perceive the products bolsters consumer loyalty or increasing the likelihood thereof. The methodological approach proposed in this study offers valuable insights for measuring brand trust, while empirical data provide a robust foundation for understanding the relationship between brand trust and consumer loyalty.

2.3.2 Switching Cost and Customer Loyalty

Jooste and Fourie (2019) explored the interrelationships and effects of service quality within the context of e-banking services offered by commercial banks. It was observed that service quality leads to more satisfaction in the customers. Notably, service capacity and tangibility have the most substantial influence. This suggests that by enhancing service quality across these factors, specifically by focusing on the intangible assets. Moreover, customer satisfaction demonstrates a strong positive association with customer loyalty, implying that satisfied customers are not only inclined to engage in more transactions with a particular bank but are also likely to recommend it to others. Additionally, customer loyalty exhibits a robust positive correlation with switching costs, indicating that barriers to switching increase loyalty. The study provides a good scope on the challenges, drivers as well as enablers of relationship marketing. However, the study is limited because the study was in a country with a different business environment.

Chung, et al. (2018) carried out a study on high-tech Taiwan's manufacturers' innovative strategy and the motivation for innovation on the implementation of the innovative activities. In today's competitive landscape, retaining customers is increasingly challenging yet crucial for businesses aiming to maximize customer lifetime value. Sustaining customer relationships over time not only impacts profitability but also influences factors such as customer base expansion, share of wallet, and positive word-of-mouth referrals. Central to this endeavor is the concept of switching costs, which serve as barriers preventing customers from defecting to competitors, thereby fostering long-term loyalty. Recognizing the significance of switching costs in maintaining customer loyalty, this paper endeavors to examine their role and efficacy in strengthening the bond between customers and companies. By leveraging switching costs as effective barriers, businesses can enhance customer retention and fortify their loyal customer base. The study did not come up with determinants of motivation but rather considered word of mouth as an objective without specific objectives: the only major dimension considered by the study were the motivation for innovation and the innovative strategy.

Mwakithi (2017) carried out a qualitative study that aimed to investigate the latter aspect by investigating the impact of sustainable service quality on customer loyalty, mediated by customer satisfaction, as per the reciprocity theory. Additionally, it explores the potential moderating effect of switching costs, drawing upon the Apostle model. The research posits that while a satisfied customer may demonstrate loyalty, the presence of low switching costs could undermine this relationship. Through an explanatory study,

data were collected conveniently, and analysis was conducted using the PROCESS macro models 4 and 14. Results indicate that while customer satisfaction significantly influences loyalty, the effect of switching costs was found to be insignificant. This suggests that even with low switching costs, a satisfied customer is likely to remain loyal. The study also discusses managerial implications of switching costs to further enhance understanding in this domain. The study however faced limitations from the fact that it took a content analysis approach, however, the current study overcomes the challenge by conducting a study through hypothesis testing which will aid theories development.

Elbanna, et al. (2016) used a descriptive study on the influence of relationship marketing. This study used a conceptual model to show the switching use in the smartphones industry through the lens of consumption value. It explores two paths—product consumption values and relational benefits from retail services—as cognitive factors predicting brand commitment and, subsequently, smartphone brand switching behavior. Moreover, the study investigates how switching costs impacts brand commitment and brand switching behavior. Through a survey of consumers owning smartphones from major brands, such as Samsung, Apple, HTC, Sony, and Asus, 565 responses were collected. It was noted that perceived value increase brand commitment and reduce brand switching behavior. Additionally, switching costs were found to moderate between brand commitment and switching behavior. It is recommended that brand vendors to focus on product innovation and improve sales services professionalism to enhance consumer consumption values and confidence in the brand,

thereby mitigating the likelihood of brand switching. This study contributes to the understanding of factors influencing brand commitment and offers insights for brand managers to cultivate brand loyalty and deter switching behavior through targeted marketing efforts and service enhancements. The study was however a specific study to Regina City which therefore implied that findings from the study are not generally acceptable for the case of Fast-Moving Consumer Goods.

Njoroge (2015) conducted a cross-sectional survey among managers of 108 state corporations in Kenya. This study delved into the examination of service quality, intimacy, trust, and playfulness, along with their impact on loyalty. The findings revealed a positive influence of service quality, playfulness, intimacy, trust, and satisfaction on customer loyalty. Additionally, a statistically significant relationship was observed between switching barriers, trust, and customer loyalty. By shedding light on these key factors, the research contributes to a better understanding of how they influence customer satisfaction and loyalty, ultimately impacting market share and competitive advantage. Furthermore, the paper underscores the importance of service quality in enhancing business competitiveness. It emphasizes the need for enterprises to grasp the essence of service quality and its role in gaining a competitive edge. By leveraging service quality models, managers can pinpoint areas for improvement, thereby enhancing overall performance and profitability. In service industries, prioritizing service quality not only fosters competitiveness but also ensures long-term profitability and differentiation from competitors. Hence, businesses should recognize service quality as a crucial determinant of success.

2.3.3 Perceived Value and Customer Loyalty

Raynaldi Lukito (2022) carried out a study with the aim to explore the influence of perceived value and quality on satisfaction and loyalty within the context of auto parts products. The research involved 132 respondents who were customers of auto parts. Findings revealed that perceived quality significantly impacts customer satisfaction. Although perceived quality doesn't directly affect customer loyalty, its influence is indirect. Additionally, perceived value perception significantly impacts customer satisfaction, and it directly and indirectly affects customer loyalty. Ultimately, customer satisfaction emerges as a key factor significantly influencing customer loyalty. This study sheds light on the intricate link between value, quality, satisfaction, and loyalty in the auto parts industry, offering insights for businesses aiming to cultivate and retain loyal customer relationships.

Hantiro and Maina (2020) conducted an empirical study examining how service quality and perceived value influence customer loyalty behavior via satisfaction. Data from 300 customers of government-owned banks were analyzed using Structural Equation Modeling (SEM). It was noted that perceived value exerts a significant positive impact on satisfaction, subsequently indirectly influencing customer loyalty. This study underscores the importance of providing quality services and perceived value to enhance customer satisfaction and foster long-term loyalty among consumers in the banking sector.

Engert and Baumgartner (2019) carried out a study to investigate the factors behind the implementation of corporate strategy sustainability in the automotive sector the significance of relationship marketing (RM) in fostering enduring customer relationships is widely acknowledged, yet understanding the optimal timing for retail managers to invest in such relationships remains limited. Grounded in RM theory, it studies the impact of perceived relationship investment (PRI) on customer loyalty, mediated by perceived value, within a retail context. It also examines how consumer relationship proneness (RP) moderates the relationship between PRI and perceived value. Findings indicate that PRI has a direct positive influence on perceived value and customer loyalty. Additionally, RP moderates the effects of PRI. These findings suggest that retail managers can cultivate enduring relationships by focusing efforts on relationship-prone consumers, thereby enhancing perceptions of relationship investment, perceived value, and ultimately, customer loyalty.

2.3.4 Human Empathy and Customer Loyalty

Rofiaty (2019) carried out a study to explore the indirect impact of employee empathy on service loyalty, mediated through the intervening variables of trust. Self-administered questionnaires targeting 410 participants were used. Findings indicate a significant relationship between employee empathy and trust in service employees. This research offers more insights on empathy in banking services and its impact. It offers valuable insights for service managers on fostering empathy to cultivate trust and satisfaction among customers.

Simon and Ronoh (2020) investigated the impact of various dimensions of service and how it influences customer behaviors. Additionally, it explores how service quality dimensions' influence customer satisfaction. Data was gathered through a public intercept survey conducted among 480 supermarket customers. Findings indicate that empathy plays a prominent role, positively influencing customer satisfaction. Although this research focuses solely on the supermarket sector of one country, it offers valuable insights into enhancing customer satisfaction and loyalty while mitigating disloyalty. The study underscores the importance of empathetic and customer-oriented behavior among frontline supermarket service employees, providing actionable recommendations for supermarket executives.

Knox and Prabhakar, (2020) carried out a study that employed the SERVQUAL model to explore the influence of various dimensions of service quality on satisfaction within the Malaysian hotel industry, particularly focusing on resort hotels. Through questionnaires, quantitative data were collected from 136 hotel guests using a random sampling approach. The findings underscore the significance of empathy, tangibles, and reliability in shaping customer satisfaction, while responsiveness and assurance were found to have less significant impacts. Notably, empathy emerged as the most influential predictor of customer satisfaction among all dimensions studied. Moreover, the study reveals a positive relationship between customer satisfaction and loyalty within this context.

2.3.5 Communication and Customer Loyalty

Communication involves the exchange of timely, relevant, and reliable information between a firm and its customers. Effective communication enhances trust, understanding, and confidence, thereby reinforcing customer loyalty.

Han and Hyun (2019) reported that transparent communication enhances trust and satisfaction, which in turn boost loyalty. In the Kenyan context, Mwangi (2020) established that frequent and honest communication with FMCG consumers increases customer engagement and repeat buying. Similarly, Kinoti and Kiben (2022) found that communication mediates the relationship between trust and loyalty in supermarket chains.

Hudson et al. (2019) highlighted that two-way communication—especially social media feedback—strengthens brand–consumer relationships globally. Vilkaite-Vaitone and Skackauskiene (2020) observed that consistent communication reduces perceived risk, thereby improving retention. Agha et al. (2021) demonstrated in Pakistan’s telecommunication industry that communication directly enhances brand loyalty through perceived fairness.

Bujong et al. (2018) found that communication quality significantly affects loyalty in Indonesia’s retail sector, particularly for consumer goods. KPMG (2022) reported that clear labelling and advertising transparency are major factors influencing loyalty among Kenyan FMCG consumers. Odhiambo and Nyaga (2023) further confirmed that effective digital communication enhances trust and loyalty in the Nairobi FMCG market.

2.3.6 Satisfaction and Customer Loyalty

Customer satisfaction refers to the customer's overall evaluation of their experience with a product or brand. It represents the extent to which customer expectations are met or exceeded, and it serves as a key antecedent of loyalty.

Han and Hyun (2019) reported that satisfied customers exhibit higher loyalty intentions and brand commitment. In Kenya, Mwangi (2020) observed that satisfaction with FMCG products significantly influences repurchase intentions and positive word-of-mouth.

Agha et al. (2021) in Pakistan's telecom sector found satisfaction to be a major predictor of loyalty. Vilkaite-Vaitone and Skackauskiene (2020) also established that customer satisfaction significantly contributes to repeat purchase behaviour in the retail industry. Boonghee and Ji (2020) noted in South Korea's FMCG sector that satisfaction acts as an emotional bond enhancing loyalty even under competitive pressure.

Haris (2019) found that satisfaction moderates the impact of perceived value on loyalty in Malaysia's FMCG market. Wanjiku and Kinoti (2021) observed that satisfaction with after-sales services and complaint handling strongly enhances loyalty. Odhiambo and Nyaga (2023) confirmed that satisfaction is the strongest predictor of loyalty in Nairobi's FMCG market.

2.3.7 Commitment and Customer Loyalty

Commitment refers to a customer's enduring desire to maintain a valued relationship with a brand or company. It has both affective (emotional attachment) and continuance

(rational preference) dimensions. High commitment strengthens the relational bond and leads to higher customer loyalty.

Chinomona and Sandada (2018) found that relationship commitment significantly influences customer loyalty in Zimbabwe's retail sector. Likewise, Han and Hyun (2019) confirmed that commitment mediates the relationship between trust and loyalty in the hospitality industry. Maina (2020) reported that commitment enhances repeat purchases among FMCG consumers in Nairobi, as emotionally attached customers rarely shift brands.

Vilkaite-Vaitone and Skackauskiene (2020) noted that commitment increases customer retention by building relational satisfaction. In Kenya, Kinoti and Kiben (2022) found that commitment strengthens advocacy behaviour, making customers more likely to recommend FMCG brands.

Rahman et al. (2021) revealed in Bangladesh's FMCG market that brand commitment results from sustained trust and service quality. Similarly, Patel and Patel (2022) showed that committed customers demonstrate consistent purchasing patterns despite price fluctuations. Odhiambo and Nyaga (2023) found that commitment has a significant direct effect on customer loyalty in Nairobi's FMCG sector.

2.3.8 Customer Loyalty (Dependent Variable)

Customer loyalty refers to a deep commitment to repurchase or continue using a preferred product or service consistently over time. Loyalty has both behavioural (repeat purchase) and attitudinal (emotional attachment) dimensions.

Han and Hyun (2019) found that customer loyalty is driven by trust, satisfaction, and commitment. Maina (2020) in Kenya's FMCG industry identified loyalty as the result of positive brand relationships built through consistent value delivery. KPMG (2022) reported that 72% of Kenyan consumers remain loyal to brands they perceive as reliable and consistent.

Agha et al. (2021) emphasized that loyalty leads to competitive advantage through repeat patronage. Vilkaite-Vaitone and Skackauskiene (2020) found that loyal customers not only repurchase but also recommend brands, enhancing market share. Boonghee and Ji (2020) and Patel and Patel (2022) both confirmed that loyalty mediates the relationship between relationship marketing constructs and business performance.

Odhiambo and Nyaga (2023) found that in Nairobi's FMCG sector, loyalty manifests through repeated purchases, preference, and advocacy. The findings affirm that customer loyalty is the ultimate outcome of relationship marketing efforts.

In summary, empirical studies support that customer loyalty results from positive relational factors such as trust, satisfaction, commitment, communication, and perceived value. In FMCG firms, loyalty translates to repeat purchase, price tolerance, and positive referrals, contributing to long-term profitability.

2.3.9 Summary

Table 2.1:

Eight Variables and Their Expected Relationships

Variable	Nature of Relationship with Customer Loyalty	FMCG Context Evidence
Trust	Positive & significant	Builds confidence and repeat purchase
Commitment	Positive & significant	Reinforces emotional attachment
Perceived Value	Positive & significant	Enhances satisfaction and preference
Switching Cost	Positive & significant	Reduces likelihood of brand change
Empathy	Positive & significant	Builds emotional bonds and care perception
Communication	Positive & significant	Promotes transparency and engagement
Satisfaction	Positive & significant	Leads to repurchase and advocacy
Customer Loyalty	Dependent variable	Represents behavioral and attitudinal outcomes

Empirical evidence across different studies confirms that relationship marketing dimensions trust, commitment, perceived value, switching cost, empathy, communication, and satisfaction positively influence customer loyalty. Within the FMCG context, customers develop loyalty through consistent brand experience,

emotional connection, and perceived fairness in value exchange. Consequently, the study expects that all seven independent variables will have a positive and significant influence on customer loyalty among FMCG firms in Nairobi County.

2.4 Summary of Research Gaps

Despite extensive studies on relationship marketing and customer loyalty, several gaps remain that this study sought to address. First, most prior research has concentrated on service industries such as banking, telecommunications, and hospitality, with limited focus on the Fast-Moving Consumer Goods (FMCG) sector. This created a contextual gap since customer relationships and loyalty drivers in FMCGs may differ significantly from those in service-based industries.

Second, previous studies have often examined selected relationship marketing dimensions in isolation such as trust and commitment without integrating other critical constructs like empathy, communication, perceived value, satisfaction, and switching cost. This presented a conceptual gap that limited a holistic understanding of how multiple relationship marketing dimensions collectively influence customer loyalty.

Third, many earlier studies have been conducted in developed economies, creating a geographical gap in understanding these dynamics within the Kenyan or broader Sub-Saharan African context, where consumer behaviour and market structures differ.

Fourth, some existing research has primarily employed qualitative or case study designs, providing descriptive insights but lacking quantitative validation through regression analysis. This study addressed this methodological gap by using a descriptive research

design supported by inferential statistical techniques, including multiple regression analysis, to test the significance of relationships at a 95% confidence level.

Lastly, there was a theoretical gap in linking relationship marketing constructs with the Social Exchange Theory within the FMCG context. This study bridged that gap by grounding the investigation in the principles of reciprocity, trust, and mutual benefit that underpin the theory.

2.4.1 Conceptual Framework

Introduction

A conceptual framework illustrates the hypothesized relationships between the study variables and serves as the foundation for data collection and analysis. It is developed from theoretical perspectives, prior empirical studies, and logical reasoning. The framework guides the research process by showing how independent variables (relationship marketing dimensions) are expected to influence the dependent variable (customer loyalty) in the FMCG sector within Nairobi County.

This study is anchored on Social Exchange Theory (SET), which posits that social and economic exchanges between firms and customers are based on reciprocal benefits. When customers perceive value, trust, empathy, and other relational benefits, they develop loyalty and maintain long-term relationships.

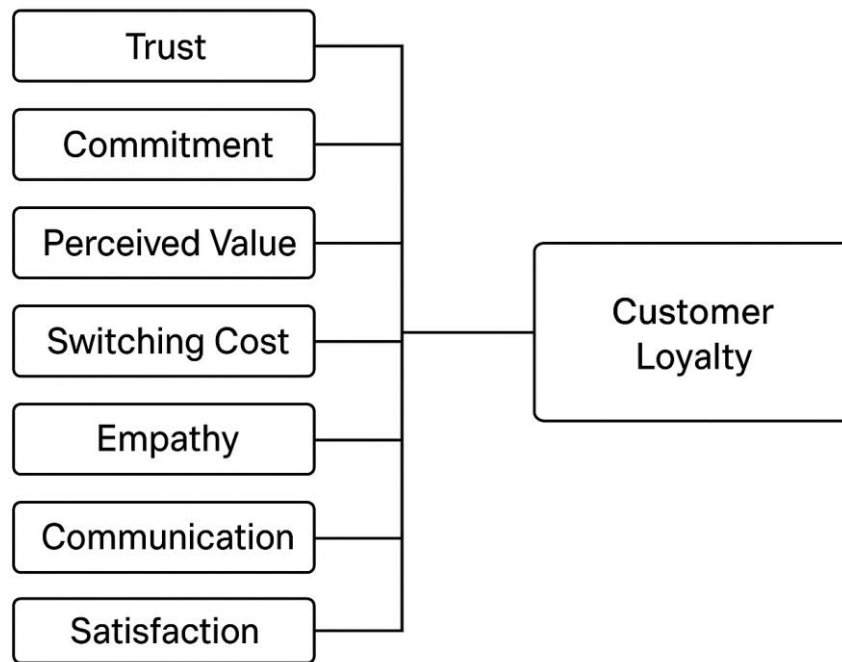
Accordingly, the conceptual framework depicts the influence of Trust, Commitment, Perceived Value, Switching Cost, Empathy, Communication, and Satisfaction (independent variables) on Customer Loyalty (dependent variable).

Figure 2.2:

Conceptual Framework

Independent Variable

Dependent variable



Source; Author (2025)

Explanation

The framework illustrates that customer loyalty in the FMCG sector is influenced by multiple relationship marketing dimensions namely trust, commitment, perceived value, switching cost, empathy, communication, and satisfaction. Each independent variable is hypothesized to have a positive and significant effect on customer loyalty.

- Trust and commitment create the emotional and relational foundation that fosters customer confidence.

- Perceived value and satisfaction strengthen the cognitive and experiential aspects of loyalty.
- Switching cost discourages customers from shifting to competitors.
- Empathy and communication enhance relational bonds through responsiveness and transparency.

In line with Social Exchange Theory, the framework assumes that when FMCG firms consistently deliver value, demonstrate care, and maintain trustworthy relationships, customers reciprocate with loyalty through repeat purchase and positive advocacy.

2.5 Operationalization Framework

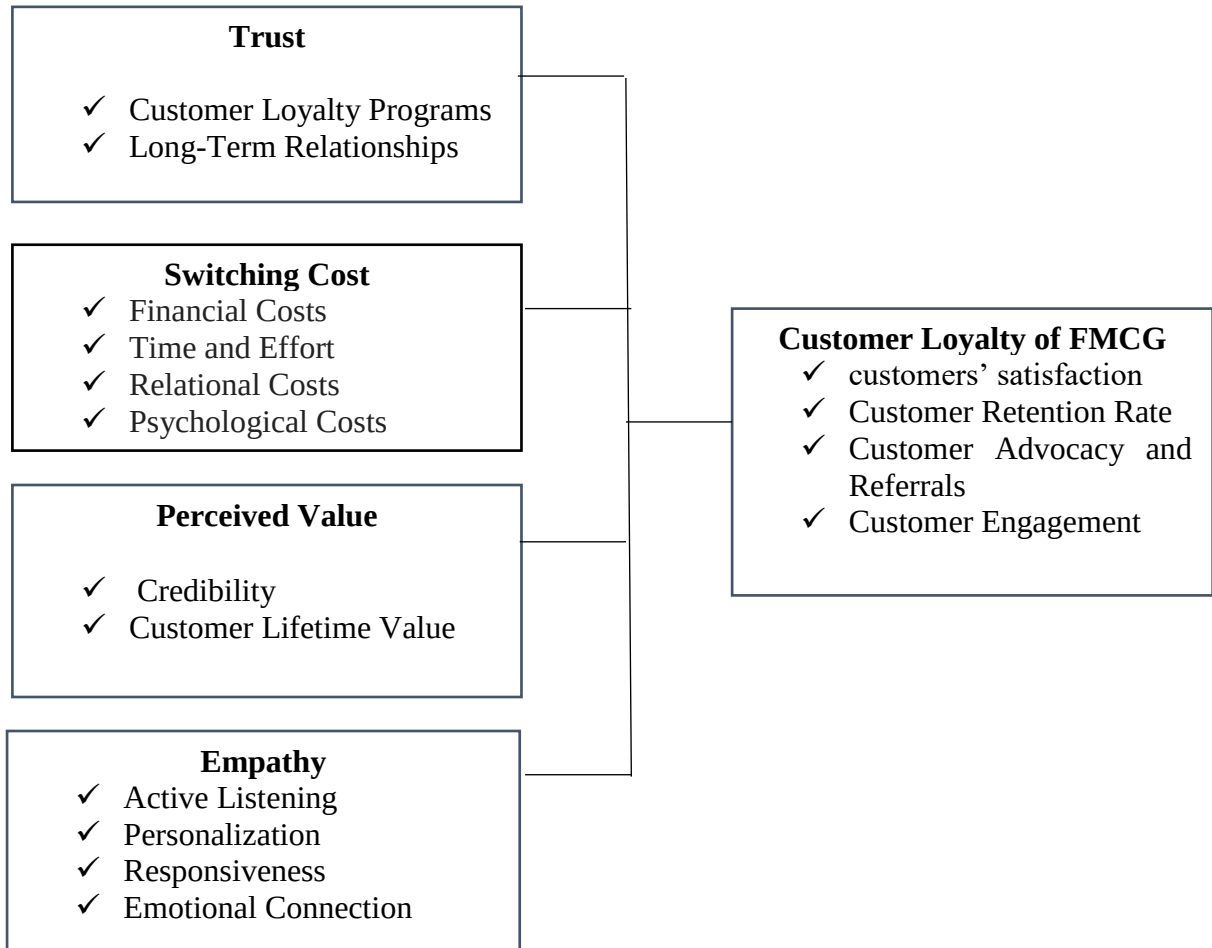
The operational framework presents how the study variables were measured and operationalized. It translates abstract theoretical concepts into measurable indicators. Each variable was defined conceptually and operationally, and corresponding measurement items were identified to enable data collection and analysis.

Figure 2.3:

Operational Framework

Independent Variables

Dependent Variable



Source; Author (2025)

2.6 Summary Discussion of the Operationalization Framework

The operationalization framework presented in above was developed from both empirical evidence and theoretical foundations of relationship marketing, guided by the Social Exchange Theory. Each variable trust, commitment, perceived value, switching cost, empathy, communication, satisfaction, and customer loyalty was operationalized using validated indicators from previous studies.

Trust and commitment were included as key relational constructs shown to enhance long-term customer loyalty. Perceived value and switching cost were derived from Bojong et al. (2018), emphasizing customers' evaluation of benefits versus effort or risk. Empathy and communication, supported by Mwangi (2020) and Kinoti and Kiben (2022), highlight the role of personalized attention and information sharing in building trust. Satisfaction, as supported by Harris (2019), contributes directly to loyalty, which was measured through repeat purchases, advocacy, and resistance to switching. Overall, the framework integrates these dimensions into a measurable structure that reflects both theoretical grounding and empirical support, ensuring alignment between the conceptual and analytical components of the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section offers the design used in the data collection, sampling technique and the data analysis methods used in the research.

3.2 Research Design

A research design refers to a blueprint or the procedures that are used by a researcher to solve pertinent problems, in the current study the research design was used to answer questions in the study Harris, (2019). There are various research designs that a study can apply depending on the nature and the need of the research. The study applied a descriptive research design to answer important questions that helped in solving the research problem, answer questions on which? how? who? and why? A descriptive research design was used because the researcher carried out the research without manipulating the data collected from the field. A descriptive research design on the statement: what is relationship marketing on customer loyalty in FMCG industry in Nairobi county.

3.3 Target Population

The unit of analysis in the study was 45 FMCG companies in Nairobi County. On the other hand, the unit of observation was employees of the FMCGs companies in Nairobi County. Survey by Delloitte (2023) revealed that there are 794 employees working in FMCGs in Nairobi County currently serving as either, Marketing Officers, Public Relation Officers and Communication Relations Officers.

Table 3.1:

Unit of Observation

Departments	Number of Employees
Food and Beverages	233
Personal Care Products	108
Household Products	111
Health and Wellness Products	81
Baby and Childcare Products	93
Stationery and Office Supplies	67
Home Appliances and Electronics	101
Total	794

Source: Delloite (2023)

3.4 Sampling Frame

A sampling frame refers to the complete list or database of all elements from which a sample is drawn (Daset al.,2016). In this study, the sampling frame comprised employees working in various departments of selected Fast-Moving Consumer Goods (FMCG) companies within Nairobi County. These employees were drawn from operational areas directly involved in marketing, sales, customer relations, and distribution activities key functions that influence customer loyalty and relationship management.

The sampling frame was organized according to the main product-based departments as presented in Table 3.1. It included employees from seven key FMCG categories: Food and Beverages (233 employees), Personal Care Products (108), Household Products (111), Health and Wellness Products (81), Baby and Childcare Products (93), Stationery

and Office Supplies (67), and Home Appliances and Electronics (101). This resulted in a total target population of 794 employees (Deloitte, 2023).

3.5 Sample Size and Sampling Techniques

A sample refers to a portion of the population which have similar characteristics as the entire population whereas sampling techniques refer to the methods of realizing a sample size. Best sampling techniques require that the sample size should be representative and therefore non-biased Taherdoost, (2016). A stratified random sampling was used as given below:

$$N / [1 + N(e^2)] = n \dots \dots \dots \text{equation (i).}$$

equation (1). whereby N is the population of the study, n is the sample size and e is the sample margin of error, with a margin error of 5% the sample size was as follows. The sample size was therefore implemented as follows:

$794 / [1 + 794(0.05 * 0.05)] = 266.2$, the sample size was 267 to the nearest whole figure. The sample size was proportionately distributed as follows:

Table 3.2:

Sample Distribution

Departments	Population Size	Ratio	Sample Size
Food and Beverages	233	0.293	78
Personal Care Products	108	0.136	36
Household Products	111	0.140	37
Health and Wellness Products	81	0.102	27
Baby and Childcare Products	93	0.117	31
Stationery and Office Supplies	67	0.084	23
Home Appliances and Electronics	101	0.127	34

Total	794	1	267
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Source: Researcher (2025)

3.6 Data Collection Instruments and Procedures

This study used self-administered questionnaires to collect the primary data. The use of open-ended questionnaires was preferred because of the depth of information required. They allowed a more detailed interaction with the respondents which would not be the case if other questionnaire models were used Saunders et al. (2009).

3.7 Pre-Testing of the Research Instruments

Piloting was carried out so that the researcher can improve the instrument before actual data collection Bolarinwa, (2015). The pilot was conducted on a 10% of the sample size however, the findings of the pilot were not included in the project report, but only served to improve the instrument. Piloting is used to test for two major requirements in research: Validity and reliability tests was used as pilot tests in the study.

3.7.1 Validity Tests

Validity of the measurement instrument was assessed using three complementary approaches: content validity, construct validity, and convergent/discriminant validity.

Content validity. Items were adapted from previously validated scales in the relationship-marketing literature and reviewed by two subject-matter experts to ensure relevance, clarity, and coverage of each construct.

Construct validity (numerical): Construct validity was evaluated through Exploratory Factor Analysis (EFA). Prior to EFA, data were screened for missing values and outliers. Sampling adequacy and factorability were checked using the Kaiser–Meyer–

Olkin (KMO) measure and Bartlett's test of sphericity. EFA employed principal axis factoring with oblique (Promax) rotation because constructs were theoretically expected to correlate. Items were retained if they met the following criteria: communalities ≥ 0.50 and factor loadings ≥ 0.50 on their intended factor. Decisions on the number of factors were informed by eigenvalues (>1), the scree plot and, where available, parallel analysis. A cumulative explained variance of $\geq 50\%$ was taken as acceptable for the retained factor solution.

Convergent and discriminant validity:

Convergent validity was assessed using Average Variance Extracted ($AVE \geq 0.50$) and Composite Reliability ($CR \geq 0.70$).

Discriminant validity was evaluated using the Fornell–Larcker criterion (square root of AVE greater than inter-construct correlations) and HTMT (Heterotrait–Monotrait ratio; $HTMT < 0.85$ recommended).

3.7.2 Reliability Tests

Reliability analysis was conducted to determine the internal consistency of the study instruments using Cronbach's Alpha. The results showed that all variables trust, commitment, perceived value, switching cost, empathy, communication, satisfaction, and customer loyalty recorded alpha coefficients above 0.70, indicating acceptable to excellent reliability. This confirms that the measurement items were consistent and dependable in assessing the constructs under investigation, thereby ensuring the credibility of the study findings.

3.8 Data Analysis and Presentation

The study applied both descriptive and inferential statistical techniques to analyse data on the influence of relationship marketing dimensions on customer loyalty among FMCG companies in Nairobi County. Data were coded and analysed using SPSS Version 24 at a 95% confidence level ($\alpha = 0.05$). Descriptive statistics means, standard deviations, frequencies, and percentages summarized respondents' characteristics and variable trends.

Before inferential analysis, regression assumptions of normality, linearity, multicollinearity, homoscedasticity, and autocorrelation were tested and satisfied.

Regression analysis involved a multiple linear regression model, expressed as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \epsilon$$
$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \epsilon$$

Where:

- Y = Customer Loyalty
- X_1 – X_7 = Trust, Commitment, Perceived Value, Switching Cost, Empathy, Communication, and Satisfaction
- β_0 = Constant term
- β_1 – β_7 = Regression coefficients
- ε = Error term

The model examined the combined and individual influence of the seven independent variables on customer loyalty. The results were presented through tables and figures aligned with the study objectives, ensuring accuracy, logical flow, and statistical validity.

3.8.1 Diagnostic Tests

Before conducting the multi-linear regression analysis, the researcher has to ascertain that the assumptions of regression analysis (independence, homoscedasticity, Normality, Non-auto-correlation, and Linearity) have not been violated Pesaran, (2020). The following tests were conducted to ascertain that there was no violation before the actual regression analysis.

3.8.1.1 Test for Auto-Correlation

The test is conducted to determine whether residuals from previous measures are auto-correlated in the current measures, this usually happens in time series data or panel data. Auto-correlation becomes a problem because it affects the accuracy of the model while predicting the dependent variable (Duarte & Saraiva, 2019). Durbin Watson Scale was used to test for the presence of auto-correlation. The Durbin-Watson scale runs between

0 and 4. A score of 2 indicates that there is no auto-correlation whereas scores below 2 indicate the presence of positive auto-correlation whereas values above 2 indicate the presence of negative auto-correlation. The current study was conducted in a specific time and not over a particular period, therefore auto-correlation was not a problem.

3.8.1.2 Homoscedasticity Test

The residuals in a multi-linear regression are not supposed to vary when the independent variables change, otherwise, there will be a problem called heteroscedasticity which affects the accuracy of the model in predicting the predicted variable Fokianos and Pitsillou (2018). To test for homoscedasticity, the study applied the Bruesch Pagan tests. The tests involve carrying out a regression analysis between the independent variables against the residuals (treated as the dependent variable in this case). Where the Observed p-values in the tests are found to be higher than 0.05 (that is the independent variables do not vary significantly with the residuals), the data is considered to observe homoscedasticity rule that is, variance is homogeneous, whereas in situations where the residuals are varying with the independent variables significantly, that is there is a heteroscedasticity situation.

3.8.1.3 Multi-Collinearity Test

The test involves the determination as to whether the independent variables vary as other independent variables vary, a situation referred to as multi-collinearity James et al.(2016). The study applied both the use of value inflation factor (VIF) as well as correlation analysis to establish that independent variables are indeed independent. The value inflation factor is a score range that runs between 1 and 10, scores outside below 1

and beyond 10 indicate that there is the presence of multi-collinearity and the variables should be dropped. The study also applied Pearson correlation analysis to determine whether there is multi-collinearity, the spearman rank score above 0.7 indicates that an independent variable versus another independent variable is highly correlated which means the two variables lack independence and therefore one needs to be dropped.

Another way of determining independence is treating one of the independent variables as the dependent variable and doing a regression analysis against the other independent variables which is repeated by using a different independent variable as dependent and regressing it against the other three independent variables to find out if there is a significant relationship or otherwise if a significant relationship is not revealed the independent variables are considered to be independent as such.

3.8.1.4 Linearity Tests

Linearity tests are conducted to determine whether the variables in the study have a relationship, which is supposed to be linear in the Case of a multi-linear regression model (Danila, et al, 2017; Kuznetsova, et al., 2017). A scatter matrix plot with a line of best fit was used to make observations as to whether the variables are linearly related.

3.8.1.5 Normality Test

Data in the study which is considered as a sample should be obtained from a population with normally distributed data Bai and Chen, (2019). The data should neither be negatively or positively skewed, otherwise, it is considered as biased data which is not representative of the entire population data. To determine normality, the study applied

Shapiro-Wilk Test. The study considered the data of the sample to be normally distributed if the p-value was greater than 0.05.

3.9 Ethical Considerations

Ethics in research refer to how research is conducted according to guidelines and principles of research such as ethical considerations Hudson, et al. (2019). The study observed five major ethical areas: No harm to respondents, voluntary participation, Confidentiality, Protection of intellectual property, anonymity. The researcher ensured that there was no physical or psychological harm to the respondent which if must be there has to be very minimal. The researcher also voluntarily recruited respondents by getting consent which involved explaining the purpose of the research to the respondents, possibly giving a NACOSTI letter, and research authorization letter, and also explaining to respondents of possible risks of participating in the study so that the respondents are free to participate or not as well as dropping out of exercise voluntarily. The researcher also observed intellectual property rights by acknowledging all the research materials and works cited in the research. The researcher also ensured the confidentiality of the respondents by using research data obtained from the respondents only for academic purposes. Finally, on anonymous, there was no personal information linking respondents in any way to the research conducted.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This section of the study presented the findings and the discussions of the study. The section comprised various areas including response rate, demographic statistics, reliability and validity, descriptive statistics, diagnostic tests, and inferential analysis. The findings were presented on the four research objectives which were to: determine the influence of trust and commitment, establish the influence of perceived value, assess the influence of switching cost and to examine the influence of empathy on customer loyalty at FMCG companies in Nairobi county.

4.2 Response Rate

A total of 267 questionnaires were used whereby 239 responded, representing a response rate of 89.51%.

Table 4.1:

Response Rate

Response	Frequency	Percent
Responded	239	89.5
No Response	28	10.5
Total	267	100.0

Source: Researcher (2025)

4.2.1 Pilot, Validity and Reliability

Pilot Testing Yes, a pilot study was conducted prior to the main data collection. The purpose of the pilot test was to evaluate the clarity, reliability, and validity of the

research instrument (questionnaire). A small sample of respondents (typically participants) who matched the characteristics of the target population was selected for this exercise.

Feedback from the pilot study helped identify ambiguous or confusing items, which were subsequently revised for improved clarity. Reliability analysis, such as Cronbach's alpha, was also conducted during the pilot to assess the internal consistency of the scales. The results indicated that the instrument was reliable and suitable for use in the main study.

A pilot study involving 10% of the sample size was conducted to test the instrument. Validity was assessed through expert review, face validity, and construct validity using Kaiser-Meyer-Olkin (KMO) and Bartlett's tests, with thresholds of $KMO \geq 0.7$ and $p < 0.05$. Reliability was tested using Cronbach's alpha, with coefficients ≥ 0.7 considered acceptable.

Table 4.2:

How Validity and Reliability Were Ensured

Aspect	Strategy Used
Content Validity	- Questionnaire items were developed based on a thorough review of existing literature and validated scales. - Expert opinions (e.g., from marketing lecturers or industry practitioners) were sought to ensure the questions accurately reflect the constructs (trust, value, empathy, etc.).
Construct Validity	- Each variable (e.g., trust, empathy) was measured using multiple indicators to ensure comprehensive coverage.

Aspect	Strategy Used
Face Validity	- Factor analysis (e.g., using SPSS) was planned or conducted to check whether items correctly load onto their respective constructs. - A pilot test of the questionnaire was conducted with a small group of respondents to ensure questions were clear and made sense from the respondent's perspective.
Criterion Validity	- The results could be compared with previous studies or actual customer behavior data (e.g., repeat purchase frequency), where available.
Reliability (Internal Consistency)	- Cronbach's Alpha was calculated for each scale (trust, empathy, etc.). Values above 0.70 were considered acceptable for reliability.
Pilot Testing	- A pilot study (e.g., with 10–30 respondents) was done to refine questions, remove ambiguities, and ensure the instrument functioned as intended.
Standardized Measurement Tools	- Most indicators were adapted from previously validated instruments used in relationship marketing and loyalty studies, ensuring consistency and accuracy.

4.2.2.1 Validity Statistics

The study carried out construct validity through KMO and Bartlett's tests to test for validity. Results are shown in table 4.2.

Table 4.3:*KMO and Bartlett's Test*

		Trust	Switching costs	Perceived value	Human empathy	Customer loyalty
Kaiser-Meyer-Olkin						
Measure of Sampling Adequacy.		.799	.774	.762	.745	.784
Bartlett's Test of Sphericity	Approx. Chi-Square	180.483	212.181	222.561	183.158	299.057
	df	6	6	6	6	6
	Sig.	.000	.000	.000	.000	.000

Source: Researcher (2025)

Table 4.2 revealed a KMO score of 0.799 and a p-value of 0.001 on trust, a KMO score of 0.774 on switching cost and a p-value of 0.001, a further KMO score of 0.762 and a p-value of 0.001 on perceived value, in addition, the study revealed a KMO score of 0.745 and a p-value of 0.001 on human empathy. Finally, the study revealed a KMO score of 0.784 and a p-value of 0.001 on customer loyalty. All the variables had KMO scores that were higher than the chosen KMO level of 0.7, which suggested that the sample for the study was adequate and valid for further analysis.

In addition, the p-values obtained for all the variables were less than 0.05 which implied that the constructs for all the variables were valid for further analysis, results of the construct validity agreed with the suggestion of Jöreskog, and Sörbom. (2020), who argued that a KMO score of above 0.7 is an indication that the sample is adequate for

factor analysis or actual data analysis. Whereas a Bartlett score of a p-value below 0.05 indicated that factors can be generated from the variables in the factor analysis.

4.2.2.2 Reliability Statistics

The study determined the reliability of the questionnaire through Cronbach alpha tests. A score above 0.7 was considered reliable. Table 4.3 shows the results.

Table 4.4:

Reliability Statistics

Variables	Cronbach's Alpha	N of Items	Decision
Trust	.708	4	reliable
Switching costs	.754	4	reliable
Perceived value	.758	4	reliable
Human empathy	.711	4	reliable
Customer loyalty	.807	4	reliable

Source: Researcher (2025)

Table 4.3 indicates that trust had a Cronbach score of 0.708, and switching cost revealed a Cronbach score of 0.754. Further, perceived value had a Cronbach score of 0.758 whereas human empathy had a Cronbach score of 0.711. Lastly, customer loyalty revealed a Cronbach score of 0.807. Bujanget al. (2018), concurred that a Cronbach alpha score above 0.7 is an indication that the variable is reliable for actual data analysis which means that the questionnaire used in the research was reliable for assessing and analyzing data related to these variables, providing confidence in the study's findings.

4.3 Demographic Statistics

The study aimed at determining different demographic characteristics including gender, age and academic qualification of the respondents.

4.3.1 Gender of the Respondents

The respondents' gender was determined and presented in table 4.4 shows that majority of the respondents were male as indicated by 67.8% compared to 32.2% for females.

Table 4.4:

Gender

Age	Frequency	Percent
Male	162	67.8
Female	77	32.2
Total	239	100.0

Source: Researcher (2025)

4.3.2 Age Bracket

The study sought to establish the age of respondents which were classified into different categories. Results presented in Table 4.5 indicated that the majority had the age between 36 and 45 years and representing 47.7%, followed by 27.6% who were between the ages of 26 to 35 years, whereas 13.0% were above 45 years and only 11.7% of the respondents were below 30 years old.

Table 4.5:

Age of the Respondents

Age Bracket	Frequency	Percent
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Below 25 years	28	11.7
Between 26 and 35 years	66	27.6
Between 36 and 45 years	114	47.7
Above 45 years	31	13.0
Total	239	100.0

Source: Researcher (2025)

4.3.3 Academic Qualification

The study sought to establish the department from which the respondents came from. Results presented in Table 4.6 indicated that the majority had a bachelor's degree representing 40.2%, followed by 25.5% with a postgraduate degree, whereas 23.0% had a diploma and only 11.3% of the respondents had a certificate.

Table 4.6:

Academic Qualification

Academic Qualification	Frequency	Percent
Certificate	27	11.3
Diploma	55	23.0
Bachelors	96	40.2
Postgraduate Degree	61	25.5
Total	239	100.0

Source: Researcher (2025)

4.4 Descriptive Statistics

Descriptive analysis was done to evaluate the relationship marketing practices conducted by fast moving consumer goods companies in Nairobi County through a five-point Likert scale, where 1 represented strongly disagreed, 2 represented disagreed, 3 were undecided, 4 were agreed and 5 were strongly agreed. On reporting the scale was

summarised as follows, a score below 2.5 indicated disagreed (< 2.5), a score above 2.5 but below 3.5 indicated neutral or undecided (>2.5 neutral < 3.5), while a score above 3.5 indicated agreed (> 3.5 , agreed).

4.4.1 Descriptive Statistics on Trust

The study employed descriptive analysis to determine how respondents agreed with the statements on trust and was carried out by rating responses on a Likert scale of between 1 and 5 whereby 5 strongly agreed and 1 strongly disagreed. Results are presented in table 4.7.

Table 4.7:

Descriptive Statistics on Trust

Statement	SD (F)	D (F)	N (F)	A (F)	SA (F)	N	Mean	Std. Dev
I trust the brand to deliver on its promises regarding product quality and service.	19	33	37	100	50	239	3.54	1.194
I believe that the brand is committed to building a long-term relationship with its customers.	6	26	16	117	74	239	3.95	1.020
I feel confident that the brand will prioritize my satisfaction and loyalty over short-term gains.	8	27	18	120	66	239	3.87	1.046
I am willing to invest time and effort into maintaining a relationship with the brand because of the trust I have in it.	8	23	22	128	58	239	3.86	1.002

Source: Researcher (2025)

Findings shown in table 4.7 revealed that respondents agreed with the statement that they trust the brand to deliver on its promises regarding product quality and service as is shown by a mean of 3.54, further, results also confirmed that 100 respondents and 50 respondents agreed and strongly agreed respectively. Results also indicated that respondents agreed that they believed that the brand was committed to building a long-term relationship with its customers as shown by a mean of 3.95, additionally, findings revealed that 117 respondents and 74 respondents agreed and strongly agreed respectively. Results further indicated that respondents agreed that they felt confident that the brand prioritized their satisfaction and loyalty over short-term gains indicated by a mean of 3.87, moreover, results revealed that 120 and 66 respondents agreed and strongly agreed respectively. Finally, the respondents agreed with the statement that they were willing to invest time and effort into maintaining a relationship with the brand because of the trust they had in it as is shown by the mean of 3.86, findings also established that 128 respondents and 58 respondents agreed and strongly agreed respectively.

4.4.1.1 Brand Trust

This section of the study sought opinions from respondents on how the brands of the products and services they were utilizing built trust. Respondents revealed that one specific experience that significantly enhanced their trust and commitment to a brand occurred when they had an issue with a product from a well-known fast-moving consumer goods company. In addition, the respondents revealed that despite purchasing the product from a third-party retailer, they reached out to the brand's customer service

for assistance and to their surprise, they responded promptly and with genuine concern for their issue. Respondents established that not only did they offer a solution, but they also went above and beyond by providing them with additional information on how to prevent similar problems in the future. This level of personalized attention and proactive support left a lasting impression on them, demonstrating the brand's commitment to customer satisfaction and fostering a sense of trust.

Furthermore, respondents revealed that this positive experience didn't end with the resolution of their problem. The brand continued to engage with them through follow-up emails, seeking feedback on their products and services. They also periodically sent them exclusive offers and updates on new product releases, making them feel valued as a customer and part of their community. This ongoing communication and effort to maintain a relationship beyond the initial transaction further solidified their loyalty to the brand. In essence, this experience exemplified the power of relationship marketing in building long-term customer loyalty within the fast-moving consumer goods industry.

4.4.1.2 Effective Strategies for Building Brand Trust

In this section, the study sought opinions from respondents on effective strategies for building brand trust with their clientele. Respondents revealed that effective communication played an important role. Brands need to engage in transparent and consistent communication with their customers, fostering a sense of openness and honesty. The respondents revealed that this can be achieved through various channels such as social media platforms, newsletters, or even personalized messages. By keeping customers informed about product updates, company values, and addressing concerns

promptly, brands could establish trust and demonstrate their commitment to customer satisfaction.

Secondly, respondents revealed that fostering genuine connections was essential. FMCG companies could leverage personalized experiences and tailored offers to show customers that they are valued individuals rather than just another transaction. Respondents revealed that this could involve loyalty programs that reward frequent purchases, exclusive events or previews, and soliciting feedback to improve products or services based on customer preferences. By actively listening to their customers and adapting strategies accordingly, brands could build long-lasting relationships founded on trust and commitment, ultimately leading to enhanced customer loyalty in the competitive FMCG landscape.

Atulkar, (2020) agreed with the findings of the study in a study to investigate the key emotional attachment constructs that play pivotal roles in cultivating brand trust and loyalty. The study underscored that brand loyalty wasn't solely influenced by emotional attachment precursors such as perceived quality, perceived value, customer satisfaction, and perceived differentiation, but also by brand trust itself. Moreover, the analysis revealed that findings were moderated by different income groups, particularly with the high-income segment displaying heightened brand consciousness and loyalty. The research offers actionable insights to retailers, suggesting the adoption of promotional programs and strategies targeting customers' emotional factors to fortify brand attachment and expand consumer markets. Additionally, it highlights factors like buying patterns, purchasing capacity, and lifestyle for future researchers' focus. Lui et al. (2023)

was also in agreement with the study's findings in a study on the impact of trust that entails placing confidence in someone and anticipating a positive response, while satisfaction stems from deriving pleasure from the fulfillment of one's expectations. The study established that key elements of trust included effective marketing, consumer research, and meeting expectations, all of which contribute to fostering enduring and robust customer relationships. Moreover, the study revealed that reliability, reputation, and exceptional customer service were essential for earning consumer satisfaction, thereby establishing a competitive advantage and mitigating brand crises. Ultimately, it was evident that the primary objective of every provider is to cultivate trust and deliver maximum satisfaction to customers, aiming to secure their loyalty and drive business growth.

4.4.2 Descriptive statistics on Switching Cost

The study aimed at determining how respondents agreed with the statements on switching cost by rating responses on a Likert scale of between 1 and 5 whereby 5 strongly agreed and 1 strongly disagreed. Results are presented in table 4.8.

Table 4.8:

Descriptive Statistics on Switching Cost

Statement	SD (F)	D (F)	N (F)	A (F)	SA (F)	N	Mean	Std. Dev
The effort required to switch from my current provider to a competitor is high.	7	14	18	136	64	239	3.99	0.919
The financial investment needed to	9	10	27	115	78	239	4.02	0.974

switch to a different provider is substantial.								
The time and energy required to learn how to use a new product or service from a different provider is significant.	4	15	24	128	68	239	4.01	0.889
The emotional attachment I have with my current provider makes the idea of switching to another provider unappealing.	9	14	20	111	85	239	4.04	1.007

Source: Researcher (2025)

The findings presented in Table 4.8 indicate that respondents generally agreed that the effort required to switch from their current provider to a competitor is high, as shown by a mean score of 3.99. Specifically, 136 respondents agreed and 64 strongly agreed with this statement.

Similarly, respondents agreed that the financial investment needed to switch to a different provider is substantial, reflected by a mean of 4.02, with 115 respondents agreeing and 78 strongly agreeing.

Further, the time and energy required to learn how to use a new product or service from a different provider was also seen as significant, indicated by a mean score of 4.01. Here, 128 respondents agreed while 68 strongly agreed.

Finally, respondents agreed that the emotional attachment they have with their current provider makes the idea of switching unappealing, as shown by the highest mean of 4.04, with 111 respondents agreeing and 85 strongly agreeing.

Overall, these findings suggest that multiple dimensions of switching costs including effort, financial investment, time, and emotional attachment act as strong barriers to switching providers.

4.4.2.1 Factors Influencing Retention Decisions

This section of the study sought opinions from the participants on factors that influenced their retention to incumbent providers despite contemplating transitioning to an alternative service provider. Respondents revealed that there was a moment when they contemplated switching providers, but ultimately decided to remain with their current one with the decision stemmed from a deep-seated sense of trust and reliability that had been cultivated over time. They went ahead and revealed that despite occasional hiccups in service or offers from competitors, they found themselves hesitant to sever ties with their current provider. This hesitation wasn't solely due to inertia or convenience, but rather a testament to the relationship that had been established. Over the years, their provider had consistently demonstrated a commitment to addressing their needs promptly and effectively. Whether it was resolving issues with billing, providing timely assistance, or offering personalized recommendations, they had consistently shown a level of attentiveness and reliability that instilled confidence in their services.

Moreover, respondents established that beyond mere transactions, they felt a genuine sense of connection with their current provider. Their efforts in fostering this relationship went beyond the typical customer-seller dynamic. From personalized communications to exclusive offers tailored to their preferences, they made them feel valued and understood as a customer. This sense of rapport and understanding played an important role in their decision to remain loyal. Ultimately, it was the combination of

trust, reliability, and the personalized approach that solidified their commitment to their current provider, outweighing any fleeting temptations to switch.

4.4.2.2 Challenges Faced When Switching to a Competitor

This section of the study sought opinions of respondents on challenges they faced when they considered switching to a competitor. Respondents revealed that companies could implement several strategies grounded in relationship marketing principles by enhancing communication channels. They established that companies could proactively engage with customers to understand their needs, preferences, and pain points, thereby fostering a deeper understanding of their requirements. By providing personalized support and guidance through various touch points such as social media platforms, customer service hotlines, and email newsletters, companies could establish trust and demonstrate their commitment to addressing customer concerns. Furthermore, transparent communication regarding product features, benefits, and pricing could help alleviate uncertainties and facilitate informed decision-making, reducing the perceived switching cost.

Additionally, respondents also revealed that offering incentives and rewards could incentivize customers to remain loyal. Loyalty programs tailored to individual preferences and purchasing behaviors could create a sense of exclusivity and appreciation among customers. These programs could include discounts, special promotions, and rewards points redeemable for future purchases. By consistently delivering value-added benefits and experiences, companies can strengthen customer loyalty and deter them from considering alternatives. Additionally, proactive retention efforts, such as personalized offers targeting at-risk customers or follow-up surveys to gather feedback and address concerns, can demonstrate a commitment to customer

satisfaction and reinforce the perceived value of staying with the current provider. Overall, by prioritizing customer-centric approaches and fostering mutually beneficial relationships, respondents revealed that companies could effectively reduce the challenges customers face when contemplating switching to a competitor in the fast-moving consumer goods industry.

Chung, et al. (2018) agreed with the findings of the current study when they carried out a study on high-techno Taiwan's manufacturers' innovative strategy and the motivation for innovation on the implementation of the innovative activities. The study established that sustaining customer relationships over time not only impacted profitability but also influenced factors such as customer base expansion, share of wallet, and positive word-of-mouth referrals. Central to this endeavor was the concept of switching costs, which served as barriers preventing customers from defecting to competitors, thereby fostering long-term loyalty. The study revealed that by leveraging switching costs as effective barriers, businesses could enhance customer retention and fortify their loyal customer base. The study did not come up with determinants of motivation but rather considered word of mouth as an objective without specific objectives: the only major dimension considered by the study were the motivation for innovation and the innovative strategy.

Besides, Mwakithi (2017) was also in agreement with the findings of the study in a qualitative study that aimed to investigate the latter aspect by investigating the impact of sustainable service quality on customer loyalty, mediated by customer satisfaction, as per the reciprocity theory. Additionally, it explores the potential moderating effect of switching costs, drawing upon the Apostle model. The research suggested that while a satisfied customer may demonstrate loyalty, the presence of low switching costs could

undermine this relationship. The study established that even with low switching costs, a satisfied customer was likely to remain loyal. However, it's noted that sustaining service quality longitudinally may not necessarily impact customer loyalty in the presence of low switching costs. The study also discussed managerial implications of switching costs to further enhance understanding in this domain.

4.4.3 Descriptive Statistics on Perceived Value

Descriptive statistics were conducted to determine the extent to which participants agreed or disagreed with statements on perceived value. Findings were presented in table 4.9 on a Likert scale between 1 and 5 with a scale of 1 strongly disagreeing and a scale of 5 strongly agreeing.

Table 4.9:

Descriptive Statistics on Perceived Value

Statement	SD (F)	D (F)	N (F)	A (F)	SA (F)	N	Mean	Std. Dev
The value-added services provided enhance the overall satisfaction with their offerings.	4	22	33	107	73	239	3.93	0.981
Compared to other competitors, I believe that our company offers superior value for the price.	8	9	27	131	64	239	3.98	0.914
I feel that the personalized attention and communication make me more loyal to our brand.	8	11	31	129	60	239	3.93	0.930
The benefits I receive from maintaining a relationship with our	10	21	31	107	70	239	3.86	1.066

Company outweigh any inconvenience or effort required.

Source: Researcher (2025)

According to the findings presented in Table 4.9, respondents agreed that the value-added services provided by the company enhanced their overall satisfaction, as reflected by a mean score of 3.93. Specifically, 107 respondents agreed and 73 strongly agreed with this statement.

Furthermore, respondents expressed agreement that, compared to other competitors, their company offers superior value for the price, as indicated by the highest mean score of 3.98. This is supported by 131 respondents agreeing and 64 strongly agreeing with the statement.

In addition, participants agreed that personalized attention and communication from the company made them more loyal to the brand, as shown by a mean of 3.93. Out of the total respondents, 129 agreed and 60 strongly agreed with this item.

Finally, the findings revealed that respondents felt the benefits of maintaining a relationship with the company outweighed any inconvenience or effort required, as indicated by a mean score of 3.86. This is supported by 107 respondents who agreed and 70 who strongly agreed with the statement.

4.4.3.1 Factors Contributing to Sense of Value and Loyalty

This section of the sought respondents' opinions on the aspects and factors beyond products/service offered that lead to a sense of value and loyalty of their preferred brands. Respondents revealed that factors such as brand reputation, customer service quality, and experiential engagement play important roles in shaping consumers' sense

of value. They revealed that brand reputation, built upon consistent quality and reliability, instills trust and confidence in consumers. Moreover, exceptional customer service fosters a sense of care and responsiveness, enhancing the overall brand experience. Additionally, the respondents revealed that experiential elements, such as personalized interactions and community engagement initiatives, contributed significantly to customers' emotional attachment to the brand. These factors collectively cultivated a strong sense of value beyond the tangible offerings, influencing customers' loyalty by fostering positive associations, emotional connections, and a perceived alignment with their values and preferences. Therefore, in relationship marketing, prioritizing these aspects alongside product excellence can solidify brand-consumer relationships and engender enduring loyalty in the dynamic landscape.

Raynaldi Lukito, (2022) agreed with the findings of the study in a study with the aim to explore the influence of perceived value and quality on customer satisfaction and loyalty within the context of auto parts products. Findings revealed that perceived quality significantly impacted customer satisfaction. The study established that although perceived quality doesn't directly affect customer loyalty, its influence is indirect. Additionally, the study revealed that perceived value perception significantly impacted customer satisfaction, and it directly and indirectly affected customer loyalty. Ultimately, customer satisfaction emerged as a key factor significantly influencing customer loyalty.

Besides, Engert and Baumgartner (2019) were also in agreement with the findings of the study when they carried out a study to investigate the factors behind the implementation of corporate strategy sustainability in the automotive sector. Findings indicated that PRI

had a direct positive influence on perceived value and customer loyalty. Moreover, perceived value mediated the relationship between PRI and customer loyalty. Additionally, RP moderated the effects of PRI. These findings suggested that retail managers could cultivate enduring relationships by focusing efforts on relationship-prone consumers, thereby enhancing perceptions of relationship investment, perceived value, and ultimately, customer loyalty.

4.4.4 Descriptive Statistics on Human Empathy

A Likert scale ranging between 1 and 5 was used to range the perceptions of respondents regarding statements presented on human empathy, results are presented in table 4.10.

Table 4.10:

Descriptive Statistics on Human Empathy

Statement	SD (F)	D (F)	N (F)	A (F)	SA (F)	N	Mean	Std. Dev
The company demonstrates empathy towards the needs and concerns of customers.	35	16	24	115	49	239	3.53	1.296
I feel understood and valued by the company when I interact with them.	6	19	21	109	84	239	4.03	0.993
The company's efforts to understand customers' perspective positively influence my loyalty towards them.	6	20	34	120	59	239	3.86	0.967
The company genuinely cares about my well-being and satisfaction of customers.	4	18	22	105	90	239	4.08	0.958

Source: Researcher (2025)

Findings presented in Table 4.10 indicate that respondents generally agreed that the company demonstrates empathy towards the needs and concerns of customers, as shown by a mean score of 3.53. A significant number of respondents agreed (115) and strongly agreed (49) with this statement.

Additionally, the results reveal that respondents felt understood and valued by the company during interactions, as indicated by a higher mean score of 4.03. Specifically, 109 respondents agreed and 84 strongly agreed, reflecting a strong consensus on this perception.

It is also evident that respondents agreed with the company's efforts to understand customers' perspectives positively influence their loyalty, with a mean of 3.86. This is supported by 120 respondents agreeing and 59 strongly agreeing with the statement.

Lastly, the findings show that respondents believe the company genuinely cares about their well-being and customer satisfaction, as reflected by the highest mean score of 4.08. Here, 105 respondents agreed and 90 strongly agreed, indicating a high level of perceived empath

4.4.4.1 How Empathy Shapes Customer Loyalty

This section of the study sought opinions of respondents on their feelings towards the companies' empathy and how this affected their loyalty. Respondents revealed that one memorable instance of experiencing genuine empathy from the company occurred during a period of personal difficulty when they faced unforeseen health challenges. They established that despite the fast-paced nature of the consumer goods industry, the company exhibited remarkable understanding and support. Not only did they

accommodate their needs by adjusting their workload and offering flexible hours, but they also extended emotional support, demonstrating a sincere concern for their well-being. This empathy significantly impacted their loyalty towards the company. Knowing that their employer genuinely cared about their welfare fostered a deep sense of trust and loyalty. It solidified their trust to the organization, making them feel valued not just as an employee, but as a person. This experience highlighted the importance of empathy in fostering strong relationships between companies and their customers, ultimately influencing loyalty in profound ways.

Simon and Ronoh (2017) agreed with the findings of the study when they conducted a study to investigate the impact of various dimensions of service quality and customer satisfaction on customer behaviors. Findings indicated that empathy played a prominent role, positively influencing customer satisfaction. Moreover, the study established that customer satisfaction significantly affected various dimensions of customer loyalty and disloyalty. The study underscored the importance of empathetic and customer-oriented behavior among frontline supermarket service employees, providing actionable recommendations for supermarket executives.

Besides, Knox and Prabhakar (2020) also agreed with the study's findings when they carried out a study that employed the SERVQUAL model to explore the influence of five dimensions of service quality and satisfaction in Malaysian hotel industry, particularly focusing on resort hotels. The findings underscored the significance of empathy, tangibles, and reliability in shaping overall customer satisfaction in the Malaysian resort hotel sector, while responsiveness and assurance were found to have less significant impacts. Notably, empathy emerged as the most influential predictor of

customer satisfaction among all dimensions studied. Moreover, the study revealed a positive relationship between customer satisfaction and loyalty within this context.

4.4.5 Descriptive Statistics on Customer Loyalty

A descriptive analysis was undertaken using a Likert's scale of between 1 and 5 with 1 implying that they strongly disagreed whereas 5 meant that they strongly with statements presented on customer loyalty. Findings are presented in Table 4.11.

Table 4.11:

Descriptive Statistics on Customer Loyalty

Statement	SD (F)	D (F)	N (F)	A (F)	SA (F)	N	Mean	Std. Dev
I feel a strong sense of loyalty towards our company.	4	14	25	120	76	239	4.05	0.899
I am likely to recommend our company to friends and family.	14	12	31	119	63	239	3.86	1.052
I am willing to pay a premium price for products or services offered by our company.	9	23	18	118	71	239	3.92	1.046
I trust our company to consistently meet the expectations and needs of customers.	7	21	34	97	80	239	3.93	1.045

Source: Researcher (2025)

Findings from the study shown in table 4.11 indicated that respondents agreed that they felt a strong sense of loyalty towards their company as shown by a mean of 4.05. Findings also revealed that respondents agreed that they were likely to recommend their company to friends and family as shown by a mean of 3.86. The findings further

revealed that they were willing to pay a premium price for products or services offered by their company as indicated by a mean of 3.92. In addition, findings revealed that respondents agreed that they trust their company to consistently meet the expectations and needs of customers as shown by a mean of 3.93.

4.5 Diagnostics Tests

Before actual regression analysis, the study carried out diagnostic tests to ascertain whether multi-linear regression model assumptions, including normality, linearity, homoscedasticity, and non-auto-correlation had been attained.

4.5.1 Auto-correlation Test

It was conducted with the use of the Durbin-Watson test ranging from zero to four, with a value between 1.5 and 2.5 indicating no autocorrelation. Values above 2.5 indicates negative auto-correlation whereas values below 1.5 suggests lack of auto-correlation. The findings were presented in table 4.12.

Table 4.12:

Auto-correlation Test

Model	Durbin-Watson
1	1.954

Source: Researcher (2025)

Table 4.12 revealed a score of 1.954 which suggested that there was no problem with serial autocorrelation in the empirical model.

4.5.2 Multicollinearity Test

This test was done to evaluate whether the independent variables were being affected by other independent variables. Value inflation factor (VIF) was used to determine the level of correlation with a scale running between 1 and 10. Results are presented in table 4.13.

Table 4.13:

Multicollinearity

	Collinearity Statistics		
	Sig.	Tolerance	VIF
Trust	.222	.512	1.954
switching cost	.000	.380	2.629
perceived value	.005	.351	2.853
Human empathy	.000	.385	2.595

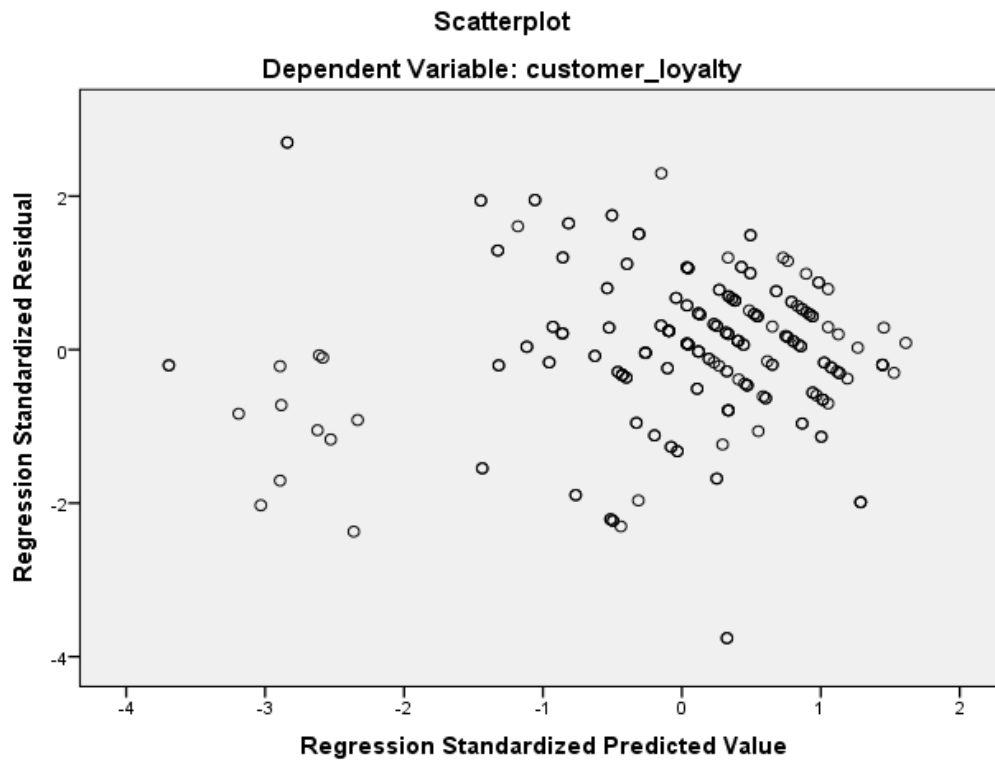
Table 4.13 revealed that Trust had a VIF of 1.954, Switching cost had a VIF value of 2.629, Perceived value had a VIF value of 2.853 whereas Human empathy had a VIF value of 2.595. From the analysis, therefore, it was established that the independent variables in the study did not have a problem of collinearity because the scores for VIF were all less than 5.

4.5.3 Test for Heteroscedasticity

Homoscedasticity presence is assumed where residuals are randomly spread around zero without any specific pattern. Shown in the below figure the residuals are spread randomly without any particular pattern suggesting presence of homoscedasticity.

Figure 4.1:

Test for Heteroscedasticity



4.5.4 Test for Normality

The Kolmogorov–Smirnov test and the Shapiro–Wilk test were used to test for normality in the data. Results are given in table 4.15.

Table 4.14:

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Trust	.176	239	0.669	.911	239	0.673
switching cost	.254	239	0.416	.845	239	0.489
perceived value	.193	239	0.312	.871	239	0.318

Human empathy	.199	239	0.729	.914	239	0.783
Customer Loyalty	.201	239	0.579	.864	239	0.508

a. Lilliefors Significance Correction

Results in table 4.15 show p-value of 0.673 under Shapiro-Wilk for trust and commitment which implying normal distributed since this p-value was greater than the chosen significance of 0.05. A p-value of 0.489 for switching cost, implying normal distribution because this p-value was greater than the chosen significance level of 0.05. Additionally, results revealed a p-value of 0.318 for perceived value denoting normal distribution. Besides, results reveal a p-value of 0.783 for human empathy, which was greater than the chosen significance of 0.05, which implied that the data used did not significantly vary from the normal distribution. Finally, results revealed a p-value of 0.508 for customer loyalty, which implied that data for customer loyalty was normally distributed because the data for all the variables did not significantly vary from the normal distribution.

4.6 Inferential Analysis

An conducted an inferential analysis which involved correlation analysis, simple linear regression analysis and multiple regression analyses was used.

4.6.1 Correlation Analysis

Correlation analysis was done between the independent variables and the dependent variables to test direction and strength of relationship.

Table 4.16:*Correlations Matrix*

		Customer Loyalty	Trust	Switching cost	Perceived value	Empathy
Customer Loyalty	Pearson	1				
	Correlation					
	Sig. (2-tailed)					
Trust	N	239				
	Pearson	.576**	1			
	Correlation					
Switching cost	Sig. (2-tailed)	.000				
	N	239	239			
	Pearson	.582**	.654**	1		
Perceived value	Correlation					
	Sig. (2-tailed)	.000	.000			
	N	239	239	239		
Empathy	Pearson	.492**	.600**	.428**	1	
	Correlation					
	Sig. (2-tailed)	.000	.000	.000		
	N	239	239	239	239	
	Pearson	.532**	.415**	.479**	.544**	1
	Correlation					
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	239	239	239	239	

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

Source: Researcher (2025)

The correlation matrix reveals significant relationships among customer loyalty, trust, switching cost, perceived value, and empathy. Customer loyalty exhibits a strong positive correlation with trust ($r = .576$, $p < .001$), switching cost ($r = .582$, $p < .001$), and perceived value ($r = .492$, $p < .001$). Trust also shows a robust positive association with switching cost ($r = .654$, $p < .001$) and perceived value ($r = .600$, $p < .001$). Switching cost correlates moderately with perceived value ($r = .428$, $p < .001$). Empathy positively correlates with customer loyalty ($r = .532$, $p < .001$), trust ($r = .415$, $p < .001$),

switching cost ($r = .479$, $p < .001$), and perceived value ($r = .544$, $p < .001$). These findings indicate that all variables are significantly interrelated, emphasizing their combined importance in fostering customer loyalty.

4.6.2 Simple Linear Regression Model

4.6.2.1 Influence of Trust, on Customer Loyalty

A simple linear regression analysis between the strength and direction of the relationship of the two variables was carried out in the form: $Y = \alpha + \beta_1 X_1 + \epsilon$ where Y was customer loyalty, β_1 was the coefficient for trust and X_1 was trust and commitment as the independent variable, and finally, ϵ was the error term. Findings are presented in table 4.16.

Table 4.16:

Regression on Trust, and Customer Loyalty

Model Summary						
Adjusted R						
Model	R	R Square	Square	Std. Error of the Estimate		
1	.387 ^a	.150	.146	.74433		
ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	23.129	1	23.129	41.747	.000 ^b
	Residual	131.305	237	.554		
	Total	154.434	238			
Coefficients						
		Unstandardized Coefficients	Standardized Coefficients			
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	3.013	.151		19.967	.000
	Trust	.261	.040	.387	6.461	.000

Source: Researcher (2025)

a. Dependent Variable: customer loyalty

b. Predictors: (Constant), Trust

Results of the study indicated an R-square of 0.150 associated with Trust and Customer loyalty which indicated that 15.0% of the changes in customer loyalty were as a result of trust, while other variables not in the model explained 85.0% on the analysis of variable, an F-ratio of 41.747 with a p-value of $0.001 < 0.05$ was obtained which implied that the model was fit to predict customer loyalty in fast moving consumer goods industry in Nairobi County. Besides, results revealed a β score of 0.261, and a p-value of $0.001 < 0.05$ between trust and customer loyalty among fast moving consumer goods industry in Nairobi County, signifying a positive and significant influence of trust on customer loyalty. The simple regression model can be written as follows: $Y = 3.013 + 0.261X_1 + \epsilon$. Rudzewicz and Strychalska-Rudzewicz (2021) agreed with the findings of the study in a research to assess the influence of brand trust and its components on consumer loyalty. Results indicated that brand trust significantly impacts consumer purchasing behavior and positively affects consumer loyalty. The study also highlighted the complexity of measuring brand trust but affirmed the suitability of the proposed dimensions and structure for assessing this phenomenon.

4.6.1.2.2 Influence of Switching Cost on Customer Loyalty

A simple linear regression analysis between the strength and direction of the relationship of the two variables was carried out in the form: $Y = \alpha + \beta_1 X_1 + \epsilon$ where Y was customer loyalty, β_1 was the coefficient for switching cost and the X_1 was switching cost as the

independent variable, and finally, ϵ was the error term. Findings are presented in table 4.17.

Table 4.17:

Regression on Switching Cost and Customer Loyalty

Model Summary						
	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.528 ^a	.279	.276	.68541		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.095	1	43.095	91.734	.000 ^b
	Residual	111.339	237	.470		
	Total	154.434	238			
Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.091	.198		10.569	.000
	Switching Cost	.463	.048	.528	9.578	.000

Source: Researcher (2025)

a. Dependent Variable: Customer loyalty

b. Predictors: (Constant), Switching Cost

Results of the study revealed an R-square of 0.279 associated with Switching cost and Customer loyalty which indicated that 27.9% of the changes in customer loyalty were as a result of switching cost, while other variables not included in the model explained 72.1% on the analysis of variable, an F-ratio of 91.734 with a p-value of $0.001 < 0.05$ was obtained which implied that the model was fit to predict customer loyalty in fast moving consumer goods industry in Nairobi County. Besides, results revealed a beta score of

0.463, and a p-value of $0.001 < 0.05$ between switching cost and customer loyalty among fast moving consumer goods industry in Nairobi County, signifying a positive and significant influence of switching cost on customer loyalty. The simple regression model can be written as follows: $Y = 2.091 + 0.463X_1 + \epsilon$.

Mwakithi (2017) agreed with the study's findings in a qualitative study that aimed to investigate the latter aspect by investigating the impact of sustainable service quality on customer loyalty, mediated by customer satisfaction, as per the reciprocity theory. Additionally, it explored the potential moderating effect of switching costs, drawing upon the Apostle model. The research posits that while a satisfied customer may demonstrate loyalty, the presence of low switching costs could undermine this relationship. Results indicate that while customer satisfaction significantly influences loyalty, the effect of switching costs was found to be insignificant. This suggests that even with low switching costs, a satisfied customer is likely to remain loyal.

4.6.1.2.3 Influence of Perceived Value on Customer Loyalty

A simple linear regression analysis between the strength and direction of the relationship of the two variables was carried out in the form: $Y = \alpha + \beta_1 X_1 + \epsilon$ where Y was customer loyalty, β_1 was the coefficient for perceived value and X_1 was perceived value as the independent variable, and finally, ϵ was the error term. Findings are presented in table 4.18.

Table 4.18:

Regression on Perceived Value and Customer Loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.523 ^a	.273		.270		.68827
ANOVA ^a						
Model	Sum of Squares		Df	Mean Square	F	Sig.
1	Regression	42.163	1	42.163	89.004	.000 ^b
	Residual	112.271	237	.474		
	Total	154.434	238			
Coefficients						
		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.249	.184		12.200	.000
	Perceived Value	.429	.045	.523	9.434	.000

Source: Researcher (2025)

a. Dependent Variable: customer loyalty

b. Predictors: (Constant), Perceived Value

Results of the study revealed an R-square of 0.273 associated with Perceived value and Customer loyalty which indicated that 27.3% of the changes in customer loyalty were as a result of perceived value, while other variables not included in the model explained 72.7% on the analysis of variable, an F-ratio of 89.004 with a p-value of $0.001 < 0.05$ was obtained which implied that the model was fit to predict customer loyalty in fast moving consumer goods industry in Nairobi County. Besides, results revealed a β score of 0.429, and a p-value of $0.001 < 0.05$ between perceived value and customer loyalty among fast moving consumer goods industry in Nairobi County, signifying a positive and significant influence of perceived value on customer loyalty. The simple regression model can be written as follows: $Y = 2.249 + 0.429X_1 + \epsilon$.

Raynaldi Lukito, (2022) in a study to explore the influence of perceived value and quality on customer satisfaction and loyalty within the context of auto parts products agreed with the findings of the study. Findings revealed that perceived quality significantly impacts customer satisfaction. Additionally, perceived value perception significantly impacts customer satisfaction, and it directly and indirectly affects customer loyalty. Ultimately, customer satisfaction emerges as a key factor significantly influencing customer loyalty.

4.6.1.2.4 Influence of Empathy on Customer Loyalty

A simple linear regression analysis between the strength and direction of the relationship of the two variables was carried out in the form: $Y = \alpha + \beta_1 X_1 + \epsilon$ where Y was customer loyalty, β_1 was the coefficient for empathy and the X_1 was empathy as the independent variable, and finally, ϵ was the error term. Findings are presented in table 4.19.

Table 4.19:

Regression on Empathy and Customer Loyalty

Model Summary						
	R	R Square	Adjusted R Square	Std. Error of the Estimate		
Model	R					
1	.571 ^a	.326	.323	.66295		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50.273	1	50.273	114.387	.000 ^b
	Residual	104.161	237	.439		
	Total	154.434	238			
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.

		B	Std. Error	Beta		
1	(Constant)	2.685	.125		21.523	.000
	Empathy	.355	.033	.571	10.695	.000

Source: Researcher (2025)

a. Dependent Variable: Customer loyalty

b. Predictors: (Constant), Empathy

Results of the study revealed an R-square of 0.326 associated with Empathy and Customer loyalty which indicated that 32.6% of the changes in customer loyalty were as a result of empathy, while other variables not included in the model explained 67.4% on the analysis of variable, an F-ratio of 114.387 with a p-value of $0.001 < 0.05$ was obtained which implied that the model was fit to predict the customer loyalty in fast moving consumer goods industry in Nairobi County. Besides, results revealed a β score of 0.355, and a p-value of $0.001 < 0.05$ between empathy and customer loyalty among fast moving consumer goods industry in Nairobi County, signifying a positive and significant influence of empathy on customer loyalty. The simple regression model can be written as follows: $Y = 2.685 + 0.355X_1 + \epsilon$.

Simon and Ronoh (2017) agreed with the findings of the study in an investigation on the impact of various dimensions of service quality and customer satisfaction on customer behaviors such as repurchase intention, word-of-mouth, complaining behavior, and price sensitivity. Additionally, exploring how service quality dimensions' influence customer satisfaction, findings indicated that empathy plays a prominent role, positively influencing customer satisfaction, repurchase intention, and word-of-mouth, while negatively affecting complaining behavior and price sensitivity.

4.6.3 Multi-Linear Regression Model

The study conducted a multi-linear regression model that included all the four variables in the form: $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$. to explain the model summary change as a result of including more variables, change in F-ratio and the regression coefficients changes. Results are presented in the overall ANOVA model summary, and the overall regression coefficients.

4.6.3.1 Overall Model Summary

R-square explains extent at which changes in independent variable explain the change in the dependent variables and the results are presented in table 4.20.

Table 4.20:

Overall Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.885 ^a	.783	.709	.50349

a. Predictors: (Constant), Trust, switching cost, perceived value, Empathy

Table 4.16 on the model summary indicate an R-square of 0.709, implying that: trust, switching cost, perceived value and human empathy explain 70.9% of the variations on customer loyalty. Other variables related to relationship marketing that were not included in the study accounted for 29.1% of the variations in customer loyalty.

4.6.3.2 Analysis of Variance

It is used to explain how fit and good the model is in predicting the dependent variables. Results of the analysis of variance are presented through the F-statistics shown in table 4.21.

Table 4.21:*ANOVAa*

		Sum of				
Model		Squares	Df	Mean Square	F	Sig.
1	Regression	95.115	4	23.779	93.801	.000 ^b
	Residual	59.319	234	.254		
	Total	154.434	238			

a. Dependent Variable: customer loyalty

b. Predictors: (Constant), Trust, switching cost, perceived value, Human empathy

Results in table 4.21 reveal an F-ratio of 93.801 (df= 4, 234) associated with a p-value of 0.001 which is below 0.05 implying that the model was a good fit in predicting customers' loyalty.

4.6.3.3 Overall Regression Coefficients

Regression Coefficients help in explaining the direction and the strength of the relationship of the independent variables and the dependent variable. p-values associated with the t-statistics tell whether the relationship is significant or insignificant. Results are presented in table 4.22

Table 4.22:*Overall Regression Coefficients*

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	1.674	.213			7.859	.000
Trust	.595	.055	.576		10.848	.000
switching cost	.261	.074	.233		3.544	.000
perceived value	.210	.074	.193		2.824	.005
Human empathy	.401	.068	.387		5.933	.000

Source: Researcher (2025)

a. Dependent Variable: customer loyalty

Results from table 4.22 showed that the constant had a $\beta = 1.674$, and t-statistics of 7.859 associated with a p-value of 0.001 implying that the constant in the model was significant in predicting customers' loyalty.

4.6.3.3.1 Relationship between Trust and Customer loyalty

Trust and customer loyalty revealed a $\beta = 0.595$, $t = 10.848$ associated with a p-value of $0.001 < 0.05$, indicating that trust positively and significantly affected customer loyalty. Rather, (2019) agreed with the findings of the study in a comprehensive model to examine the factors influencing customer behavioral intention of loyalty (CBIL) within the hospitality sector, focusing on customer brand identification (CBI), affective, customer satisfaction, and brand trust. Results revealed that CBI significantly impacts CBIL both directly and indirectly through affective trust, customer satisfaction, and brand trust. Additionally, the study revealed that affective trust, customer satisfaction, and brand trust emerged as direct predictors of CBIL, with the influence of customer satisfaction and brand trust also mediated by affective commitment.

Besides, Lui et al. (2019) was also in agreement with the findings of the study in a study on the impact of trust that entails placing confidence in someone and anticipating a positive response, while satisfaction stems from deriving pleasure from the fulfillment of one's expectations. Results revealed that customer trust, encompasses the thoughts, emotions, and behaviors exhibited when customers believe that a provider will act in their best interests. Moreover, reliability, reputation, and exceptional customer service

are essential for earning consumer satisfaction, thereby establishing a competitive advantage and mitigating brand crises. Ultimately, the study revealed that the primary objective of every provider is to cultivate trust and deliver maximum satisfaction to customers, aiming to secure their loyalty and drive business growth.

4.6.3.3.2 Relationship between Switching Cost and Customer Loyalty

Switching cost and customer loyalty revealed a $\beta = 0.261$, $t = 3.544$ that was associated with a p-value of $0.001 > 0.05$, therefore switching cost had a positive and significant relationship with customer loyalty of the company. Chung, et al. (2018) agreed with the study's findings when they carried out a study on high-tech Taiwan manufacturers' innovative strategy and the motivation for innovation on the implementation of the innovative activities. Central to this endeavor was the concept of switching costs, which serve as barriers preventing customers from defecting to competitors, thereby fostering long-term loyalty. Recognizing the significance of switching costs in maintaining customer loyalty, this paper endeavored to examine their role and efficacy in strengthening the bond between customers and companies. The study revealed that by leveraging switching costs as effective barriers, businesses could enhance customer retention and fortify their loyal customer base.

Mwakithi (2017) was also in agreement with the findings of the study in a qualitative study that aimed to investigate the latter aspect by investigating the impact of sustainable service quality on customer loyalty, mediated by customer satisfaction, as per the reciprocity theory. Additionally, the study explored the potential moderating effect of switching costs, drawing upon the Apostle model. Results indicated that while customer

satisfaction significantly influences loyalty, the effect of switching costs was found to be insignificant. This suggests that even with low switching costs, a satisfied customer is likely to remain loyal. However, it's noted that sustaining service quality longitudinally may not necessarily impact customer loyalty in the presence of low switching costs.

4.6.3.3.2 Relationship between Perceived value and Customer loyalty of the Company

Perceived value and Customer loyalty revealed a $\beta = 0.210$, $t = 2.824$ that was associated with a p-value of $0.001 < 0.05$, therefore Perceived value positively and significantly affected customer loyalty of the company. Raynaldi Lukito, (2022) agreed with the findings of the study in a study aimed at exploring the influence of perceived value and quality on customer satisfaction and loyalty within the context of auto parts products. Findings revealed that perceived quality significantly impacts customer satisfaction. Although perceived quality doesn't directly affect customer loyalty, its influence is indirect. Additionally, perceived value perception significantly impacts customer satisfaction, and it directly and indirectly affects customer loyalty. Ultimately, customer satisfaction emerged as a key factor significantly influencing customer loyalty.

Additionally, Engert and Baumgartner, (2019) agreed with the study's findings when they carried out a study to investigate the factors behind the implementation of corporate strategy sustainability in the automotive sector the significance of relationship marketing (RM) in fostering enduring customer relationships is widely acknowledged, yet understanding the optimal timing for retail managers to invest in such relationships remains limited. Findings indicated that PRI had a direct positive influence on perceived value and customer loyalty. Moreover, perceived value mediated the relationship

between PRI and customer loyalty. Additionally, RP moderates the effects of PRI. These findings suggest that retail managers can cultivate enduring relationships by focusing efforts on relationship-prone consumers, thereby enhancing perceptions of relationship investment, perceived value, and ultimately, customer loyalty.

4.6.3.3.3 Relationship between Human empathy and Customer loyalty of the Company

Human empathy and Customer loyalty revealed a $\beta = 0.401$, $t = 5.933$ associated with a p-value of $0.001 < 0.05$ indicating that human empathy had a positive and significant relationship with customer loyalty. Simon and Ronoh (2017) agreed with the findings of the study in an investigation on the impact of various dimensions of service quality and customer satisfaction on customer behaviors such as repurchase intention, word-of-mouth, complaining behavior, and price sensitivity. Additionally, it explores how service quality dimensions' influence customer satisfaction. Findings indicated that empathy played a prominent role, positively influencing customer satisfaction, repurchase intention, and word-of-mouth, while negatively affecting complaining behavior and price sensitivity. Moreover, customer satisfaction significantly affected various dimensions of customer loyalty and disloyalty. The study underscores the importance of empathetic and customer-oriented behavior among frontline supermarket service employees, providing actionable recommendations for supermarket executives.

Knox and Prabhakar, (2020) were also in agreement with the study's findings when they carried out a study that employed the SERVQUAL model to explore the influence of five dimensions of service quality (tangibles, reliability, responsiveness, assurance, and empathy) on customer satisfaction and loyalty within the Malaysian hotel industry,

particularly focusing on resort hotels. Notably, empathy emerged as the most influential predictor of customer satisfaction among all dimensions studied. Moreover, the study revealed a positive relationship between customer satisfaction and loyalty within this context.

The Multilinear regression model obtained was as follows; $Y = 1.674 + 0.595X_1 + 0.261X_2 + 0.210X_3 + 0.401X_4 + \epsilon$. Whereby Y was the Customers loyalty as the dependent variable; Trust and commitment (X_1), Switching cost (X_2), Perceived Value (X_3), Human empathy (X_4). Whereas the $\beta_1, \dots, \beta_4$ are the coefficients of the independent variables and ϵ the error term in the model.

CHAPTER FIVE

SUMMARY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter presents the summary of the key findings, conclusions obtained from the findings, and suggestions for further study.

5.2 Summary of Findings

5.2.1 Trust

The study found that respondents agreed that they trusted the brand to deliver on its promises regarding product quality and service, they believed that the brand was committed to building a long-term relationship with its customers. Results further indicated that respondents agreed that they felt confident that the brand prioritized their satisfaction and loyalty over short-term gains. Finally, the results indicated that respondents agreed that they were willing to invest time and effort into maintaining a relationship with the brand because of the trust they had in it. Overall, the results confirmed that trust was actively involved in fast moving consumer goods companies in Nairobi County. Further, the study found a p-value of $0.001 < 0.05$ between trust and customer loyalty in fast moving consumer goods companies in Nairobi County.

Atulkar, (2020) agreed with the findings of the study in a study to investigate the key emotional attachment constructs that play pivotal roles in cultivating brand trust and loyalty. The study underscored that brand loyalty wasn't solely influenced by emotional attachment precursors such as perceived quality, perceived value, customer satisfaction, and perceived differentiation, but also by brand trust itself. Moreover, the analysis

revealed that findings were moderated by different income groups, particularly with the high-income segment displaying heightened brand consciousness and loyalty.

5.2.2 Switching Cost

The study found that respondents agreed that the effort required to switch from their current provider to a competitor was high. Findings also found that respondents agreed that the financial investment needed to switch to a different provider was substantial. Further, findings found that respondents agreed that the time and energy required to learn how to use a new product or service from a different provider was significant. Finally, the study found that respondents agreed that the emotional attachment they had with their current provider made the idea of switching to another provider unappealing. The study also established a p-value of $0.001 < 0.05$ between switching cost and customer loyalty in fast moving consumer goods companies in Nairobi County.

Chung, et al. (2018) agreed with the findings of the study when they carried out a study on high-techno Taiwan's manufacturers' innovative strategy and the motivation for innovation on the implementation of the innovative activities. The study established that by leveraging switching costs as effective barriers, businesses enhanced customer retention and fortified their loyal customer base. The study came up with determinants of motivation considering word of mouth as an objective without specific objectives: the only major dimension considered by the study were the motivation for innovation and the innovative strategy.

5.2.3 Perceived Value

This study found that respondents agreed that the value-added services provided enhanced the overall satisfaction with their offerings, respondents agreed that compared to other competitors, they believed that their company offered superior value for the price. Additionally, the study found that respondents felt that the personalized attention and communication made them more loyal to their brand, further findings found that the benefits the respondents received from maintaining a relationship with their company outweighed any inconvenience or effort required. The study also found a p-value of $0.001 < 0.5$ between perceived value and customer loyalty in fast moving consumer goods companies in Nairobi County.

Hantiro and Maina, (2020) agreed with the study's findings when they conducted an empirical study examining how service quality and perceived value influence customer loyalty behavior via satisfaction. The findings indicated that service quality and perceived value exerted a significant positive impact on satisfaction, subsequently indirectly influencing customer loyalty. This study underscored the importance of providing quality services and perceived value to enhance customer satisfaction and foster long-term loyalty among consumers in the banking sector.

5.2.4 Human Empathy

The study found that that respondents agreed that the company demonstrated empathy towards the needs and concerns of customers. In addition, findings found that respondents agreed that they felt understood and valued by the company when they interacted with them. The findings also found that respondents agreed that the

company's efforts to understand customers' perspective positively influenced their loyalty towards them. Findings also found that respondents agreed that the company genuinely cared about their well-being and satisfaction of customers. The study established a p-value of $0.001 < 0.05$ between human empathy and customer loyalty in fast moving consumer goods companies in Nairobi County.

Knox and Prabhakar, (2020) agreed with the findings of the study when they carried out a study that employed the SERVQUAL model to explore the influence of five dimensions of service quality (tangibles, reliability, responsiveness, assurance, and empathy) on customer satisfaction and loyalty within the Malaysian hotel industry, particularly focusing on resort hotels. The findings underscored the significance of empathy, tangibles, and reliability in shaping overall customer satisfaction in the Malaysian resort hotel sector, while responsiveness and assurance were found to have less significant impacts. Notably, empathy emerged as the most influential predictor of customer satisfaction among all dimensions studied. Moreover, the study revealed a positive relationship between customer satisfaction and loyalty within this context.

5.2.5 What is New in the Research

Old focus:

Trust used to be the main brand relationship variable studied. The assumption: "If customers trust your brand, they will stay loyal."

What's new:

Studies now look at a **wider set of emotional and relational factors**, including:

- **Brand Communication:** How clearly, honestly, and frequently a brand talks to its customers (social media, packaging, advertising tone, etc.)
- **Emotional Attachment:** How emotionally connected customers feel to the brand (does it feel like “their” brand?)
- **Perceived care and relationship effort:** How much a brand seems to invest in the customer relationship.

Why this matter:

- Loyalty is no longer just logical — it's emotional. Customers stay loyal to brands they feel attached to.
- In Nairobi’s crowded FMCG market (many similar products), emotional attachment gives brands a competitive edge.

Most studies looked at traditional marketing efforts like discounts, loyalty cards, customer service, or mass advertising to build loyal.

Researchers are now paying special attention to influencer marketing using social media personalities or opinion leaders to promote FMCG brands.

Why this matter:

- Influencers shape how consumers feel about a brand, often more powerfully than ads or sales reps.
- In Nairobi, many FMCG brands (especially in beauty, fashion, health, and food) are using Instagram, TikTok, and YouTube influencers to create personal connections.
- One study (Kasarani, Nairobi) found influencer marketing explained **40%** of customer loyalty variation — that's a big impact.

- New research even looks at which influencer qualities matter most: e.g., trustworthiness, expertise, likability.

Implication:

FMCG firms are learning that who delivers the message can be as important as what the message says. Influencer marketing is now a core part of building loyalty — especially for youth-focused or lifestyle products.

Table 5.1:

Summary

Trend	Old Focus	What's New	Why It Matters
1. Influencer Marketing	Mass promotions or customer service	Social media influencers now used to build loyalty	Influencers build personal trust and emotional pull
2. Emotional Brand Relationship	Trust was the only variable studied	Communication, emotional attachment now included	Emotions + communication = stronger loyalty than trust alone
3. Mediating Variables	Direct link from marketing to loyalty	Now testing satisfaction & commitment as “middle steps”	Helps firms know what to measure and fix in their strategy

Source: Researcher (2025)

5.3 Conclusions

5.3.1 Trust

The study concluded that trust , positively and significantly influenced customer loyalty in fast moving consumer goods companies in Nairobi County hence rejecting the null hypothesis that trust does not have a significant influence on customer loyalty in fast moving consumer goods companies in Nairobi County (Atulkar, 2020; Lui et al., 2019; Rather, 2019; ;Rudzewicz & Strychalska-Rudzewicz, 2021) supported the study's findings where the scholars noted positive and significant relationships between trust and customer loyalty. The scholars similarly concluded that, reliability, reputation, and exceptional customer service are essential for earning consumer satisfaction, thereby establishing a competitive advantage and mitigating brand crises. Ultimately, the primary objective of every provider is to cultivate trust and deliver maximum satisfaction to customers, aiming to secure their loyalty and drive business growth.

The study is in support of the Social Exchange Theory which underscores the importance of trust in sustaining long-term relationships. Marketers can build trust by consistently delivering on promises, providing exceptional customer service, and demonstrating genuine concern for customers' needs. Through initiatives such as loyalty programs, personalized communication, and post-purchase support, businesses can strengthen customer trust, thereby enhancing customer loyalty and retention.

5.3.2 Switching Cost

The study concluded that switching cost had a positive and significant influence on customer loyalty hence rejecting the null hypothesis that: switching cost does not a significant influence on customer loyalty of fast-moving consumer goods companies in Nairobi County. Chung, et al. (2018) supported the findings arguing that by leveraging switching costs as effective barriers, businesses can enhance customer retention and fortify their loyal customer base. In addition, the study argues that coming up with determinants of motivation but rather considering word of mouth as an objective without specific objectives is the only major dimension considered by the study as the motivation for innovation and the innovative strategy.

The conclusions of the study are in support of the relational dialectics theory which informs strategies for fostering customer loyalty by addressing the novelty-predictability tension. Marketers can introduce innovative products and experiences to captivate customers' interest while also providing consistency and reliability in service delivery. By acknowledging and managing these dialectical tensions, businesses can cultivate enduring relationships with customers built on mutual trust, respect, and satisfaction.

5.3.3 Perceived Value

The study concluded that perceived value positively and significantly influenced customer loyalty therefore rejecting the null hypothesis that: perceived value does not significantly influence customer loyalty of fast-moving consumer goods companies. The findings of the study are in support of the social identity theory which suggests that relationship marketing emphasizes building strong connections with customers to foster

loyalty and long-term relationships. Social Identity Theory suggests that customers form social identities based on their affiliation with certain brands or companies. By understanding customers' social identities and group affiliations, marketers can tailor their strategies to enhance customers' sense of belonging and strengthen their loyalty to the brand. Furthermore, perceived value, which is a key concept in relationship marketing, can be influenced by customers' social identities.

5.3.4 Human Empathy

This study concluded that human empathy positively and significantly influenced customer loyalty therefore rejecting the null hypothesis that: human empathy does not have a significant influence on customer loyalty of fast-moving consumer goods companies. Researchers who were in support of the conclusions include (Rofiaty, 2019) who carried out a study to explore the indirect impact of employee empathy on service loyalty, mediated through the intervening variables of trust in and satisfaction with service employees during service interactions. Findings indicated a significant relationship between employee empathy and trust in service employees, as well as satisfaction with service employees during customer-employee interactions. Moreover, satisfaction with service employees demonstrated a significant influence on service loyalty during service interactions. This research contributed to a deeper understanding of empathy's role and its impact on interactions between service employees and customers. It offered valuable insights for service managers and frontline service employees on fostering empathy to cultivate trust and satisfaction among customers.

The conclusions of the study are in support of the social network theory which informs strategies for cultivating customer loyalty by recognizing the importance of network ties and interpersonal connections. By fostering strong ties with customers and cultivating brand communities, businesses can enhance customer engagement, encourage repeat purchases, and stimulate positive word-of-mouth referrals. Additionally, by leveraging the power of social networks, businesses can amplify the impact of loyalty programs, incentives, and personalized interactions, thereby strengthening the bond between customers and the brand. Ultimately, social network theory offers a valuable lens through which to analyze and understand the complex interplay between social relationships, marketing strategies, and customer loyalty in today's interconnected world.

5.4 Recommendations

The current study presented policy recommendations and suggestions for further research guided by the conclusions of the study and major findings. The study also recommended future studies that were guided by the identified gaps in the study, conceptual, methodological, and empirical gaps were presented.

5.4.1 Policy Recommendations

5.4.1.1 Trust

The study recommends that fast moving consumer goods companies in Nairobi County to uphold the high standards of product quality and service that have earned customer trust. Additionally, they should implement personalized loyalty programs and proactive communication initiatives to deepen engagement and foster lasting connections. Moreover, fast moving goods companies should emphasize long-term value creation

over short-term gains to ensure sustained customer satisfaction, while actively seeking feedback and interaction from customers to strengthen their investment in the relationship. Lastly, they should stay attuned to evolving customer sentiments and market dynamics allowing for timely adjustments to strategies, maintaining the brand's relevance and competitiveness.

5.4.1.2 Switching Cost

The study recommended that fast moving consumer goods should focus on minimizing the effort required for transition by offering dedicated support and simplifying procedures. Additionally, they should focus on financial incentives such as discounts which can help offset the perceived costs of switching, while investing in user-friendly interfaces and comprehensive training materials to ease the learning curve associated with adopting new products or services. Moreover, building strong emotional connections with customers through personalized communication and loyalty programs could be crucial for fostering loyalty and reducing the reluctance to switch. Ultimately, by prioritizing customer experience and satisfaction, providers can overcome these barriers and improve customer retention rates effectively.

5.4.1.3 Perceived Value

The study recommends that fast moving consumer goods companies should capitalize on implementing strategies to further solidify and expand customer relationships. Companies should involve investing in ongoing training programs for staff members to enhance their empathy and communication skills, ensuring consistent delivery of exceptional customer experiences across all touchpoints. Additionally, companies

should leverage customer feedback mechanisms, such as surveys or feedback forms to provide valuable insights into evolving customer needs and preferences, guiding the development of tailored solutions and services. Furthermore, cultivating a customer-centric culture within the organization, where every employee is empowered to prioritize customer satisfaction, could foster long-term loyalty and advocacy. Lastly, it is recommended integrating technology solutions like customer relationship management (CRM) systems to streamline customer interactions and personalize communications could further enhance the overall customer experience for fast moving consumer goods companies.

5.4.1.4 Empathy

The study recommends that fast moving consumer goods companies should reinforce their empathetic approach by integrating them into various aspects of its operations. This can include training employees to actively listen and respond with empathy during customer interactions, implementing feedback mechanisms to continually gauge customer sentiment and needs, and leveraging technology to personalize experiences based on individual preferences. Furthermore, the study recommended that the companies should prioritize transparency and accountability, openly communicating their commitment to understanding and addressing customer concerns. By consistently demonstrating empathy and a genuine desire to meet customer needs, companies can cultivate stronger relationships, foster loyalty, and differentiate themselves in a competitive market landscape.

5.4.2 Suggestion for Further Research

The current study's variables could only explain 79.2% of the variations in customers' loyalty and other variables related to relationship marketing that were not included in the study accounted for only 20.8% of customers' loyalty variations, a future study can include more direct and indirect variables/control variable such as mediating or moderating variables like cultural factors or even a mediating variable like customer satisfaction.

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APPENDICES

Appendix I: Introduction Letter

My Name is Raiton Sababe, I am a student at Kenya Methodist University undertaking a Master of Business Administration. As a requirement for the fulfilment of the Master degree, I intend to carry out research on: Influence of Relationship Marketing on Customer Loyalty in Fast Moving Consumer Goods (FMCG) Companies. Kindly spare some time to complete the questionnaire attached herein. The information given will be handled with utmost confidentiality.

Yours faithfully,

Raiton Sababe.

Consent is given

Yes []

No []

If No, why.....

Appendix II: Questionnaire

Instructions: Please Tick appropriately

Section I: Demographic Information

1. Gender

Male ☐ Female ☐

2. Age

Below 25 years ☐ Between 26 and 35 years ☐

Between 36 and 45 years ☐ Above 45 years ☐

3. Level of Education

Certificate ☐ Diploma ☐

Bachelor Degree ☐ Postgraduate Degree ☐

Section II: Trust and Commitment

4. Please indicate the extent to which Trust and Commitment apply in relationship marketing using a Likert scale Where: 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= strongly Agree.

Statement on Trust and Commitment	1	2	3	4	5
I trust the brand to deliver on its promises regarding product quality and service.					
I believe that the brand is committed to building a long-term relationship with its customers.					
I feel confident that the brand will prioritize my satisfaction and loyalty over short-term gains.					
I am willing to invest time and effort into maintaining a relationship with the brand because of the trust I have in it.					

5. Can you describe a specific experience with a brand that made you trust them more and strengthened your commitment to their products or services?.....

.....

6. How do you think brands can effectively build trust and commitment with their customers in the context of relationship marketing, beyond just offering quality products or services?

.....

.....

.....

Section III: Switching Cost

7. Please indicate the extent to which the following Switching cost in relationship marketing using a Likert scale Where: 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= strongly Agree.

Statement on Switching Cost	1	2	3	4	5
The effort required to switch from my current provider to a competitor is high.					
The financial investment needed to switch to a different provider is substantial.					
The time and energy required to learn how to use a new product or service from a different provider is significant.					
The emotional attachment I have with my current provider makes the idea of switching to another provider unappealing.					

8. Describe a time you thought about switching providers but chose not to. What made you stick with your current provider?.....

.....

9. How do you think companies can reduce the challenges customers face when considering switching to a competitor?

.....

.....

.....

Section IV: Perceived Value

10. Please indicate the extent to which perceived value is related to relationship marketing using a Likert scale Where: 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= strongly Agree.

Statement on Perceived Value	1	2	3	4	5
The value-added services provided enhance the overall satisfaction with their offerings.					
Compared to other competitors, I believe that our company offers superior value for the price.					
I feel that the personalized attention and communication make me more loyal to our brand.					
The benefits I receive from maintaining a relationship with our Company outweigh any inconvenience or effort required.					

11. Share a memorable experience where a company went above and beyond in providing value or personalized service. How did this experience impact your loyalty to the company?.....

.....

.....

12. What aspects beyond the products/services offered by your preferred brands contribute most to your sense of value? How do these factors influence your loyalty to those brands?.....

.....

.....

Section V: Empathy

13. Please indicate the extent to which empathy is related to relationship marketing using a Likert scale Where: 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= strongly Agree.

Statement on Empathy	1	2	3	4	5
The company demonstrates empathy towards the needs and concerns of customers.					
I feel understood and valued by the company when I interact with them.					
The company's efforts to understand customers' perspective positively influence my loyalty towards them.					
The company genuinely cares about my well-being and satisfaction of customers.					

14. Describe a time when you felt the company showed genuine empathy. How did it affect your loyalty?

.....

.....

.....

15. How do you think the company could improve its empathy towards customers? How might this impact loyalty?

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.....

Section VI: Customer Loyalty on FMCG

16. Please indicate the extent to which customer loyalty on FMCG has improved using a Likert scale Where: 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= strongly Agree.

Statement on Customer Loyalty	1	2	3	4	5
I feel a strong sense of loyalty towards our company.					
I am likely to recommend our company to friends and family.					
I am willing to pay a premium price for products or services offered by our company.					
I trust our company to consistently meet the expectations and needs of customers.					

17. Could you describe a recent experience where you felt particularly loyal to a company or brand? What factors contributed to this sense of loyalty?

.....

.....

.....

19. In your opinion, what strategies or actions could a company take to strengthen its relationship with its customers and foster greater loyalty?

.....

.....

.....

Appendix V: List of FMCGs

- 1) Africa Spirits Limited
- 2) AfricaSokoni
- 3) Apollo Agriculture
- 4) Bidco Africa Limited
- 5) British American Tobacco Kenya plc
- 6) Broadway Bakery
- 7) Brookside dairy limited
- 8) Capitol Caterers Limited
- 9) Carrefour Kenya
- 10) Chandaria Industries Limited
- 11) Coca-Cola Kenya
- 12) Colgate-Palmolive East Africa Ltd
- 13) Copia Global
- 14) Del Monte Kenya Limited
- 15) East African Breweries Ltd
- 16) Farmers choice
- 17) Farmula
- 18) Fertiplant East Africa Limited
- 19) Haco Industries Ltd Kenya
- 20) Harleys Limited
- 21) Home Afrika Limited
- 22) KAPA Oil Refineries Limited
- 23) Karabach Media
- 24) Kenafric Industries
- 25) Kenblest Group
- 26) Kenya Breweries Limited
- 27) Kenya Nut Company Limited
- 28) Kevian Kenya Limited
- 29) Maisha Flour mills
- 30) MarketForce
- 31) Menengai Oil Refineries
- 32) Naivas Limited
- 33) Nestlé Kenya Limited
- 34) Oriflame Kenya
- 35) Premier food industries limited
- 36) Propack Kenya Ltd

- 37) Pwani Oil refineries limited
- 38) Pz Cussons East Africa
- 39) Realtime Logistics Solutions Ltd
- 40) Reckitt Benckiser (EA) Ltd
- 41) Tarpo industries limited
- 42) TopUp Mama
- 43) Trufoods Limited
- 44) Unga Group Limited
- 45) Unilever Kenya Limited

Source: KPMG (2023)

Appendix III: NACOSTI License

 REPUBLIC OF KENYA Ref No: 348723	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION RESEARCH LICENSE Date of Issue: 30/April/2024
 This is to Certify that Mr. RAITON SABARE MULIMA of Kenya Methodist University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2012 (Rev.2014) in Nairobi on the topic: INFLUENCE OF RELATIONSHIP MARKETING ON CUSTOMERS LOYALTY IN FAST MOVING CONSUMER GOODS INDUSTRY IN NAIROBI COUNTY for the period ending : 30/April/2025. License No: NACOSTI/P/24/05130 Applicant Identification Number 348723	Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION Verification QR Code 
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Appendix IV: Research Permit from KeMU


Kenya Methodist University
P. O. Box 267-60200, Meru, Kenya, Tel: (+254) 724 256 162, 064-3131279/097 Email: vice.chancellor@kemu.ac.ke, Website: www.kemu.ac.ke

April 4, 2024

TO WHOM IT MAY CONCERN

RE: RAITON SABABE MULIMA BUS-3-4089-3/2013

This is to confirm that the above named is a student in the Department of Business Administration, in this university, pursuing a Master of Business Administration.

As a requirement, the student is expected to undertake an independent **primary research** in their area of specialization.

The purpose of this letter is therefore: to introduce the student to you and request you to allow him undertake the research in your organization.

The student has been advised to ensure that all data and information from the organization is treated with utmost confidentiality and only used for academic purposes unless otherwise stated.

Any assistance accorded to him will be highly appreciated.

Yours faithfully,


Dr. Lucy Ikara, PhD.
Registrar (Academic Affairs)



Nairobi Campus: KeMU Towers, University Way, P. O. Box 45243-80100, Nairobi, Tel: +254-20-2119445/2248173/2247670/725-751670 • Email: principal.nairobi@kemu.ac.ke
Mombasa Campus: Former Oshwal Academy, P. O. Box 89683, Mombasa, Tel: +254 - 041-2485645 / 4 • Email: director.mombasa@kemu.ac.ke
The Future is Here!