CUSTOMER RELATIONSHIP MANAGEMENT ON CUSTOMER SATISFACTION IN KENYAN MULTINATIONAL COMPANIES: A CASE STUDY OF LABOREX KENYA

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ABSTRACT

Multinational pharmaceutical & consumer goods companies have adopted CRM in order to ensure customer satisfaction all round in order to penetrate into the local market that is highly dominated with a large number of local manufacturers and distributors. The general objective of this study was to establish customer relationship management on customer satisfaction in multinational companies in Kenya focusing on Laborex Kenya Ltd. The specific objectives of this study included; to establish extent to which quality service affects customer satisfaction, to determine how customer complaint management affects customer satisfaction and to evaluate the effect of customer communication on customer satisfaction in Laborex Kenya Ltd. This study adopted a descriptive survey. The researcher adopted quantitative approach. The target population was 150 staff from three departments as well as 450 customers. The researcher used 10% of the target population. This gave a sample size of 15 staff and 45 customers. The study used a questionnaire as a primary data collection tool. For the secondary information, the researcher got information from the website and existing publications on CRM. The data was analyzed and presented in frequencies, and percentages for easy understanding. Descriptive statistics and correlation for any relationship and cross tabulations for comparisons were done. The findings of this study was that there was a good strategy in Laborex Company Ltd to enhance quality service. These were; they talked to customers in a friendly manner, they sent birthday wishes to their customers, among others. The company had delegated one person to be in charge of all complainints of the customers. This is the person who had the responsibility of responding to the complaints from customers and apologize on behalf of the company. This created effective communication between customers and employees. As far as communication was concerned the top management gave information on time to employees on procedures and activities to take place. The findings also showed that the company had a challenge in sending employees for further studies on new ways of attracting new customers. The recommendations of this study were that the company should impove on training of employees, usage of high technology to serve customers and providing online suggestion boxes for complaints and compliments within the company.

Key Words: Quality Services, Complaint Management, Communication, Customer Relationship Management
INTRODUCTION

In the mid-twentieth century, mass production techniques and mass marketing changed the competitive landscape by increasing product availability for consumers across the globe. However, the purchasing process that allowed the shopkeeper and customer to spend quality time getting to know each other, customers lost their uniqueness, as they became an “account number” and shopkeepers lost track of their customers’ individual needs as the market became full of product and service options. These has also fundamentally changed. In recent years, companies have realized that a critical success factor is not a single transaction, but the creation of a long-term relationship by the method of Customer Relationship Management (CRM) (Ampoful, 2012). Nowadays, most organizations have adopted customer-centered philosophy to fulfill the customer needs and to enhance perceived values of customer hence adopting customer-centric strategies aimed at maintaining and enhancing relationships with existing customers are important for survival (Krishnamoorthy and Srinivasan, 2013). According to Chaffey (2009), CRM is a marketing led approach to building and sustaining long term business with customer.

In the current business world, where competition among companies has become increasingly fierce, companies need to differentiate themselves from other companies in order to keep their relationships with their customers. Since this emphasis on customer relations created a paradigm shift from transactional marketing to relationship marketing (Kyung, 2013). The development of the business world that is increasingly going forward caused the onset of an increasingly tight competition. One way to maintain the viability of the company is to maintain good relations with customers. Because of the research retain existing customers much easier compared to get new customers. Very important to know and meet customer needs quickly and precisely. The presence of the CRM will be able to resolve the issue above because the goal of CRM is to get at the core of the concept of customers who are unclear and put it in the frame of the application. In the process, CRM shows how marketing works and the system that is running must be able to support the e-commerce environment. In globalization, increasing competition and advances in information and communication technology has forced companies to focus on managing customer relationships in order to efficiently maximize revenues. CRM is the key competitive strategy businesses need to stay focused on the needs of the customers and to integrate a customer facing approach throughout the organization. At this point, close relationship with customers will require a strong coordination between IT and marketing departments to provide a long-term retention of selected customers (Ozgener, 2006).

In creating customer satisfaction, the company should be able to enhance customer value, product quality and service quality. According to Isnadi (2005) customer value can be created through the service quality provided by the company to its customers. The better service quality, will be increasingly higher customer value to the company. The high quality of service is also not escape the internal corporate support, particularly support of its human resources. In addition to increasing customer value company is also not biased to forget about the type and quality of its products. Companies with this type of product which is very innovative, high quality with competitive price so it can compete with other similar products will be able to attract more customers. The more innovative a product so that it can meet all the needs of customer, it will be increasingly higher customer satisfaction. The companies are practicing elements of an approach to marketing that uses continuously refined information about current and potential customers to anticipate and respond to their
needs. Many businesses today realize the importance of CRM and its potential to help them achieve and sustain a competitive edge. These organizations are already changing their business processes and building technology solutions that enable them to acquire new customers, retain existing ones, and maximize their lifetime value (Isnadi, 2005).

Many companies today in the developed world are racing to re-establish their connections to new as well as existing customers to boost long-term customer loyalty. Some companies are competing effectively and winning this race through the implementation of relationship marketing principles using strategic and technology-based customer relationship management (CRM) applications. Customer Relationship Management (CRM) is a strategic approach that marketers implement to manage customer interactions in an organized fashion. Buttle and Maklan (2009) describe CRM as a disciplined practice developed in organizational management to build and maintain profitable consumer relationships. CRM programs manages all aspects of interaction a consumer has with a company which includes prospecting, sales and service. In short CRM methodologies are designed to provide insight in company/client relationships to help improve them. One way of doing this is showing appreciation to clients and making them feel valued. For example, a mortgage and loan broker will send out a thank you gift to a borrower that just closed on a loan to help show appreciation for their business. This maneuver is effective in building a relationship with the client that can help encourage repeat business and new referrals. Customers that feel special and have a positive experience with an organization tend to remain loyal to the brand.

CRM is about making each and every customer feel like they have a one-to-one relationship with an individual. Effective CRM gives the opportunity to show customers that the company knows and recognizes/appreciates them, understands and cares about their needs, questions and concerns and that it wants to deliver services and products they need the most at their interest. In addition, CRM also benefits a company by allowing them to develop superior services and products that meet customers’ identified needs, enhance marketing towards the most profitable customers to improve company’s bottom line, improve efficiency by providing support and services to customers. Lambert (2009) stated CRM as a strategic, process-oriented, cross-functional, value-creating for buyer and seller, and facilitate for accessing superior financial performance. However, people require for a more holistic view of cross-functional as it is associated with CRM. He described a macro level cross-functional view of CRM and provided a structure for managing business-to-business relationships to co-create value and increase shareholder value. Further he reported in a framework that managers could implement a cross-functional, cross firm CRM process in business-to-business relationships.

In Kenya maintaining relationships with customers and offering them absolute customer satisfaction by most companies seems is the foremost agenda of industries these days. CRM seems to offer the much needed strategy and solution to keep customers happy, smiling and connected with the organization across their lifetime. CRM has multiple facets and implications for the organizations that always seem to be eager to go that extra mile in order to be able to retain their customer base, prevent cannibalization from competitors and for keeping their loyal customers coming back to them for more. Ryals (2005) in his research demonstrated that the implementation of CRM activities deliver greater profits. The lifetime values of customers in two longitudinal case studies revealed that customer management strategies changes with respect to the value of the customer. Thus CRM works and a reasonably straightforward analysis
of the value of the customer can make a real difference.

Among multinationals operating in Kenya now the concept of CRM brings better performance of the firm through appropriate measurement and management of customer relationships. The comprehensive revenue and cost data specific to individual customers or customer segments results the firms to adjust their CRM strategies (Vasiliu, 2012). It is the newest and the most innovative innovations of recent time in order to provide better service to customer. CRM is always a helpful tool for the management and customer service stuffs which cope up with customer concerns and issues. CRM involves accumulating a lot of data about the customer. And when all the data of customer are being captured, it is then used to facilitate customer service transaction by making the information needed to resolve the issue or concern readily available in order to deal with the customers.

**Statement of the Problem**

Currently because of registered rates of competition in different industries and sectors of the economy such as the distribution and manufactory industries globally and locally, consumers have several choices and preferences depending on service delivery, customer service and product quality. This research proposal would be important to multinational companies facing stiff competition from local and other multinational companies in terms of customer satisfaction and winning a larger market share as well as enjoying high profits as a result proper customer relationship management leading to customer satisfaction. Multinational consumer goods companies have adopted CRM in order to ensure customer satisfaction all round in order to penetrate into the local market that is highly dominated with a large number of local manufacturers and distributors. Customer relationship management ensures the relationships with customers increase the organization’s market share by integrating technology, procedures and people. CRM exists to maintain the customers and increase their satisfaction and the organization’s profit. Customer satisfaction is the main element in a successful CRM implementation for retaining customers (Long, Khalaf nezhad, Ismail and Rasid, 2013). In modern business, if any competitor wants to gain additional market share, with no doubt he/she has to handle customers in an effective and efficient way. As such Laborex Kenya is one of those Multinational Companies adopting such a system. Since a large percentage of customer interactions will occur on the Internet between the organization, customers, people (employees), employees must adapt to the changing and unpredictable market through use of technology. There are many steps involved in the planning and implementation of an effective CRM program. Baack and Clow (2012) explains that the objective of relationship marketing is to understand how consumers behave and what they want. By establishing direct communication through methods that include surveys, gifts, promotions, and service lines, companies can establish more personal relationships with their clientele through this interaction and the data they collect. Corporate advertisers implement various methods of CRM strategies, all of them however, begin with strong database and information collection systems.

Various studies have been carried out on this CRM. Globally, Ganguli and Roy (2011) studied the factors affecting customer satisfaction in the Indian retail banking sector, Simmon (2015) did a study on relationship between CRM usage, customer satisfaction and revenue Khong Kok Wei, Mahendhiran Nair (2006) carried out a study on the effects of customer service management in Malaysian Banking Industry. Locally, Odhiambo et al., (2014), carried out a study on assessment of CRM in business sustainability, Makena(2012) studied the role of CRM in building competitive advantage in mobile phone operators in Kenya.
Wanjau (2013) did a study on effects of CRM on customer retention in Commercial Banks in Kenya. This study sought to analyze the Customer Relationship Management strategies that are being used by Kenya Commercial Bank to retain and attract new customers. Nyongesa (2006) studied the analysis of application of customer relationship marketing strategies by classified hotels in Kenya where it was established that hotels were losing customers because of the low quality of services offered in some of the hotels. Koskei (2014) carried out a study on customer relationship management practices in the hotel industry in Kenya. While these studies have touched on the subject of CRM they did not specifically touch on firms dealing in pharmaceutical which leads to the current study. For this reason, carrying out a study on the roles of customer relationship management on customer satisfaction in multinational companies in Kenya a case study of Laborex Kenya Ltd was appropriate. Laborex Kenya Ltd engages in pharmaceutical, parapharma, consumer importation & distribution. Since CRM represents a fundamental shift in emphasis from managing product portfolios to managing portfolios of customers. This study therefore sought to establish customer relationship management and customer satisfaction in multinational companies focusing on Laborex Kenya Ltd.

**General Objective**

The general objective of this study was to establish customer relationship management on customer satisfaction in multinational companies in Kenya focusing on Laborex Kenya Ltd. The specific objectives were:

- To establish the effect of quality service on customer satisfaction in Laborex Kenya Ltd.
- To determine how customer complaint management affects customer satisfaction in Laborex Kenya Ltd.

- To evaluate the effect of customer communication on customer satisfaction in Laborex Kenya Ltd.

**LITERATURE REVIEW**

**Theoretical Framework**

**Disconfirmation Theory**

Disconfirmation theory argues that ‘satisfaction is related to the size and direction of the disconfirmation experience that occurs as a result of comparing service performance against expectations’. Szymanski and Henard found in the meta-analysis that the disconfirmation paradigm is the best predictor of customer satisfaction. Ekinci et al (2004) cites Oliver’s updated definition on the disconfirmation theory, which states “Satisfaction is the guest’s fulfilment response. It is a judgement that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment, including levels of under- or over-fulfilment”.

Customer satisfaction is the extent to which customers are satisfied with their purchased goods and services (Boone & Kurtz, 2013). Customer satisfaction is a statement to the buyer about the appropriateness of the reward, received in exchange for the service experienced. Every firm tries to fulfill customers’ needs, desires, wants, aims and expectations. Therefore, production and marketing department collaboratively produce economic utility for customers. Customer satisfaction is generally understood as the pleasure of using product and service. Customer satisfaction is the voice of customer that will differ from person to person. It is an appraisal of how products and services of a company meet up or exceed customer anticipation. Jeong and Lee (2010) defined customer satisfaction as: customers’ satisfaction is an emotional (sentimental) reaction or a manner of interactive recognition and perception, customers’ satisfaction is a response to the
specific concentration on the expectations of production and the experience of using services and consumption, Customers’ satisfaction is a judgmental reflection of customers about a product or service during the time period of its usefulness. Customers’ satisfaction is a summary of the psychological manner in which a composite of customers’ feeling about the unexplained expectations and his/her previous consumption experiences are encompassed.

Cognitive Dissonance Theory

Festinger’s (1957) cognitive dissonance theory suggests that we have an inner drive to hold all our attitudes and beliefs in harmony and avoid disharmony (or dissonance). Attitudes may change because of factors within the person. An important factor here is the principle of cognitive consistency, the focus of Festinger’s (1957) theory of cognitive dissonance. This theory starts from the idea that we seek consistency in our beliefs and attitudes in any situation where two cognitions are inconsistent. Cognitive dissonance is a psychological phenomenon which refers to the discomfort felt at a discrepancy between what you already know or believe, and new information or interpretation. It therefore occurs when there is a need to accommodate new ideas, and it may be necessary for it to develop so that we become “open” to them makes the generation of appropriate dissonance into a major feature of tutorial (and other) teaching: he shows how to drive this kind of intellectual wedge between learners’ current beliefs and "reality". Marketers should also be careful that the message which will be delivered to the target customers must be free from any dissonance. That is it must be matched with the customer’s culture, values, belief, religious value, political philosophy, emotional reaction. Thus a marketer may bring change in consumer’s attitudes by influencing their cognition.

Leon Festinger (1957) proposed cognitive dissonance theory, which states that a powerful motive to maintain cognitive consistency can give rise to irrational and sometimes maladaptive behavior. According to Festinger, we hold much cognition about the world and ourselves; when they clash, a discrepancy is evoked, resulting in a state of tension known as cognitive dissonance. As the experience of dissonance is unpleasant, we are motivated to reduce or eliminate it, and achieve consonance (i.e. agreement). Cognitive dissonance was first investigated by Leon Festinger, arising out of a participant observation study of a cult which believed that the earth was going to be destroyed by a flood, and what happened to its members — particularly the really committed ones who had given up their homes and jobs to work for the cult — when the flood did not happen. While fringe members were more inclined to recognize that they had made fools of themselves and to "put it down to experience", committed members were more likely to re-interpret the evidence to show that they were right all along (the earth was not destroyed because of the faithfulness of the cult members). According to cognitive dissonance theory, there is a tendency for individuals to seek consistency among their cognitions (i.e., beliefs, opinions). When there is an inconsistency between attitudes or behaviors (dissonance), something must change to eliminate the dissonance.

Dissonance can be reduced in one of three ways: First, individuals can change one or more of the attitudes, behavior, beliefs etc. so as to make the relationship between the two elements a consonant one. When one of the dissonant elements is a behavior, the individual can change or eliminate the behavior. However, this mode of dissonance reduction frequently presents problems for people, as it is often difficult for people to change well-learned behavioral responses (e.g. giving up smoking).

A second (cognitive) method of reducing dissonance is to acquire new information that outweighs the dissonant beliefs. For example,
thinking smoking causes lung cancer will cause dissonance if a person smokes. However, new information such as “research has not proved definitely that smoking causes lung cancer” may reduce the dissonance.

A third way to reduce dissonance is to reduce the importance of the cognitions (i.e. beliefs, attitudes). A person could convince themself that it is better to live today than to save for tomorrow. In other words, one could tell himself/herself that a short life filled with smoking and sensual pleasures is better than a long life devoid of such joys. In this way, he would be decreasing the importance of the dissonant cognition (smoking is bad for ones health).

Notice that dissonance theory does not state that these modes of dissonance reduction will actually work, only that individuals who are in a state of cognitive dissonance will take steps to reduce the extent of their dissonance. One of the points that dissonance theorists are fond of making is that people will go to all sorts of lengths to reduce dissonance.

### Conceptual Framework

![Conceptual Framework](image)

**Quality Service**
- Prompt Service
- Timely Delivery
- Individualized Customer Attention
- Error Free Records

**Customer Complaint Management**
- Culture
- Principles
- People
- Process

**Communication**
- Bonding
- Trust
- Empathy
- Shared

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**Figure 1: Conceptual Framework**

*Source: Researcher (2016)*

**Quality Service**

Quality is combined features of a service that is able to bring satisfaction (Akbar & Parvez, 2009). It is evident that customer service is very important for a business’s success. The saying ‘the customer is always right’ has been made the basis of organizations. These points to the fact that customer service is the foremost principle of most of the firms. The importance of keeping personalized customer service is reflected in a firm’s ability to remain competitive in a tough and very competitive business environment. The human touch created goes a long way in establishing a strong relationship between the two parties which is the foundation of the future success of the business (Siboe, 2006).

Boon-itt and Rompho, (2012) stated that anything that can be done to make each customer feel that they have had the firms complete attention and have been dealt with personally increases their sense of satisfaction. Individualized customer attention will lead to a customers sense of being treated highly which will then result to customer satisfaction. Capturing and retaining customers is a fundamental factor of a company’s ability to instill confidence. This communicates reliability, their representatives and agents are ready to support them when needed, and that customers records are error free (Safwan et al., 2010). Providing accurate records of contact with the customer will help in continuity of relationship between the firm and the customers (Ouyung, 2010). Business records can be maintained manually, computerized on a spreadsheet online. A firm should ensure the system it uses is easy to operate and complements the business for employees to keep records as required (Abdullah & Arikiasamy, 2013).
Mudassar et al., (2013) argued that however skilled you are at workplace, always provide customers with exceptional service as desired. These includes providing timely responses to customer questions and inquiries, and informing your clients promptly. Greeting them warmly, involving them to determine what they have come for, and responding promptly and accurately to inquiries show customers’ quick understanding of the firm. Failure to do so can result in lost business or damage a firm reputation (Kariru & Aloo, 2014). Being reluctant to return calls or fulfill orders may lead to loss of customers. The customers may be pushed to switch to another company. They may also engage in negative word of mouth due to the dissatisfaction felt (Armstrong, 2012).

Dharmalingam et al., (2011) assert that customers expect firms to treat them in a consistent way and that they will do what they say they will do promptly. The customer will not be satisfied if he or she does feel that the services offered mostly delay. It brings doubt about the competence of the service provider (Ramzi, 2010). The service that the employees provide and the relationships they build are vital to success of customer satisfaction. The employees need to understand, believe in and be proud of the firm they are a part of. This will lead them to serving their customers promptly (Al-Rousan & Mohamed, 2010). Untimely response to customer requests is one of the stamps of poor customer service. Customers want to feel valued. They want to know their presence and input to the business is appreciated. However when customers feel neglected and unappreciated, there are high chances that they will move to the next competitor (Klemz & Boshoff, 2011).

For customers to have a tip of satisfaction, willingness should always be maximized (Jayanthy & Umaran, 2012). Geetika and Nandan (2010) cited that to deliver the quality of service that a firm expects hiring and recruiting staff that are willing to assist customers is a prerequisite. In the recruitment environment, a firm has to compete with similar firms to get the best people with this kind of attitude. Atlik and Arslan (2009) stated that proving to customers that one is willing to assist them at their point of need is one of the most vital aspects of customer retention and satisfaction.

The perfect product now requires caring, friendly people to deliver it. One can visualize just how a product and its delivery work together to determine satisfaction in a timely fashion. In our world of iPhones, customers get to decide what is and isn’t an appropriate timeline. A perfect product delivered late by friendly, caring people is the equivalent of a defective one. According to Singh (2006), one of the fundamentally important drivers of organizational success is that enterprisers must take the needs and wants of their customers into account. Researcher; Ciavolino & Dahlgaard (2007), Singh (2006); Carpenter (2008); Bridson et al (2008) paid attention to the importance of customer satisfaction, loyalty and retention have been continuously paid attention worldwide.

Customer Complaint Management
Customer complaint is a complex combination of psychology and behavior, involving many aspects such as reason, motive and way of act. So there are many different interpretations about its intension. Kolis and Jirinova, report that customer complaint is individual behavior to convey negative information about products or services to the enterprises or third-entities, which indicates that the characteristic of customer complaint behavior is to convey negative information (Kolis & Jirinova, 2013). Service breakdowns and other problems experienced by customers are crucial emotional moments in a business relationship. Therefore, solving these problems will have an outsized impact on your business success. That’s why you need an effective problem resolution process. Effective
problem resolution sounds like a modest goal. Fornell (2007) addresses the role of complaint in customer-company relationship. Yuen and Chan (2010) assert that in today’s competitive grocery store sector, customer demands are bound to increase from time to time due to the improvement of service quality in parallel with product variety. Due to the tremendous growth of service industry in which retailing sector plays an important role, it is vital for retailers to understand the degree of importance of listening to the inner voice of customers’ needs to create, increase level of satisfaction. Ultimately, effective satisfaction leads to prospective long term relationship and loyalty through repeating purchase and recommendation, which helps retailers maintain their market share and position. Consumer’s needs have become sophisticated and it is imperative that grocery stores look for building long term and stable relationships with their customers as a way of driving satisfaction up since satisfaction does translate later into loyalty and retention.

According to Ombudsman (2012), effective complaint management handling is fundamental to the provision of a quality service. The three steps in an effective complaints process enabling complaints which means that the complaints process is client focused, visible, accessible, and valued and supported by management. Step two entails responding to complaints whereby complaints are responded to promptly and handled objectively, fairly and in confidence. Remedies are provided where appropriate. In relation to step three this involves accountability and learning this has clear accountabilities for complaint handling and complaints are used to stimulate agency improvements.

According to Reddick, (2011) an effective complaints process should aim to achieve the following: A user friendly System; Complaints are heard and understood: Complaints are respected: explanations and apologies are provided where appropriate. Action is taken as soon as possible; clear delegations and procedures for staff to deal with complaints and provide remedies; a recording system to capture complaints data; the use of complaint data to identify problems and trends; and an outcome of improved service delivery in identified areas.

Stojkovic, Djordjevic & Sajfert, (2012) in their study they are of the opinion that the company must value complaints and recognize that effective complaint handling will benefit its reputation and administration. Complaints can: highlight weaknesses in an agency’s policies, procedures and service delivery; and stimulate an agency to improve its business. Good complaint handling will: reassure people that the agency is committed to resolving problems and improving relations with the public; and improve the agency’s accountability and transparency. An effective complaints process must be modeled on the principles of: fairness, accessibility; responsiveness; and efficiency. Complaint handling must also be integrated with the core business of the agency.

The staff who handle complaints must be skilled in their role and have a positive attitude when dealing with complainants. They should be chosen for that function and be fully trained in the work of the agency and in exemplary complaint handling practices. They should receive effective supervision and regular feedback about their work. Most researches on customer complaints consider customer dissatisfaction as the antecedent of customer complaint. This design places complaints between customers and loyalty, the immediate consequences of increased customer satisfaction are decreased customer complaints and increased customer loyalty. On the other hand, Kim & Young-Gul Kim (2009) found that the use of systematic procedures for capturing customer feedback and complaints had a direct and positive influence on satisfaction. Hasan, Ali., & Hadi, (2012) argued that both the
content and process of consumer complaint management create opportunities for strengthening organizational performance and increasing customer satisfaction. Payne & Frow, (2006) in their study states that not all dissatisfied customers express their dissatisfaction directly toward sellers. Some consumers may take no action; some ones may complain to their friends and relatives or even third parties (e.g., consumers’ association or courts). Direct complaint, private complaint and the third complaint. Direct complaint means that consumer complains to individuals or organizations involved in the dissatisfying consumption and external of his social circle such as shopkeepers; Private complaint represents consumer complains to individuals or organizations that not directly involved in the dissatisfying exchange and are internal to the consumer’s social circle such as friends and relations; Third-party complaint represents consumer complains to individuals or organizations that are external to the consumer’s social circle and not directly involved in the dissatisfying exchange such as law institution, media.

At present, many firms pay great attention to customer complaint, and some ones even take the number of customer complaints as an important measure way about satisfaction. They try to increase customer loyalty by reducing customer complaints, but this approach is not satisfactory. Some statistics indicate that encouraging dissatisfied customers to complain directly is a cost efficient way to improve satisfaction and loyalty (Ozgener & Rifat, 2006). Customers, complaining directly with high expectations over a firm, are still in the hope of changing and unwilling to abandon the firm immediately. If their complaints could be dealt with well, some dissatisfied customers will be turned into satisfied ones and have a favorable view of the firms, then the overall customer satisfaction will increase. The complains contain a lot of important information such as product design, quality control and improvement of management, which are helpful to the firms for providing more satisfactory products and services (Sweeney & Joffre, 2008).

Communication

Communication is the third dimension of relationship marketing. Desire to communication refers to positive and open attitude of a company and pairing communication with its customers honestly and timely. Different institutions often have different attitudes for exchanging information with their customers (Peng & Trinkness, 2014). Business dictionary defines customers as a party that receives or consumes products (goods or services) and has the ability to choose between different products and suppliers.

Communication is an effective relationship which creates strategy, helps to resolve the differences of coordinated goals and reveals new value which generates opportunities. Effective communication accelerates positive interactions and increases customer satisfaction (Hau, 2012).

Chuang, & Hong-Nan (2013) illustrated that e-mail marketing keeps relationships strong. Build your reputation as an expert by giving away some free insight. An easy way to communicate is with a brief e-mail newsletter that shows prospects why they should buy from you. For just pennies per customer, you can distribute an e-mail newsletter that includes tips, advice and short items that entice consumers and leave them wanting more. E-mail marketing is a cost-effective and easy way to stay on customers’ minds, build their confidence in your expertise, and retain them. Contacts and customers who find what you do interesting or valuable will forward your e-mail message or newsletter to other people, just like word of mouth marketing. Channels of Accessibility, prior to the technology revolution, there were primarily three methods for the customer to interact with product/service providers: voice (phone), face to face or snail mail.
Advances in technology over the years have added at least five additional channels to the list: email, web chat, SMS, phone apps, and social media. Bonding is the second dimension of relationship marketing. Bonding is the objective and intention of one party of the relationship for continuing and maintaining the relationship with the other party. Rashid defines bonding as desire to maintain a valuable relationship (Rashid, 2003). Bonding has been described as continuous desire and maintaining an important relationship which might need short term devotion (Twang and Stringer, 2008). Bonding has been defined as the highest level of communication (Ramon and Moliner, 2013). Customers who have strong relationship with organizations through this bonding are more satisfied than those without such a relationship (Haw, 2012).

Trust is the first dimension of the dimensions of relationship marketing. Trust believes that both parties in the commercial relationship always and freely say the truth (Kunz, 2010). Trust is the fundamental factor which enables people to build relationship in the uncertainty (Chen and Liu). Also it is vital factor for creating strong customer relations and obtaining market share and it must be achieved before customer satisfaction (Yu and Tung, 2013). Empathy may facilitate communication between buyers and sellers and in turn, increase the buyer perception of how industry performs. Institutions/organizations which understand desires and demands of their customers better, they can satisfy their customers better (Hau, 2012).

Communication satisfaction is the summing of an person’s satisfaction which is saturated from information flow and relationship variables (Kim, Hyung-Su & Young-Gul, 2009). According to Keyton (1991) communication satisfaction is a global communication dimension which has influenced by different variables. The measurement of employee communication satisfaction has been an significant element of organizational communication audits (Sweeney & Joffre, 2008). Communication satisfaction construct has been applied in three discrete areas which are interpersonal, group and organizational communication satisfaction. For instance, Hecht (1978) developed an instrument for measuring interpersonal relationships named The Interpersonal Communication Relationship Inventory. Interpersonal Communication Relationship Inventory has been qualified for use in various organizations (Faizan et al., 2011). Nevertheless, the communication satisfaction questionnaire has been one of the most widely employed instrument in different sectors and organizations (Bull, 2009).

Maister (2008) discussed that an organization that works to satisfy and cares about employees will have employees reciprocate their actions by working harder and increasing profits. These companies have the philosophy that if employees are satisfied then more work can be completed and can lead to more profit. Employees might like the job because the organization is concerned with their thoughts and this might guide them into work more often because it is a place of enjoyment and fulfillment. On the other, it includes estimates of whether or not people's attitudes toward communicating are healthy in the organization. Communication is one of the most important components used to meet organizational goals and objectives. These goals are achieved through the stimulation and motivation of employees via organizational communication (Vasiliu, 2012).

Customer Satisfaction

Cengiz (2010) Customer satisfaction can be experienced in a variety of situations and connected to both goods and services. It is a highly personal assessment that is greatly affected by customer expectations. Satisfaction also is based on the customer’s experience of both contact with the organization and personal outcomes.

This design places complaints between customers and loyalty, the immediate consequences of
increased customer satisfaction are decreased customer complaints and increased customer loyalty. On the other hand, Kim & Young-Gul Kim (2009) found that the use of systematic procedures for capturing customer feedback and complaints had a direct and positive influence on satisfaction. Customers express their satisfaction in many ways. When they are satisfied, they mostly say nothing but return again and again to buy or use more. When asked how they feel about a company or its products in open-ended questioning they respond with anecdotes and may use terminology such as delighted, extremely satisfied, very dissatisfied etc. Collecting the motleys variety of adjectives together from open ended responses would be problematical in a large survey. To overcome this problem market researchers ask people to describe a company using verbal or numeric scales with words that measure attitudes.

**Empirical Review**

Globally Ganguli and Roy (2011) studied the factors affecting customer satisfaction in the Indian retail banking sector. Online structured questionnaire developed to determine the factors for customer satisfaction was distributed among the respondents. The dimensions were identified using an exploratory factor analysis (EFA). Next the reliability and validity of the factors for customer satisfaction were established through confirmatory factor analysis (CFA). The paper identifies four generic dimensions in the technology-based banking services customer service, technology security and information quality, technology convenience, and technology usage easiness and reliability. It was found that customer service and technology usage easiness and reliability have positive and significant impact on customer satisfaction.

The study , did not consider elements such customer complaint management which is very crucial in ensuring that there is no customer whose complaint remains unresolved or settled within a day so that they can walk out of the bank very happy and satisfied. Simmon (2015) did a study on relationship between CRM usage, customer satisfaction and revenue. The study provided evidence to business executives that CRM use has a strong positive influence on revenue. Additionally, this study supported the findings of other studies that showed a point of diminishing returns in improved customer satisfaction. This study contributed to positive social change by allowing firms to make better decisions with their investment dollars and by increasing CRM utilization through cause-related marketing. The study did not cover anything on variables such as quality of service which remains a key element in CRM.

Locally, Nyongesa (2006) studied the analysis of application of customer relationship marketing strategies by classified hotels in Kenya where it was established that hotels were losing customers because of the low quality of services offered in some of the hotels. While Kosgei (2014 )carried out a study on customer relationship management practices in the hotel industry in Kenya and found out that several hotels weren’t doing good in terms of customer attraction and retention because most of the hotels had not adopted CRM. While these studies have touched on the subject of CRM they did not specifically touch on firms dealing in pharmaceutical which leads to the current study. For this reason, carrying out a study on the roles of customer relationship management on customer satisfaction in multinational companies in Kenya would be appropriate. Laborex Kenya Ltd engages in pharmaceutical and fast consumer goods distribution and marketing. Since CRM represents a fundamental shift in emphasis from managing product portfolios to managing portfolios of customers.

**RESEARCH METHODOLOGY**

This study adopted a descriptive survey. The researcher also adopted quantitative approach. This approach was used because data
collection from various sources increases the trustworthiness and validity of data (Yin 2003; Saunders et al 2003). The target population was multinational companies in Kenya which comprises of employees and customers. A population of 45 key customers average customers per week within Nairobi who bought products/services from Laborex as well as 15 staff from three departments was targeted. This sample was selected because it had information required.

The researcher employed purposive sampling method for employees & convenience sampling for customers. The study used a questionnaire as a primary data collection tool. The study was more interested in gathering primary data, though secondary data was used to back up the collected data. The questionnaire was administered to the respondents by the researcher and for the respondents who were busy, it was self administered through a method of drop and pick. The questionnaire was having both open ended and closed ended questions prepared to generate information comprehensive data from the respondents. The questionnaire was structured in English. For validity, the researcher administered 5 questionnaires to 5 staff members & 7 questionnaires to 7 customers who were not part of the study. This was done through convenience sampling method and Cronbach’s Alpha was calculated. The collected data was cleaned to remove any unnecessary information that could have been collected from the field and also to add more information that was needed for the success of the study. Quantitative data was coded and entered into Statistical Package for Social Sciences (SPSS). The data was analyzed and presented in frequencies and percentage for easy understanding. Descriptive statistics and inferential statistics were used to show the relationship between variables and cross tabulations for comparisons.

RESULTS AND DISCUSSION

60 questionnaires were distributed to the respondents and all the respondents gave their contribution which gave a response rate of 100%. This response rate was considered extremely high to adequately represent the population targeted by the researcher.

Responses of employees on Quality service

The study showed that the employees had different strategy to work on quality service. Among them 100% agreed that employees assisted the customers to get what they wanted and on time, and 100% agree that the employees interacted well with the customers whenever they were approached. The majority 80% agree that the customers were served promptly once they came in the firm. This study concurs with Maklan (2009) who describes CRM as a disciplined practice developed in organizational management to build and maintain profitable consumer relationships. The employees tried to build this relationship with the customers through the above strategies which in return would bring out quality service. Therefore, customers felt special and had a positive experience with an organization’s service provision hence tend to remain loyal to the company’s brands.

Effective CRM gave customers an impression that the company knew and recognized/appreciated them, understood and cared about their needs. This study showed that 80% agreed that the company sent a birthday wishes to each and every customer of the company. However, 50% said that the firm sent the employees for further studies in order to have adequate skills to improve their service. 6.7% remained neutral and 43.7% disagreed with the statement. This showed that there was room for improving on the the number of employees to be sent for further studies.

Responses of customers on quality service

The study showed that 88.9% agreed that the customers were served quickly and on time, while, 86.7% agreed that the services given were
promptly and systematic. For the company to maintain the relationship with the existing customers they sent the end year gifts to the customers whereby 70% agreed that they have received end year from the company. The study showed that 91.1% agreed that their ordered products were provided on time and in good condition. This concurs with Isnadi (2005) who says that customer value can be created through the service quality provided by the company to its customers. In creating customer satisfaction, the company should be able to enhance customer value, product quality and service quality. The good packaging of products brought out the product quality. However, the customers who participated in this study found 60% were not conversant with technology used by the company, because they were not able to view most of the product images online and couldn’t place orders online. Therefore, the firm needed to update and sensitise the customers on its technological platform used by the company to be able to attract online customers.

**Responses of employee on Customers complaints management**

The study showed that 100% agreed that the feedback from the customers about products was well welcomed in the company. The company valued the complaints of the customers. This concurs with Stojkovic, Djordjevic & Sajfert, (2012). In their study they were of the opinion that the company must value complaints and recognize that effective complaint handling will benefit its reputation and administration. The company had someone to handle complaints of the customers. This person had the responsibility of being in touch with each and every customer about his/her complaint/complement. This was confirmed by 100% of the respondents agreed that they had received apologies or explanations from the company regarding their complaints. This strategy concurs with Ombudsman (2012). He says effective complaint management handling is fundamental to the provision of a quality service.

In one of his three steps of handling complaints, he emphasizes more to responding to complaints promptly and handled objectively, fairly and in confidence, because remedies are provided where appropriate. The study showed that the firm had a challenge of not providing to the customers a box for complaints and compliments, whereby 86.7% agreed with the statement and 13.3% remain neutral to this matter.

**Responses of customers on Customers complaints**

The research showed how the customers were satisfied on the way their complaints were handled. 91% disagreed that they had registered complaints. This showed that they were happy with the service delivered by the company. The findings of this study showed that 100% of the respondents had received explanations or apologies to their complaints. The customers also were satisfied with the management of their complaints, whereby 86.6% agreed that their complaints were heard and solved. However, the challenge of not providing a forum /box for complaints or compliments remained the same to both employees and the customers.

**Responses of employees on Customer communication**

The study showed that that there was effective communication within the company. This was because, 100% agree that the customers were free to share information with existing media provided by the company, and 100% agree that top management shared information with employees on how to improve their service to the customers. The findings of this study showed that 100% agree that Detailed feedback to customers was provided in the company for customer satisfaction. The researcher agreed with others scholars about effective communication. Hau, 2012 sees Communication as an effective relationship which creates strategy, helps to resolve the differences of coordinated goals and reveals new value which generates opportunities.
Effective communication accelerates positive interactions and increases customer satisfaction. Chuang, & Hong-Nan (2013) illustrated that e-mail marketing keeps relationships strong. All these means of communication were used in the company.

**Responses of customers on customer communication**

Results showed that the customers were satisfied with the service they get from the company as far as information was concerned. The company allowed communication, whereby 100% agreed that they were allowed to give their feedback about the quality of service of this company. This was because 64.4% said that they could share their views about service delivery via existing media while, 35.6% disagreed with the statement. Therefore, there was need to take through the customers on new technology used by the company. There was freedom in sharing information, because 100% agreed that they could share their views about service delivery via existing media. Customers enjoyed friendly communication between employees whereby, 100% agreed with the statement.

**Regression analysis**

Table 1: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.832a</td>
<td>.692</td>
<td>.640</td>
<td>.43416</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Quality service, customer complaints, communication

Table 1 showed that there were three independent variables that were studied which was 69% customer satisfaction in multinational companies in Kenya as represented by the $R^2$. This therefore, means that other variables not studied in this research contributed 31% of factors that contribute to customer satisfaction in Laborex Kenya.

**Table 2: ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>5.071</td>
<td>2</td>
<td>2.536</td>
<td>13.453</td>
<td>.001b</td>
</tr>
<tr>
<td>Residual</td>
<td>2.262</td>
<td>12</td>
<td>.188</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7.333</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer satisfaction in multinational companies.
b. Predictors: (Constant), Quality service, customer complaints, communication.

The p-value is 0.001 which is less than 0.05 (level of significance) thus the model is statistically significant in predicting how quality service, customer complaints and communication influence customer satisfaction in multinational companies in Kenya. The $F$ critical at 5% level of significance was 2.82. Since $F$ calculated (13.453) is greater than the $F$ critical, this shows that the overall model was significant.
Relationship between Variables

Table 3: Relationship between the variables

<table>
<thead>
<tr>
<th></th>
<th>Correlations</th>
<th>Quality service</th>
<th>Customer complaints</th>
<th>Customer Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>customer satisfaction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td>.722**</td>
<td></td>
<td>.167*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.002</td>
<td>.553</td>
<td>.024</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td>.722**</td>
<td>1</td>
<td>.577*</td>
</tr>
<tr>
<td>Quality service</td>
<td>Sig. (2-tailed)</td>
<td>.024</td>
<td>.024</td>
<td>.297</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Customer complaints</td>
<td>Sig. (2-tailed)</td>
<td>.553</td>
<td>.097</td>
<td>.297</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td>.577*</td>
<td>.577*</td>
<td>.289</td>
</tr>
<tr>
<td>Communication</td>
<td>Sig. (2-tailed)</td>
<td>.024</td>
<td>.024</td>
<td>.297</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
</tbody>
</table>

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

Table 3, showed that there was a strong significant relationship between quality service and customer satisfaction of r=0.722. There was also a moderate positive relationship between communication and customer satisfaction of r=0.577. Lastly there was a weak positive linear relationship between customer complaints and customer satisfaction of r=0.167. This means that the most important effect of customer satisfaction were quality service, communication lastly customer complaints. The first two elements played a great role in customer satisfaction.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

The study found that the company worked through the quality service by creating a close relationship with the customers. This was when they sent the birthday wishes to the customers; employees responded promptly to the needs of the customer and helped them to get what they wanted on time. The customers felt special and had a positive experience with an organization and tend to remain loyal to the brand. However, both customers and employees addressed the issue of having skills and knowledge in order to be able to handle different types of customers who consummmed their services. This was because how skilled one was at workplace, always provided customers with exceptional service as desired (Mudassar et al.,2013). The company also needed to keep taking through the customers and employees to the new technology and new products introduced to the company in order to attract many customers and maintain the existing ones.

The study found out that the company had an established strategy of managing the complaints of customers. There was someone in charge of complaints of the customers. This person was in charge of receiving feedback from the customers about their satisfaction with the services provided
by the company. He/she responded to each and every complaint of customers and where it was necessary; he/she apologised to the customers on behalf of the company. The customers were very satisfied, because their complaints were heard and solved amicably. However, both employees and customers found that it was important for the company to provide the box of complaints and complements that was missing within the company, in order to assist those customers who access different offices of the company.

Lastly the study found that there was effective communication between employees and customers. This was enhanced by top management who shared information with employees on how to improve their service to the customers. The information shared was rich in content and contained all details required to improve their services. There was freedom of expression because customers were free to share information with existing media. This had brought out customers satisfaction and made the company to be the best in creation the relationship with employees and customer. However, some employees needed to improve their skills in customer satisfaction through the acquiring regular trainings on how to address to the customers from different background.

The study concluded that more strategies to satisfy customers were required in order to be more relevant among other competitors in the same business. The company had to adopt customer-centered philosophy to fulfill the customer needs and to enhance perceived values of customer hence adopting customer-centric strategies aimed at maintaining and enhancing relationships with existing customers for the survival of the company.

Conclusion

The study concluded showing that there was positive significant relationship between quality service and customer satisfaction in multinational companies in Kenya. Customers were satisfied by the services and products offered by the company. The company created the relationship with the customers through the good service delivery like helping them to get what they wanted on time and being promptly and systematic to serve the customer. The quality of product was added value through the good packaging of the products. The customers were satisfied by the services offered by the company because they were allowed the send their feedback about the quality of services.

The study concluded also showing that there was weak positive relationship between customer complaints and customer satisfaction in multinational companies in Kenya. The company had put in place the strategy of managing the complaints of the customers by allocating one person in charge of listening and responding to the complaints of the customers effectively.

Lastly the study concluded that there was a moderate positive relationship between communication and customer satisfaction in multinational companies in Kenya. There was effective communication within the company. The top management needed to increase regular trainings of employees because of changes in world’s marketing trends and in order to keep up with the pace.

Recommendations

The IT manager in the company should facilitate automated email responses to customer on receipt of emails on either orders placed or complaints received via email, the customers to access products on sale online easily. The success of customer satisfaction in multinational companies is based on technology. Technology enabled companies owners to improve on quality service, and quality of product. IT has increased the level of competition in the service /manufacturing industry. Every provider in their toes to integrate the new technologies in order to satisfy their customers.
Skills and knowledge are the main factors of quality service. The study reveals that there is a challenge in training employees on new technological use. Therefore, the researcher recommends that the top management should design the program that can update the employees to the new technology used by the company as far as customer satisfaction is concerned.

There is effective communication in the company. This shows by good relationship between employees and top management and employees and customers. Therefore the researcher recommends that effective relationship between the people within the company and customers should continue. However, the top management should control it to make it relevant for business.

The top management should also provide e-card for customer appreation for different departments. This is to enhance trust. The customers will be directly involved in the business of the company.

**Suggestion for Future Research**

This study focused on the roles of customer relationship management on customer satisfaction in multinational companies in Kenya. The same study can be conducted in local companies. Further studies can be also done to the factors affecting the customer relationship management on customer satisfaction.
REFERENCES


Wanjau (2013), effects of CRM on customer retention in Commercial Banks in Kenya

Simmon,(2015), relationship between Customer Relationship Management usage,customer satisfaction and revenue.