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Relationship Marketing and Customer Loyalty in Selected Merchandise Enterprises in Uganda

Relationship marketing has been put forth as a way for firms to develop mutually beneficial relationships with customers (Grönroos, 1994). It is most effective where there is high interaction between the seller and the customer and where both are interested in relationship building activities. Past studies give some insight into the nature and importance of relationships between merchandise enterprises and their customers (Paulin et al., 1998), but some questions remain unanswered. This, therefore, prompted research with three (3) objectives which were the understanding of how customer satisfaction is related to relationship marketing and to show how the latter influences the former, the establishment of the relationship between customer satisfaction and customer loyalty and the assessment of the impact of relationship marketing on customer loyalty in merchandising enterprises in Uganda. The purpose of this research was to investigate the correlation between relationship marketing and customer loyalty in selected merchandise enterprises in Uganda, and also to examine whether - after the implementation of relationship marketing, customer loyalty was strengthened.

A survey of ten (10) merchandises was conducted within Kampala district. All five (5) divisions were visited and responses were gathered from customers by encouraging them to answer structured questions in a questionnaire, guiding them towards the purpose of the research. It was found that there is a positive relationship between customer satisfaction and customer loyalty, and that the elements of trust, commitment, communication and customer satisfaction are vital in relationship marketing and do apply in the merchandise industry in Uganda.

Key Words: Relationship, Marketing, Customer, Merchandise, Enterprises