RELATIONSHIP MARKETING AND CUSTOMER LOYALTY AMONG DEPOSIT-TAKING SACCOS IN WESTERN KENYA

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A Research Thesis Submitted in Partial Fulfilment of the Requirements for the Award of the Degree of Master in Business Administration (Marketing Option), Masinde Muliro University of Science and Technology

June, 2024

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The practice of building a relationship with customers to cultivate their preferenceconcept of cultivating customer preference through building relationships has been developing since the mid-20th century (Rosário & Casaca, 2023; Masika & Simiyu, 2019). In the financial sector, the aim of relationship marketing is to enhance customer loyalty, increase engagement, and establish long-term connections with consumers (Johanesová & Vaňová, 2020). Relationship marketing is the practice of creating and nurturing long-term, mutually beneficial connections between organizations and their customers, employees, and stakeholders (Afifi & Amini, 2019). By consistently fostering these connections, brands can effectively deliver value and cultivate customer loyalty (Kaunda, Thuo & Kwendo, 2023).

Globally, Relationship Marketing (RM) is widely recognized as an effective strategy for attracting, maintaining, and enhancing customer relations in commercial enterprises (Chakiso, 2017). In recent years, significant changes in policy, governance, structure, and status have occurred in the financial sector worldwide. These changes are guided by standardized practices implemented by International Monetary Funds and The World Bank (Central Bank of Kenya, 2022). As a result, the survival of Savings and Credit Societies (SACCOS) and other financial institutions in today's competitive environment depends heavily on their strategic positioning in the market. This includes strategic planning of marketing activities, effective use of marketing communication tools, and sustainable management practices in the face of globalization and competition (Omboi, 2022).

In the United States of America, Canada, the UK, New Zealand and Australia, New Zealand, where financial institutions operate in a market where nearly all citizens are SACCO customers, there is a growing trend towards marketization as Savings and Credit Institutions enhance their marketing strategies to retain their customers (Masika and Simiyu, 2019). In the current digital era, financial institutions have been making efforts to promote their presence and programs to potential clients (Wayne, *et al.*, 2020). SACCOs, being an economic backbone of any nation, are a crucial area of focus that must be sustained at all costs (Hennayake, 2017).

In Europe, studies have provided valuable insights for businesses looking to improve customer loyalty and establish long-lasting relationships in the European market. For example, Guerola-Navarro *et al.* (2022) emphasize that factors like loyalty programs, customer lifetime value, and direct marketing have a significant impact on decision-making. Furthermore, the Europe Customer Loyalty Report (2022) offers valuable information on Relationship Marketing, together with Customer Loyalty programs in Europe, revealing that European program owners frequently reward member behavior beyond the purchasing cycle.

In Asia, a study conducted by Mamusung, *et al.* (2021) in Indonesia established that Relationship Marketing exhibits a funcamental gnificant impact towards service quality and customer loyalty. Factors such as trust, communication, trust, conflict handling, and personalization play vital roles in improving service quality and ultimately leading to customer loyalty. Similarly, a study conducted by Nguyen *et al.* (2021) in South Asia highlighted significance of building strong customer relationships through effective Relationship Marketing strategies so as to improve loyalty and drive the general business accomplishment for SACCO operatives.

In Africa, Relationship Marketing has been studied in various countries including Tanzania (Guerola-Navarro, *et al.*, 2022), Nigeria (Chakiso, 2017), Ghana (Boateng, 2019), and South Africa (Taoana, *et al.*, 2022). These studies indicate that customers are seen as crucial for achieving business success. Therefore, institutions like SACCOS should adopt marketing approaches that allow them to understand and meet customer needs and expectations. By aligning their productive, logistic, and commercial efforts with these needs and expectations, they can enhance their overall performance.

In Eastern African nations, Relationship Marketing strategies are increasingly employed to bolster customer loyalty, retention, and satisfaction within the financial sector. This approach involves a thorough examination of factors influencing customer behavior, with a specific emphasis on identifying at-risk customers who may necessitate proactive retention efforts (Ngugi & Mutisya, 2023). For instance, Ethiopia has initiated various endeavors aimed at enhancing customer retention, including the introduction of customer-friendly services like telephone banking, ATMs, online banking, and, more recently, cell phone banking. These initiatives not only aim to maintain the loyalty of existing customers but also serve as channels for attracting new ones (Kamau & Njoroge, 2022).

Within the East Africa Community, comprising Kenya, Uganda, and Tanzania, there has been a noticeable shift from a short-term relational focus to a long-term transactional focus within the financial industry (Kiptoo & Wanjiru, 2023). Prioritizing the satisfaction and retention of current clients is increasingly perceived as paramount, surpassing the sole pursuit of acquiring new ones. Consequently, there is a growing imperative to implement measures geared toward ensuring the retention of existing clientele (Mwangi & Muthoni, 2022).

Despite numerous efforts, Kenya still grapples with challenges in customer retention. As Nyaga & Kimani (2023) highlight, a significant portion of bank customers—up to 40%—are lost within their first year. They posit that while banks may attract numerous customers with lucrative offers, retaining them proves challenging. Increased competition and the drive to trim costs for enhanced profitability have underscored the importance of focusing on existing clientele. Ngugi & Mutisya (2023) reinforce this notion, arguing that while attracting new customers is a crucial marketing endeavor, true success lies in effective customer retention strategies.

1.1.1 Customer Loyalty

In the micro-finance industry, particularly in Savings and Credit Cooperative Societies (SACCOs), customer loyalty is pivotal for ensuring sustainability and growth. This loyalty is characterized by strong bonds, trust, satisfaction, and perceived value between members and the institution (Nguyen *et al.*, 2021). SACCOs, unlike traditional banks, foster personalized relationships within close-knit communities, creating opportunities to tailor financial products and services to meet members' specific needs (Muturi *et al.*, 2017; Sebastian, 2022). Beyond financial transactions, SACCOs embody social and communal involvement, with members seeing participation as contributing to community development (Iesa *et al.*, 2022). Transparency, fairness, and responsiveness further strengthen bonds, fostering long-term trust and loyalty (Nguyen *et al.*, 2021).

By promoting inclusivity and member-centricity, institutions can enhance loyalty, positioning themselves as trusted partners in their members' financial journey (Afifi & Amini, 2019). However, gaps remain in understanding the dynamics and factors influencing relationship marketing attributes in SACCOs, prompting the need for further research to address these gaps and provide comprehensive insights into customer loyalty determinants.

1.1.2 Digital Platforms

The utilization of digital platforms in relationship marketing has revolutionized how businesses interact with their customers, enabling more personalized and targeted communication strategies. Through digital platforms, for instance the social media, email marketing, together with the applications of mobile communications, businesses can engage with customers in real-time, fostering stronger relationships and enhancing customer loyalty (Nguyen *et al.,* 2021). Among the main benefits of digital platforms in relationship marketing is the capability to collect and analyze customer data. By tracking customer interactions and behaviors online, businesses can gain valuable insights into individual favorites and requirements, enabling them to adapt their marketing efforts appropriately (Gil-Gomez *et al.,* 2020). This personalized approach not only intensifies effectiveness of marketing campaigns but also reinforces the bond between the business and its customers.

Furthermore, digital platforms offer businesses various channels to engage with customers, enhancing their overall experience. Through social media, personalized emails, and mobile app notifications, businesses can maintain constant interaction with customers, keeping them engaged and informed (Jain *et al.*, 2021). Additionally, digital platforms enable the use of automation and artificial intelligence to streamline relationship marketing efforts. Automated email campaigns, chatbots for customer service, and personalized recommendations are examples of how technology enhances customer relationships (Mwirigi, 2018). However, there exist the lack of research on the moderating influence of technological innovations, like digital platforms, on customer loyalty in SACCOs, despite their increasing adoption.

1.1.3 Deposit Taking Savings and Credit Societies in Kenya

The SACCOS sector within Kenya has experienced rapid growth, with increased assets, deposits, profits, and product offerings (Mech, 2018). As of 2022, it has become one of the largest industries in Africa, comprising approximately 19,600 cooperative societies that serve over 15 million members. This accounts for 33% of all registered SACCOS in Kenya (Central Bank of Kenya, 2023). Among the registered SACCOS, 51% focus on mobilizing members to invest in low-interest proportion credit gounded on their savings, while the remaining 49% are credit associations involved in small-scale housing, agricultural marketing, ranching cooperatives, and handicrafts.

Deposit-taking SACCOs (DTS) function similarly to banks, accepting demand deposits and offering savings accounts with withdrawal services, as per the 2017 Sacco Societies Regulatory Authority (SASRA) report. In contrast, non-DT SACCOs solely collect savings deposits from members. The report indicates that at the start of 2017, there were 164 licensed DTS, with 22 operating in Western Kenya. The Sacco Societies Act (2008) aimed to regulate, supervise, and promote savings and credit co-operatives under SASRA's oversight, with the goal of safeguarding member interests and bolstering Kenya's economic growth through domestic savings. However, these regulations fail to adequately address the challenges SACCOs face amidst technological advancements and the emergence of competitors like M-PESA (SASRA, 2017).

The primary problem facing Deposit-Taking (DT) SACCOs in the western region, as highlighted in annual SASRA reports, is the high level of non-performing loans (NPLs), which are in default or close to default, posing a significant threat to the financial stability and sustainability of these SACCOs. Addressing this issue is crucial to ensure the long-term viability of DT SACCOs and their ability to effectively serve their members. In response to this challenge, relationship marketing, as proposed in the current study, offers a multifaceted approach. By prioritizing member engagement, satisfaction, and loyalty through personalized communication and targeted marketing efforts, SACCOs can foster responsible borrowing behaviors and provide necessary support to prevent loan defaults. Proactive identification of potential default risks through open channels of communication and member feedback enables SACCOs to intervene early and implement preventive measures.

1.1.4 Deposit Taking Sacco's in Western Kenya

In accordance to the 2023 report by the SACCO Societies Regulatory Authority, there exist 176 registered deposit taking SACCOS in Kenya, with 24 operating in Western Kenya. Western Kenya consists of the counties formerly known as Western Province, including Kakamega, Vihiga, Bungoma, Busia, and Trans Nzoia.

Despite their significant contribution to the economy, SACCOS face numerous challenges, one of which is increased competition in the financial sector. SACCOS have demonstrated a crucial role in providing financial services to less served societies, more so those in rural areas. However, despite their prominence, a number of SACCOS in

Kenya have been slow to embrace digitization, which has become the norm (Jeruto, *et al*. 2020).

Although popular, many SACCOS in Kenya still rely on manual systems, which require members to visit their offices in person for financial services (Masika & Simiyu, 2019). This is a significant issue, especially for those in remote areas (Jepkosgei, 2022). Manual systems are also less efficient and can be costly for both the SACCOS and their members. Unlike banks and a few digitized SACCOS, it is presumed that digitization could lead to increased efficiency, reduced fraud risk, and improved member satisfaction. However, the impact of digitization has not been clearly established in Western Kenya, where the clientele consists of rural and peri-urban groups.

Therefore, the researcher found it necessary to examine the attributes of personalization, trust, communication, and continuous improvement to determine their influence on customer loyalty among DT-SACCOS. The findings of this study could help enhance the sustainability of SACCOs in the face of growing competition and technological advancements, including AI technology. The findings could also be valuable for non-deposit taking institutions and other related commercial sectors.

1.2 Statement of the Problem

The practice of building relationships with customers among Deposit-Taking SACCOS has developed since the mid-20th Century, with the key aim being to enhance customer loyalty, increase involvement, and foster long-term relationships. The expansion of Deposit-Taking SACCOS in Kenya has sparked enormous challenges, such as escalating competition between commercial institutions and other industry entrants that provide innovative alternative services, e.g., MPESA. These new scenarios, together with growing customer demands and innovative advancements, have caused SACCOS to lose potential business opportunities.

Financial regulators contend that the number of customers has changed inconsistently among SACCOS over the years, which could indicate dwindling loyalty. Consequently, SACCOS are prompted to reach out to their customers through various mitigation approaches. Moreover, as reported by the SASRA (2017), the average financial sector has recorded a reduced customer satisfaction index of 49% by 2021, down from 57% in 2015. This calls for scientific study on how relationship marketing strategies could influence customer loyalty among the DT-SACCOS.

Studies have been conducted on Relationship Marketing with a focus on links to satisfaction (Mbaabu, 2022), retention (Mohamed, 2022), and recognition (Mecha, 2018), all in respect to commercial banking and small and medium-sized enterprises (Kaunda, Thuo & Kwendo, 2023). However, little has focused on the loyalty of customers with respect to DT-SACCOS in rural and peri-urban settings such as Western Kenya. A further review and analysis of corporate practices identifies several types of relationship marketing attributes, and this study selects those that have not been adequately examined scientifically in community-based financial ventures.

Previous studies have inadequately explored the potential moderating role of digital platform adoption by Deposit-Taking SACCOS on relationship marketing strategies and their subsequent influence on customer loyalty. This gap is significant as digital platforms could provide valuable insights into the evolving landscape of relationship marketing within Deposit-Taking SACCOS, especially concerning the challenges and opportunities posed by digitalization.

Therefore, this study examined how Relationship Marketing influences Customer Loyalty among Deposit-Taking SACCOS in Western Kenya, focusing on key attributes such as Personalization, Trust, Communication, and Continuous Improvement. Additionally, the research delved into the role of digital platforms—such as mobile banking apps, social media platforms, and online customer service portals—as moderating variables. These platforms were evaluated for their moderating effectiveness in fostering personalized interactions, building trust, facilitating communication, and enabling continuous improvement within the context of relationship marketing strategies.

Findings of this study may enhance SACCOs' sustainability amid the growing competition in the wake of technological advancements, and could also be replicated in non-Deposit-taking institutions.

1.3 Objectives of the Study

1.3.1 General Objective

The main objective of this study was to establish the influence of Relationship Marketing on Customer Loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya.

1.3.2 Specific Objectives

The objectives of this study entailed the following:

(i) To assess the effect of Personalization on customer Loyalty, among Deposit-Taking Savings and Credit Societies in Western Kenya.

(ii) To determine the effect of Trust on customer Loyalty, among Deposit-Taking Savings and Credit Societies in Western Kenya.

(iii) To examine the effect of Communication on customer Loyalty, among Deposit-Taking Savings and Credit Societies in Western Kenya.

(iv) To assess the effect of Continuous Improvement on customer Loyalty, among Deposit-Taking Savings and Credit Societies in Western Kenya.

(v) To evaluate the moderating effect of Digital Platforms on the relationship between RM and Customer Loyalty, among Deposit-Taking Savings and Credit Societies in Western Kenya.

1.4 Research Hypothesis

This study tested the following research hypotheses:

H_{01}: Personalization has no significant effect on customer loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya

H_{02}: Trust has no significant effect on customer loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya

H_{03}: Communication has no significant effect on customer loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya

H_{04}: Continuous Improvement has no significant effect on customer loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya

H_{05}: Digital Platforms has no significant moderating influence on the relationship between RM and Customer Loyalty, among Deposit-Taking Savings and Credit Societies in Western Kenya.

1.5 Significance of the Study

The significance of this research concerning relationship marketing aspects, and customer loyalty among Deposit-Taking SACCOS in Western Kenya can be understood from various perspectives. The research aims to contribute to the academic field by adding to the existing knowledge on relationship marketing and customer loyalty, specifically within the context of SACCOS in Western Kenya. This contribution will be valuable for future researchers and scholars interested in similar topics. Understanding the dynamics of relationship marketing and customer loyalty can assist SACCOS in tailoring their strategies to enhance customer satisfaction and loyalty, ultimately impacting their bottom line. For the SACCO industry sector, a deeper understanding of how Relationship Marketing influences Customer Loyalty can lead to the development of more effective marketing strategies, including customer engagement initiatives, personalized services, and loyalty programs.

The research specifically focuses on Western Kenya, Kenya. The local relevance of the study is significant for the community as it directly addresses the dynamics within their SACCO industry. The outcomes of the research can potentially lead to improved economic outcomes for the county by fostering stronger relationships between SACCOS and customers. The insights gained from this research may provide a basis for policymakers to consider adjustments or improvements in the regulatory framework for SACCOS. This could result in recommendations that aim to foster a healthier business environment, benefiting both SACCO entities and customers. Understanding the factors that drive customer loyalty allows SACCOS to differentiate themselves from competitors, potentially attracting and retaining more customers.

The study may shed light on factors influencing customer satisfaction and trust in the SACCOS. Building trust and satisfaction are crucial for long-term customer loyalty, and insights from this research could guide SACCOS in fostering these qualities.

In summary, this research is significant because it not only contributes to academic knowledge but also has practical implications for the local SACCOS, the community, and potential policy changes. It can lead to improvements in marketing strategies, customer satisfaction, and loyalty, benefiting the SACCOS and their customers.

1.6 Scope of the Study

This study focused on 23 deposit taking SACCOS operating within Western Kenya region, which comprise counties within the geographical boundary of the formerly Western Province, including Kakamega, Bungoma, Vihiga, Busia, and Trans Nzoia. This study explored the relationship marketing attributes and practices, and customer loyalty dynamics in the county. The research focused on the registered SACCOS that are licensed for deposit-taking operations, considering both county-based and national SACCOS whose headquarters are in Nairobi, Kenya, but have branches in Western Kenya. The study targets the members, considered as customers, at the branch level in Western Kenya.

The study covered a four-month period, based on availability of historical data and the current relevance of the research. The research investigated the relationship marketing strategies employed by DT-SACCOS in Western Kenya, including customer engagement initiatives, communication strategies, loyalty programs, and personalized services.

The scope encompassed the examination of various customer loyalty metrics, such as customer's repeat purchase and customer satisfaction levels within deposit-taking SACCOS in Western Kenya. The study explored and identified factors that significantly influence customer loyalty within the context of DT-SACCOS among the 23 registered entities that operate within the county. This included personalization, trust, communication, and continuous improvement.

The research involved a comparative analysis of relationship marketing practices and customer loyalty among different DT-SACCOS within Western Kenya, providing insights into variations and best practices. The scope included an examination of cultural and local factors unique to Western Kenya that might impact relationship marketing dynamics and customer loyalty in the DT-SACCO industry. Based on the findings, the researcher has provided practical recommendations for SACCOS operating in Western Kenya to enhance their relationship marketing strategies and subsequently improve customer loyalty.

1.7 Limitations of the Study

Anticipating and addressing potential challenges in a research study on relationship marketing and customer loyalty among Deposit-Taking SACCOs in Western Kenya was vital for ensuring the study's reliability and robustness. Challenges such as limited access to relevant data, potential sampling bias, and incomplete or inaccurate data were acknowledged and mitigated through collaborative relationships with SACCOs, robust sampling techniques, and thorough data validation checks. Cultural variations within

Western Kenya were also considered, with cultural analysis conducted and efforts made to address differences in interpretation across communities.

Efforts to balance the desire for detailed customer information with privacy concerns were evident, as ethical guidelines were adhered to, data was anonymized, and informed consent was obtained from participants. Additionally, strategies were employed to overcome reluctance from some SACCOs to participate in the study, including establishing strong relationships with key stakeholders and ensuring the confidentiality of sensitive information. Unforeseen external events or changes in SACCOs' marketing strategies were also considered, with measures implemented to monitor external factors and update data collection methods accordingly.

Despite potential resource limitations, careful planning, efficient resource allocation, and prioritization of key research aspects ensured a balance between in-depth analysis and practical feasibility. By proactively anticipating these challenges and implementing appropriate mitigation strategies, the researchers enhanced the reliability and robustness of the study. Overall, this study on relationship marketing and loyalty of customers among deposit-taking SACCOs in Western Kenya benefited from a comprehensive approach to addressing potential obstacles, contributing to the credibility and validity of its findings.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter includes a numner of sections that explain theoretical foundation of this research. Firstly, a theoretical review evaluates relevant theories supporting the variables studied within the context of the identified research problem. Next, a conceptual review presents independent, dependent, and moderating variables identified and defined by various establishments. An empirical review is then detailed, analyzing previous studies related to the constructs of the study, highlighting key findings, points of difference, and identifying gaps that may inform and necessitate the current study. These gaps are summarized, and finally, a conceptual framework is presented, identifying the variables in a summary table and demonstrating the relationships between them.

2.2 Theoretical Review

The study was motivated by established theoretical frameworks that seek to elucidate underlying phenomena concerning the characteristics of relationship marketing. Initially, the Relationship Commitment Theory is examined, followed by an exploration of the Social Exchange Theory, and finally, an assessment of the Commitment Trust Theory. These theories form the basis upon which this study is built.

2.2.1 Relationship Commitment Theory

Relationship Commitment Theory, introduced by Berry in 1990, serves as a cornerstone in the realm of relationship marketing, shedding light on the intricate dynamics between customers and firms and their consequent impact on loyalty (Payne & Frow, 2017). According to the theory, commitment in customer-firm relationships manifests through three primary dimensions: affective commitment, the calculative commitment, and the normative commitment. An affective commitment, the first dimension, encapsulates the emotional bond and identification that customers establish with a firm (Puspitasari, *et al.*, 2024). This connection arises from positive experiences, satisfaction, and a profound sense of belonging. Customers, driven by this emotional attachment, tend to exhibit loyalty, driven by their genuine connection with the brand or organization (Gummesson, 2017).

Calculative commitment, on the other hand, hinges on the perceived costs and benefits associated with maintaining the relationship. Customers weigh the advantages of continued patronage against the drawbacks, which could range from financial incentives to the convenience of remaining with the current provider (Payne & Frow, 2017). Loyalty under calculative commitment is contingent upon customers perceiving that the benefits outweigh the costs, thus opting to sustain their relationship with the firm.

Normative commitment, the third dimension, stems from social norms, moral obligations, and ethical responsibilities. Customers may feel compelled to remain loyal to a firm due to societal expectations, peer influence, or a sense of duty towards supporting a particular brand or organization. This dimension adds a layer of commitment driven by external factors beyond personal satisfaction or perceived benefits (Gummesson, 2017; Enayat *et al.*, 2022; Rosário. & Casaca, 2023).

Rosário. & Casaca (2023) conducted a comparative examination on the original traditions of relationship marketing. They propose that the fundamental assumptions underlying the market and network and channel perspectives regarding exchange relationships tend to be significantly distinct and represent contrasting viewpoints. These contextual assumptions play a crucial role in differentiating the various strands of relationship marketing. Essentially, there exist two main types of theories of relationship marketing: Market-based Relationship Marketing, and the Network-based Relationship Marketing. The former focuses on straightforward exchange relationships within a market framework, while the latter explores intricate relationships within a network-like business environment.

However, despite its robust insights, Relationship Commitment Theory has its limitations. One notable drawback is its focus on stable, long-term relationships, which may not fully encapsulate the nuances of transient or short-term interactions. Moreover, the theory may overlook situational variables or external influences that could significantly impact customer behavior and loyalty (Iesa *et al.,* 2022)..

In the context of the study on Relationship Marketing and Customer Loyalty among Deposit-Taking SACCOS in Western Kenya, Relationship Commitment Theory provides a comprehensive framework for understanding the intricacies of customer loyalty. By delving into the dimensions of affective, calculative, and normative commitment, the study can discern the factors shaping customer loyalty within the SACCOS sector. Furthermore, linking the theory to the study enables researchers to explore how relationship marketing initiatives, such as personalized interactions, trust-building endeavors, and continuous improvement strategies, influence each dimension of commitment and subsequently foster heightened customer loyalty within the unique context of SACCOS operations.

2.2.2 Social Exchange Theory

This theory, originally proposed by Homans in 1961, illuminates the dynamics of social interactions by conceptualizing them as exchanges of resources among individuals or groups (Cropanzano *et al.,* 2017). Stafford and Kuiper (2021) emphasize its pervasive influence, intricately woven into our daily interactions, transcending organizational boundaries to permeate familial, friendly, and relational spheres. Indeed, exchanges manifest across various dimensions of social life, spanning dyadic, group, organizational, or networked interactions (Enayat *et al.,* 2022).

While scholars proficient in employing social exchange theory can retrospectively expound numerous social phenomena, their ability to predict workplace behaviors remains somewhat limited. Nevertheless, the theory's significance resonates throughout academic spheres, evident in its frequent citation and application in management and beyond (Cropanzano *et al.,* 2017; Wallenburg & Handfield, 2022). At its core, the theory posits that human behavior is driven by self-interest, with individuals engaging in relationships based on a calculated assessment of the resources they invest and receive.

According to the Social Exchange Theory, individuals participate in social relationships, having the expectation of obtaining rewards and lessening costs. Rewards can encompass tangible benefits that entail financial gains, emotional support, or social approval, while costs may involve investments of time, energy, or resources, as well as potential risks or sacrifices (Russell *et al.,* 2017). Central to the theory is the concept of reciprocity, wherein individuals strive to maintain a balance between giving and receiving within relationships. This principle dictates that individuals are more inclined to continue engaging in relationships where the rewards outweigh the costs, and where there is a perceived fairness in the exchange process.

However, Social Exchange Theory also acknowledges the role of trust and commitment in shaping social interactions. Trust develops when individuals believe that others will uphold their end of the exchange and act in their best interests. Similarly, commitment arises when individuals invest in relationships with the expectation of long-term benefits, leading them to prioritize the continuation of the relationship despite occasional costs or setbacks.

Despite its foundational insights, Social Exchange Theory has been critiqued for its narrow focus on rational decision-making and the quantification of social interactions, overlooking the complexities of human emotions, cultural influences, and societal norms. Additionally, the theory may oversimplify relationships by reducing them to economic transactions, potentially neglecting the intrinsic value of social connections and altruistic behavior.

In this study, Social Exchange Theory offers a lens through which to analyze the underlying motivations and dynamics of customer-firm relationships. By examining the exchange of resources between SACCOS and their customers, the study can explore how perceived rewards, costs, trust, and commitment influence customer loyalty within the framework of relationship marketing strategies. The incorporation of Social Exchange Theory in the research allows for a deeper examination of how rational decision-making and relational factors intertwine to influence customer behavior and loyalty within the specific socio-economic environment of Western Kenya.

2.2.3 Commitment Trust Theory

The Commitment Trust Theory was formulated by Morgan & Hunt (1994), and it presents a comprehensive background for grasping the intricacies of interpersonal relationships, especially within organizational contexts. This theory asserts that commitment and trust serve as foundational elements crucial for fostering durable and robust connections between individuals or entities. This theory of relationship marketing, rooted in commitment and trust, marks a pivotal shift in marketing strategy, moving from isolated transactions towards establishing, nurturing, and sustaining successful relational interactions not only within buyer–seller pairings but also across a wide array of internal and external relationships involving a central firm (Badrinarayanan & Ramachandran, 2024). Given its pertinence and far-reaching implications, the theory has left a profound mark on the field of marketing and beyond (Herrera & De Las Heras-Rosas, 2021).

Trust and commitment are impoarant paradigms in the evaluation of relationship marketing (Brown *et al.,* 2018). Together with satisfaction, they are refered to as relational mediators and are fundamental for considetation as relational mediators model of relationship marketing (Impett *et al.,* 2018). In this particular model, the relational mediators are designed by various backgrounds (such as relationship benefits, shared values and communication) and lead to a number of outcomes, for instance cooperation, loyalty, and performance (Carswell & Finkel, 2018).

At its core, Commitment Trust Theory emphasizes the reciprocal nature of commitment and trust, highlighting how they interact to shape the quality and stability of relationships. According to the theory, commitment refers to the willingness of individuals or parties to invest time, effort, and resources into maintaining a relationship, even in the face of challenges or uncertainties. Trust, on the other hand, revolves around the belief and confidence that one can rely on the other party to fulfill their obligations, act with integrity, and safeguard mutual interests.

The theory proposes that commitment and trust are mutually reinforcing, with each serving as both a cause and a consequence of the other. As individuals demonstrate commitment by fulfilling their promises and obligations, trust is strengthened, resulting in deeper sense of reliance and confidence in the relationship. Conversely, when trust is established, individuals are more likely to feel secure in investing their commitment, leading to greater reciprocity and mutual dependence (Sliz & Delińska, 2021). Moreover, Commitment Trust Theory suggests that the presence of both commitment and trust fosters stability, resilience, and cooperation within relationships. When individuals feel committed to a relationship and trust that their counterparts will act in their best interests, they are more inclined to engage in collaborative efforts, resolve conflicts constructively, and overcome obstacles together.

Despite its insights, Commitment Trust Theory has been criticized for its tendency to overlook contextual factors, such as power dynamics, cultural differences, and situational constraints, which can significantly influence the development and maintenance of commitment and trust within relationships (Masud *et al.,* 2018; Moore, 2018; Pratt & Dirks, 2017). Additionally, the theory may oversimplify the complexities of human behavior and emotions, potentially neglecting the nuances of interpersonal interactions and the role of subjective perceptions (Sliz & Delińska, 2021).

In the framework of this Commitment Trust Theory exhibits important framework for understanding the mechanisms through which commitment and trust influence customer-firm relationships (Carswell & Finkel, 2018). By examining how SACCOS cultivate commitment and trust among their customers through relationship marketing strategies, the study can elucidate the factors that contribute to customer loyalty and organizational sustainability. Furthermore, integrating Commitment Trust Theory into the current study enables researchers to explore the interplay between relational dynamics, organizational practices, and customer perceptions within the unique socio-economic context of Western Kenya.

2.3 Conceptual Review

This conceptual review synthesizes contemporary literature focusing on the pivotal roles of Personalization, Trust, Communication, and Continuous Improvement as independent variables influencing Customer Loyalty within the framework of Relationship Marketing. It explores how these factors individually shape customer perceptions and behaviors, emphasizing their collective impact on fostering Customer Loyalty in competitive market environments. Furthermore, the review examines the moderating influence of digital platforms on these relationships, highlighting how digital technologies augment or transform the effects of relationship-building strategies. This review aims to contribute theoretical insights and strategic implications for enhancing customer loyalty strategies in the evolving landscape of digital-driven markets.

2.3.1 Personalization

Personalization stands as a cornerstone of Relationship Marketing, embodying the practice of adapting products and services, including interactions to meet individualized customer needs and preferences (Kaur & Amanpreet, 2021). This entails customizing offerings based on various customer data points, for inctance, past purchase behavior, demographics, and psychographics to create unique and personalized experiences (Muturi *et al.,* 2017). The essence of personalization lies in fostering a strong bond between the customer and the organization, demonstrating attentiveness, understanding, and responsiveness to each customer's specific requirements.

The significance of Personalization in Relationship Marketing is paramount, with it playing a pivotal role in cultivating customer loyalty and elevating overall satisfaction (Hennayake, 2017). Through personalized offerings and communications, organizations can boost customer engagement, satisfaction, and retention (Mbaabu, 2022). Furthermore, personalization serves as a means to differentiate from competitors and forge a deep emotional connection with customers, ultimately fostering brand loyalty and advocacy (Chandra, *et al.,* 2019).

In assessing the efficacy of personalization in Relationship Marketing, previous studies have employed diverse measures. These encompass customer perceptions of the relevance and utility of personalized offerings and communications, along with behavioral metrics like repeat purchase behavior, cross-selling, and upselling (Lim & Zhang, 2022). Additionally, researchers have delved into the impact of personalization on customer satisfaction, loyalty, and advocacy through various methodologies including surveys, interviews, and experimental designs (Muturi *et al.,* 2017).

Emulating proposition by Mbaabu (2022) and Hennayake (2017), this study considered that the utilization of sub-attributes like Customer Lifetime Value, User Satisfaction, and Conversion Rate Enhancement Enhancement under Personalization provides crucial metrics for assessing the efficacy of personalized interactions. These metrics offer insights into the long-term revenue potential, customer contentment, and effectiveness of personalized strategies in driving desired customer actions. By incorporating these sub-attributes, the study can gauge the impact of personalized approaches on fostering customer loyalty within Relationship Marketing.

In this study, the researcher adopted a multifaceted approach to measure personalization, in order to gauge their perceptions of the relevance, utility, and effectiveness of personalized offerings and communications from the SACCOS. Complementing this, qualitative approaches like in-depth key-informant interviews and focus-groups were conducted to delve into customer experiences and perceptions of personalization efforts by the SACCOS, providing nuanced insights into personalized interactions and their impact on customer loyalty. By employing this comprehensive array of measurement approaches, our study aimed to offer a holistic knowledge of the role of personalization in Relationship Marketing, together with its implications for customer loyalty within the context of deposit taking SACCOS in Western Kenya.

2.3.2 Trust

Trust serves as a foundation in Relationship Marketing, embodying the confidence, reliability, and integrity that customers associate with an organization (Afifi & Amini, 2019). It entails the belief that the organization will act in the best interests of the customer, fulfill its commitments, and adhere to ethical standards (Zahari *et al.*, 2019).

Established through consistent and transparent interactions, trust signifies the organization's dedication to addressing customer needs and concerns, thereby forming the bedrock of enduring relationships characterized by loyalty, advocacy, and mutual cooperation (Mwirigi, 2018).

The significance of trust in nurturing customer loyalty and fostering long-term relationships cannot be overstated, as customers are more inclined to remain loyal to organizations they trust, perceiving trust as a mitigating factor against transactional risks and uncertainties (Muturi *et al.,* 2017). Moreover, trust amplifies the efficacy of relationship marketing endeavors such as personalized communications and service customization by heightening customer receptivity and engagement (Mecha, 2018).

In evaluating trust within relationship marketing contexts, researchers have employed diverse measures, typically encompassing customer perceptions of reliability, honesty, competence, and benevolence demonstrated by the organization (Wayne *et al.,* 2020). Surveys, scales, and questionnaires are commonly utilized to gauge trust levels and examine their implications on customer behavior, satisfaction, and loyalty. Furthermore, researchers have delved into the antecedents and consequences of trust, exploring factors such as communication effectiveness, relationship duration, and emotional attachment (Zahari *et al.,* 2019; Muturi *et al.,* 2017; Mecha, 2018).

This study considered Trust as vital, which comprise Integrity, Consistency, and Compassion (Muturi *et al.,* 2017; Zahari *et al.,* 2019; Wayne *et al.,* 2020). Integrity ensures honesty and ethics, Consistency maintains reliability, and Compassion fosters empathy. These components collectively underpin strong customer relationships, enhancing loyalty and mutual trust. Hence, Trust was evaluated through a combination of quantitative and qualitative methodologies. Quantitatively, customers were surveyed to assess their perceptions of trust in the SACCOS, focusing on attributes like reliability, honesty, and integrity.

Utilizing standardized scales and Likert-type items as recommended by Jepkoskei, (2022), Mwirigi (2018) and Mohammed *et al.* (2022), the researcher quantified trust levels and scrutinized their correlation with customer loyalty indicators such as repeat purchase intentions and willingness to advocate for the SACCOS. Complementing this quantitative analysis, qualitative methods such as self-administered questionnaires was administered to delve into the intricacies of trust formation, the impact of trust on customer experiences, and the effectiveness of trust-building initiatives implemented by the SACCOS. Through the integration of these comprehensive measurement approaches, this study aimed to provide an understanding of the role of trust in Relationship Marketing and its pivotal importance in nurturing customer loyalty within the unique context of Deposit-Taking SACCOS in Western Kenya.

2.3.3 Communication

Communication is a fundamental aspect of Relationship Marketing, encompassing the exchange of information, messages, and interactions between an organization and its customers (Kusa *et al.,* 2021). It spans various channels and touchpoints, including advertising, promotions, customer service, social media, and direct interactions, facilitating rapport, trust, and understanding between the organization and its customer base (Kusa *et al.,* 2021). Effective communication is imperative for fostering relationship development and loyalty, as it enables organizations to deliver value propositions, address customer needs, and solicit feedback (Jain *et al.*, 2021).

According to Ndubisi and Nataraajan (2018), the significance of Communication in Relationship Marketing lies in its ability to establish and nurture meaningful connections with customers, driving satisfaction, loyalty, and advocacy Through effective communication, organizations can enhance engagement, encourage positive word-of-mouth, and bolster customer retention, ultimately contributing to long-term profitability (Kumar *et al.,* 2018).

In measuring Communication within relationship marketing contexts, researchers have employed diverse methodologies. These include assessing the frequency, content, and quality of communication channels utilized by organizations, along with analyzing customer perceptions of communication effectiveness, relevance, and responsiveness (Kumar *et al.*, 2018). Surveys, content analysis, and social media monitoring are commonly utilized to evaluate communication strategies and their impact on consumer products such as satisfaction, loyalty, and purchase behavior (Kusa *et al.*, 2021; Jain *et al.*, 2021).

This study considered effective Communication involving three key components: Feedback effectiveness, Speed and efficiency, and Information Transparency & Clarity (Kusa *et al.*, 2021; Kumar & Mbaabu, 2022). Feedback effectiveness ensures customer input is valued and acted upon promptly, fostering involvement and responsiveness. Speed and efficiency demonstrate the organization's commitment to timely interactions, enhancing satisfaction and trust. Information Transparency & Clarity promotes openness and understanding, allowing informed decisions. These components collectively build strong customer relationships and foster loyalty.

The researcher employed a multifaceted approach to measure Communication. Quantitatively, customers were surveyed to gauge their perceptions of communication effectiveness, satisfaction, and relevance with the SACCOS, utilizing structured questionnaires and Likert-type scales. This quantitative analysis allowed the researcher to quantify customer satisfaction levels and identify areas for improvement in communication strategies.

2.3.4 Continuous Improvement

Continuous Improvement, which is also referred to as constant quality improvement or continuous innovation, is defined by Khan *et al.* (2018) as a phenomenon that embodies a proactive approach to refining organizational processes, products, and services over time. This approach entails perpetual efforts to pinpoint areas for enhancement, enact changes, and monitor outcomes, all aimed at delivering greater value to customers and stakeholders (Ahmad *et al.,* 2018). Rooted in principles of learning, adaptation, and iteration, continuous improvement advocates for systematic feedback solicitation, performance measurement, and incremental adjustments to optimize performance and meet evolving customer needs (Chandra, *et al.*, 2019).

The significance of Continuous Improvement in fostering customer loyalty cannot be overstated, particularly in fiercely competitive markets (Zahari *et al.*, 2019). By consistently elevating the quality, efficiency, and relevance of their offerings, organizations can better align with customer expectations, elevate satisfaction levels, and cultivate long-term loyalty (Ahmad *et al.*, 2018). Furthermore, Continuous Improvement empowers organizations to remain agile and responsive amidst market shifts, technological advancements, and customer feedback, ensuring sustained competitiveness and relevance (Chandra, *et al.*, 2019).

In evaluating continuous improvement initiatives within relationship marketing contexts, researchers deploy a variety of methodologies. These typically involve assessing organizational processes, practices, and outcomes pertaining to quality, efficiency, and innovation (Zahari *et al.*, 2019). Surveys, interviews, and performance metrics are commonly leveraged to gauge the extent of organizational commitment to continuous improvement, evaluate the efficacy of improvement endeavors, and ascertain their impact on customer satisfaction and loyalty. Additionally, researchers delve into the correlation between continuous improvement and customer outcomes such as loyalty, retention, and advocacy, often employing longitudinal studies and statistical analyses (Zahari *et al.*, 2019).

This study was founded on the following sub-attributes under Continuous Improvement: Time of delivery, Quality output, and Cost Optimization (Khan *et al.*, 2018; Zahari *et al.*, 2019; Chandra, *et al.*, 2022). Time of delivery ensures timely service, Quality output guarantees consistent excellence, and Cost Optimization reflects the organization's efficient resource management. These metrics collectively enhance customer experiences, fostering trust, satisfaction, and long-term loyalty within Relationship Marketing. By employing these approaches, this intended to illuminate the pivotal role of continuous improvement in Relationship Marketing and its profound influence on customer loyalty within the distinctive milieu of Deposit-Taking SACCOS in Western Kenya.

2.3.5 Digital platforms

Digital platforms represent online ecosystems or infrastructures facilitating interactions, transactions, and exchanges among users, businesses, and stakeholders (Jain *et al.*, 2021). Leveraging technologies like the internet, mobile devices, and cloud computing, these platforms enable seamless connectivity, collaboration, and value creation across diverse domains (Hollebeek *et al.,* 2019). Ranging from websites to social media networks, mobile applications, e-commerce platforms, and online marketplaces, digital platforms serve as hubs for accessing information, products, and services (Mwirigi, 2018).

In Relationship Marketing, digital platforms assume a pivotal role by furnishing organizations with novel channels and tools to engage customers, personalize interactions, and nurture enduring relationships (Hennayake, 2017). They afford organizations the capability to reach customers across varied touchpoints and furnish tailored experiences grounded in preferences, behaviors, and feedback. Moreover, digital platforms empower customers to engage with brands, offer feedback, and co-create value, fostering community, loyalty, and brand advocacy (Sebastian *et al.,* 2021).

To measure the influence of digital platforms on relationship marketing and customer loyalty, researchers employ a gamut of methods. These encompass analyzing user engagement metrics such as website traffic, social media interactions, and app downloads to evaluate platform effectiveness and reach (Albérico & Casaca, 2023). Surveys, interviews, and sentiment analysis serve to gauge customer perceptions of digital platform experiences, satisfaction levels, and loyalty intentions (Nguyen *et al.*, 2021). Additionally, researchers delve into the interplay between digital platform usage patterns, customer behaviors, and loyalty outcomes using data analytics and econometric modeling techniques (Mwirigi, 2018).

This study explored a possibly interplay between Relationship Marketing and Customer Loyalty, considering Digital Platforms as a moderating variable. Within this context, Digital Platforms encompass Platform Experience, Platform Feedback, and Innovation & Adaptability (Albérico & Casaca, 2023; Sebastian *et al.,* 2021; Hennayake, 2017). Platform Experience influences customer perceptions and satisfaction, while Platform Feedback fosters real-time engagement. Innovation & Adaptability highlight the platform's evolution and its impact on customer engagement and loyalty. These sub-attributes shed light on how Digital Platforms moderate the relationship between Relationship Marketing strategies and Customer Loyalty, underscoring a possible significance of personalized digital experiences in nurturing enduring customer relationships among Deposit-Taking SACCOS in Western Kenya.

Further, in this study, the researcher assessed digital platforms through a blend of quantitative and qualitative methods. Quantitatively, analysis was done on user engagement approaches with platforms like website traffic, social media interactions, and mobile app usage to gauge effectiveness and reach. Customer surveys and online analytics tools aid in assessing perceptions of digital platform experiences, satisfaction levels, and loyalty intentions. Qualitatively, interviews with customers explored attitudes, behaviors, and preferences regarding digital platform interactions, providing insights into relationship development and loyalty drivers via digital channels.

This study relied on the impetus for the interest in technology-based relationship marketing, which has demonstrated dramatic increase in profits from small increases in customer loyalty rates, based on the above references. The aspect of technology has been considered by this study as a moderating variable in order to determines its role in enhancing Personalization, Trust, Communication and Continuous Improvement as variables of RM, as possible determinants of Customer Loyalty among Deposit-Taking SACCOS in Western Kenya.

2.3.6 Customer Loyalty

Customer Loyalty epitomizes the inclination of customers to repeatedly engage with an organization's products, services, or brand over time (Nyadzayo & Khajehzadeh, 2016). It embodies a profound commitment and emotional bond that customers develop towards an organization, prompting them to favor the organization over competitors and exhibit behaviors like repeat purchases, positive word-of-mouth, and brand advocacy (Ahmad *et al.,* 2018). Rooted in trust, satisfaction, and perceived value, customer loyalty signifies customers' perception of the organization's offerings as superior, leading them to remain steadfast patrons despite competitive pressures (Ahmad *et al.,* 2018).

Crucial for organizations striving to maintain competitiveness and long-term viability customer loyalty entails myriad benefits (Sebastian *et al.*, 2021),. Loyal customers tend to be less price-sensitive, forgiving of occasional service lapses, and more inclined to recommend the organization to others, thereby curbing customer acquisition costs and bolstering revenue (Sao, 2021). Furthermore, they serve as invaluable assets, furnishing ongoing revenue streams, feedback, and insights that facilitate organizational enhancements in products, services, and experiences (Nguyen & Hoang, 2024).

Researchers have adopted diverse methodologies to gauge customer loyalty within relationship marketing contexts. These methods span analyzing behavioral indicators such as repeat purchase rates, interaction frequencies, and customer lifetime value (Nguyen *et al.,* 2021), to utilizing surveys, questionnaires, and scales to assess customer perceptions of loyalty, satisfaction, and propensity to recommend or repurchase from the organization (Sebastian *et al.*, 2021). Additionally, researchers delve into the antecedents and consequences of customer loyalty, including service quality, relationship duration, and emotional attachment, employing structural equation modeling and longitudinal studies (Afifi & Amini, 2019).

The analysis of customer loyalty in marketing literature encompasses three main approaches: behavioral, attitudinal, and composite loyalty (Sebastian *et al.*, 2021). Behavioral loyalty views loyalty as repetitive purchases, while attitudinal loyalty focuses on emotional attachment and advocacy towards a brand or retailer. The composite approach combines both behavioral and attitudinal aspects to provide a comprehensive assessment of loyalty.

Muturi *et al.* (2017) outlined four stages of customer loyalty: cognitive, affective, conative-behavioral, and action loyalty, representing a progression from information-based loyalty to steadfast patronage. They also categorize loyalty into four types: the case of no loyalty, spurious loyalty, latent loyalty, and true loyalty, based on the combination of attitude and repeat patronage.

Rowley's loyalty model, as discussed by Ahmad *et al.* (2018), categorizes customers into four groups: captive, convenience-seeker, contented, and committed, each exhibiting varying levels of loyalty influenced by factors like alternatives and convenience. Customer satisfaction, emphasized by Sebastian *et al.* (2021), emerges as a critical driver of long-term loyalty, with high satisfaction often leading to sustained patronage over time.

In this study the researcher employed of Customer Loyalty as the dependent variable, with key dimensions being Behavioral Loyalty, Emotional Loyalty and Advocacy & Engagement (Iesa *et al.*, 2022, Sebastian, 2022; Afifi & Amini, 2019). Behavioral Loyalty pertains to repeat purchases and continued patronage, offering measurable signs of loyalty. Emotional Loyalty involves emotional connections and trust towards the brand, extending loyalty beyond transactions. Advocacy & Engagement depict customers' proactive involvement in promoting the brand and participating in related activities. These dimensions provide insights into how different aspects of customer loyalty moderate the effectiveness of marketing strategies, highlighting the diverse nature of customer commitment in driving brand success.

2.4 Empirical Review

This section expounds on existing studies as carried out by various scholars on how various attributes relationship marketing influence customer loyalty in regard to SACCOS.

2.4.1 Personalization and Customer Loyalty

The increasing significance of personalization is directly linked to advancements in marketing efficiency within various service industries where personalized practices are prevalent (Boudet *et al.,* 2019). However, previous reviews have often been narrow in scope, focusing on specific aspects of personalization rather than examining the field comprehensively. For instance, some studies have concentrated on customers' concerns regarding privacy and trust in personalized efforts (Salonen *et al.,* 2016; Seele *et al.,* 2021), while others have emphasized the expanding scope of the personalization concept (Anshari *et al.,* 2019; Samara *et al.,* 2020), and explored its application in customer relationship management (Anshari *et al.,* 2019).

A study by Kruhovyi's (2023) Lithuania delved into Customer Loyalty Strategy Development within the European Market's Small and Medium-Sized Fin-Tech Businesses. Their aim was to unravel the relationship between personalization strategies and customer loyalty in this burgeoning sector. Employing a multifaceted research design that integrated comparative, empirical qualitative correlational, and survey methods, the study scrutinized the intricate landscape of customer loyalty initiatives among fin-tech enterprises. The comprehensive approach ensured a holistic understanding of the strategic maneuvers undertaken by these businesses to foster loyalty among their customer base.

Data collection for the study was meticulous, involving the compilation of 50 responses and conducting interviews with marketing specialists from Bankera, a prominent player in the fin-tech industry. Additionally, an anonymous survey was disseminated across various fin-tech businesses to capture diverse perspectives. The findings of the study illuminated a clear correlation between personalized strategies and customer loyalty within the fin-tech domain. This revelation underscores the paramount importance of tailored approaches in nurturing enduring relationships with customers amid intensifying market competition (Kruhovyi's, 2023).

In light of the study's implications, it becomes imperative for fin-tech businesses to acknowledge the pivotal role of personalization in bolstering customer loyalty. By leveraging customer data and preferences to tailor products, services, and interactions, these enterprises can forge deeper connections with their clientele, thereby fostering loyalty and ensuring sustainable growth. The study accentuates the significance of personalized strategies as a cornerstone of success in the dynamic landscape of fin-tech, advocating for a customer-centric approach in shaping strategic endeavors. However, it's noteworthy that this study differs from the current research, which explores the nuances of Personalization within the context of Deposit-taking SACCOS in Western Kenya, thereby contributing uniquely to the understanding of customer loyalty dynamics across diverse markets.

Rane *et al*. (2023) conducted a study in Mumbai, India, examining Hyper-Personalization for Enhancing Customer Loyalty and Satisfaction in CRM Systems. They investigated how predictive analytics and the recommendation engines enable real-time customization of interactions, delivering personalized contents, product recommendations, and channels of communication tailored to individual customer data. Their research emphasized essential tools such as Customer Data Platforms and advanced customer segmentation for targeted interactions. The study assessed the effectiveness of real-time personalization and omni-channel strategies, revealing that organizations embracing hyper-personalization is capable of cultivateing lasting customer relationships, eventually enhancing loyalty and satisfaction in the contemporary dynamic and competitive business environment (Rane *et al*. (2023)).

The findings underscored the transformative impact of hyper-personalization on CRM systems, highlighting its role in driving customer loyalty and satisfaction. By dynamically adjusting content and offers based on ongoing customer interactions, organizations can provide a seamless and relevant experience. Moreover, the integration of omnichannel strategies contributes to a cohesive and personalized customer journey, further enhancing the overall customer experience. Overall, the study emphasizes the importance of embracing hyper-personalization strategies to fulfil the evolving needs and opportunities for customers in today's digital age, finally leading to enhanced customer relationships and business success.

In a related study by Lindergreen and Antioco (as reviewed by Mohamed, 2022), it was found that while personalized attention positively influenced customer relationship management (CRM), personalized messages had a negative effect. This contradiction necessitated further clarification. The current study aims to bridge this gap by assessing the impact of value-based CRM on the satisfaction of account holders of financial institutions. Through this investigation, the study seeks to shed light on the nuanced relationship between personalization, CRM, and possible customer satisfaction within the banking sector.

This research is important since most scholars have opined that despite the attribute of personalization being an important element for consideration towards customer loyalty, it could be difficult to implement it effectively and businesses should be careful to strike a balance between personalization and privacy concerns. Key aspects of Personalization that the researcher identified as relationship marketing research gaps, and that this study sought to be bridged through scientific measurements, by correlating them loyalty, entailed sub-attributes such as (i) Customer lifetime value, (ii) User satisfaction and (iii) Conversion rate enhancement.

In study conducted by Jeruto *et al.* (2020) in Nairobi, Kenya, to investigate the Effect of Internet Banking on Corporate Performance of Deposit-Taking SACCOs in Nairobi

County, Personalization was a key RM attributes of focus. The study utilized descriptive research design, the target population comprised the 44 deposit-taking SACCOs licensed by SASRA, with IT managers as specific respondents. The study adopted a census approach, engaging all 44 deposit-taking SACCOs in Nairobi County, totaling 44 respondents. Data collection involved the utilization of structured, close ended questionnaires for primary data and secondary data obtained from SASRA reports on SACCO performance. Prior to data collection, a pilot study was conducted to safeguard the validity of instruments and reliability of the instruments.

Quantitative data analysis was conducted using Statistical Package for Social Sciences (SPSS, version 20), employing descriptive statistics, such as mean, percentage, and standard deviation, as well as inferential statistics, which entail correlation and multiple linear regression analysis. The findings of the study revealed a significant relationship between the personalization of marketing and customer trust, and their influence on internet banking on corporate performance (Jeruto *et al.*, 2020).

The current study on influence of Relationship Marketing on Customer Loyalty among Deposit-taking SACCOs in Western Kenya, with Personalization as a sub-variable, highlights research gaps in understanding rural SACCOs' dynamics compared to urban banking institutions. Specifically, it points to the limited exploration of personalization's role within SACCOs, given their cooperative nature, and the lack of comparative analyses between urban banks and rural SACCOs. Addressing these gaps could offer valuable insights into enhancing customer loyalty and organizational performance within the SACCO sector in Western Kenya.

2.4.2 Trust and Customer Loyalty

Studies conducted by Muturi *et al.* (2017), Afifi & Amini (2019), Zahari *et al.* (2019), Wayne *et al*. (2020), and Rosário & Casaca (2023) have identified trust as a method for cultivating loyalty and retention by elevating levels of customer satisfaction. Investigations by Romdonny *et al*. (2018) on factors affecting customer value and its impact on customer loyalty revealed that Trust is a significant determinant of loyalty. However, Rimawan *et al*. (2017) explored the Influence of Product Quality, Service Quality, and Trust on Customer Satisfaction and Its Impact on Customer Loyalty in Indonesia. The research design used was a combination of cross-sectional survey and triangulation with distinct respondents' locations. finding that trust partially influences customer satisfaction. This contrasts with findings from other studies (Santa & Monero, 2017; Muturi *et al.*, 2017; Mwirigi, 2018; and Zahari *et al.*, 2019), which established trust as a key relationship marketing variable that plays a role in customer loyalty.

Further more Ojiaku *et al*. (2017) conducted a study in Nigeria focusing on the Effect of Relationship Marketing and Relationship Marketing Programs on Customer Loyalty, specifically investigating the influence of customer trust on loyalty. Utilizing regression analysis, the researchers tested their model using data collected from a sample of 354 customers of pension service firms from Nnamdi Azikiwe University, Awka, Anambra state. The findings revealed suggestions supporting the effect of consumer trust and the satisfaction on their loyalty, while the contribution of commitment to the research model was not supported. Additionally, the study found support for the effect of relationship marketing programs on loyalty. The study suggests that firms may enhance their relationships with customers by fostering trust, investing in customer satisfaction, and employing and capacity building socially and service-oriented frontline workers so as to create strong ties with customers.

However, when compared to a study focusing on deposit-taking SACCOs in Kenya, potential gaps arise. The Nigerian study may not fully grasp the unique dynamics of SACCOs in Kenya, which operate within a cooperative framework emphasizing member welfare and community involvement. Moreover, factors like social capital and member participation, crucial in SACCOs, were not extensively explored in the Nigerian study. Thus, while offering valuable insights, further research tailored to the SACCO sector in Kenya is warranted to address these gaps and provide contextually relevant recommendations for enhancing customer loyalty.

A study conducted by Manduku (as cited in Mohamed, 2022) on the determinants of customer loyalty found that trust plays a primary role in fostering customer loyalty. The particular study had 43 banks participating in Nairobi and employed convenient sampling to gather information from a sample of 96 respondents. Data collected through questionnaires were analyzed using descriptive statistics. The research designated that customers who trusted their financial institutions exhibited repeated purchases and assumed that their bank's actions were in the best interest of thsie customers. According to these findings, trust is established when banks' actions are perceived to result in positive results for customers or when banks operate in the best interest of their clients.

Furthermore, the study acknowledges potential disparities in customer perceptions between banks and SACCOs due to differences in their operations and regulations, with banks focusing on profits and SACCOs prioritizing member welfare. This highlights the need to understand how these factors influence customer perceptions and loyalty.

Additionally, the study utilized a different research methodology, employing stratified random sampling with a larger sample size of 396 respondents, which may yield more robust insights. The significance of integrity and confidentiality in fostering customer trust in banks was underscored by findings from Chaudhuri & Holbrook's (2009) study on factors affecting customer loyalty in Kenya's banking sector, further emphasizing the importance of trust in customer relationships.

The literature primarily focuses on relationship marketing and customer loyalty in urban banking institutions, leaving a gap in understanding these dynamics within rural Deposit-taking SACCOs, particularly in Western Kenya. Specifically, there is limited research on how relationship marketing strategies, including trust-building initiatives, are adapted and implemented within SACCOs, and their impact on customer loyalty. Moreover, the role of trust as a sub-variable within SACCOs remains underexplored, as does the effectiveness of specific relationship marketing strategies employed by SACCOs in fostering customer loyalty. Addressing these gaps can offer valuable insights into enhancing customer loyalty and organizational performance within the SACCO sector in Western Kenya. Key aspects of Trust identified for this study as relationship marketing research gaps entail (i) Integrity, (ii) Consistency and (iii) Compassion.

2.4.3 Communication and Customer Loyalty

Communication has been recognized as a crucial attribute of relationship marketing in both product-based and service industries, as highlighted by studies conducted by Jain *et al.* (2021), Kusa *et al.* (2021), and Kumar & Mbaabu (2022). In a study on the Effect of Communication Process on Customer Satisfaction to Improve Customer Retention in

Indonesia, Putra & Ardiani (2018) employed a survey approach as a descriptive quantitative design. Path analysis was utilized as the method of analysis, with three hypotheses tested. The research findings revealed that, firstly, the communication process significantly affects customer satisfaction when considered simultaneously. Secondly, based on partial testing, it was found that the communication process has a significant impact on consumer retention (Putra & Ardiani, 2018). Lastly, through partial testing, it was established that both the communication procedures and customer satisfaction greatly influenced customer retention, with the communication processes being the highly influential variable in enhancing customer retention (Putra & Ardiani, 2018).

The study by Putra and Ardiani (2018) investigated the relationship between communication processes, customer satisfaction, and retention, focusing on an Indonesian context. While it provides valuable insights, its applicability to deposit-taking SACCOs in Kenya may be limited due to contextual differences. SACCOs in Kenya operate within a cooperative framework, necessitating tailored communication strategies that emphasize transparency and community engagement. The study's methodology and findings may need adaptation to suit the unique characteristics of SACCOs in Kenya, suggesting a need for further research tailored to this context.

Yogesh *et al.* (2018) conducted a review examining the influence of Relationship Marketing strategy on customer loyalty within Malaysian banks, utilizing a survey of 220 customers. Their findings indicate that four Relationship Marketing dynamics, including communication, accounted for a noteworthy quantity of variance in bank customer loyalty. The authors argue that effective communication, characterized by timely and trustworthy information, fosters loyalty to a bank, underscoring the importance of banks being transparent with consumers. Cheung *et al.*, 2021 also explored the multifaceted effects of communication on key relational dynamics, particularly in the context of higher credence service in Hong Kong. Surveying a sample of 229 hospital patients, their research reveals that communication, along with expertise, empathy, likeability, and the effectiveness of the service firm, are all positively correlated with constructs of trust and satisfaction. These factors collectively influence relationship quality, which subsequently impacts behavioral outcomes.

In Greece, Kusá *et al*. (2021) carried out a comprehensive research on the Effects of Marketing Communication on Consumer Preferences and Purchasing Decisions, illuminating the dynamic relationship between marketing communication and consumer behavior. Their research underscored the global trend of examining marketing communications in conjunction with consumer behavior, highlighting the substantial impact of these communications on shaping consumer preferences and purchase decisions. Through a cross-sectional design involving 788 respondents, they meticulously analyzed data using the SPSS statistical program, employing both one-dimensional and multidimensional statistical analyses. Their investigation encompassed various forms of communication, including online channels, reference groups, point-of-sale interactions, and creative marketing approaches. The findings, presented through detailed visualizations, revealed that a significant majority of respondents acknowledged the influence of marketing communication activities on their purchasing decisions, emphasizing the critical role of effective communication strategies in driving consumer behavior (Kusá *et al.*, (2021).

Kusa *et al.* (2021) propose that alterations in marketing communication, often driven by technological improvements, play a critical role in shaping customer behavior. They contend that the ongoing evolution of marketing communication not only impacts marketing strategies but also influences purchasing and decision-making processes. The authors highlight that in today's dynamic landscape, consumers have high expectations, demanding that brands continuously innovate and engage in creative communication to capture their attention and loyalty.

It's crucial to note the distinction between this study and the current research on customer loyalty among deposit-taking SACCOs in Western Kenya. While both studies delve into aspects of consumer behavior and communication strategies, the focus here lies specifically on marketing communication's influence on consumer preferences and purchasing decisions in a different geographical and cultural context. By examining the nuances of customer loyalty within SACCOs in Western Kenya, the current study seeks to provide insights tailored to the specific challenges and dynamics of this region's financial landscape.

The Key aspects of Communication that the researcher identified as relationship marketing research gaps, and that this study sought to be bridged through scientific measurements, by correlating them with loyalty, entailed sub-attributes such as (i) Feedback effectiveness, (ii) Speed and efficiency of communication and (iii) Information transparency and clarity to customers.

2.4.4 Continuous Improvement and Customer Loyalty

Continuous Improvement has garnered significant attention from researchers worldwide, emerging as a pivotal factors shaping customer loyalty within the service industry. For instance, in China, Ma *et al*. (2020) investigated the influence of continuous improvement on passenger loyalty within public car sharing platforms: a moderation and mediation assessment. The study employed perceived transaction cost theory, value theory, and trust theory, to construct a structural equation model to describe passenger loyalty. Data from 755 surveys were collected by means of stratified sampling in mainland China.

Results showed that the link between continuous improvement and passenger loyalty was high, mediated by passenger trust, perceived value, and transaction costs. This indicates that continuous improvement attributes should be employed to differentiate services for passengers based on the purpose of using car sharing and usage familiarity. The findings underscore the importance of continuous improvement attributes in bolstering customer loyalty through trust, perceived value and mediation of transaction costs. However, gaps in literature are evident. Firstly, the study's focus on public car-sharing platforms in China may limit its applicability to other industries or regions. Secondly, while it addresses passenger loyalty, there is a lack of exploration within the context of deposit-taking Savings and Credit Cooperatives (SACCOS), necessitating the current research to understand the mechanisms through which continuous improvement initiatives impact customer loyalty among deposit-taking SACCOS in Western Kenya.

Moreover, in the Czech Republic, Koval *et al*. (2018) carried out a study examining the influence of continuous improvement initiatives within the services industry on customer satisfaction. The primary objectives were to assess whether companies could enhance customer satisfaction through continuous improvement practices and to identify organizational factors facilitating this relationship. Utilizing structural equation modeling, data were gathered from 304 service companies via a custom web-survey.

The study affirmed a direct positive correlation between continuous improvement efforts and customer satisfaction. It also highlighted the pivotal role of management commitment and rewards systems in fostering customer participation, with customer satisfaction emerging as a significant facilitator of the continuous improvement process. Moreover, the presence of a quality-oriented culture and employee training in improvement methodologies was identified as crucial for sustaining continuous improvement efforts over time (Koval *et al*. (2018)). The study aligned with previous researches (Khan *et al.,* 2018; Chandra *et al.,* 2019; Zahari *et al.,* 2019) in underlining the significance of goal setting within continuous improvement initiatives.

However, it found that while goal setting plays a role, its ability to facilitate the relationship between continuous improvement and customer satisfaction was relatively constrained when compared to other organizational practices. While this research contributes valuable insights to the field, it overlooks crucial aspects such as customer loyalty and fails to specify the particular service industries under examination. To address these gaps, the current study focused on deposit-taking Savings and Credit Cooperatives (Saccos) within the context of a developing country. The current study went further to identity antecedents of continuous improvement, including Time of delivery, Quality output and Cost Optimization.

Kaunda, Thuo, and Kwendo (2023) conducted a study on small, micro and medium-sized enterprises (MSEs) in the Nyanza region of Kenya, utilizing the approach of cross-sectional survey research. Their findings highlighted the significant impact of interactive marketing on marketing performance. They recommended widespread application of interactive marketing to enhance marketing performance, leading to increased profits and stability. However, while acknowledging the close relationship between interactive marketing and relationship marketing in influencing customer loyalty, the study's approach focused primarily on interactive commitment, communication, and customer trust as key independent variables.

This approach overlooked fundamental components of Relationship Marketing suggested by researchers (Rane *et al.*, 2023; Patil & Rene, 2023), such as Continuous Improvement, and neglected to consider the moderating effects of contemporary technological advancements. Incorporating these elements could provide a more comprehensive understanding of the dynamics among promotional strategies, customer loyalty, and business directions for MSEs in the region. In order to authoritatively assert the significance of the recommendations made by Kaunda, Thuo & Kwendo, (2023), and so as to attain reliability on it as a knowledge base, the current research study intends to bridge the study gap created by possible inadequacy of independent and moderating variables, in the case of deposit taking SACCOS in Western Kenya.

The key aspects of Continuous Improvement that the current study identified as relationship marketing research gaps, and that was sought to be bridged through scientific measurements, by correlating them with loyalty, entailed sub-attributes such as (i) Time of delivery of expected services, (ii) Quality output of Services and (iii) Cost optimization approaches in the process of service delivery.

2.4.5 Relationship Marketing, Digital Platforms and Customer Loyalty.

Literature, including works by Albérico & Casaca (2023), Mukhtar & Chandra (2023), Golgeci *et al*. (2020), Jain *et al*. (2021), and Lim & Zhang (2022), underscores the concepts of digital marketing and its moderating capabilities on consumer behavior, optimization of relationship marketing, customer satisfaction, and also customer loyalty.

Jibril *et al*. (2019) investigated the mediating role of contemporary social media-based brand communities, considering their impact on consumers' purchase attitudes toward brand loyalty. The primary aim in Central Europe, was to examine how digital platforms influenced attitudes toward brand loyalty. An online survey captured the perspectives of 122 social media users affiliated with at least an online brand community. Thenstudy results, analyzed through partial least squares and structural equation modeling, revealed that digital platforms positively initiated consumer brand engagement, and fostered user-brand relationships.

The decision-making implication of this research was to guide practitioners and business players in leveraging the potential of social-media platforms to enhance market share in the medium to long term (Jibril *et al.*, 2019). However, the method of analysis lacked a conceptual model illustrating the connection between various relationship marketing attributes and customer loyalty. Therefore, the current study aimed to elucidate the moderating role of digital platform attributes, such as Platform Experience, Platform Feedback, and Platform Innovation & Adaptability, on customer loyalty.

Santa & Monero (2017) investigated the impact of new information search trends on destination loyalty, focusing particularly on digital destinations and relationship marketing. Conducting a wide survey with 6964 questionnaires across 17 European countries, the study revealed that customers heavily rely on digital platforms for accessing information about products offered by their preferred service providers. Additionally, customer loyalty and satisfaction levels were found to be influenced by the quality and approaches of these platforms to brand destinations at different levels, including behavioral and attitudinal loyalty, as well as horizontal loyalty. The research also delves into the differences in the use of online plus offline sources of data concerning holidays.

While this study offers valuable insights into the influence of digital platforms on destination loyalty and customer satisfaction, its direct relevance to the current study's focus on digital platforms as a moderating variable between relationship marketing (RM) and customer loyalty may be limited. According to the recommendation by Hollebeek *et al*. (2019), the study primarily explores customer reliance on digital platforms for information access and its implications for loyalty and satisfaction, without explicitly delving into the specific relationship between RM strategies and customer loyalty moderated by digital platforms. Nonetheless, integrating insights from the current study into the broader discussion could enhance understanding of the multifaceted dynamics of digital platforms in shaping customer behavior and loyalty within the context of relationship marketing strategies. Hence the current study specified antecedents of digital platforms, such as platform experience, platform feedback, and platform’s innovation & adaptability.

In Ghana, a study conducted by Boateng (2019) on Online relationship marketing and customer loyalty. The study was aimed at find out the moderating role of online technologies on the transformed the process of building relationships among institutions and their customers. The study surveyed 429 Ghanaian retail bank customers and used structural equation modeling techniques to evaluate the data. The results emphasized the importance of online involvement and interactivity in influencing the relationship marketing outcomes of banks, based on signaling theory. The study concludes that in addition to using online tools, banks' online relationship activities should effectively communicate signals that promote trust and loyalty among customers. However, there exist little emphasis and theorization on the connection between online relationship marketing happenings and their influence on the objectives relationship marketing (Boateng, 2019). Therefore, current study focused on examining the relationship and influence on Relationship Marketing, Digital Platform, and Customer Loyalty within the context of Deposit-taking SACCOS.

Nguyena & Hoang (2024) conducted a study to investigate the relationship between relationship marketing, consumer satisfaction, and consumer loyalty in the context of e-banking. The research was conducted in two phases, consisting of in-depth kley informant interviews and a quantitative investigation. The participants were 690 individual and corporate e-banking customers in Vietnam. The findings of the study discovered that customer satisfaction plays a mediating role in the influence of relationship marketing on consumer loyalty among individual clients.

Similarly, relationship marketing contributes directly to the loyalty of commercial customers, without the need for customer satisfaction (Nguyena & Hoang, 2024). The study also identified that the scopes of relationship marketing's effectiveness, for instance the banks' commitment, process-driven approach, customer experience, service reliability, and technology application- all have different effects on consumer satisfaction and loyalty across customer segments. To further understand this phenomenon, the study focuses on relationship marketing and customer loyalty within Deposit taking SACCOs in the Western region.

Chikazhe *et al.* (2021) explored the attainment of customer satisfaction within the realm of digital platform services, examining its impact on electronic word-of-mouth and how these relationships should be moderated by perceived technological innovativeness.

They developed a research framework and empirically tested it using an online survey, employing structural equation modeling for analysis. Data was collected from 501 Uber customers in London, UK. The study identified and verified that trust and cost savings contribute to improved client satisfaction in Uber-business industry, subsequently leading to positive electronic word of mouth.

These findings underscore the significant influence of digital platforms on the interplay between marketing dynamics and customer loyalty. However, the study did not directly address the specific interaction between relationship marketing strategies and customer loyalty, moderated by digital platforms. Therefore, its direct relevance to the current study, which focuses on digital platforms as a moderating variable between RM and customer loyalty, may be limited. Nonetheless, integrating insights from Chikazhe *et al.*'s (2021) study could provide additional context and enrich the discussion on how digital platforms shape customer behavior and satisfaction, thus contributing to a more comprehensive appreciation of the dynamics at play in the realm of digital marketing and customer loyalty.

In the current study, the researcher held a strong belief in the existence of a nexus between Personalization as a key research variable and Customer Loyalty. Furthermore, it was posited that the correlation between Personalization and its sub-attributes of Customer Lifetime Value, User Satisfaction, and Conversion Rate would be significantly enhanced by digital platforms serving as a technological baseline. Additionally, the researcher reasoned that the relationship between sub-variables of Trust, including Integrity, Consistency, and Compassion, could be influenced by the employment of digital platforms in most, if not all, SACCOS.

Similarly, Communication, recognized as a major enabler of various operational successes of financial institutions in literature, was believed by the researcher to have its sub-variables of Feedback Effectiveness, Speed and Efficiency, and Information Transparency & Clarity directly enhanced by digital platforms. Among the digital platform sub-variables deemed relevant for this study were platform interactivity, platform personalization, platform trustworthiness, platform convenience, platform community building, feedback mechanism, feedback integration, platform insights and ability, platform innovation, and platform reputation. To validate the aforementioned relationships, this research was deemed necessary and was conducted as outlined in subsequent chapters.

2.5 Summary and Research Gaps

The literature review revealed several gaps that need to be addressed. Therefore, this section provides a summary of reviewed literature, highlighting the selected research gaps that this research study aims to fill. These gaps are listed in Table 2.1.

Table 2.1: Summary of Literature Review & Research Gaps

Author	Study Focus	Findings and knowledge	Research gaps	Focus of the current study
Kruhovyi (2023)	Customer Loyalty Strategy Development within the European Market's Small and Medium-Sized Fin-Tech Businesses	There was a correlation between personalized strategies and customer loyalty within the fin-tech domain	The study diverges from the current research, which examines the intricacies of Personalization in medium-sized financial businesses.	The study employed the measurement of personalization targets among deposit-taking SACCOS in Western Kenya, aiming to understand customer loyalty dynamics
Jeruto *et al.*, (2020)	Effect of Internet Banking on Corporate Performance of Deposit-Taking SACCOs in Nairobi County	Findings revealed a positive significant relationship between personalization of marketing and customer trust, and their influence on internet banking on corporate performance	The study does not delve into attributes that measure Relationship Marketing.	The current study was aimed at the influence of Relationship Marketing, incorporating attributes such as Personalization, Trust, Communication, and Continuous Improvement
Romdonny *et al.* (2018)	Factors affecting customer value and its impact on customer loyalty	Trust only partially influences customer satisfaction.	The research design combined a cross-sectional survey with triangulation, involving respondents from regions locations.	This study utilized a homogeneous population and employed a descriptive and correlational research design.
Ojiaku *et al*. (2017)	Effect of Relationship Marketing and Relationship Marketing Programs on Customer Loyalty	Findings revealed evidence supporting the influence of customer trust and satisfaction on customer loyalty, while the input on commitment to the model was not supported.	The Nigerian study may not fully grasp the unique dynamics of SACCOs in Kenya, which operate within a cooperative framework emphasizing member welfare and community involvement.	The current study extensively explores the sub-variables that directly contribute to vivid responses concerning Relationship Marketing

Author	Study Focus	Findings and knowledge	Research gaps	Focus of the current study
Mohamed, (2022)	Determinants of customer loyalty among commercial banks in Nairobi	Trust is established when banks' activities are perceived to result in positive conclusions for customers or when commercial banks function in the best interest of their clients.	The study primarily focuses on relationship marketing and customer loyalty in urban banking institutions, leaving a gap in understanding these dynamics within rural Deposit-taking SACCOs.	The current study provided valuable insights into the enhancement of customer loyalty and organizational performance within the SACCO sector in Western Kenya. Key aspects of Trust identified as research gaps in relationship marketing for this study include (i) Integrity, (ii) Consistency, and (iii) Compassion.
Putra and Ardiani (2018)	Effect of Communication Process on Customer Satisfaction to Improve Customer Retention in Medan, Indonesia	Communication process significantly affects customer satisfaction when considered simultaneously. Communication process has a significant impact on consumer retention	Focused on an Indonesian context, hence, the applicability to deposit-taking SACCOs in Kenya may be limited due to contextual differences.	The current study applied to a local context different to the study under comparison, where the focus was on deposit-taking SACCOs in Kenya may be limited due to contextual differences.
Kusá *et al*. (2021)	Effect of Marketing Communication on Consumer Preferences and Purchasing Decisions	A significant majority of respondents acknowledged the influence of marketing communication activities on their purchasing decisions,	The point of focus encompassed various forms of communication, including online channels, reference groups, point-of-sale interactions, and creative marketing approaches.	The focus of this study encompassed attributes rather than forms of communication, such as Communication Feedback effectiveness, Speed and efficiency of communication, and Information Transparency & Clarity of communication.
Ma *et al*. (2020)	Influence of continuous improvement on passenger	The association between continuous improvement	The study's focus on public car-sharing platforms in China	There is a clear exploration of digital platform attributes within

Author	Study Focus	Findings and knowledge	Research gaps	Focus of the current study
	loyalty within public car-sharing platforms: a mediation and moderation analysis	and passenger loyalty was high, mediated by passenger perceived value, passenger trust, and transaction costs.	may limit its applicability to other industries or regions.	the context of deposit-taking Savings and Credit Cooperatives (SACCOS) in this current study.
Koval *et al*. (2018)	The impact of continuous improvement initiatives within the services industry on customer satisfaction	The study affirmed a direct positive correlation between continuous improvement efforts and customer satisfaction	The study overlooked crucial aspects such as customer loyalty and failed to specify the particular service industries under examination.	The current study focused on deposit-taking Savings and Credit Cooperatives within the context of a developing country setup. Additionally, it identified antecedents of continuous improvement, including Time of delivery, Quality output, and Cost Optimization.
Kaunda, Thuo, and Kwendo (2023)	The impact of Interactive Marketing on Marketing Performance of Micro, small, and Medium-sized Enterprises (MSEs) within Nyanza Region, Kenya	Findings highlighted the significant impact of interactive marketing on marketing performance	The study approach overlooked fundamental components of Relationship Marketing, such as Continuous Improvement, and neglected to consider the moderating effects of contemporary technological advancements.	The current study specifically focused on continuous improvement and its key measurable aspects, such as the time of delivery of expected services, the quality output of services, and the approaches to cost optimization in the process of service delivery.
Jibril *et al*. (2019)	The impact of social media on customer brand loyalty: A mediating role of online based brand community	Digital platforms positively initiated customer brand engagement and fostered user-brand relationships	The method of analysis lacked a conceptual model that could be relied upon to illustrate the connection between various relationship marketing attributes and customer loyalty.	The current study provided clarity on the conceptual model and further elucidated the moderating role of digital platform attributes, such as platform experience, platform feedback, and platform innovation & adaptability, on customer loyalty.

Author	Study Focus	Findings and knowledge	Research gaps	Focus of the current study
Santa & Monero (2017)	New trends in information search and their impact on destination loyalty: the dDigital destinations and relationship marketing	The study revealed that customers heavily rely on digital platforms for accessing information Loyalty and satisfaction levels were found to be influenced by the quality and approaches of these platforms to brand destinations at different levelsabout products offered by their preferred service providers	The study primarily explored customer reliance on digital platforms for information access and its implications for loyalty and satisfaction, without explicitly delving into the specific relationship between RM strategies and customer loyalty moderated by digital platforms.	The current study measured digital platforms as a specific moderation objective, along with antecedents of digital platforms, such as platform experience, platform feedback, and platform innovation & adaptability.
Boateng (2019)	Online relationship marketing and customer loyalty: a signaling theory perspective	Findings emphasized the importance of online engagement together with interactivity in influencing the relationship marketing outcomes of banks	There was a limited focus and theorization on the connection between online relationship marketing practices, and their impact on relationship marketing aims.	The study focused on how Digital Platforms moderate the relationship between RM and Customer Loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya..
Chikazhe *et al.* (2021)	Understanding mediators and moderators on the impact of customer satisfaction on loyalty	findings underscored the significant influence of digital platforms on the interplay between marketing dynamics and customer loyalty	The study did not directly address the specific interaction between relationship marketing (RM) strategies and customer loyalty, as would be moderated by digital platforms.	The current study directly focuses on digital platforms as a moderating variable between RM and customer loyalty.

Source: Researcher (2023)

2.6 Conceptual Framework

Mugenda and Mugenda (200633) defines conceptual framework as a conjenctured classification model that illustrates relationship between identified independent variables and dependent variable. In this research context, the independent variable is relationship marketing while the dependent variable is customer loyalty. The relationship marketing variables that were evaluated entail: “Personalization", “Trust” “Communication” and “Continuous Improvement”. The independent variable was “Customer Loyalty”. The study was subjected to moderating of Digital Platforms that are often employed by SACCOS during their daily operations. The Figure 1.1 illustrates conceptual framework.

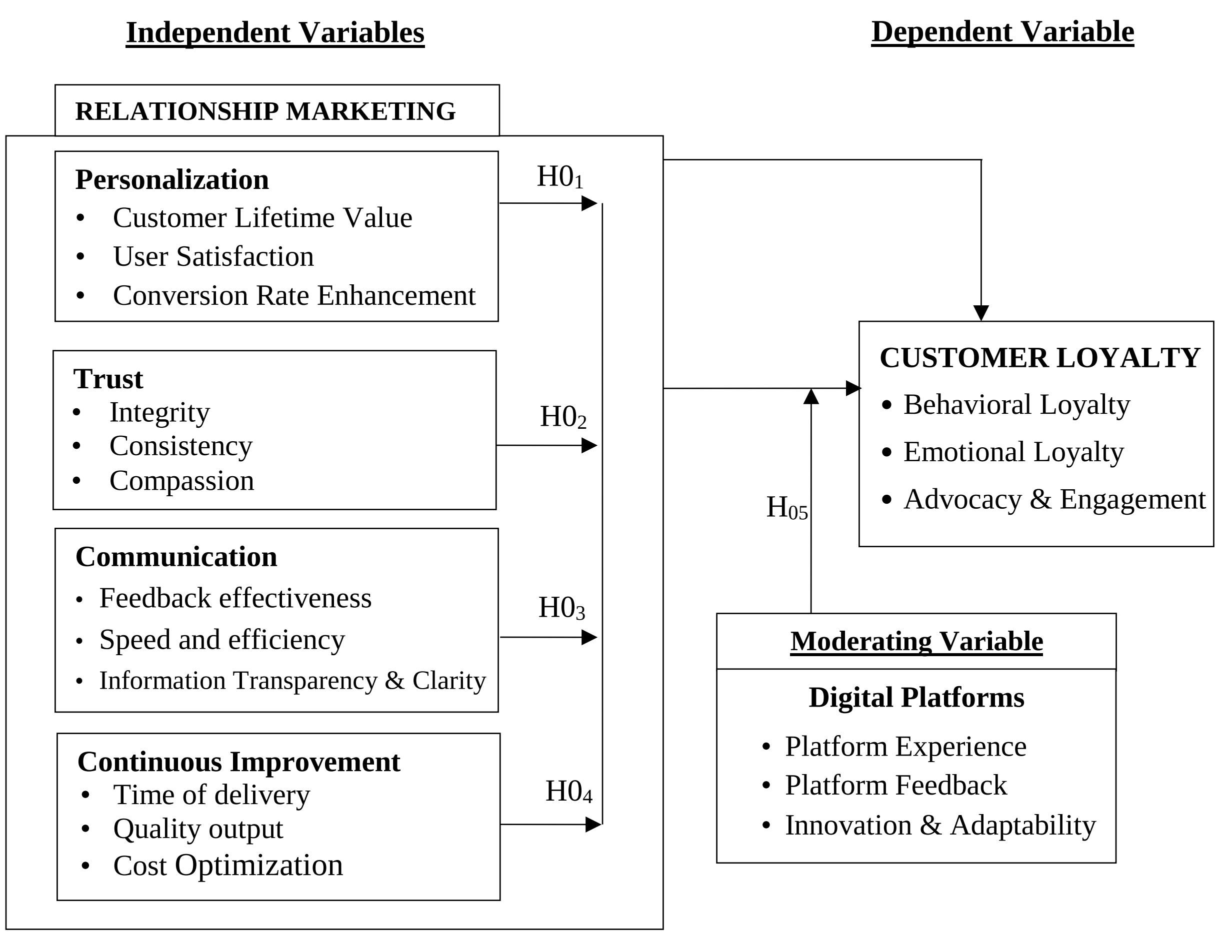

Figure 2.1: Conceptual Framework; (Source: Researcher, 2024))

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines various methods, including procedures employed by the researcher throughout the study. The chapter begins with an explanation of the research design, followed by a discussion of the target population. The chapter further delves into the sample size and sampling procedure, provides insights into data collection instruments, examines the validity, plus reliability of the research instruments, and outlines the data collection procedure. Approaches to data analysis and presentation are covered, while the empirical model for hypothesis testing and ethical considerations are also discussed.

3.2 The Study Area

This study was conducted in Western Kenya, where lisenced deposit taking Savings and Cooperative Societies are widespread. Western Kenya, situated within the western part of the country, spans between latitudes 0° 30' N and 0° 10' S and longitudes 33° 50' E and 35° 30' E. It shares borders with Uganda to the west, the Nyanza region to the north, and the Rift Valley region to the east. Notably, the region is distinguished by its adjacency to Lake Victoria, with several counties bordering the lake's shores. Its landscape features fertile plains, rolling hills, and numerous rivers such as the Nzoia and Yala rivers. The study specifically targeted counties including Kakamega, Bungoma, Busia, Vihiga, and Trans Nzoia. Figure 3.1 depicts a map of the study area delineated from Kenya's counties, while Figure 3.2 outlines the specific counties in which the study was conducted.

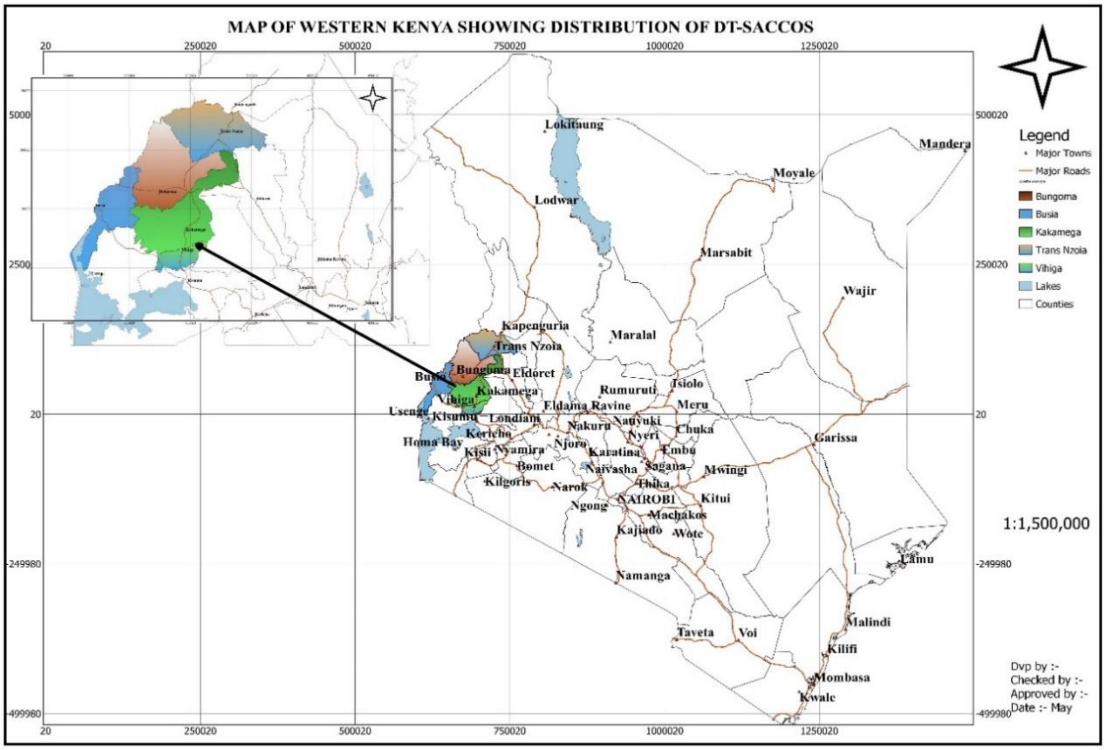

Figure 3.1: Map of study area as delineated from Kenya counties
Source: QGIS Shapefiles – Western Kenya

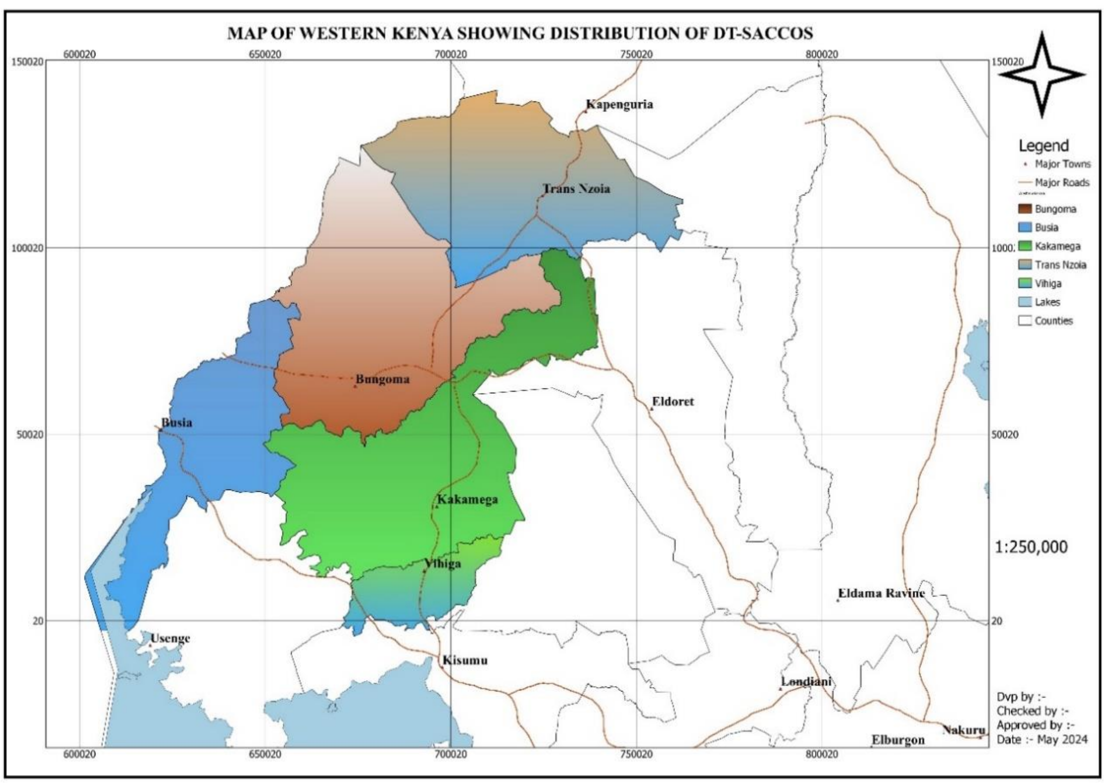

Figure 3.2: A map of Western Kenya Counties where DT-SACCOS Operate
Source: QGIS Shapefiles – Western Kenya

3.3 Research Design

In this study, two main research designs were employed to explore how Relationship Marketing attributes impact Customer Loyalty, focusing on the management and customers of Deposit-Taking SACCOs. As recommended by by Orodho (2012), dscriptive research design was utilized to comprehensively depict the characteristics, attributes, and demographics of the study population. Through descriptive research, a holistic understanding of the study population was obtained, enabling researchers to paint a vivid picture of the target group. On the other hand, correlational research design was utilized to explore and analyze the rpossible links or relationships between divergent variables in the study.

Unlike descriptive research, which focuses on describing individual characteristics, correlational research seeks to identify connections, associations, or patterns among variables (Wachira, 2022). By examining how alterations in a variable correspond to variations in another, researchers could assess the extent and nature of relationships between key factors under investigation.

By utilizing both descriptive and correlational research designs, this current study adopted a comprehensive approach to internalizing the dynamics within the study population. While descriptive research brought out a detailed view of characteristics of the study population, correlational research delved deeper into exploring the interplay between various factors, shedding light on potential causal relationships or predictive patterns. Together, these research designs allowed for a nuanced and multifaceted analysis of the study's objectives, providing valuable insights into both the composition of the population and the underlying relationships among its variables.

3.4 Target Population

The study targeted customers of Savings and Credit Coperative Societies that were registered by SASRA (2017) and licensed for deposit-taking financial activities within Western Kenya. All the 23 registered deposit – taking Saccos in Kakamega, Vihiga, Bungoma, Busia and Trans Nzoia with a combined population of 37,137 were targeted for the study. Of the 23 Saccos targeted for customer Remationship Marketign and Customer Loyalty study, five were aligned to the public servants and another five aligned to small-scale trades and micro-finance investors. Consequantly, four Saccos were aligned to the uniformed services sector. Both the education sector and the communication and media sector had two SACCOS each targeted for the study, as does the commercial transport sector. There were two Saccos each targeted each having been aligned to health workers, legal services, and the banking sector.

3.5 Sample Size and Sampling Procedure

Singh & Masuku (2014) define sample size as a sub-set of the study population that represents the entire population. The study used Systematic Sampling to select SACCO Members and Customers. The sample size was established using Yamane's (1967) formula for sample size, which is expressed below:

$$n = N / (1+Ne^2) \qquad (3.1)$$

$$n = 37137/ (1 + (37137*(0.05)^2))$$

$$n = 395.738 \quad \approx 396$$

Where: e = Margin of error,

N = Population size,

N = Sample size;

According to a number of researchers, this formula is favored for its simplicity and practicality, particularly in social science researches. Its straightforward approach helps ensure that sample sizes are sufficient to achieve reliable and accurate results, facilitating efficient and effective data collection across various research contexts, hence its choice for use in this study. Table 3.1 describes a sample frame generated using study population and the determined sample size.

Table 3.1: Sample Frame; Source: Researcher (SASRA, 2017; Researcher, 2024)

SACCOS alignment Category	S/N	Name of Deposit -Taking SACCOS	Population	Sampling factor	Sample Size	Percentage (%)
Aligned to Public servants	1.	Harambee Sacco Society	1203	0.010663	13	3.24%
	2.	Kimisitu Sacco Society	1346	0.010663	14	3.62%
	3.	Stima DT Sacco Society	1521	0.010663	16	4.10%
	4.	Ukulima Sacco Society	1344	0.010663	14	3.62%
	5.	Ushuru Sacco Society	1165	0.010663	12	3.14%
Aligned Small scale trades and micro-finance investors	6.	Hazina Sacco Society	1132	0.010663	12	3.05%
	7.	Faridi Sacco Society	1466	0.010663	16	3.95%
	8.	Faulu Bank Sacco Society	2027	0.010663	22	5.46%
	9.	Invest & Grow (IG) Sacco	1674	0.010663	18	4.51%
	10.	Ng'arisha Sacco Society	1402	0.010663	15	3.78%

SACCOS alignment Category	S/N	Name of Deposit -Taking SACCOS	Population	Sampling factor	Sample Size	Percentage (%)
Uniformed service	11.	Kenya Police DT Sacco	1096	0.010663	12	2.95%
	12.	Magereza Sacco Society	1315	0.010663	14	3.54%
Farmers	13.	Mudete Factory Tea Sacco	1320	0.010663	14	3.55%
	14.	Vihiga County Farmers Sacco	2080	0.010663	22	5.60%
Education sector	15.	Mwalimu National Sacco	3080	0.010663	33	8.29%
	16.	Wevasity Sacco Society	1575	0.010663	17	4.24%
Communi-cation and media	17.	Nation DT Sacco Society	1079	0.010663	12	2.91%
	18.	Safaricom Sacco Society	1253	0.010663	13	3.37%
Commercial transport	19.	Trans Counties Sacco Society	3072	0.010663	33	8.27%
	20.	Unaitas Sacco Society	3011	0.010663	32	8.11%
Health workers	21.	Afya Sacco Society Ltd	1344	0.010663	14	3.62%
Legal services	22.	Sheria Sacco Society	1306	0.010663	14	3.52%
Banking sector	23.	Kenya Bankers Society Ltd	1326	0.010663	14	3.57%
		Total	**37,137**		396	**100.00%**

Source: SASRA (2017)

As described in table 3.1, the sample size was 396 respondents with proportionate sample sizes of individual SACCOS calculated using a sampling factor of 010663, which obtained by dividing sample size by the population (396 ÷ 37,137 = 0.010663). this approach has also been bused by a numder of researchers including Jepkoskei (2022), Mohamend, *et al.* (2022) and Wachira (2022).

3.6 Data collection Instruments

The current study utilized primary data to illustrate the research status of the DT-SACCOS. Primary data was chosen because would be reliable and would be obtained directly from the respondents, the original source. The primary data was collected using Structured Questionnaires, which served as the main tool for data collection. As recommended by Dubey & Kothari (2022), questionnaires were preferred because they were quick and easy for respondents to complete and return. The decision to use this tool was also influenced by Mohamend's *et al.* (2022) evaluation, which also highlighted their suitability for data collection due to their ease of standardization and comprehensive coverage of the topic.

The study's questionnaire was separated into three sections, in which seection A focused on the demographic information of SACCO members. Section B covered relationship marketing attributes, including personalization, trust, communication, and continuous improvement. Section C covered Digital Platforms while Section C was based on Customer Loyalty. Likert scales (recommended by Jepkoskei, (2022), Mwirigi (2018) and Mohammed *et al.* (2022), were used in the questionnaire to rate various statements. Likert Scale was considered as it serves as a valuable tool for researchers in capturing and quantifying subjective experiences, attitudes, and opinions, thereby enhancing the rigor and depth of empirical research across various disciplines.

3.7 Research Instruments, Validity and Reliability

Pilot Study

A pilot study was conducted, evaluating 10% of the total sample size. According to Dubey & Kothari (2022), this proportion is considered adequate for a preliminary analysis and for assessing the reliability and validity of research instruments. For the pilot study, Vision Afrika Sacco Society Ltd, a licensed deposit-taking SACCO in Nakuru, was chosen, and 38 of its customers participated.

Validity of the instruments

According to Dubey & Kothari (2022), the validity of research instruments refers to how sound a test measures what it is intended to measure. The authors identify three types of validity: construct, criterion, and content. In order to ensure construct criterion validity, the instruments selected for this study were designed to effectively measure and reproduce results that would be comparable to those obtained in similar studies. The instruments also guaranteed the Content Validity Index by accurately representing the entire domain being measured.

Reliability of the instruments

The study aimed to ensure the reliability of research instruments, following the principle established by Cronbach & Hedge (as described in Park, 2021). Therefore, the extent to which these instruments would consistently produce similar results on repeated measurements was considered as the target for reliability. This was assessed using the preliminary results of the Cronbach Alpha indices obtained from the pilot study.

3.8 Data Collection Procedure

Once the proposal was approved by the School of Business and Economics at Masinde Muliro University of Science and Technology (MMUST), the researcher received a letter. This letter, along with other required documents, was used to apply for a research permit from the National Council of Science, Technology and Innovation (NACOSTI) before beginning data collection. A total of five (5) research assistants were trained and involved in the data collection process at 23 SACCOS located in Vihiga, Bungoma, Busia, Kakamega, and Trans-Nzoia counties. The researcher led the data collection exercise, having previously selected the SACCOS through Clustered Sampling. Primary data respondents were selected using Systematic Sampling method, in which every 5th customer was targed as a respondent in each Sacco within the given data collection duration. Selected target respondents from all identified SACCOS in Western Kenya received a self-administered questionnaire. The questionnaires were collected within a 2-week period and stored securely for data entry.

3.9 Data Analysis and Presentation

The research data that was collected was reviewed for any possible omissions or gaps, and then it was entered into the 2022 version of SPSS software, specifically version 27. Findings are presented using both descriptive statistics and inferential statistics. The descriptive statistics used included percentages, means, and standard deviations. The inferential statistics involved Pearson’s Correlation and Simple Linear Regressions.

Pearson’s Correlation coefficient was employed so as to measure the linear relationship between continuous variables entailing Personalization, Trust, Communication, Continuous Improvement, Digital Platforms and Customer Loyalty. It was primarily used to determine whether and to what extent the variables were related. This method provided information on the strength and direction (positive or negative) of the relationship. Pearson's Correlation, a commonly used in bivariate analysis, was employed to explore relationships between the variables before conducting regression analyses.

3.9.1 Test for Assumptions

Before running the regression model, diagnostic tests were conducted as recommended by Hoffmann (2021) and Wendler & Gröttrup (2021), to ensure that it met the assumption of being a Best Linear Unbiased Estimator. The following tests were performed to ensure that this assumption was not violated:

3.9.1.1 Test for Normality

Shapiro-Wilk (W) test test for normality was conducted at a significance level of P-value <0.05. If the p-value was less than 0.05, the data would be considered not normally distributed (Hoffmann, 2021; Wendler & Gröttrup, 2021).

3.9.1.2 Test for Linearity

This test aimed to determine whether the relationship between independent and dependent variables would be linear, rather than curved or grouped. Linearity was tested by Visual Inspection after plotting the the dependent variable against independent variables. A linear relationship would then be indicated by points forming a roughly straight line pattern.

3.9.1.3 Test for Multicollinearity

A test was conducted to examine whether there was multicollinearity among the variables in the study. Tolerance and Variance Inflation Factor (VIF) were used for this purpose. The Variance Inflation Factor (VIF) was considered for its usefulness in measuring the extent to which estimated regression coefficient variance could be overestimated when the predictor variables are not linearly correlated (i.e., no high collinearity). The threshold for determining the presence of multicollinearity was set at a maximum value of 5 (Jepkoskei, 2022).

3.9.1.4 Test for homoscedasticity (Homogeneity)

Homoscedasticity was assessed to ensure that the variance of the errors is constant across all levels of the predictor variables. According to Bevans (2020), Homogeneity of Variance refers to the situation where all values of the independent variable have the same error term. A significance level of P-value of 0.05 indicates the presence of homogeneity of variances, which ensures that the error in predictions does not significantly change across different values of the independent variable.

3.9.2 Empirical Model

To investigate the influence of Relationship Marketing on Customer Loyalty among Deposit-Taking Savings and Credit Societies (SACCOs) in Western Kenya, a robust research approach incorporating correlation analysis, simple linear regression and hierarchical regression as described in the following sub-sections.

3.9.2.1 Pearson's Correlation Analysis

Strongly recommended by scolars such as Bevans (2020) among others, Pearson's Correlation analysis was utilized to explore the strength and direction of the relationship between various dimensions of Relationship Marketing - such as personalization, trust, communication, and continuous improvement - and Customer Loyalty. This analysis was aimed at providing insights into the degree of association between these key variables, shedding light on which aspects of Relationship Marketing are most strongly correlated with Customer Loyalty within the SACCO context.

3.9.2.2 Simple Linear Regression Analysis

Simple Linear Regression was utilized to investigate the relationship between a single independent variable and a dependent variable. It serves analytical purposes such as assessing association strength, making predictions, hypothesis testing, interpreting model coefficients, and identifying outliers (Pal *et al.*, 2019). Regression analysis provides insights into variable behavior and enables informed decision-making and predictive modeling across diverse domains. The following Simple Linear Regression Analysis was utilized to examine the individual effects of each independent variable (Personalization, Trust, Communication, and Continuous Improvement) on the dependent variable (Customer Loyalty).

$$Y = \boldsymbol{\beta}_0 + \boldsymbol{\beta}_1 X_1 + \boldsymbol{\varepsilon} \quad (3.2)$$

$$Y = \boldsymbol{\beta}_0 + \boldsymbol{\beta}_2 X_2 + \boldsymbol{\varepsilon} \quad (3.3)$$

$$Y = \boldsymbol{\beta}_0 + \boldsymbol{\beta}_3 X_3 + \boldsymbol{\varepsilon} \quad (3.4)$$

$$Y = \boldsymbol{\beta}_0 + \boldsymbol{\beta}_4 X_4 + \boldsymbol{\varepsilon} \quad (3.5)$$

Where:

Y	=	Predictive value of the DV (Customer Loyalty)
β_0	=	Y - intercept (value of ***y*** when other parameters are set to zero)
ε	=	Error term
β_1-β_4	=	Coefficients of determinants of for each IV

X_1 = IV_1: Personalization

X_2 = IV_2: Trust

X_3 = IV_3: Communication

X_4 = IV_4: Continuous Improvement

3.9.3 Test for Moderation

The study employed Baron and Kenny's moderation approach and criteria (reviewed by Memon *et al.*, 2019; Mwirigi, 2018; and Mohamed, 2022) to evaluate the moderating possible effects of digital platforms on the link between relationship marketing and customer loyalty among deposit-taking savings and credit societies in Western Kenya.

The moderation effect was evaluated using p-values and by examining changes in regression coefficients before and after introducing moderation to assess their significance. The regression model explains how the moderating influence was examined in this study. The moderation model was derived from a modified standard multiple regression model (Equation 3.6):

$$\mathbf{Y} = \beta_0 + \beta_1 \mathbf{X_1} + \beta_2 \mathbf{X_2} + \beta_3 \mathbf{X_3} + \beta_4 \mathbf{X_4} + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \mathbf{(3.6)}$$

(Similar terms are defined under equations 3.2-3.5)

To test for moderation, interaction terms involving the moderating variable were included by calculating and multiplying the mean values of relationship marketing variables and those of digital platforms.

The modified model is then formulated as (Equation 3.7):

$$\mathbf{Y} = \beta_0 + \beta_5 \mathbf{X_1} \cdot \boldsymbol{DP_i} + \beta_6 \mathbf{X_2} \cdot \boldsymbol{DP_{ii}} + \beta_7 \mathbf{X_3} \cdot \boldsymbol{DP_{iii}} + \beta_8 \mathbf{X_4} \cdot \boldsymbol{DP_{iv}} + \varepsilon \ldots\ldots\ldots\ldots \mathbf{(3.7)}$$

Where:

Y = Customer Loyalty

β_0 = Constant Term

$\beta_5 \ldots B_8$= Beta Coefficient of independent and composite variable

X_1 = Personalization

X_2 = Trust

X_3 = Communication

X_4 = Continuous Improvement

DP = *Digital Platforms with interacttion terms ($_{i,\ ii,\ iii,\ iv}$)*

According to Baron and Kenny (as reviewed by Mohamed, 2022), the decision criteria for determining a moderation effect are as follows: if the β coefficients for the independent variables are significant, and if the interaction terms are also significant, then it indicates that the moderating variable has a significant moderation effect. Conversely, if these conditions are not met, the moderation effect is not significant.

3.9.4 Operationalization of Research Variables

The study adopted descriptive analysis for demographic characteristics and correlational analysis for independent and dependent variables. Correlational analysis involved Pearson;s Correlation and Simple Linear Regression.

Table 3.2: Study variables operationalization

Category	**Variables**	**Indicators**	**Operationalization**	**Measure-ment**
Independent Variables	**Persona-lization**	• Lifetime Value • User Satisfaction	• *Level of value achievement* • *In-person attendance Level* • *Intensity of general Engagement* • *Extent of attendance by Frontline workers*	5-point Likert Scale

Category	Variables	Indicators	Operationalization	Measure-ment
		• Conversion Rate Enhancement	• *Easy of uptake of SACCO new approaches*	
	Trust	• Integrity • Consistency • Compassion	• *Absence of corruption* • *Clarity of transaction info* • *Delivery of promises* • *Accountability on non-achievement of promises* • *Level of compassion* • *Concern on attendance to needs*	5-point Likert Scale
	Commu-nication	• Feedback effectiveness • Speed and efficiency • Information Transparency & Clarity	• *Reliability of methods* • *Extent of follow ups and feedback* • *Time communication* • *Prompt communication if changes are to be made* • *Level of honesty and clarity* • *Ease of understanding the communication*	5-point Likert Scale
	Continuous Impro-vement	• Time of delivery • Quality output • Cost Optimization	• *Prompt delivery of services* • *Extent of confirmation of transaction by digital tech.* • *Rate of Service Quality Within the SACCO* • *Comparison of Quality to other institutions* • *Cost of investment* • *Cost of operations*	5-point Likert Scale
Moderating Variable	**Digital Platforms**	• Platform Experience	• *Platform Interactivity* • *Platform Personalization* • *Platform Convenience* • *Platform Community* • *Platform Trustworthiness* • *Platform Reputation*	5-point Likert Scale
		• Feedback Mechanisms	• *Feedback Mechanism* • *Feedback Integration* • *Platform Insights and Ability*	

Category	Variables	Indicators	Operationalization	Measure-ment
		• Innovation and Adaptability	• *Platform Innovation*	
Dependent Variable	**Customer Loyalty**	• Behavioral Loyalty • Emotional Loyalty • Advocacy & Engagement	• Repeat purchases and continued patronage • Emotional connections and trust towards the brand • Proactive involvement in promoting the brand and participating in related activities	5-point Likert Scale

Source: Study Data (2024)

3.10 Ethical Considerations

After obtaining a clearance letter from MMUST's University Research Ethics Committee, convened by Diretorate of Postgraduate Studies, the researcher began collecting field data. The researcher acquired a research permit from the National Council of Science, Technology, and Innovation by meeting their application requirements. The researcher then sent official requests to all 23 DT-SACCOS management, while also making personal appeals to respondents, in order to obtain informed consent from participants before involving them in the primary data collection.

The written consent clearly communicated the purpose, procedures, potential risks, and benefits of the research. Participants voluntarily agreed to participate without any form of coercion. The researcher took measures to uphold the confidentiality of participants' information and ensured that personal data was protected from unauthorized access or disclosure. Clear communication was maintained throughout to safeguard participants' privacy.

The researcher ensured that participation in the research was voluntary, and participants had the right to withdraw at preferred stage without consequences. The research process was carried out in such a way as to minimize any potential physical, emotional, or psychological harm to participants. The researcher acquainted themselves with the potential impact of the research on participants and took necessary steps to mitigate any negative effects in necessary instances. Additionally, the activity was conducted with transparency, providing a clear and accurate representation of the study's purpose, methods, and anticipated outcomes.

The research in Western Kenya, focusing on DT-SACCO members, prioritized cultural sensitivity by respecting local customs, traditions, and values, especially concerning senior citizens. All participants were treated fairly and equitably, irrespective of their background. Discrimination was avoided, ensuring inclusivity in participant selection and openness in queries. The researcher upheld integrity by honestly reporting findings and disclosing potential conflicts of interest. These ethical principles fostered trust between the researcher, SACCOS managements, and respondents, aligning the study with ethical standards and promoting responsible research conduct in Western Kenya.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Overview

This chapter highlights findings and discussions of the research study in relation to its objectives, conceptual model, and hypotheses. It begins by addressing the reliability and validity of the research constructs, as well as detailing the response rate. Subsequently, it offers an overview of the background information of study respondents, alongside a descriptive analysis of the study variables. Lastly, the chapter delves into the results of inferential statistics, concluding with a summary of the significant study findings in view of the outcomes of hypothesis tests.

4.2 Pilot Study Results

The questionnaire underwent a pilot study to determine its reliability or internal consistency. This pilot study included 10% of the sampled respondents, resulting in the systematic selection of 38 respondents from Vision Afrika Deposit-Taking Savings and Credit Societies, a licensed Sacco operating in the North Rift Region.

Nakuru County was chosen due to its resemblance in geo-political and socio-economic attributes to the counties in Western Kenya, which are the focus of this study. Consequently, performing a reliability test on the tools there would provide an accurate representation for the study region.

Test for Reliability

The results of the pilot study for the reliability test are presented in Table 4.1:

Table 4.1: Reliability Test Results

Variable	**Alpha value**	**Number of items**
Personalization	.756	5
Trust	.848	6
Communication	.934	6
Continuous Improvement	.759	6
Digital Platforms	.970	10
Customer Loyalty	.799	3

Source: Pilot Study Data (2024)

The pilot results established the reliability of Personalization being 0.88 in refrenece to Cronbach's alpha test of reliability; the reliability of Trust was 0.886; that of Communication was 0.955; the reliability of Continuous Improvement was 0.869, while the reliability for Digital Platforms and Customer Loyalty had alpha values of 0.960 and 0.812 respective. These results established that all the variables provided an alpha test value higher than 0.70; therefore, all the items were considered reliable. According to Sekaran and Bougie (as reviewed by Jepkosgei, 2022), a Cronbach's alpha of above 0.9 = Excellent, 0.8-0.9 = Good, 0.7-0.8 = Acceptable, 0.6-0.7 = Questionable, 0.5-0.6 = Poor, while less than 0.5 was considered Unacceptable.

Test for Validity

Content validity was guaranteed by university supervisors who reviewed the scale's items to ensure they adequately represented the content domain. Construct validity was assessed using Factor Analysis to confirm that items measuring the same construct loaded onto the same factor. This analysis involved scrutinizing factor loadings, communalities, and eigenvalues to gauge the strength and relevance of each factor. These methods ensured the research instruments accurately measured their intended constructs. The table below illustrates the results of Principal Component Analysis for construct validity of data.

Table 4.2: Principal Component Analysis for construct validity of research data

Component	Communalities		Initial Eigenvalues			Component Matrix[a]	
	Initial	**Extraction**	**Total**	**% of Variance**	**Cumulative %**	1	2
Personalization	1.000	.777	3.102	51.699	51.699	.686	.554
Trust	1.000	.699	1.081	18.009	69.708	.655	.519
Communication	1.000	.681	.722	12.028	81.736	.693	.448
Continuous Improvement	1.000	.631	.482	8.036	89.772	.776	.168
Digital platforms	1.000	.724	.329	5.476	95.248	.676	.517
Customer Loyalty	1.000	.671	.285	4.752	100.000	.815	.085

Extraction Method: Principal Component Analysis.; Source: Pilot Study Data (2024)

The Principal Component Analysis (PCA) results demonstrated strong construct validity across all variables, with high communalities values indicating thorough representation by the extracted components. Significant factor loadings, all above 0.4, as recommended by Kothari (2004), highlighted robust relationships between variables and components. For example, Personalization, Trust, and Communication showed strong associations with Component 1, while Continuous Improvement, Digital Platforms, and Customer Loyalty contributed meaningfully to the variance explained.

Moreover, the initial eigenvalues underscored the substantial proportion of variance captured by Component 1 (51.699%) and Component 2 (18.009%), collectively explaining 69.708% of the total variance. The results of communalities, factor loadings, and eigenvalues confirmed the dataset's construct validity, providing a solid foundation for further analysis and interpretation within the research framework.

The scree plot in Figure 4.1 below shows how eigenvalues, which represent variance, relate to the number of components extracted from the pilot study data. It helps identify the optimal number of components by observing where the eigenvalues start to level off

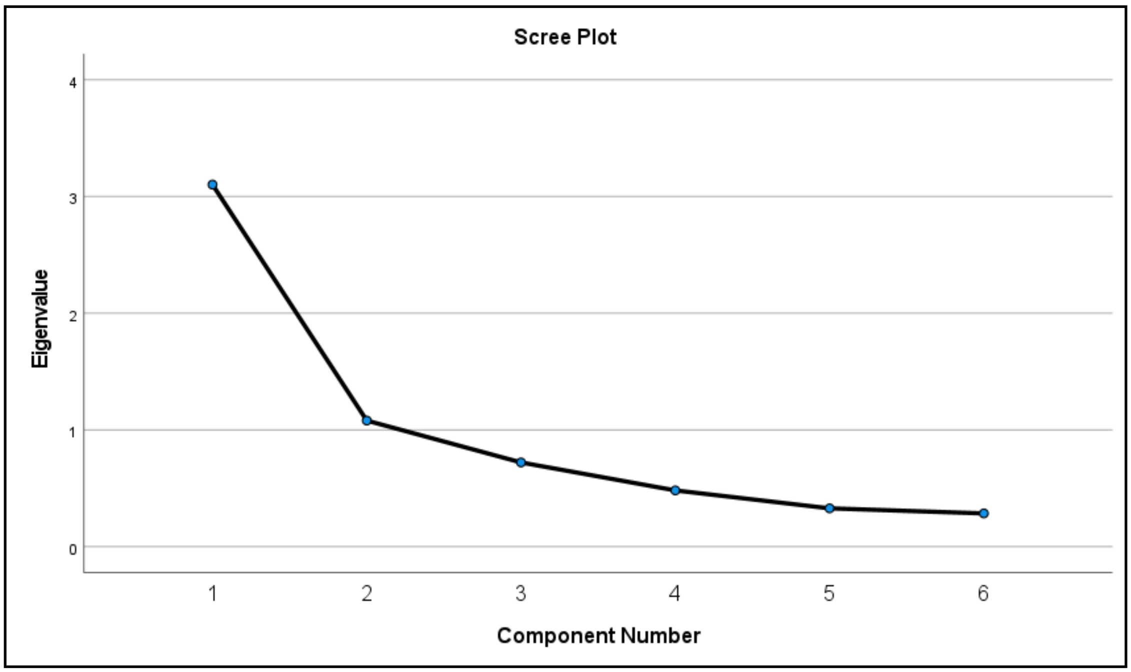

Figure 4.1: A scree plot of Eigen values of Principal Component Analysis

Source: Pilot Study Data (2024)

The scree plot, having a steep initial decline in eigenvalues, followed by a leveling off indicates that the early components capture most variance, representing meaningful constructs. Identifying an elbow point helped determine the optimal number of components to retain, aligning with theoretical expectations and research objectives. Such a plot suggests effective measurement of intended constructs and enhances validity.

4.3 Response Rate

The study disseminated questionnaires to 396 respondents, in which 347 were found to be suitable for analysis. This represented a 87.63% response rate. The unused questionnaires numbered 49, representing 12.37% of the administered questionnaires. The main reason for the unused questionnaires was that three were filled out incorrectly, with more than one answer ticked, while two questionnaires had several blank spaces left unfilled. However, this response rate was considered satisfactory, as recommended by Mwirigi (2018), who recommends 75% as a rule of thumb for minimum responses. The rate is presented in Table 4.3.

Table 4.3: Response Rate

Responses	Number	Percentage
Valid Questionnaires	347	87.63%
Invalid Questionnaires	49	12.37%
Total Administered	**396**	**100.00%**

Source: Study Data (2024)

4.4 Demographic Characteristics of the Respondents

The study sought to determine the general information on the respondents by seeking to establish their gender, level of education, duration of respondent's SACCOS membership, Monthly Incomes, and average shares net-worths in the SACCOS. The results for these parameters are presented in subsequent tables.

4.4.1 Distribution of Respondents by Gender

This study assessed how respondents were distributed in respect of their gender. The results under this aspect are as illustrated in Table 4.4.

Table 4.4: Gender of the Respondents

Gender	Frequency	Percent
Male	182	52.4%
Female	165	47.6%
Total	**347**	**100.0%**

Source: Study Data (2024)

The study findings on gender of the deposit-taking Saccos' respondents indicated that 52.4% were male, while 47.6% were female. This implies that gender representation in the study was fair and, hence recommendable level of inclusivity. Further analysis indicated that males and females had similar mean scores across various research variables related to Relationship Marketing and Customer Loyalty among SACCOs in Western Kenya. The differences were minimal, indicating similar perceptions between genders. Further categorization of responses based of sectors of the SACCOS are resented in table 4.5 below:

Table 4.5: Distribution of responses by category of SACCOS alignment

SACCOS alignment Category	S/N	Name of Deposit -Taking SACCOS	Male	Female	Total
Aligned to Public servants	1.	Harambee Sacco Society	5	8	**13**
	2.	Kimisitu Sacco Society	9	5	**14**
	3.	Stima DT Sacco Society	9	7	**16**
	4.	Ukulima Sacco Society	6	7	**13**
	5.	Ushuru Sacco Society	3	8	**11**
Aligned Small scale trades and micro-finance investors	6.	Hazina Sacco Society	6	6	**12**
	7.	Faridi Sacco Society	4	8	**12**
	8.	Faulu Bank Sacco Society	8	10	**18**
	9.	Invest & Grow (IG) Sacco	8	7	**15**

SACCOS alignment Category	S/N	Name of Deposit -Taking SACCOS	Male	Female	Total
	10.	Ng'arisha Sacco Society	8	4	**12**
Uniformed service	11.	Kenya Police DT Sacco	7	5	**12**
	12.	Magereza Sacco Society	6	8	**14**
Farmers	13.	Mudete Factory Tea Sacco	5	7	**12**
	14.	Vihiga County Farmers Sacco	16	6	**22**
Education sector	15.	Mwalimu National Sacco	10	14	**24**
	16.	Wevasity Sacco Society	11	6	**17**
Communication and media	17.	Nation DT Sacco Society	5	7	**12**
	18.	Safaricom Sacco Society	7	6	**13**
Commercial transport	19.	Trans Counties Sacco Society	18	4	**22**
	20.	Unaitas Sacco Society	12	12	**24**
Health workers	21.	Afya Sacco Society Ltd	8	4	**12**
Legal services	22.	Sheria Sacco Society	4	9	**13**
Banking sector	23.	Kenya Bankers Society Ltd	7	7	**14**
		Total	**182**	**165**	**347**

Source: Study Data (2024)

The table illustrates responses from nine (9) differed alignment categories of population forming 23 Deposit taking SACCOS that are Licensed to operate in Western Kenya, totaling to 247 respondents.

4.4.2 Distribution of Level of Education

In order to assess their skills levels and whether they would be in position to answer questions correctly, the respondents were requested to specify their highest level of education. The levels were categorized into Certificate, Diploma, Bachelors, Degree or

Post-Graduate. Table 4.6 illustrates the educational composition of the sample, indicating a diverse range of educational achievements within the group.

Table 4.6: Distribution of Respondents by Education Level

Level of Education	Frequency	Percent
Certificate and below	134	38.6%
Diploma	78	22.5%
Bachelors	98	28.2%
Post-Graduate	37	10.7%
Total	**347**	**100.0**%

Source: Study Data (2024)

From a total responses of 347 individuals, the majority, comprising 38.6% (134 respondents), had attained a Certificate or below, 22.5% (78 respondents) held a Diploma, while 28.2% (98 individuals) had completed a Bachelor's degree. A smaller proportion, constituting 10.7% (37 individuals), possessed at least a Post-Graduate qualification. Further analuysis indicates that mean scores for various research variables decline as education level increases. Personalization, trust, communication, and continuous improvement all slightly decrease with higher education levels, while digital platforms engagement notably drops from “Certificate and below” to "Post-Graduate." Customer loyalty also follows a decreasing trend. This suggests that higher education levels may influence perceptions or behaviors related to these variables.

4.4.3 Duration of respondent’s SACCOS membership

In order to gauge their familiarity with the respective SACCOs, respondents were prompted to specify the period within which they had been members at the financial institutions. These results are illustrated in Table 4.7.

Table 4.7: Duration of respondent's SACCOS membership

Membership Duration	Frequency	Percent
Below 5yrs	94	27.1%
5 to 9yrs	121	34.9%
10 to 15yrs	91	26.2%
15 and Above	41	11.8%
Total	**347**	**100.0%**

Source: Study Data (2024)

Results indicated that majority of the members fall within the categories of 5 to 9 years and Below 5 years, comprising 27.1% and 34.9% of the total sample, respectively. Meanwhile, the groups 10 to 15 years and 15 years and above constituted smaller proportions, with 26.2% and 11.8% of the members falling into these categories, respectively. This distribution indicates that the membership base had a considerable portion of relatively newer members (less than 5 years) and a significant number who had been members for 5 to 9 years, suggesting potential trends in membership retention and growth over time within the SACCOS.

Further analysis against objectives points out that mean scores for various research variables decline as increase with longer membership durations. Personalization, trust, communication, and digital platform engagement all show improvements as membership lengthens. Customer loyalty also grows with longer membership. Continuous improvement remains relatively stable across different membership durations. Overall, longer membership durations are linked to higher values in most variables.

4.4.4 Respondents' Average Monthly Income

Respondents were prompted to indicate the average amounts of their monthly incomes. This was in order to gauge the strength of their financial confidence with their respective SACCOS. Table 4.8 presents the distribution of monthly income among a sample of 347 respondents. The data is categorized into four income brackets in Kenyan currency.

Table 4.8: Respondents' Average Monthly Income

Monthly Income (KES)	Frequency	Percent
Below 20,000	75	21.6%
20,000 to 39,000	117	33.7%
40,000 to 59,000	90	25.9%
60,000 and Above	65	18.7%
Total	**347**	**100.0**%

Source: Study Data (2024)

The majority of respondents had incomes ranging from KES 20,000 to 39,000, which accounted for 33.7% of the total sample. The next largest group falls within the income bracket of KES 40,000 to 59,000, making up 25.9% of the sample. It is worth noting that there were fewer individuals with incomes below KES 20,000 (21.6%) and above KES 60,000 (18.7%). This distribution suggests that a significant portion of the sample earned moderate to middle-range incomes, with fewer individuals in both the lower and higher income categories. these income dynamics are an indicator of importance for assessing the economic demographics and potential consumer behavior within the Saccos membership.

Further analysis against variables indicates that mean values for research variables fluctuate across different income levels. Personalization, trust, and communication are generally highest for those with the lowest income and tend to decrease as income increases. Continuous improvement and digital platform engagement peak at the lowest income level but decline with higher incomes. Customer loyalty is highest in the lower and middle income brackets and decreases for higher income levels. Overall, lower income levels are associated with higher values in most variables, with a decline as income rises.

4.4.5 Respondent's Average Share Networth in the SACCOS

The respondents were asked to indicate average amounts of their share net worth in the Deposit-taking SACCOS. This would help to establish the magnitude in which the Deposit – Taking SACCOS were beneficial to the respondents in terms of financial share capital, dividends and other interests. Table 4.9 displays distribution of members' share net worth in Kenyan Shillings (KES).

Table 4.9: Respondent's Average Share Networth in the SACCOS

Members' Share Networth (KES)	Frequency	Percent
Below 100,000	98	28.2%
100,000 to 500,000	158	45.5%
500,000 to 1,000,000	66	19.0%
More than 1,000,000	25	7.2%
Total	**347**	**100.0**%

Source: Study Data (2024)

The results illustrate that 45.5% of the total sample falls within the net worth range of KES 100,000 to 500,000, making it the largest proportion of respondents. In addition, 28.2% of members had a net worth below KES 100,000, while 19.0% fall within the range of KES 500,000 to 1,000,000. A smaller percentage, 7.2%, had a net worth exceeding KES 1,000,000. This distribution demonstrates that a significant portion of members had a moderate net worth between KES 100,000 and 500,000, indicating a diverse economic profile within this group. Understanding these net worth dynamics provides valuable insights into the financial demographics and investment potential of the members.

A further examination with variables of the objectives demonstrates how mean values for research variables vary across different levels of net worth in shares. Personalization, trust, and communication tend to increase as net worth rises, peaking in the highest net worth category. Continuous improvement remains relatively stable across net worth categories. Digital platform engagement peaks in the middle net worth categories but decreases slightly in the highest category. Customer loyalty fluctuates, with higher values observed in the second and third net worth categories. Overall, there is a trend of increased mean values for most variables as net worth in shares increases, though there are some fluctuations across categories.

4.5 Descriptive Statistics

This section presents an analysis of the responses regarding the values of Personalization, Trust, Communication, and Continuous Improvement. Descriptive statistics, entailing mean, standard deviation, frequency and percentages, have been used to summarize the key characteristics of the study variables and their relationship to the research variables.

The mean was evaluated following Jepkosgei's (2022) reviewed assertion. According to the author, on a Likert-Scale dataset, a mean score of 1.00 to 2.49 is considered very weak, 2.50 to 3.49 is weak, 3.50 to 4.49 is strong, and 4.50 to 5.00 is very strong. Homogeneity is indicated by a standard deviation greater than 0.5, while heterogeneity is indicated by a standard deviation less than 0.5. Respondents were asked to score their answers on a 1-5 scale, where 1 = Strongly Disagree (SD), 2 = Disagree (D), 3 = Neutral

(N), 4 = Agree (A), and 5 = Strongly Agree (SA). The results for these parameters are presented in subsequent tables.

4.5.1 Personalization

Respondents were asked to rate the extent to which their SACCOS focused on Personalization using a five-point rating scale. This included sub-variables such as Customer Lifetime Value, User Satisfaction, and Conversion Rate (Table 4.10).

Table 4.10: Responses on Personalization

Variable	Description		SD	D	N	A	SA	Mean	SDV
Customer Lifetime Value	The customer achieves value for the period of membership	*F*	8	34	83	160	62	3.6744	0.956
		%	2.3	9.8	23.9	46.1	17.9		
	Responses to concerns are addressed in person and not generally	*F*	9	29	66	151	92	3.8300	0.9985
		%	2.6	8.4	19	43.5	26.5		
							AVG:	**3.7522**	**0.9772**
User Satisfaction	Member is happy with personalized engagement	*F*	7	27	48	183	82	3.8818	0.9252
		%	2	7.8	13.8	52.7	23.6		
	Frontline workers are assigned to individual members	*F*	8	18	59	170	92	3.9222	0.9201
		%	2.3	5.2	17	49	26.5		
							AVG:	**3.9020**	**0.9226**
Conversion Rate Enhancement	Customer easily takes up new approaches of involvement by the SACCO	*F*	7	15	54	180	91	3.9597	0.8792
		%	2	4.3	15.6	51.9	26.2		

Source: Study Data (2024)

The results indicate that Personalization received a moderately high rating for Customer Lifetime Value (Mean = 3.7522, S.D = 0.9772), suggesting relatively precise measurement with variability around the mean. A majority (64.0%) of deposit-taking SACCOS members acknowledged receiving value throughout their membership. Additionally, a significant portion (70.0%) agreed that the SACCOS address customer concerns in person.

User Satisfaction received a higher rating (Mean = 3.9020, S.D = 0.9226) with less variability compared to Customer Lifetime Value. A substantial majority (76.3%) expressed satisfaction with how institutions engage with them in person, and 75.5% noted that frontline workers are assigned to individual members.

Conversion Rate Enhancement garnered the highest rating among the variables (Mean = 3.9597, S.E = 0.0472, S.D = 0.8792), indicating a precise mean estimate and lower variability compared to Customer Lifetime Value. Approximately 78.1% of respondents found it easy to adopt new engagement approaches introduced by their SACCOS.

Averagely, 17.86% of the respondents were neutral on either Customer Lifetime Value, User Satisfaction, and Conversion Rate Enhancement as indicators of Personalization, a majority of whom had been members of the deposit-taking Saccos for less than 5 years.

The findings contradict Lindergreen and Antioco's argument (as reviewed by Mohamed, 2022) that personalized attention is not crucial in Relationship Management and leads to customers having negative loyalty attitudes. Instead, they support Chandra *et al*.'s argument (2023) that the lack of effective communication, knowledge, competence, interaction, and understanding of customers' specific financial requirements negatively impacts the relationship between financial institutions and their clients.

4.5.2 Trust

The respondents were asked to rate on a five point rating scale the extent to which they viewed Trust in their SACCOs, in respect to sub-variables such as Integrity, Consistency, and Compassion. The resultant Frequency and Percentage responses, including Means, and Standard Deviations are presented in Table 4.11.

Table 4.11: Responses on Trust

Variable	Description		SD	D	N	A	SA	Mean	SDV
Integrity	No corruption/ nepotism cases	*F*	5	17	63	156	106	**3.9827**	**0.9026**
		%	1.4	4.9	18.2	45.0	30.5		
	Clear information about financial transactions	*F*	7	17	44	185	94	**3.9856**	**0.8816**
		%	2.0	4.9	12.7	53.3	27.1		
							AVG:	**3.9842**	**0.8921**
Consist-ency	SACCOS delivers all promises and assurances	*F*	7	11	73	175	81	**3.8991**	**0.8626**
		%	2.0	3.2	21.0	50.4	23.3		
	SACCOS satisfactorily explains why they cannot meet certain demands	*F*	3	18	66	173	87	**3.9308**	**0.8506**
		%	0.9	5.2	19.0	49.9	25.1		
							AVG:	**3.9150**	**0.8566**
Compass-ion	SACCOS handles its customers with compassion	*F*	3	13	68	189	74	**3.9164**	**0.7948**
		%	0.9	3.7	19.6	54.5	21.3		
	SACCOS is concerned about customer needs	*F*	1	17	66	174	89	**3.9597**	**0.8179**
		%	0.3	4.9	19.0	50.1	25.6		
							AVG:	**3.9381**	**0.8063**

Source: Study Data (2024)

The results highlight positive perceptions of Integrity, Consistency, and Compassion among respondents within deposit-taking Saccos. Integrity received a high rating (Mean

= 3.9842, SD = 0.8921), with 75.5% of respondents noting no instances of corruption or nepotism, fostering trust. Additionally, 80.4% agreed that the Saccos provide clear information on financial transactions.

Consistency as a measure of Trust was also rated highly (Mean = 3.9150, SD = 0.8566). A significant majority (73.7%) reported that Saccos fulfill their promises, and 75.7% acknowledged satisfactory explanations for unmet demands, bolstering customer trust.

Trust related to Compassion showed a strong rating (Mean = 3.9381, SD = 0.8063), albeit with greater variability in responses. Approximately 54.5% agreed and 21.3% strongly agreed that Saccos treat customers with compassion, while 50.1% agreed and 25.6% strongly agreed that institutions prioritize customer needs. These findings collectively indicate a relatively high level of trust and satisfaction among respondents towards deposit-taking Saccos, based on measures of Integrity, Consistency, and Compassion.

Generally, 18.25% of the respondents were neutral on either Integrity, Consistency, and Compassion as indicators of Trust, the majority of whom had been members of the deposit-taking Saccos for less than 5 years.

These findings support the findings of Aka, *et al*. (2016) that when a consumer trusts the service provider more, they perceive the relationship to have higher value. As a result, there is a greater likelihood that the consumer sees trust as a crucial aspect of service quality.

4.5.3 Communication

The respondents were requested to indicate proportions on a five-point rating scale the extent to which Communication was handled in their deposit-taking Saccos to their perceived loyalty. This was measured in respect to sub-variables such as Feedback

Effectiveness, Speed and Efficiency, and Information Transparency and Clarity (Table 4.12).

Table 4.12: Responses on Communication

Variable	Description		SD	D	N	A	SA	Mean	SDV
Feedback effectiveness	Reliable methods of feedback	*F*	2	18	53	149	125	**4.0865**	**0.8758**
		%	0.6	5.2	15.3	42.9	36.0		
	Follow ups and reminders are used as means of feedback	*F*	2	20	55	150	120	**4.0548**	**0.8866**
		%	0.6	5.8	15.9	43.2	34.6		
							AVG:	**4.0706**	**0.8812**
Speed and efficiency	Timely communication on general information	*F*	2	20	49	153	123	**4.0807**	**0.8797**
		%	0.6	5.8	14.1	44.1	35.4		
	Timely communicates on changes	*F*	2	19	53	133	140	**4.1239**	**0.9023**
		%	0.6	5.5	15.3	38.3	40.3		
							AVG:	**4.1023**	**0.8910**
Information Transparency & Clarity	Information Conveyed are honest and transparent	*F*	3	19	56	126	143	**4.1153**	**0.9271**
		%	0.9	5.5	16.1	36.3	41.2		
	Information is easy to understand; with clarifications	*F*	4	18	52	145	128	**4.0807**	**0.9088**
		%	1.2	5.2	15.0	41.8	36.9		
							AVG:	**4.0980**	**0.9179**

Source: Study Data (2024)

Feedback effectiveness as an indicator of communication was depicted by a significant response (Mean = 4.0706, SDV = 0.8812). This implies a relatively high level of perceived effectiveness in providing feedback within the communication process, a reasonably precise distribution, while there exists significant variability in perceptions of feedback effectiveness, with responses spread out widely around the mean. The majority of the study respondents condured that there existed reliable methods of communication feedback (Agree and Strongly Agree = 79.5%), and that follow-ups and reminders are used as means of feedback among the deposit-taking Saccos (Agree and Strongly Agree =78.6%).

Respondents further reacted to the speed and efficiency of communication among the Saccos (Mean = 4.1023, SDV = 0.8910), reflecting a positive perception of the timeliness and efficiency of communication processes. A total of 77.5% of the study respondents were of the positive opinion that Savings and Credit Copperative Societies practiced timely communication on general information, and that there was timely communication by deposit-taking Saccos to the customers on changes made (a total of 78.7%).

Finally, the level of information transparency and clarity when handling customers had a mean rating of 4.0980 (SDV = 0.9179). It follows that a total of 78.2% concur that information conveyed by deposit-taking Saccos management was honest and transparent, while 79.5% agreed that the information was made easy to understand, with necessary clarifications. An average of 15.28% were found to be neutral across all the Saccos, in their opinion on communication in general, the majority of whom were those that had recently joined the deposit-taking Saccos. This high level of communication index in these results confirms the reasoning, supports the intimation by Omondi and Odock (2019), that corporate image entails all kinds of impressions that the community makes about a corporation and can help to obtain superior, sustainable financial performance.

4.5.4 Continuous Improvement

Respondents were requested to indicate on a five-point scale, the extent to which they felt that the SACCOS exhibited Continuous Improvement to the demonstration of customer loyalty. This was measured in respect to the following sub-variables: Time of Delivery, Quality Output, and Cost Optimization. Table 4.13 illustrate result.

Table 4.13: Responses on Continuous Improvement

Variable	Description		SD	D	N	A	SA	Mean	SDV
Time of delivery	Delivery of services and promises are timely	*F*	1	15	68	192	71	**3.9135**	**0.7705**
		%	0.3	4.3	19.6	55.3	20.5		
	Transactions can be confirmed through digital technology	*F*	1	11	59	184	92	**4.0231**	**0.7675**
		%	0.3	3.2	17.0	53.0	26.5		
							AVG:	**3.9683**	**0.7690**
Quality Output	There are always improved services in terms of quality	*F*	0	14	50	194	89	**4.0317**	**0.7501**
		%	0.0	4.0	14.4	55.9	25.6		
	There are quality services compared to other institutions	*F*	2	12	67	184	82	**3.9568**	**0.7871**
		%	0.6	3.5	19.3	53.0	23.6		
							AVG:	**3.9942**	**0.7686**
Cost Optimi-zation	The SACCO's current strategies makes it cheaper to invest	*F*	3	18	66	183	77	**3.9020**	**0.8305**
		%	0.9	5.2	19.0	52.7	22.2		
	Methods of operations within the SACCOS are of low cost	*F*	0	23	65	189	70	**3.8818**	**0.8013**
		%	0.0	6.6	18.7	54.5	20.2		
							AVG:	**3.8919**	**0.8159**

Source: Study Data (2024)

Continuous Improvement was measured through a sub-variable such as the Time of delivery of services (Mean = 3.9683, SDV = 0.7690), which also implied respondents' agreement with the delivery of services and promises as being timely at a rate of 75.80%, and the fact that financial transactions could be confirmed through digital technology (agree + strongly agree = 79.5%).

Results indicated that Quality Output of services offered by Saccos management to the customers had a mean of 3.9942, and SDV of 0.7686. The responses depict stronger suggestions by respondents that the services offered had continued to improve in quality with time (a total of 81.5%), and that they were better compared to other financial institutions such as banks (totaling to 76.6%).

Cost Optimization as a measure of Continuous Improvement, too, attracted moderately positive responses with a Mean of 3.8919, and SDV of 0.8159. Further details illustrate respondents' agreement that the institution's current strategies make it cheaper for members to invest (53.7+22.2% = 74.9%), and that the methods of operations within the deposit-taking Saccos are of low cost (74.7%).

The strong indicator of Continuous Improvement scores strong support for the arguments by Koval *et al* (2018) that financial institutions need to develop a comprehensive infrastructure of organizational practices to support Continuous Improvement in their operations.

4.5.5 Digital Platforms

Respondents were requested to indicate the rates (on a five-point rating scale) the extent to which their SACCOS operated digital platforms in terms of various capabilities that enhanced their access to financial services. Table 4.14 shows results of Frequency, Percentages, Means, and Standard Deviations.

Table 4.14: Responses on Digital Platforms

Variable			SD	D	N	A	SA	Mean	SDV
Platform Experience	Platform Interactivity	*F*	12	17	48	51	219	**4.2911**	**1.09334**
		%	3.5	4.9	13.8	14.7	63.1		
	Platform personalization	*F*	2	28	32	56	229	**4.3890**	**.98907**
		%	0.6	8.1	9.2	16.1	66.0		
	Platform Trustworthiness	*F*	9	9	36	62	231	**4.4323**	**.96043**
		%	2.6	2.6	10.4	17.9	66.6		
	Platform Convenience	*F*	2	28	46	36	235	**4.3660**	**1.02641**
		%	0.6	8.1	13.3	10.4	67.7		
	Platform community building	*F*	2	9	43	72	221	**4.4438**	**.84944**
		%	0.6	2.6	12.4	20.7	63.7		
	Platform Reputation	*F*	1	10	33	112	191	**4.3890**	**.79826**
		%	0.3	2.9	9.5	32.3	55.0		
Feedback Mechanisms	Platform Feedback Mechanism	*F*	7	16	43	31	250	**4.4438**	**1.00814**
		%	2.0	4.6	12.4	8.9	72.0		
	Platform Integration with other Platforms	*F*	2	18	34	81	212	**4.3919**	**.90391**
		%	0.6	5.2	9.8	23.3	61.1		
	Platform insights and ability	*F*	2	6	46	78	215	**4.4352**	**.82814**
		%	0.6	1.7	13.3	22.5	62.0		
Innovation and Adaptability	Platform Innovation and advocacy	*F*	2	28	53	54	210	**4.2740**	**1.0299**
		%	0.6	8.1	15.3	15.6	60.5		
							AVG:	**4.3856**	**0.9487**

Source: Study Data (2024)

Digital Platforms, measured through a number of sub-variables as indicated in Table 4.13 generated a mean of 4.3856, and SDV of 0.9487.

The data in the table reflects high average ratings for various attributes of digital platforms, suggesting a strong positive perception among users regarding these platforms. The attributes rated include interactivity, personalization, trustworthiness, convenience, community building, feedback mechanisms, integration with other platforms, insights and ability, innovation, and reputation, with all mean scores around or above 4.3 on a 5-point scale.

These high ratings imply that digital platforms are highly valued for their interactivity, personalization, trustworthiness, and other features, in support of Gil-Gomez *et al.* (2020). Given these positive perceptions, digital platforms likely play a significant moderating role in the relationship between relationship marketing and customer loyalty in SACCOS. This finding also supports the strong opinion on digital platforms by Mwirigi (2018) and Nguyen *et al.* (2021) who indicated that the platforms translate relationships marketing into enhanced profitability through increased repeat purchase rates and reduced customer acquisition costs.

Effective digital platforms can enhance relationship marketing efforts by providing personalized, trustworthy, and convenient interactions, which as a result can strengthen customer loyalty. The capability of digital platforms to build communities, facilitate feedback, and integrate with other platforms further supports their role in enhancing customer engagement and loyalty. Therefore, investing in and optimizing these digital platform attributes could be crucial for SACCOS to foster stronger customer relationships and loyalty.

4.5.6 Customer Loyalty

In order to determine the impact of the independent variable, respondents were requested to rate the statements provided using a five-point scale. This scale gauged their levels of customer loyalty. The loyalty statements included three queries related to recommending the institution to friends, intention to leave the SACCOS, and intention to switch to another deposit-taking Saccos. The results, including frequency, percentages, means, and standard deviations can be found in Table 4.15.

Table 4.15: Responses on Customer Loyalty

Description		SD	D	N	A	SA	Mean	SDV
Behavioral Loyalty: Customers make repeat purchases and continued patronage for the benefit of the SACCO	*F*	8	16	64	155	104	**3.6744**	**0.8902**
	%	2.3	4.6	18.4	44.7	30.0		
Emotional Loyalty: Positive emotional connections and trust among customers towards the SACCO, extending loyalty beyond transactions.	*F*	4	33	89	167	54	**3.9539**	**0.9362**
	%	1.2	9.5	25.6	48.1	15.6		
Advocacy & Engagement: Customers practice proactive involvement in promoting the SACCO and participating in related activities	*F*	9	17	64	155	102	**3.9337**	**0.9518**
	%	2.6	4.9	18.4	44.7	29.4		
						AVG:	**3.8540**	**0.9261**

Source: Study Data (2024)

The table presents mean scores and standard deviations for key dimensions of customer loyalty in a Savings and Credit Cooperative Organization in Western Kenya, focusing on behavioral loyalty, emotional loyalty, and advocacy & engagement.

Behavioral Loyalty, characterized by a mean score of 3.6744, suggests that while customers engage in repeat transactions and patronage, there is variability in their ongoing support. This variability could stem from factors such as convenience in accessing SACCO services, the competitiveness of financial products offered, and the effectiveness of customer service interactions. This resuls imply that customers may exhibit higher behavioral loyalty when they perceive tangible benefits like ease of access to savings and credit facilities, personalized financial advice, and hassle-free transaction processes. SACCOs aiming to enhance behavioral loyalty should focus on optimizing these factors to foster a consistent and reliable customer experience.

Emotional Loyalty, evidenced by a mean score of 3.9539, reflects strong positive emotional connections and trust among customers towards the SACCO. Such emotional bonds often develop when SACCOs demonstrate reliability, transparency, and a genuine commitment to member well-being. From the results, the likely factors contributing to emotional loyalty include personalized member services, transparent communication about financial health and stability, and the SACCO's role in supporting community development. A further implication is that customers are more likely to remain loyal when they perceive the SACCO as a trusted partner in their financial journey, offering not just financial services but also a sense of security and belonging.

Advocacy & Engagement, with a mean score of 3.9337, indicates active involvement by customers in promoting the SACCO and participating in community initiatives. This behavior is driven by a sense of ownership and pride in the SACCO's mission and impact within the community. The high scores imply that SACCOs can nurture advocacy and engagement by involving members in decision-making processes, recognizing and rewarding their contributions, and fostering a community spirit through collaborative projects and events. Furthermore, there is likelihood that customers are motivated to advocate for the SACCO when they feel valued, empowered, and aligned with its values and goals.

The overall composite loyalty score of 3.8540 underscores a solid foundation of loyalty among SACCO customers, yet the standard deviations highlight varying levels of engagement across different dimensions. This supports Nguyen's, *et al.* (2021) argument that today the tone of the conversation has changed from customer acquisition to loyalty, hence a strong support for this study, hence, understanding and addressing the reasons behind these behaviors—such as the perceived value of SACCO services, emotional connections, and opportunities for meaningful engagement - can guide SACCOs in developing targeted strategies to enhance customer loyalty.

It further support assertions by Afifi & Amini (2019), Ngugi & Mutisya (2023) and Kruhovyi (2023), that through continuously improving service delivery, strengthening emotional connections, and fostering active member participation, SACCOs can cultivate deeper relationships with their members, promote sustainable growth, and maintain a competitive edge in the financial services industry.

4.5.7 Summary of Aggregate Mean Scores

Table 4.16 presents results of the aggregate mean scores of Personalization, Trust, Communication and Continuous Improvement, together with the composite mean indices of Customer Loyalty.

Table 4.16: Summary of Aggregate Mean Scores

Variable	Aggregate Mean Score	Standard Deviation
Personalization	3.8713	0.9263
Trust	3.9475	0.8517
Communication	4.0903	0.8967
Continuous Improvement	3.9515	0.0421
Digital Platforms	4.3856	0.9487
Customer Loyalty	3.8540	0.9261

Source: Study Data (2024)

The variables analyzed in the study provide important insights into factors that influence customer loyalty. Personalization (mean = 3.8713; SD = 0.9263) indicates that businesses are making moderate efforts to tailor interactions and services to individual customer preferences. This suggests that while customization exists, there is variability in how effectively businesses meet diverse customer needs. The result aligns with the argument by Muturi *et al.* (2017), that improving personalization strategies could lead to enhanced customer satisfaction and loyalty by better aligning with individual preferences and expectations.

Trust (mean = 3.9475; SD = 0.8517) highlights strong perceptions of reliability and integrity among customers. This trust is essential for fostering long-term loyalty and repeat business, as customers are more likely to continue engaging with businesses that they perceive as trustworthy. This result agrees with the arguments by Zahari *et al.*

(2019) and Mecha (2018) that building and maintaining trust through transparent communication and consistent service delivery can significantly impact customer retention and positive word-of-mouth.

Communication (mean = 4.0903; SD = 0.8967) channels play a critical role in enhancing engagement and satisfaction by providing clear and timely information to customers. This result is in line with the assertion by Kusa *et al.* (2021), that clear communication fosters better understanding and relationship-building, contributing to improved customer loyalty and advocacy. Furthermore, it agrees with the emphasis of Kumar *et al.* (2018) that businesses that excel in communication can mitigate misunderstandings, address concerns promptly, and strengthen customer relationships, thereby enhancing overall loyalty.

Continuous Improvement (mean = 3.9515; SD = 0.0421) reflects consistent efforts to adapt and enhance service delivery based on customer feedback. The exceptionally low standard deviation suggests a high level of consistency in these improvement initiatives. In accordance with the arguments by Chandra *et al*. (2019) and Khan *et al*. (2018), continuous improvement remains vital for staying competitive and meeting evolving customer expectations, driving customer loyalty by demonstrating responsiveness and commitment to delivering value.

Digital Platforms (mean = 4.3856; SDV = 0.9487) highlight the effective use of digital tools to personalize interactions and improve the customer experience. The highest mean score underscores the strategic advantage of leveraging digital platforms to enhance convenience, accessibility, and personalization for customers. In line with the arguments of Golgeci *et al.* (2020), Jain *et al.* (2021), and Lim & Zhang (2022), results imply that businesses that effectively integrate digital technologies can provide seamless customer experiences, strengthen brand loyalty, and gain a competitive edge in the digital era.

Customer Loyalty (mean = 3.8540; SDV = 0.9261) synthesizes these variables, reflecting the cumulative impact on customer loyalty while acknowledging variability in customer perceptions across dimensions. In line with the argument of Hollebeek *et al.* (2019), Nguyen *et al.* (2021), and Iesa *et al.* (2022), understanding and optimizing these factors can guide businesses in refining strategies to strengthen customer relationships, enhance loyalty, and differentiate themselves in competitive markets. According to the authors, prioritizing personalization, trust-building, effective communication, continuous improvement, and digital innovation, businesses can cultivate deeper customer connections and foster sustainable growth in the long term.

4.6 Assumptions of Regression Model

To obtain unbiased estimates of parameters of this research study, regression assumptions were tested. These assumptions included Normality, Linearity, Heteroscedasticity, and Multicollinearity assumptions of the independent variables.

4.6.1 Normality Assumption

Regression analysis assumes that variables follow a normal distribution. However, if variables are not normally distributed, it can misrepresent relationships and significance tests. To test for normality, the study used the Shapiro-Wilk (W) test. According to Shapiro and Wilk (1965), the Shapiro-Wilk test is appropriate for sample sizes between 7 and 2000 respondents. For larger samples, between 2000 and 5000 respondents, the Kolmogorov-Smirnov (D) test is more suitable (Ghasemi & Zahediasl, reviewed by

Jepkosgei, 2022). Hence, this study used Shapiro-Wilk test because of its small smaller sample size of 347 respondents.

Table 4.17: Normality Assumption Test

Variable	Shapiro-Wilk		
	Statistic	**df**	**Sig.**
Personalization	.892	347	.218
Trust	.912	347	.186
Communication	.889	347	.199
Cont. Improvement	.905	347	.178
Digital Platforms	.763	347	.116
Customer Loyalty	.739	347	.166

Source: Study Data (2024)

The table presents results from Shapiro-Wilk tests assessing the normality assumption for several variables in the study. Across all variables - Personalization (.892), Trust (.912), Communication (.889), Continuous Improvement (.905), Digital Platforms (.763), and Customer Loyalty (.739) - the Shapiro-Wilk statistics indicate p-values ranging from .116 to .218. With degrees of freedom at 347 for each test, none of the variables show significant departures from normality, as all p-values exceed conventional thresholds for statistical significance ($p > .05$). These results suggest that the data for each variable are reasonably well approximated by a normal distribution, supporting the use of parametric statistical tests that assume normality in subsequent analyses.

A further demionstration is provided by histograms and normality curves obtained after subjecting the variables to normality test (Figure 4.2). The figures illustrates normality impressions on the computed means of the study variables

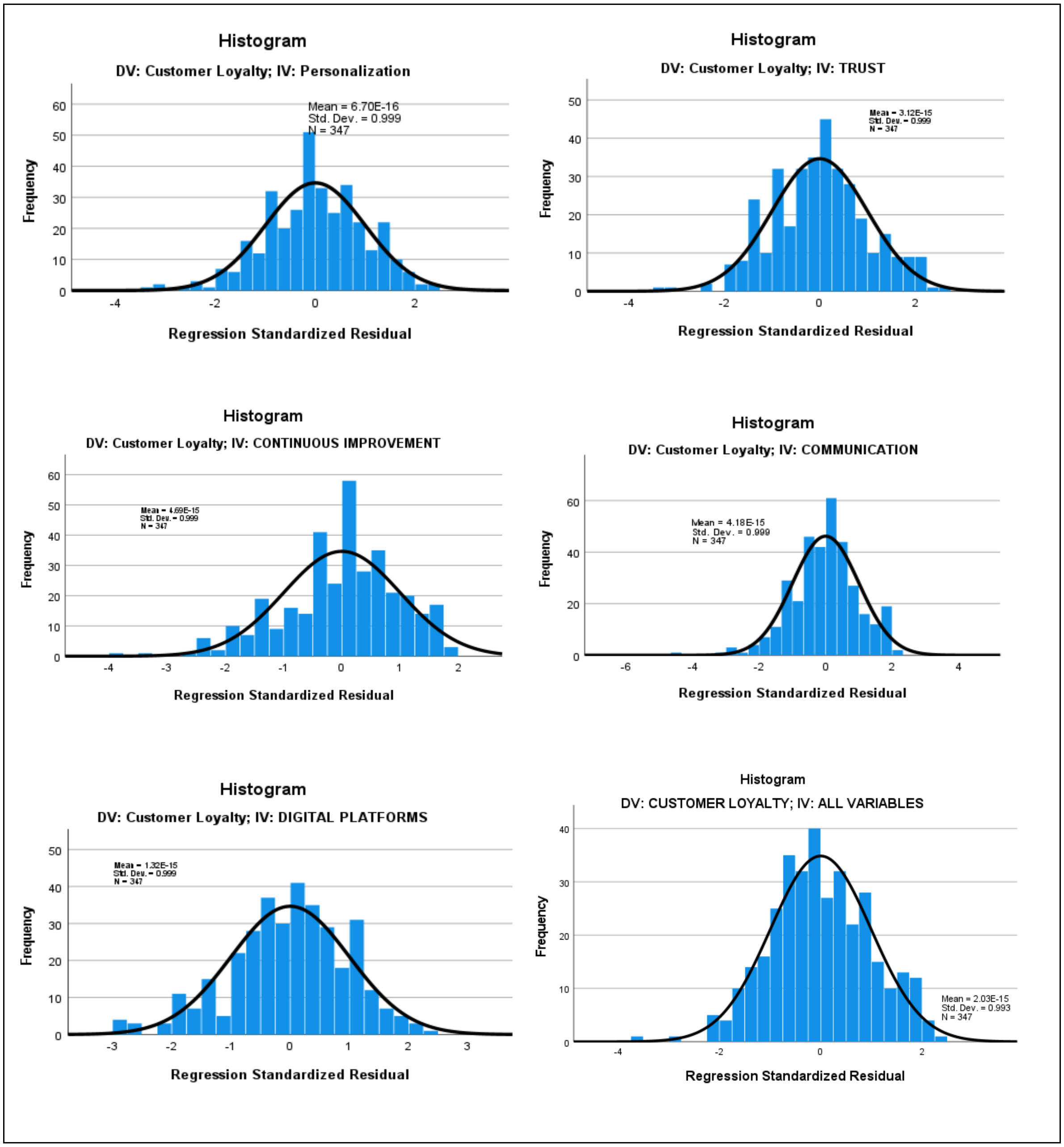

Figure 4.2: Normal distribution curves on histograms of means of study variables

Source: Research Data (2024)

From the above figure, it can be observed that the normality curve for all the variables indicate that the distribution of the data was normal since the histogram is characterized by its bell-shaped curve, with data points symmetrically distributed around the mean and a predictable spread defined by the standard deviation.

4.6.2 Linearity Assumption

Linearity is the assumption that there is a straight line relationship between two variables (Tabachnick & Fidell, (Reviewed by Mwirigi, 2018).

In the context where Customer Loyalty served as the dependent variable and Personalization, Trust, Communication, and Continuous Improvement acted as independent variables, with Digital Platform functioning as a moderating variable, employing a P-P Plot for linearity testing was essential. This graphical method allows for a visual assessment of whether the relationship between each independent variable and Customer Loyalty exhibits a linear pattern.

Each P-P Plot compares the observed cumulative distribution function of Customer Loyalty against the expected cumulative distribution function under the assumption of linearity. Deviations from a straight diagonal line in these plots would indicate non-linearity in the relationships.

By conducting these tests, researcher was aable to visually verify if the data conformed to the assumption required for linear regression analysis, ensuring that subsequent modeling accurately captures the relationships between variables and leads to reliable interpretations and predictions regarding Customer Loyalty.

Figure 4.3 provides an illustration of linearity test on computed means of the study variables.

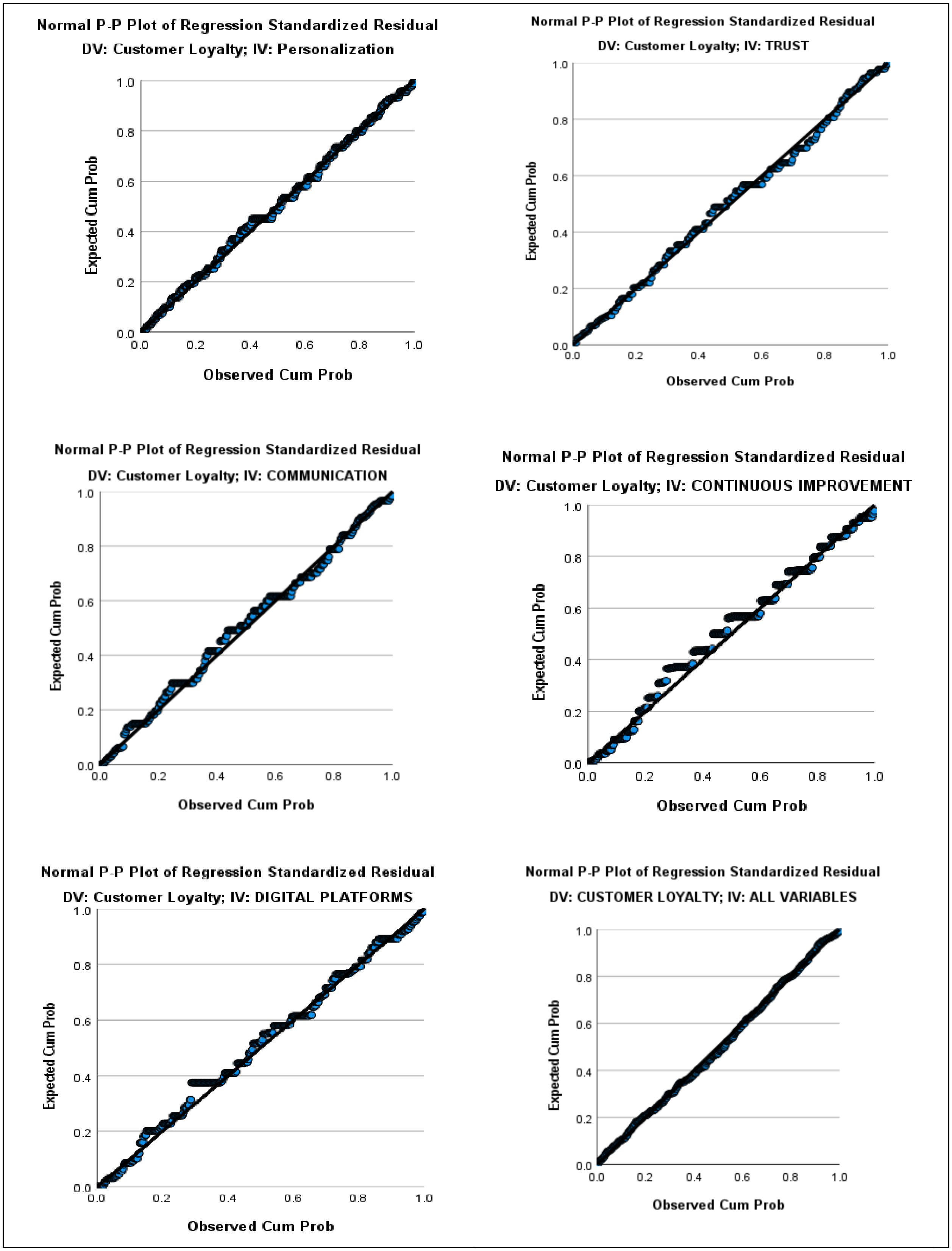

Figure 4.3: P-P Plot of Regression Standardized Residual for Linearity test

Source: Research Data (2024)

Observed results from the normal P-P as presented clearly shows a linearly and normally distribution along the diagonal line, the distribution is not skewed to either side. Hence, the assumption that the data was linear was significantly attained.

4.6.3 Homoscedasticity Assumption

Homoscedasticity assumes that the dependent variable exhibits a consistent level of variance across the entire range of the predictor variable. This assumption is crucial for conducting multivariate analysis. To test for homoscedasticity, Levene's test was performed and the results are presented in Table 4.18.

Table 4.18: Tests of Homogeneity of Variances (Levene's Test)

	Levene Statistic	df1	df2	Sig.
Based on Mean	1.563	18	324	.068
Based on Median	1.312	18	324	.177
Based on Median and with adjusted df	1.312	18	269.725	.179
Based on trimmed mean	1.491	18	324	.091

Source: Study Data (2024)

The results of Levene's Test of Equality of Variances, conducted using various methods (mean, median, median with adjusted degrees of freedom, and trimmed mean), all show p-values greater than .05 (ranging from .068 to .179).

This indicates that there is no significant evidence to reject the null hypothesis of homogeneity of variances across groups. Therefore, the assumption of homogeneity of variances is met, allowing for valid interpretation of subsequent statistical analyses.

Similarly an analogy is provided by the Scatter Plot in Figure 4.4.

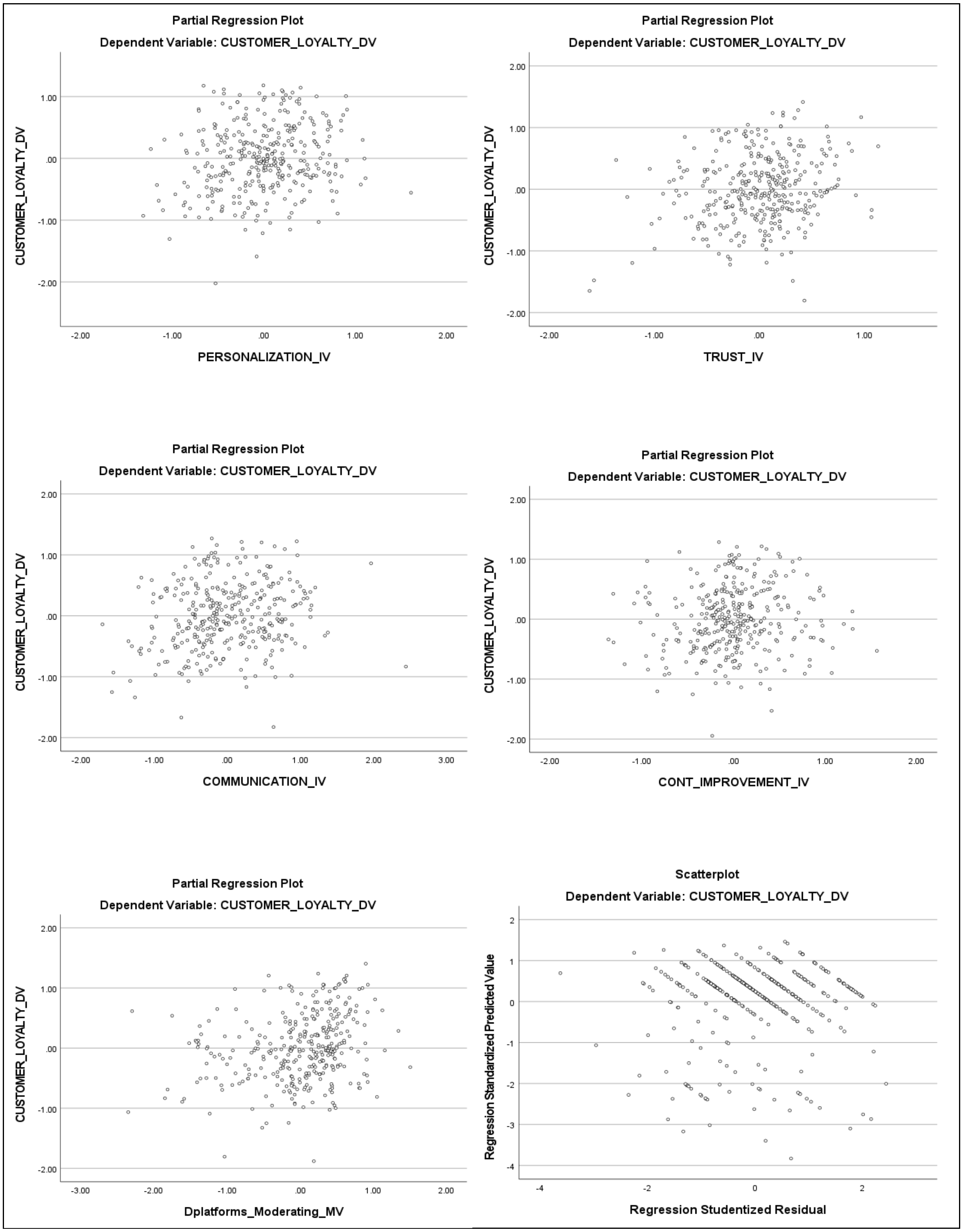

Figure 4.4: Scatter Plot for Homoscadacity Test on means of study variables

Source: Study Data (2024)

According to Mwirigi (2018), patternless scatter indicates homoscedasticity (good), while fan shape or cone shape indicates heteroscedasticity (bad). The scatterplot in this study shows a random distribution of points around zero across the range of predicted values. This suggests that the assumption of homoscedasticity is met.

Therefore, based on this test, in can be concluded that the assumption of equal variances is reasonably met for the data analyzed. This finding supports the reliability of subsequent statistical analyses involving this variable, allowing for valid interpretations and conclusions to be drawn from the data.

4.6.4 Multicollinearity Assumption

Test was conducted to examine whether there was multicollinearity existing among the variables in the study. Tolerance and Variance Inflation Factor (VIF) were used for this purpose. The threshold for determining the presence of multicollinearity was set at a maximum value of 5 (Jepkoskei, 2022). A VIF of 1.000 indicates no multicollinearity, while a VIF above 1.000 suggests moderate correlation among the independent variables. However, a VIF between 5 and 10 designates a severe multicollinearity, which is problematic. The results of the multicollinearity test can be found in Table 4.19.

Table 4.19: Multicollinearity Test

	Collinearity Statistics	
	Tolerance	**VIF**
Personalization	.375	2.666
Trust	.388	2.580
Communication	.571	1.750
Continuous Improvement	.553	1.808
Digital Platforms	.589	1.697

Source: Study Data (2024)

Multicollinearity test results in Table 4.18 revealed that Personalization had significant correlation with other independent variables (tolerance=0.375, VIF= 2.666); Trust had some correlation with other independent variables (tolerance=0.388, VIF= 2.580); Communication had the correlation with the rest of the independent variables (tolerance = 0.571, VIF = 1.750); while Continuous Improvement had some association with other independent variables (tolerance=.553, VIF = 1.808).

The moderating variable, Digital Platforms, had some association with other independent variables (tolerance limit = 0.589, VIF = 1.697). From the results, no variable was observed to have VIF value greater than 5 and no tolerance statistic were below 0.100 in accordance to Ringle *et al.* (Reviewed by Ahmed, 2023). Hence, this led to a conclusion that no predictor had a strong linear relationship with other predictor(s).

4.7 Inferential Analysis

This section discusses the results obtained from Peasron;s Correlation and Simple Linear Regression analyses, which are aligned with the specific objectives of the current study.

4.7.1 Correlation Analysis of Independent Variables

This section illustrates the relationships between the variables of Personalization, Trust, Communication and Continuous Improvement. The results of Pearson's Correlation, as reviewed by Mwirigi (2018), are outlined. Mwirigi postulated that a correlation coefficient (r) of 1 indicates a perfect linear correlation, $0.9 < r < 1$ indicates a strong positive correlation, $0.7 < r < 0.9$ represents a high positive correlation, and $0.5 < r < 0.7$ indicates a moderate positive correlation. If $0 < r < 0.5$, the correlation is considered weak, and if $r = 0$, no correlation. A negative relationship is considered when $-1 < r < 0$.

Table 4.20 presents the correlation analysis between the four constructs of Personalization, Trust, Communication, and Continuous Improvement. Each cell in the table displays the Pearson's Correlation coefficient between pairs of constructs and their corresponding significance levels (p-values) based on a two-tailed test.

Table 4.20: Correlation Analysis Between RM on Customer Loyalty

	Variables	Personalization	Trust	Communication	Continuous Improvt'	Digital Platforms	Customer Loyalty
Personalization	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	347					
Trust	Pearson Correlation	.747**	1				
	Sig. (2-tailed)	.000					
	N	347	347				
Communication	Pearson Correlation	.541**	.555**	1			
	Sig. (2-tailed)	.000	.000				
	N	347	347	347			
Continuous Improvement	Pearson Correlation	.601**	.595**	.526**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	347	347	347	347		
Digital Platforms	Pearson Correlation	.570**	.535**	.538**	.463**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	347	347	347	347	347	
Customer Loyalty	Pearson Correlation	.629**	.634**	.557**	.523**	.587**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	347	347	347	347	347	347

**. Correlation is significant at the 0.01 level (2-tailed).*; Source: Study Data (2024)*

The correlation table unveils significant associations between various variables, reflecting their interconnectedness and impact on customer loyalty. Starting with

Personalization, it's positively correlated with Trust ($r = 0.747$, $p < 0.001$) and Communication ($r = 0.541$, $p < 0.001$), indicating that personalized interactions may foster higher levels of trust and effective communication with customers. Trust emerges as a central pillar, positively correlated with all other variables, including Communication ($r = 0.555$, $p < 0.001$), Continuous Improvement ($r = 0.595$ to 0.634, $p < 0.001$), and Digital Platforms ($r = 0.535$ to 0.570, $p < 0.001$), suggesting its pivotal role in influencing various aspects of customer engagement and loyalty.

Effective Communication, in turn, positively correlates with Trust ($r = 0.555$, $p < 0.001$), Continuous Improvement ($r = 0.526$, $p < 0.001$), and Digital Platforms ($r = 0.538$, $p < 0.001$), highlighting its significance in building trust and contributing to continuous improvement and digital platform utilization, ultimately impacting customer loyalty. Continuous Improvement also shows positive correlations with Trust ($r = 0.595$, $p < 0.001$), emphasizing its role in enhancing customer trust and loyalty.

These findings collectively underscore the importance of personalized interactions, trust-building efforts, effective communication strategies, continuous improvement initiatives, and leveraging digital platforms in fostering enduring customer relationships and loyalty. The combination of relationship marketing attributes and their interrelationships aligns with the assertion by Guerola-Navarro *et al*. (2022), that effective relationship marketing involves a range of overlapping strategies and technologies that enhance deeper, long-term relationships with existing and potential clients.

4.7.2 Simple Linear Regression Analysis

The Simple Linear Regression Analysis was employed to investigate the individual impacts of independent variables (Personalization, Trust, Communication, and

Continuous Improvement) on the dependent variable (Customer Loyalty) as shown in figures 4.20-4.31 in the subsequest sections.

4.7.2.1. Personalization and Customer Loyalty

To evaluate the impact of Personalization on customer Loyalty within Deposit-Taking Savings and Credit Societies in Western Kenya, a simple linear regression analysis was conducted, involving the independent and dependent variables (Tables 4.21-23).

Table 4.21: Simple Linear Regression Model Summary[b] for IV (Personalization)

R	R Square	Adjusted R^2	Std. Error of the Estimate
.629[a]	.395	.394	.61519

a. Predictors: (Constant), Personalization; Source: Study Data (2024)

Approximately 40% of the variability in Customer Loyalty can be explained by variations in Personalization, suggesting that personalized experiences significantly influence customer loyalty levels. The adjusted R Square value underscores the reliability of the model, considering the predictors included. Additionally, the small standard error of the estimate indicates the model's accuracy in predicting Customer Loyalty based on Personalization levels. These findings emphasize the critical role of Personalization strategies in fostering stronger customer relationships and loyalty, offering valuable insights for dealings seeking to improve customer satisfaction and retention.

Table 4.22: ANOVA Results for Independent Variable (Personalization)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	85.365	1	85.365	225.556	.000[b]
Residual	130.570	345	.378		
Total	215.935	346			

a. Dependent Variable: Customer Loyalty
***b.** Predictors: (Constant), Personalization; Source: Study Data (2024)*

The ANOVA results reveal a highly significant relationship between Personalization and Customer Loyalty. The regression model, incorporating Personalization as a predictor, significantly explains the variance in Customer Loyalty levels, as indicated by the substantial F statistic ($F = 225.556$, $p < 0.001$). This suggests that Personalization plays a crucial role in predicting and influencing Customer Loyalty. The large sum of squares for regression compared to residual error further supports the model's effectiveness.

These findings highlight the significance of Personalization in shaping customer relationships and loyalty, providing strong statistical evidence for its importance in customer satisfaction and retention strategies.

Table 4.23: Regression Coefficients for Independent Variable ((Personalization))

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.367	.169		8.091	.000
Personalization	.645	.043	.629	15.019	.000

a. Dependent Variable: Customer Loyalty; Source: Study Data (2024)

Based on the above table, equation (**3.2:** $\mathbf{Y = \beta_0 + \beta_1 X_1 + \varepsilon}$), therefore becomes $\mathbf{Y = 1.367 + 0.645\, X_1} + \varepsilon$, in which **Personalization** ($\mathbf{X_1}$) is tested.

The intercept of 1.367 denotes the predicted Customer Loyalty value in the absence of Personalization, while the coefficient 0.645 suggests that for every one-unit increase in Personalization, there is an expected increase of 0.645 units in Customer Loyalty, assuming other variables remain constant.

This relationship is further supported by the standardized coefficient (Beta) of 0.629, signifying the strength and positive direction of Trust's influence on Customer Loyalty.

The highly significant t-value of 15.019 ($p < 0.001$) further confirms the robustness of this relationship. These results emphasize the critical role of Personalization in fostering Customer Loyalty, offering practical guidance for SACCOS aiming to strengthen customer loyalty initiatives.

Result of Hypothesis Test based on First Objective

The first objective sought to ezaluate the effect of Personalization on customer Loyalty, among Deposit-Taking Savings and Credit Societies in Western Kenya. To realize this objective, the following hypothesis Ho_1 was formulated and tested:

$H0_1$: Personalization has no significant effect on customer loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya

On this first *Null Hypothesis*, the study findings showed that there was a statistically significant effect of Personalization on Customer Loyalty ($p< 0.05$). Hence the null hypothesis was rejected at 95% level of significance and alternative hypothesis is accepted. The finding implies that when SACCOS member’s Lifetime Value, User Satisfaction and Conversion Rate Enhancement in their operations, their customers will be more loyal to them.

The study's findings, supported by Jeruto *et al*. (2020), indicate a significant positive relationship between personalization strategies and customer loyalty among Deposit-Taking Savings and Credit Societies (SACCOS) in Western Kenya. This aligns with broader discussions in literature emphasizing the importance of personalized approaches in nurturing enduring customer relationships and driving organizational success (Kruhovyi's, 2023; Rane *et al.*, 2023). While some prior research may have highlighted challenges or uncertainties regarding the impact of personalization on customer loyalty (e.g. Salonen & Karjaluoto, 2016; Seele *et al.*, 2021), the empirical evidence provided by this study offers valuable insights into the a positive relationship between personalization and customer loyalty within the specific context of SACCOS in Western Kenya.

4.7.2.2. Trust and Customer Loyalty

In order to ascertain the influence of Trust on customer Loyalty within Deposit-Taking Savings and Credit Societies in Western Kenya, the study conducted a simple linear regression analysis involving the independent and dependent variables. This is illustrated in tables 4.24-26.

Table 4.24: Simple Linear Regression Model Summary[b] for IV (Trust)

R	R Square	Adjusted R^2	Std. Error of the Estimate
.634[a]	.402	.401	.61166

a. Predictors: (Constant), Trust; Source: Study Data (2024)

In assessing the link between Trust and Customer Loyalty, the simple linear regression model summary suggests a strong relationship. Approximately 40.2% of the variance in Customer Loyalty can be explained by Trust, as indicated by the R Square value of .402. The adjusted R Square value (.401) reinforces the model's reliability, considering predictors. Moreover, the standard error of the estimate (.61166) indicates the model's accuracy in predicting Customer Loyalty based on Trust levels.

These findings underscore Trust's crucial role in shaping Customer Loyalty, offering valuable insights for businesses aiming to enhance customer relationships and retention strategies.

Table 4.25: ANOVA Results for Independent Variable (Trust)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	86.860	1	86.860	232.167	.000[b]
Residual	129.075	345	.374		
Total	215.935	346			

a . Dependent Variable: Customer Loyalty

b. *Predictors: (Constant), Trust; Source: Study Data (2024)*

The ANOVA results for Trust as an independent variable reveal a highly significant relationship with Customer Loyalty. The regression model, including Trust as a predictor, describes a substantial portion of the variance in Customer Loyalty, as designated by the significant F statistic ($F = 232.167$, $p < 0.001$). This suggests that Trust significantly enhances the model's ability to predict Customer Loyalty levels. The large sum of squares for regression compared to residual error further supports the model's effectiveness. Overall, these findings underscore Trust's crucial role in influencing Customer Loyalty, providing robust statistical evidence for its importance in customer relationship management.

Table 4.26: Regression Coefficients for Independent Variable (Trust)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.949	.193		4.904	.000
Trust	.736	.048	.634	15.237	.000

a. Dependent Variable: Customer Loyalty; Source: Study Data (2024)

From the above table, Equation (3.3: $Y = \boldsymbol{\beta}_0 + \boldsymbol{\beta}_2 X_2 + \boldsymbol{\varepsilon}$), therefore becomes $\mathbf{Y = 0.949 + 0.736\, X_2 + \varepsilon}$, in which **Trust** (**$X_2$**) is analyzed.

The intercept of 0.949 indicates the predicted Customer Loyalty value without Trust, and the coefficient 0.736 signifies a positive impact in Customer Loyalty for each unit increase in Trust, with ϵ encompassing unexplained variability. This relationship is supported by the standardized coefficient (Beta) of 0.634, signifying the strength and direction of Trust's influence on Customer Loyalty. The highly significant t-value of 15.237 ($p < 0.001$) confirms the robustness of this relationship. The findings underscore the critical role of Trust in driving Customer Loyalty within Savings and Credit Cooperative Organizations (SACCOS), offering valuable insights for these institutions seeking to enhance their business sustainability.

Result of Hypothesis Test based on Second Objective

The second objective sought to determine the effect of Trust on customer Loyalty, among Deposit-Taking Savings and Credit Societies in Western Kenya. To realize this objective, the following hypothesis Ho_2 was formulated and tested:

$H0_2$: Trust has no significant effect on customer loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya

The second *Null Hypothesis* had its findings indicating a statistically significant effect of Trust on Customer Loyalty ($p< 0.05$). Hence the null hypothesis is rejected at 95% level of significance and alternative hypothesis is accepted.

This result aligns with numerous studies emphasizing trust as a fundamental determinant of customer loyalty (Muturi *et al.*, 2017; Afifi & Amini, 2019; Zahari *et al.*, 2019; Wayne *et al.*, 2020; Rosário & Casaca, 2023). Trust, identified as a method for cultivating loyalty and retention by elevating levels of customer satisfaction, plays a crucial role in fostering enduring relationships between customers and SACCOS, ultimately contributing to sustained patronage and organizational growth (Manduku, as cited in Mohamed, 2022).

Furthermore, the study's findings underscore the significance of trust in the financial services sector, particularly within the unique cooperative framework of SACCOS in Western Kenya. While the Nigerian study by Ojiaku *et al*. (2017) provided insights into the influence of trust on customer loyalty in a different context, the dynamics of SACCOS, with their emphasis on member welfare and community involvement, necessitate tailored research to comprehensively understand the role of trust in fostering customer loyalty within this sector. Therefore, the empirical evidence supporting the effect of trust on customer loyalty among SACCOS in Western Kenya highlights the importance of prioritizing trust-building initiatives to strengthen customer relationships and enhance organizational performance.

4.7.2.3. Communication and Customer Loyalty

To investigate the impact of Communication on customer Loyalty within Deposit-Taking Savings and Credit Societies in Western Kenya, the study conducted an analysis focusing on the relationship between these variables (Tables 4.27-29).

Table 4.27: Simple Linear Regression Model Summary[b] for IV (Communication)

R	R Square	Adjusted R^2	Std. Error of the Estimate
.557[a]	.310	.308	.65724

a. Predictors: (Constant), Communication; Source: Study Data (2024)

The simple linear regression model summary for Communication and Customer Loyalty indicates a significant relationship. Approximately 31.0% of the variance in Customer

Loyalty can be explained by Communication, as represented by the R Square value of .310. With an adjusted R Square of .308, accounting for predictors, the model's explanatory power remains robust. The standard error of the estimate (.65724) suggests relatively accurate predictions of Customer Loyalty based on Communication levels. These findings highlight the substantial influence of Communication on Customer Loyalty, providing valuable insights for businesses targeting to improve customer relationships, plus possible retention strategies.

Table 4.28: ANOVA Results for Independent Variable (Communication)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	66.910	1	66.910	154.898	.000[b]
Residual	149.026	345	.432		
Total	215.935	346			

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Communication; Source: Study Data (2024)

The ANOVA results for Communication as an independent variable show a highly significant relationship with Customer Loyalty. The regression model, incorporating Communication as a predictor, explains a substantial portion of the variance in Customer Loyalty, with a significant F statistic ($F = 154.898$, $p < 0.001$).

This suggests that Communication significantly improves the model's ability to predict Customer Loyalty levels. Overall, these findings underscore the importance of Communication in influencing Customer Loyalty, providing strong statistical evidence for its role in customer relationship management.

Table 4.29: Regression Coefficients for Independent Variable (Communication)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.636	.182		9.008	.000
Communication	.542	.044	.557	12.446	.000

a. Dependent Variable: Customer Loyalty; Source: Study Data (2024)

From the table, we derive Equation **(3.4: $Y = \beta_0 + \beta_3 X_3 + \varepsilon$),** yielding **$Y = 1.636 + 0.542 X_3 + \varepsilon$,** where **Communication** (**X_3**) is evaluated.

The intercept of 1.636 indicates the anticipated Customer Loyalty value in the absence of Communication, while the coefficient 0.542 denotes the anticipated impact of Communication on Customer Loyalty. Further highlighting this relationship's significance, the standardized coefficient (Beta) of 0.557 emphasizes both the strength and direction of this association. The highly significant t-value of 12.446 ($p < 0.001$) confirms the robustness of this association. These findings underscore the crucial role of Communication in driving Customer Loyalty within Savings and Credit Cooperative Organizations (SACCOs), providing valuable insights for these institutions aiming to enhance customer satisfaction and retention strategies.

Result of Hypothesis Test based on Third Objective

The third objective sought to examine the effect of Communication on customer Loyalty, among Deposit-Taking Savings and Credit Societies in Western Kenya. To realize this objective, the following hypothesis Ho_3 was formulated and tested:

$H0_3$: Communication has no significant effect on customer loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya

Findings of the third Null Hypothesis demonstrate a statistically significant effect of Communication on Customer Loyalty ($p < 0.05$). Similarly, the null hypothesis is rejected at a 95% level of significance, and the alternative hypothesis is accepted. This implies that if Feedback Effectiveness, Speed & efficiency of Communication, and Information Transparency & Clarity are enhanced with deposit-taking Saccos, it will increase customer loyalty.

These results align with previous research emphasizing communication as a vital element of relationship marketing, influencing both customer satisfaction and retention (Jain *et al.,* 2021; Kusa *et al.,* 2021; Kumar & Mbaabu, 2022). Effective communication, characterized by timely and trustworthy information, has been identified as a key factor fostering loyalty in various contexts, including banking services (Yogesh *et al.,* 2018). Furthermore, Putra and Ardiani's (2018) study underscores the significance of communication processes in enhancing customer satisfaction and retention, highlighting its substantial influence on consumer behavior.

The findings highlight the importance of adapting communication strategies to suit the unique dynamics of Deposit-Taking Savings and Credit Societies (SACCOS) in Western Kenya, which operate within a cooperative framework emphasizing transparency and community engagement. While existing research provides valuable insights into the significance of communication for fostering customer loyalty, further studies tailored to the specific needs of SACCOS in Kenya are necessary. This would ensure the optimization of communication strategies to enhance customer relationships and organizational performance within this sector.

4.7.2.4. Continuous Improvement and Customer Loyalty

To evaluate the influence of Continuous Improvement on customer Loyalty within Deposit-Taking Savings and Credit Societies in Western Kenya, the study conducted an assessment analysing the relationship between these factors (Tables 4.30-32).

Table 4.30: Simple Linear Regression Model Summary[b] for IV (Cont. Improvement)

R	R Square	Adjusted R^2	Std. Error of the Estimate
.523[a]	.274	.272	.67410

a. Predictors: (Constant), Continuous Improvement; Source: Study Data (2024)

The simple linear regression model summary for Continuous Improvement and Customer Loyalty indicates a statistically significant relationship. Approximately 27.4% of the variance in Customer Loyalty can be attributed to Continuous Improvement, as indicated by the coefficient of determination (R Square) of .274. The adjusted R Square value (.272) accounts for the number of predictors in the model, ensuring its validity. The standard error of the estimate (.67410) reflects the accuracy of the model's predictions of Customer Loyalty based on Continuous Improvement levels. These findings suggest that Continuous Improvement significantly influences Customer Loyalty with variations in improvement practices exhibiting notable impact on variability in Loyalty levels.

Table 4.31: ANOVA Results for Independent Variable (Continuous Improvement)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	59.163	1	59.163	130.196	.000[b]
Residual	156.773	345	.454		
Total	215.935	346			

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Continuous Improvement; Source: Study Data (2024)

The ANOVA results for Continuous Improvement as an independent variable reveal a highly significant relationship with Customer Loyalty. The regression model, including Continuous Improvement as a predictor, explains a significant portion of the variance in Customer Loyalty, as shown by the substantial F statistic ($F = 130.196$, $p < 0.001$). This suggests that Continuous Improvement significantly improves the model's ability to predict Customer Loyalty levels. Overall, these findings highlight the critical role of Continuous Improvement in influencing Customer Loyalty, providing strong statistical evidence for its importance in customer relationship management.

Table 4.32: Regression Coefficients for Independent Variable (Cont. Improvement)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.177	.237		4.956	.000
Communication	.678	.059	.523	11.410	.000

a. Dependent Variable: Customer Loyalty; Source: Study Data (2024)

From the above table, Equation (3.5: $\mathbf{Y = \beta_0 + \beta_4 X_4 + \varepsilon}$), therefore becomes $\mathbf{Y = 1.177 + 0.678 X_4 + \varepsilon}$**,** in which **Continuous Improvement** (**X_4**) is assessed.

The intercept of 1.177 represents the baseline Customer Loyalty value in the absence of Continuous Improvement, while the coefficient of 0.678 indicates the estimated increase in Customer Loyalty for each unit improvement in Continuous Improvement. This positive association is further supported by the standardized coefficient (Beta) of 0.523, signifying a moderate impact of Continuous Improvement on Customer Loyalty. Moreover, the highly significant t-value of 4.956 ($p<0.05$) underscores the robustness of this relationship. Thus, these findings emphasize the pivotal role of Continuous Improvement in enhancing Customer Loyalty, offering actionable insights for organizations seeking to optimize customer satisfaction and retention strategies.

Result of Hypothesis Test based on Fourth Objective

The fourth objective sought to assess the effect of Continuous Improvement on customer Loyalty, among Deposit-Taking Savings and Credit Societies in Western Kenya. To realize this objective, the following hypothesis Ho_4 was tested:

$H0_4$: Continuous Improvement has no significant effect on customer loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya

The null hypothesis regarding the fourth objective of this study found statistically significant evidence of a positive effect of Continuous Improvement on Customer Loyalty ($p < 0.05$). Therefore, the null hypothesis is rejected at a 95% confidence level, and the alternative hypothesis is accepted. This means that when there is a demonstration of continuous improvement in terms of Time of Delivery of expected services, Quality Output of Services, and Cos optimization approaches in the process of service delivery.

The results corroborate Ma *et al*.'s (2020) findings, emphasizing continuous improvement's crucial role in shaping customer loyalty within the service sector. Ma *et al*. (2020) investigated public car-sharing platforms in China, illustrating how continuous improvement initiatives positively impact passenger loyalty by enhancing perceived value, trust, and mitigating transaction costs. Likewise, Koval *et al*.'s (2018) study in the Czech Republic validated a direct positive relationship between continuous improvement endeavors and customer satisfaction. It underscored organizational factors like time of delivery, quality output, and cost optimization as vital in fostering customer participation and enhancing satisfaction levels.

4.7.3 Test for Moderation (Digital Platforms)

The study utilized hierarchical regression analyses to explore how Digital Platforms, defined by attributes like Platform Experience, Feedback Mechanisms, Innovation, and Adaptability, impact the relationship between RM practices and customer loyalty. The results are described in table 36-38.

Table 4.33: Model Summary[a] for Independent Variables (Moderation)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.688[a]	.473	.469	.57586
2	.724[b]	.525	.518	.54854
3	.736[c]	.542	.533	.54012
4	.739[d]	.546	.534	.53944

Source: Study Data (2024)

The regression analysis reveals a strengthening relationship between predictor variables and customer loyalty, with Digital Platforms serving as a moderator in the Relationship Marketing - Customer Loyalty link. The R Square values consistently increase across models, indicating improved explanatory power as more predictors are included. Specifically, the R Square values range from 47.3% in the first model to 54.6% in the fourth model, demonstrating a substantial enhancement in the model's ability to explain customer loyalty. Notably, the Adjusted R Square values follow a similar pattern, affirming the enhanced model accuracy. These findings underscore the significant moderating role of Digital Platforms in understanding and enhancing customer loyalty within Relationship Marketing strategies.

Table 4.34 analysis of variances of the variables

Table 4.34: ANOVA[a] table for Independent Variables (Moderation)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	102.191	3	34.064	102.721	.000[b]
	Residual	113.744	343	.332		
	Total	215.935	346			
2	Regression	113.328	5	22.666	75.326	.000[c]
	Residual	102.607	341	.301		
	Total	215.935	346			
3	Regression	117.039	7	16.720	57.313	.000[d]
	Residual	98.896	339	.292		
	Total	215.935	346			
4	Regression	117.869	9	13.097	45.006	.000[e]
	Residual	98.066	337	.291		
	Total	215.935	346			

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Interaction Term, Digital Platform, X_1

c. Predictors: (Constant), Interaction Term, Digital Platform, X_1, X_2

d. Predictors: (Constant), Interaction Term, Digital Platform, X_1, X_2, X_3

e. Predictors: (Constant), Interaction Term, Digital Platform, X_1, X_2, X_3, X_4

The regression analysis confirms that Digital Platforms serve as a significant moderator in the relationship between Relationship Marketing (RM) and Customer Loyalty (CL). The increasing R Square values across successive models suggest that Digital Platforms contribute significantly to explaining the variance in CL, beyond the influence of RM alone. These findings underscore the pivotal role of Digital Platforms in shaping the dynamics of customer loyalty within the context of Relationship Marketing strategies.

The coefficients table (Table 4.35) of the hierarchical regression model below illustrates the influence of the Digital Platform on the connections between significant relationship marketing variables - Personalization, Trust, Communication, and Continuous Improvement - and Customer Loyalty.

Table 4.35 ilustrate hierarchical regression for significant tests of relationships between the independent variables, the moderating variable and their interaction terms.

Table 4.35: Regression Coefficients[a] table for Independent Variables (Moderation)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.432	.611		.707	.480
	Personalization	.527	.185	.513	2.855	.005
	Digital Platform (Moderator)	.399	.166	.412	2.410	.006
	Interaction term 1	1.21	.046	.135	.447	.012
2	(Constant)	.831	.726		1.144	.253
	Personalization	.491	.287	.478	1.712	.018
	Digital Platform (Moderator)	.560	.195	.579	2.872	.004
	Interaction term 1	.169	.067	1.099	2.539	.012
	Trust	1.374	.338	1.184	4.071	.000
	Interaction term 2	.239	.078	1.489	3.087	.002
3	(Constant)	.885	.779		1.135	.257
	Personalization	.550	.286	.536	1.921	.016
	Digital Platform (Moderator)	.489	.212	.505	2.307	.002

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	Interaction term 1	.177	.066	1.153	2.667	.008
	Trust	1.211	.341	1.043	3.550	.000
	Interaction term 2	.213	.078	1.324	2.725	.007
	Communication	.277	.204	.284	1.356	.011
	Interaction term 3	.028	.049	.190	.569	.019
4	(Constant)	.597	.909		.657	.511
	Personalization	.563	.287	.549	.964	.020
	Digital Platform (Moderator)	.371	.245	.384	1.514	.011
	Interaction term 1	.176	.066	1.144	2.646	.009
	Trust	1.221	.351	1.052	3.482	.001
	Interaction term 2	.220	.080	1.366	2.742	.006
	Communication	.304	.216	.313	1.411	.009
	Interaction term 3	.038	.051	.261	.738	.014
	Continuous Improvement	.100	.296	.077	.338	.036
	Interaction term 4	.049	.071	.284	.689	.041

a. Dependent Variable: Customer Loyalty

From the hierarchical model above (Table 4.35), **Personalization** has a substantial impact on Customer Loyalty (B = 0.527, Beta = 0.513, p = 0.005, in Model 1). The inclusion of the Digital Platform as a moderator (B = 0.399, Beta = 0.412, p = 0.006) suggests that when Personalization efforts are supported by effective digital tools, such as tailored recommendations or personalized messaging, the effect on Customer Loyalty is strengthened. In conformity with Jain's *et al.* (2021) argument, this interaction highlights the importance of utilizing digital platforms to enhance the effectiveness of personalized marketing strategies in cultivating loyalty among customers.

Trust emerges as a significant driver of Customer Loyalty (B = 1.374, Beta = 1.184, $p < 0.001$, in Model 2). The significant interaction between Trust and the Digital Platform (B = 0.239, Beta = 1.489, p = 0.002) indicates that digital technologies can amplify the positive effects of trust-building initiatives. This result agrees with arguments by Golgeci *et al.* (2020), Jain *et al*. (2021), and Lim & Zhang (2022), that through employing digital platforms for transparent communication, reliable service delivery, and secure transactions, businesses such as SACCOS can reinforce customer trust, thereby significantly increasing levels of loyalty.

Effective **Communication** also plays a crucial role in influencing Customer Loyalty (B = 0.277, Beta = 0.284, p = 0.011, in Model 3). The moderating effect of the Digital Platform (B = 0.489, Beta = 0.505, p = 0.002) highlights how digital tools enable seamless communication and personalized interactions. This result is in agreement with Sebastian *et al.* (2021) and Mwirigi, (2018), that digital platforms enhances the impact of Communication strategies on customer perceptions and engagement, ultimately driving higher levels of loyalty within a SACCO.

Continuous Improvement initiatives have a marginal but noteworthy effect on Customer Loyalty (B = 0.100, Beta = 0.077, p = 0.036, in Model 4). The interaction with the Digital Platform (B = 0.371, Beta = 0.384, p = 0.011) suggests that digital technologies facilitate agile feedback loops and data-driven improvements. As emphasized by Hollebeek *et al.* (2019), this enables businesses to respond promptly to customer needs and market trends, enhancing overall customer satisfaction and loyalty over time.

Result of Hypothesis Test based on Fifth Objective

The fifth objective sought to evaluate the Moderating effect of Digital Platforms on the relationship between RM and Customer Loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya.

To realize this objective, the following hypothesis Ho_5 was formulated and tested:

H_{05}: Digital Platforms has no significant influence on the relationship between RM and Customer Loyalty, among Deposit-Taking Savings and Credit Societies in Western Kenya.

Results of all moderated variables show ($p<0.05$), hence the null hypothesis is rejected at the $p<0.05$ significance level, indicating that Digital Platforms have a significant influence on the relationship between Relationship Management (RM) and Customer Loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya. Notably, all regression coefficients experienced changes following moderation with digital platforms, suggesting a substantial alteration in the dynamics of the relationship between RM and Customer Loyalty.

The findings of the hypothesis test provide compelling evidence that Digital Platforms significantly influence the relationship between Relationship Management (RM) and Customer Loyalty among Deposit-Taking Savings and Credit Societies (SACCOs) in Western Kenya. With all moderated variables showing significance at the $p<0.05$ level, the rejection of the null hypothesis underscores the pivotal role of digital platforms in shaping the dynamics of customer relationships within this context.

The observed changes in regression coefficients following moderation with digital platforms highlight a substantial alteration in the nature of the relationship between RM strategies and Customer Loyalty. This suggests that digital platforms act as more than just facilitators but actively moderate and enhance the effects of relationship-building initiatives on customer loyalty within the SACCO environment.

This outcome aligns with prior literature emphasizing the transformative impact of digital platforms on consumer behavior, engagement, and loyalty. The study corroborates insights from previous research, which underscored the importance of leveraging digital platforms to enhance customer-brand engagement and foster loyalty (Jibril *et al.,* 2019; Boateng, 2019).

By elucidating the moderating role of digital platforms, particularly in the context of RM strategies, this study contributes to a deeper understanding of the intricate interplay between technology, relationship marketing, and customer loyalty within the financial services sector of Western Kenya. It emphasizes the need for SACCOs to strategically integrate digital platforms into their relationship-building efforts to effectively nurture and sustain customer loyalty in an increasingly digitized landscape.

4.9 Summary of Hypotheses Tests

Table 4.39 provides a summary of the Hypotheses Test Results regarding the effect of all variables in the study objectives. The table presents the hypothesis, test criteria, test result, decision, and conclusion for each hypothesis tested.

Table 4.36: Summary of the Hypotheses Test Results

#	Hypothesis	Test Criteria	Test Result	Decision	Conclusion
H_{01}	Personalization has no significant effect on customer loyalty among Deposit-taking SACCOS in Western Kenya	Reject Null Hypothesis if $P<0.05$; Alternatively, Fail to Reject	P-value= 0.000(<0.05) Regression coefficient is significant	Rejected	Personalization has significant effect on customer loyalty among Deposit-taking SACCOS in Western Kenya
H_{02}	Trust has no significant effect on customer loyalty among Deposit-taking SACCOS in Western Kenya	Reject Null Hypothesis if $P<0.05$; Alternatively, Fail to Reject	P-value - 0.000(<0.05) Regression coefficient is significant	Rejected	Trust has significant effect on customer loyalty among Deposit-taking SACCOS in Western Kenya
H_{03}	Communication has no significant effect on customer loyalty among Deposit-taking SACCOS in Western Kenya	Reject Null Hypothesis if $P<0.05$; Alternatively, Fail to Reject	P-value= 0.000(<0.05) Regression coefficient is significant	Rejected	Communication has significant effect on customer loyalty among Deposit-taking SACCOS in Western Kenya
H_{04}	Continuous Improvement has no significant effect on customer loyalty among Deposit-taking SACCOS in Western Kenya	Reject Null Hypothesis if $P<0.05$; Alternatively, Fail to Reject	P-value= 0.000(<0.05) Regression coefficient is significant	Rejected	Continuous Improvement has significant effect on customer loyalty among Deposit-taking SACCOS in Western Kenya
H_{05}	Digital Platforms has no significant influence on the relationship between RM and Customer Loyalty, among Deposit-taking SACCOS in Western Kenya	Reject Null Hypothesis if $P<0.05$ for interaction terms ; Alternatively, Fail to Reject	P-value= 0.000(<0.05) Regression coefficient is significant for all interaction terms	Rejected	Digital Platforms have a significant impact on the relationship between RM and Customer Loyalty among Deposit-taking SACCOS in Western Kenya

Source: Author (2024)

The table presents the results of hypothesis tests regarding the impact of various factors on customer loyalty in Deposit-taking Savings and Credit Societies (SACCOS) in Western Kenya. It shows that factors such as personalization, trust, communication, continuous improvement, and digital platforms all have a significant effect on customer loyalty. The null hypotheses, suggesting no significant effect, are rejected based on a significance level of $p<0.05$, supported by significant regression coefficients. Therefore, it is concluded that these factors play crucial roles in influencing customer loyalty within Deposit-taking SACCOS in Western Kenya, highlighting their importance for fostering customer loyalty in this context.

The findings are supported by Relationship Commitment Theory, as proposed by Berry in 1990, which suggests that strong relational bonds between customers and organizations lead to increased commitment and loyalty (Gummesson, 2017).

Similarly, Social Exchange Theory, as outlined by Homans in 1961, also aligns with the results, indicating that customers reciprocate loyalty in response to personalized interactions, trust-building efforts, and continuous improvement initiatives from the organization (Russell *et al.,* 2017). Additionally, Commitment Trust Theory, as articulated by Morgan and Hunt in 1994 (Sliz & Delińska, 2021), emphasizes the critical role of trust in fostering long-term commitment and loyalty among customers within the context of Deposit-taking SACCOS in Western Kenya.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.

5.1 Introduction

This chapter presents a summary of research findings of the study. It also presents conclusions in view of the study findings, contribution of the study to foundational theory and practice as well as recommendations and suggestions for further research.

5.2 Summary of findings

The focal purpose of this study was to determine the influence of Relationship Marketing on Customer Loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya. The main areas of focus were Personalization, Trust, Communication and Continuous Improvement among Deposit-taking Saccos. A sample of 347 respondents was engaged in the study through a 5-point Likert Scale questionnaire for data collection after which both descriptive and inferential statistics was obtained, and data presented using tables. The responses fairly balanced between male (52.4%) and female (47.6%).

Descriptive statistics results indicate high positive values of relationship marketing variables (between 3.8540 and 4.0903), such as Personalization, Communication, Trust, and Continuous Improvement, as significant drivers of customer loyalty. Digital platforms, scoring highest in mean scores, play a pivotal role in enhancing these efforts and boosting customer loyalty significantly.

The Pearson's Correlation analysis results reveal significant associations among various variables, indicating their interconnectedness and impact on customer loyalty. Personalization exhibits positive correlations with Trust and Communication, suggesting that personalized interactions may foster higher levels of trust and effective communication with customers. Trust emerges as a central pillar, positively correlated with all other variables, emphasizing its pivotal role in influencing various aspects of customer engagement and loyalty. Effective Communication also shows positive correlations with Trust, Continuous Improvement, and Digital Platforms, highlighting its significance in building trust and contributing to continuous improvement and digital platform utilization, ultimately impacting customer loyalty. Continuous Improvement exhibits positive correlations with Trust, underscoring its role in enhancing customer trust and loyalty.

Simple linear regression analysis was conducted on the independent variables in relation to the dependent variable, in order to test the research hypotheses. Hypothesis test results on the first objective suggest that Personalization has a statistically significant effect on Customer Loyalty ($p < 0.05$), indicating its influence among Deposit-Taking Savings and Credit Societies in Western Kenya. Similarly, findings on the second hypothesis reveal that Trust significantly impacts Customer Loyalty ($p < 0.05$), emphasizing its importance within this context. Additionally, results indicate that Communication ($p < 0.05$) and Continuous Improvement ($p < 0.05$) – being the 3rd and 4th objectives - both significantly influence Customer Loyalty, highlighting their roles in shaping customer loyalty.

The moderating effect of Digital Platforms on the relationship between Relationship Management (RM) and Customer Loyalty was tested through a hierarchical regression model. Results suggest that the null hypothesis was rejected at the $p < 0.05$ significance level. This implies that Digital Platforms play a crucial role in shaping the relationship between RM and Customer Loyalty within the studied context.

5.3 Conclusions

In view of the above findings, the following conclusions can be made by the researcher:

Concerning the **first study objective**, **Personalization** significantly influences Customer Loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya. Customers' perceived value during their membership period and personalized responses to their concerns lead to improved loyalty levels. When frontline workers are assigned to individual members and engage with them in person, regardless of institution size, loyalty is further enhanced. As a result, customers are more receptive to changes proposed by institutions due to the personalized and friendly operating environment, ultimately enhancing their loyalty and the sustainability of deposit-taking Saccos.

Regarding the findings under **the second objective**, it can be concluded that **Trust** significantly impacts Customer Loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya. Enhancing Trust within SACCO operations, characterized by integrity, consistency, and compassionate treatment towards customers, leads to increased loyalty levels. Clear integrity, consistency in business dealings, and compassionate treatment methods contribute to positive loyalty attitudes towards deposit-taking Saccos.

The findings suggest that the **third objective**, **Communication**, significantly influences Customer Loyalty within deposit-taking Saccos in Western Kenya. Reliable and effective communication feedback mechanisms, coupled with transparent and clear communication methods, enhance customer satisfaction and draw them towards loyalty to their respective Saccos. Transparency and clarity in communication methods foster convenience and honesty, further increasing loyalty levels among customers.

Under the **fourth objective** it can be concluded that **Continuous Improvement** positively impacts Customer Loyalty among deposit-taking Saccos in Western Kenya. Ensuring timely delivery of services, utilizing easy-to-understand digital technology, improving service output quality, and implementing Cost Optimization strategies contribute to increased customer loyalty. These continuous improvement practices convince members of the institutions' commitment to meeting their expectations and operating efficiently, ultimately fostering loyalty.

Finally, the results under the **fifth objective** reveal that **Digital Platforms** exert a significant impact on the relationship between Relationship Management (RM) and Customer Loyalty among Deposit-Taking Savings and Credit Societies in Western Kenya. Key aspects such as platform interactivity, personalization, trustworthiness, convenience, community, feedback mechanisms, integration, innovation, and reputation contribute to this impact. Digital Platforms play a crucial role in shaping customer engagement and loyalty dynamics, underscoring their pivotal role in influencing customer loyalty within deposit-taking Saccos.

5.4 Recommendations

5.4.1 Recommendation for Policy and Practices

In reference to the above conclusions, the following recommendations are made:

Personalization:

In order to enhance customer loyalty within deposit-taking Savings and Credit Societies, it's recommended to implement personalized approaches in customer interactions. Assigning frontline workers to individual members can foster a sense of belonging and trust among customers. Investing in training programs for staff to improve their interpersonal skills and ability to tailor services to individual customer needs is crucial. Moreover, developing a system for collecting and utilizing customer feedback to continuously refine personalization strategies is essential for ongoing improvement.

Trust:

Emphasizing integrity, consistency, and compassionate treatment in all SACCO operations is vital for building trust. Clear communication of values and expectations to both staff and customers can contribute to establishing trust. Establishing mechanisms for resolving customer complaints and concerns promptly and transparently can demonstrate commitment to customer satisfaction. Additionally, fostering a culture of accountability and ethical conduct among staff through ongoing training and performance evaluation is recommended.

Communication:

Implementing reliable and effective communication feedback mechanisms to solicit customer input and keep them informed about relevant developments and changes is essential. Utilizing digital platforms and tools to enhance communication channels can make information more accessible and convenient for customers. Ensuring transparency and clarity in all communication efforts, avoiding jargon and providing clear explanations of policies and procedures, is crucial for maintaining customer trust.

Continuous Improvement:

Developing a culture of continuous learning and innovation within an organization is necessary for continuous improvement. Encouraging staff to identify areas for improvement and implement solutions proactively can lead to enhanced service delivery efficiency. Investing in technology and infrastructure to streamline processes and improve service delivery efficiency is recommended. Regularly assessing customer satisfaction levels and using feedback to prioritize improvement initiatives and allocate resources effectively is crucial for maintaining high levels of customer loyalty.

Digital Platforms:

Investing in user-friendly digital platforms that prioritize interactivity, personalization, and trustworthiness is recommended to enhance the general customer experience. Leveraging data analytics to achieve undersitngin of customer preferences and behaviors can allow for targeted marketing and service customization. Fostering a sense of community among customers through online forums and social media platforms, encouraging engagement and loyalty, is crucial for long-term success.

5.4.2 Recommendations on Theories

Relationship Commitment Theory:

To effectively apply Relationship Commitment Theory, it's important to focus on enhancing long-term relationships with customers by fostering trust, satisfaction, and loyalty through personalized interactions and transparent communication. Implementing loyalty programs or incentives to reward and reinforce ongoing commitment from customers can further strengthen these relationships.

Social Exchange Theory:

Emphasizing the reciprocal nature of the relationship between the SACCO and its customers, as per Social Exchange Theory, can be achieved by prioritizing trust, communication, and continuous improvement efforts. Encouraging customers to engage with the SACCO through feedback mechanisms and participation in decision-making processes reinforces the sense of partnership and mutual exchange.

Commitment Trust Theory:

Applying Commitment Trust Theory involves prioritizing the development of trust and commitment among customers by consistently delivering on promises, providing reliable and transparent communication, and demonstrating a genuine concern for their well-being. Investing in building strong organizational commitment among staff to uphold the values and principles that underpin customer trust and loyalty is crucial for success.

5.5 The study's Contributions to the body of knowledge

Firstly, the study advances understanding of customer loyalty dynamics within SACCOs in Western Kenya, elucidating key determinants through comprehensive data analysis and empirical research.

Secondly, it provides actionable recommendations for SACCO management, advocating personalized service delivery, trust-building initiatives, effective communication channels, continuous quality improvement practices, and optimized utilization of digital platforms.

Thirdly, the study extends existing theoretical frameworks such as Relationship Commitment Theory, Social Exchange Theory, and Commitment Trust Theory to the SACCO context, enriching theoretical discourse and enhancing practical applicability.

Fourthly, focused on Western Kenya, it offers localized insights into operational challenges and opportunities within the regional financial landscape, facilitating tailored strategy development and informed decision-making for SACCO managers.

Finally, the study's findings hold significant implications for policy formulation and managerial practice, guiding policymakers in enacting supportive regulatory measures and assisting SACCO managers in implementing evidence-based strategies for improved customer satisfaction, retention, and organizational performance.

5.6 Suggestions for Further Research

Building on the findings that Personalization, Trust, Communication, and Continuous Improvement significantly influence customer loyalty among deposit-taking Saccos in Western Kenya, several avenues for further research could be explored:

- A study on influence of marketing variables such as organizational culture, and market conditions could influence Customer Loyalty
- Investigate the role of employee attitudes, behaviors, and training programs on Customer Satisfaction
- Investigate the role of brand image, reputation, and perceived credibility in shaping customer loyalty within deposit-taking Saccos
- Conduct comparative studies to analyze how Relationship Marketing may influence customer loyalty across different types of financial institutions, by comparing deposit-taking Saccos with other financial entities like banks or credit unions.
- Examine the impact of regulatory changes, such as data privacy regulations and consumer protection laws, on the implementation and effectiveness of Digital Platforms in the banking sector.