

**AN ANALYSIS OF CUSTOMER CENTRIC STRATEGIES ON THE PERFORMANCE  
OF MANUFACTURING FIRMS IN KAJIADO CENTRAL SUB COUNTY**

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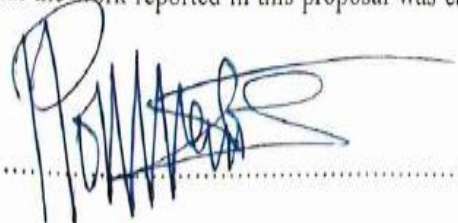
**DECLARATION AND APPROVAL**

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

Signature .....  ..... Date ..... 2/2/2024 .....

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

Signature .....  ..... Date ..... 09/02/2024 .....

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Mount

## DEDICATION

Dedicated to my sons, Prince Jayden and Jan Reyner, my daughter, Tanaya Palesa and my wife, Catherine Fay, whose love and support inspired this journey.



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Appreciation to Mount Kenya University for the chance to pursue my Master's education. The assistance and guidance from my supervisor have been immense, I am grateful.

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## ABSTRACT

In the highly competitive, turbulent and dynamic manufacturing business environment, the importance of customer centricity cannot be overemphasized. Achieving great customer experiences, loyalty and retention is integral to gaining a competitive advantage and enhancing firm performance. The purpose of this study is to analyse the effects of customer centric strategies on the performance of manufacturing firms in Kajiado Central Sub County. The study's objectives were to evaluate the effect of interactive customer relationship management, internal integration, customer segmentation, and external integration on the performance of manufacturing firms in Kajiado Central Sub County. The study was guided by the dissonance theory and the Kano model. A descriptive research design was employed. The target population were 16 manufacturing firms in Kajiado Central Sub County. The study targeted 1903 employees, out of which 330 were selected through stratified sampling and simple random sampling. Data was collected through questionnaires, and interviews were conducted with the sales and marketing managers of the firms. Quantitative data employed correlation and regression analysis, while qualitative data was thematically analysed. Results were presented in tables and graphs. Findings indicated that interactive customer relationship management significantly and positively affect performance of manufacturing firms in Kajiado Central Sub County. Internal integration had a positive and insignificant influence on performance of manufacturing firms in Kajiado Central Sub County. Findings indicated that customer segmentation positively and significantly affected performance of manufacturing firms in Kajiado Central Sub County. Results revealed a positive and significant effect of external integration on performance of manufacturing firms in Kajiado Central Sub County. The study concludes that Customer relationship management software streamlines interactions. Employee training, loyalty programs, discounts, and product updates enhance customer relationships. Tailoring products and services to specific needs enhances customer centricity, personalized marketing, and effective resource allocation. External integration enhances customer centricity, improves product quality and innovation, anticipates market trends, and adapts to customer preferences. The study recommends that manufacturing firms should prioritize customer intelligence surveys to gather insights into customer needs and preferences, helping to align strategies and improve satisfaction. Manufacturing firms should focus on improving internal integration to enhance customer centricity. Manufacturing firms should strengthen supplier integration by promotion of strong links between customer integration and operations.

## TABLE OF CONTENTS

<b>DECLARATION AND APPROVAL</b> .....	<b>i</b>
<b>DEDICATION</b> .....	<b>ii</b>
<b>ACKNOWLEDGEMENT</b> .....	<b>iii</b>
<b>ABSTRACT</b> .....	<b>iv</b>
<b>TABLE OF CONTENTS</b> .....	<b>v</b>
<b>LIST OF TABLES</b> .....	<b>viii</b>
<b>LIST OF FIGURES</b> .....	<b>ix</b>
<b>LIST OF ABBREVIATIONS AND ACRONYMS</b> .....	<b>x</b>
<b>CHAPTER ONE: INTRODUCTION</b> .....	<b>1</b>
1.1 Background to the Study .....	1
1.1.1 Interactive customer relationship management .....	3
1.1.2 Internal integration .....	4
1.1.3 Customer segmentation .....	4
1.1.4 External integration .....	5
1.2 Statement of the Problem .....	9
1.3 Purpose of the study .....	10
1.4 Objectives of the study .....	10
1.5 Research Questions .....	11
1.6 Significance of the study .....	11
1.7 Scope of the study .....	12
1.8 Limitations of the study.....	12
1.9 Delimitations of the study .....	13
1.10 Assumptions of the study .....	13
1.11 Operational definition of key terms.....	13
<b>CHAPTER TWO: LITERATURE REVIEW</b> .....	<b>16</b>
2.1 Introduction .....	16
2.2 Empirical Review .....	16
2.2.1 Effect of interactive customer relationship management on firm performance ..	17
2.2.2 Internal integration and firm performance.....	18
2.2.3 Customer segmentation on firm performance .....	21

2.2.4 External integration on firm performance .....	23
2.3 Theoretical Review.....	25
2.3.1 Dissonance theory .....	26
2.3.2 The Kano Model .....	27
2.4 Conceptual framework .....	29
2.5 Recap of literature review .....	34
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>36</b>
3.0 Introduction .....	36
3.1 Research design.....	36
3.2 Population of the study.....	36
3.3 Sampling Techniques and Sample size .....	37
3.3.1 Sample size.....	37
3.4 Research instruments.....	38
3.5 Pilot Test.....	38
3.5.1 Reliability.....	39
3.5.2 Validity .....	40
3.6 Data collection procedure.....	40
3.7 Proposed data analysis.....	41
3.8 Ethical considerations.....	42
<b>CHAPTER FOUR.....</b>	<b>43</b>
<b>RESULTS AND DISCUSSIONS .....</b>	<b>43</b>
4.1 Introduction .....	43
4.2 Response rate.....	43
4.3 Demographic information .....	43
4.3.1 Respondents' gender.....	44
4.3.2 Respondents' Job Category .....	44
4.3.3 Respondents' Education .....	45
4.3.4 Respondents' Experience.....	45
4.4 Descriptive statistics.....	46
4.4.1 Interactive customer relationship management and performance .....	46
4.4.2 Internal integration and performance.....	49
4.4.3 Customer segmentation and performance.....	51

4.4.4 External Integration and performance .....	54
4.4.5 Performance .....	56
4.5 Inferential analysis .....	59
4.5.1 Correlation Analysis .....	59
4.5.2 Linear regression model.....	60
<b>CHAPTER FIVE.....</b>	<b>70</b>
<b>SUMMARY, CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>70</b>
5.1 Introduction .....	70
5.2 Summary of the result findings .....	70
5.2.1 Interactive customer relationship management and performance .....	70
5.2.2 Internal integration and performance.....	71
5.2.3 Customer segmentation and performance.....	71
5.2.4 External integration and performance.....	72
5.3 Conclusions .....	72
5.4 Recommendations for practice .....	73
5.5 Recommendations for further research .....	76
<b>REFERENCES.....</b>	<b>77</b>
<b>APPENDICES .....</b>	<b>82</b>
Appendix I: Introduction Letter .....	82
Appendix II: Questionnaire for staff .....	83
Appendix III: Interview guide for sales and marketing managers .....	87
Appendix IV : Manufacturing firms in Kajiado Central Sub County .....	88
Appendix V: University Introduction Letter .....	89
Appendix V: ERC Certificate.....	90
Appendix VII : Similarity Index Report.....	92

## LIST OF TABLES

Table 1 : Target Population .....	36
Table 2 : Sample Size .....	38
Table 3: Reliability results .....	<b>Error! Bookmark not defined.</b>
Table 4 : Response rate .....	43
Table 5: Respondents' Job Category .....	45
Table 6 : Respondents' experience .....	46
Table 7 : Interactive customer relationship and performance .....	46
Table 8: Internal integration and performance .....	49
Table 9: Customer segmentation and performance .....	51
Table 10: External Integration and performance .....	54
Table 11: Organisational performance .....	57
Table 12: Correlation analysis .....	59
Table 13: Model summary .....	60
Table 14: ANOVA .....	60
Table 15: Coefficients .....	61

## LIST OF FIGURES

Figure 1 : Conceptual framework .....	30
Figure 2: Respondents' gender.....	44
Figure 3: Respondents' education.....	45



## LIST OF ABBREVIATIONS AND ACRONYMS

<b>ANOVA</b>	Analysis of Variance
<b>CRM</b>	Customer Relationship Management
<b>EEA</b>	Ethiopia Economic Association
<b>FMCG</b>	Fast-Moving Consumer Goods
<b>GDP</b>	Gross Domestic Product
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>ICT</b>	Information and Communication Technology
<b>NACOSTI</b>	National Commission for Science, Technology & Innovation
<b>ODI</b>	Overseas Development Institute
<b>PLS</b>	Partial Least Squares
<b>SEM</b>	Structural Equation Model
<b>SME</b>	Small and Medium Enterprises
<b>MKU</b>	Mount Kenya University

## CHAPTER ONE: INTRODUCTION

### 1.0 Introduction

This chapter presents details about the study's background. Contained within chapter are also problem statements, study objectives and research questions. Not neglecting the importance, extent, and hypotheses of the study.

### 1.1 Background to the Study

Emphasis on centrality of the customer in key business processes is increasingly recognized as a strategy for enhancing organizational performance. Customer centricity involves cultivating and reinforcing unique customer relationships. This strategy empowers organizations to establish a competitive edge (Tuominen et al., 2023). Strategies rooted in customer centricity lead to superior organizational performance by facilitating a dual value creation process, benefiting both the customer through excellent service and the organization by distinctively generating and capturing value (Shammari, 2023). This study assesses customer centricity strategies, including interactive customer relationship management, internal integration, customer segmentation and external integration (Amoako et al., 2022; Weinstein, 2020; Hadikusuma & Siagian, 2022).

Customers are reshaping the business environment, driven by notable changes in demographics, attitudes and behaviors, coupled with the availability of information. This shift grants customers greater authority, compelling firms to be more responsive and transparent (Tuominen et al., 2023). Online forums and consumer portals serve as influential platforms for customers to voice their opinions, where news of negative experiences can spread rapidly (Teng et al., 2021). In the current environment, manufacturing firms aiming

to retain and attract high-value customers must focus intensely on customer-centric strategies (Wang, 2023). Customer-centricity is deemed a strategic imperative for firms, involving an organizational orientation towards understanding and meeting customer needs and behaviors (Tuominen et al.,2023). Dursun and Çelik (2018) further defines it as aligning resources to effectively respond to evolving customer needs, fostering mutually profitable relationships, thereby setting a firm apart from competitors lacking a similar customer experience. Motunrayo and Fasanmi (2021) introduces a customer-centricity construct comprising co-creation, interactive customer relationship management (CRM), and internal and external integration. This approach positions firms to thrive in an era where customer expectations and experiences play key role in differentiating and succeeding in the market.

The concept of customer centricity originated in 1954 when Drucker stated, "The customer dictates a business's nature, output, and success." Additionally, during that time period, Lawrence Abott, the author of "Quality and Competition", stated in his book that people are more interested in fulfilling experiences than products, emphasizing the significance of focusing on the customer instead of the product (Rostasova et al., 2020). As a result, many marketing scholars continue to adhere to the idea put forth by Theodore Levitt that "attracting and retaining customers is the fundamental objective of every business" (Barsalou, 2023). Nevertheless, it wasn't until the 1990s that the idea of a customer-focused company, also known as customer centricity, emerged in marketing literature through the term market orientation. Jin, Jia and Chen (2022) demonstrate that companies with a focus on the market tend to be more profitable than those without, even when selling undifferentiated products or commodities. In the 1990s, researchers advocated for a customer-centric method, highlighting the importance of organizations being centered on the markets they cater to view

customer centricity as providing value to each customer individually instead of focusing on mass or target markets (Shammari ,2023). This emphasis has been reinforced through the use of specific customer data, linking customer-focused marketing strategies with customer reactions (Nigatu, 2022).

Various scholars have assessed the conceptual relationship between customer centricity and organizational effectiveness. Hanaysha and Mehmood (2022) studied link between customer relationship management strategies and organizational success in Palestine, discovering a robust positive correlation between the two factors. Additionally, Rajab, et al. (2021) carried out study on effect of CRM on performance of manufacturing firms in Kenya, uncovering a positive relationship between the two elements. Likewise, Liu and Jayaraman (2019) studied how internal coordination across functional units and external knowledge cooperation with global customers affected corporate performance. According to the results, the correlation between the variables was strong and positive. In the same vein, Wambua et al. (2023) examined the topic and found that FMCG operational efficiency in Kenya was positively affected by external integration.

### **1.1.1 Interactive customer relationship management**

Firms use interactive CRM as a strategy to manage their contacts with current and future customers. The primary goals of CRM include optimizing processes, fostering customer relationships, boosting sales, enhancing customer service and augmenting overall performance (Susanty et al., 2018). Interactive CRM facilitates the creation of customer intelligence and the cultivation of enduring relationships through the communication channels established between the customer and the organization.

### **1.1.2 Internal integration**

As outlined by Rajab et al. (2021), it pertains to the ability of a company to organize its processes to meet demands of customers. From a systems management viewpoint, achieving optimal organizational performance requires the unification of all functions. As per Tuominen et al. (2023), internal integration highlights that different functions within a company ought to avoid working as separate silos and instead act as essential parts of a cohesive process.

### **1.1.3 Customer segmentation**

Customer segmentation is a fundamental marketing concept which involves dividing a large market to smaller groups or clusters of clients based on commonalities. This segmentation helps determine similarities in purchase behavior within each group (Weinstein, 2020). The need for understanding customers is driven by limited high-profit customers and intense market competition. Firms must effectively segment clients to meet their diverse needs and enhance satisfaction, considering variations in preferences, values, and profit margins. According to the customer segmentation theory, groups with similar demands and purchasing habits are more likely to respond consistently to marketing programs (Hendijani & Saeidi, 2020). This allows firms to tailor products, services, and resources to each target customer cluster, fostering strong relationships. Consequently, customer segmentation is recognized as a crucial aspect of modern marketing and customer relationship management.

#### **1.1.4 External integration**

External integration in organizations involves establishing connections beyond formal boundaries. In supply chain management, external integration focuses on incorporating external information for internal processes (Zhang et al., 2018). External integration, as described by Agyei, Asamoah, Nuerterey and Acquah (2022), involves the degree to which a company can engage key suppliers in its manufacturing activities. This integration includes collaboration with suppliers in the execution of manufacturing tasks, extending activities across company boundaries (Upadhyay et al., 2023). External integration goes beyond coordination and is important for manufacturing and implementing strategies to address market opportunities (Rotar & Kozar, 2017). Strategic alliances with suppliers and customers form a key aspect of external integration, enabling companies to develop collaborative relationships to navigate market challenges (Shammari, 2023).

The extent to which an organization is able to realize its vision, mission and goals is heavily dependent on its performance. This evaluation is fundamental to strategic management. Various metrics are utilized to measure organizational performance, including financial measures and referents, balanced scorecard perspectives, and the triple bottom line (Haislip & Richardson, 2019). Financial measures typically involve traditional accounting indicators and offer a snapshot of annual and short-term performance. In contrast, non-financial performance measures encompass aspects not expressed in monetary terms (Cheptiram et al., 2018). These non-financial indicators are often considered leading indicators, providing valuable insights into future financial performance. Non-financial information, being more focused on the long term, plays key role in shaping organization's strategy and has a direct influence on its ability to meet future financial targets. Therefore, a comprehensive

assessment of financial and non-financial performance is essential for holistic understanding of an organization's overall health and its trajectory for future success. The realization of an organization's mission, vision and goals is directly related to its performance. Performance of a firm can be measured using financial measures, balanced scorecard perspectives and the triple bottom line (Upadhyay et al., 2023). Non-financial performance measures, not expressed in monetary terms, are considered leading indicators of performance (Chatterjee & Basu, 2023).

The National Association of Manufacturers (2018) underlined important role that manufacturing industry plays in United States of America's economy. The sector, which contributes 12% of the nation's GDP, is essential in determining the direction of the economy. The manufacturing sector, which employs only 9% of the labor force nationally, is a significant contributor to economic growth due to its high efficiency in producing significant economic output. Accordingly, the manufacturing sector adds \$1.37 to the U.S economy overall for every dollar spent in it. The industry's capacity to boost economic activity and have a knock-on effect that benefits several sectors of the economy outside of manufacturing itself is highlighted by this multiplier effect (Khanna, 2023). The manufacturing sector's ability to create jobs is one of its most appealing features. There are 250 jobs created in other industries for every 100 jobs created in a manufacturing firm. This interdependence is a perfect illustration of the sector's ability to function as a catalyst for more expansive employment opportunities, supporting the expansion of jobs in related industries as well as the stability of the manufacturing workforce.

Over the years, the United States has outperformed most of Europe and Japan in terms of global competitiveness, exhibiting a significant expansion in industrial output. This

achievement demonstrates the tenacity and inventiveness of the American manufacturing industry, establishing it as a major force on the global scene. There is a slight decline in the growth of manufacturing production when compared to several Asia nations, like China, Korea, and others (Santiago et al., 2023). The U.S. manufacturing sector faces difficulties keeping up with the rapid industrialization and expansion enjoyed by these Asian competitors, notwithstanding the upward trajectory. This highlights the significance of strategic considerations to improve competitiveness of U.S. manufacturing sector globally, as well as the dynamic changes in the global manufacturing (National Association of Manufacturers, 2018).

In Africa, the performance of the manufacturing sector has exhibited persistent challenges over the decades, particularly when compared to other developing nations (World Bank, 2017). A comprehensive report from the Overseas Development Institute (ODI) in 2016 sheds light on the contrasting growth rates within the manufacturing sectors of various East African countries. Notably, Kenya's manufacturing sector is experiencing a slower growth rate of 7%, lagging behind the remarkable expansions seen in Ethiopia at 24%, Rwanda at 35%, Tanzania at 25%, and Uganda at 22% (Fofana et al., 2022). A discernible trend in East African nations is the concerted effort by their respective governments to enhance manufacturing. This is exemplified by the establishment of industrial parks, as seen in Ethiopia, and the facilitation of land availability for manufacturing purposes, with a particular emphasis on labor-intensive manufacturing processes (Khanna, 2023). These strategic initiatives signify a deliberate push by East African governments to catalyze industrialization, recognizing the pivotal role that manufacturing plays in economic development.

In Ethiopia, the responsibility of manufacturing industry in driving the country's economic growth has witnessed consistent uptrend, according to data provided by the Ethiopia Economic Association (EEA) in 2019. This suggests a growing recognition of the industry's potential and its increasing contribution to overall economic landscape of Ethiopia. The government's sustained focus on manufacturing is apparent, reflecting a commitment to harnessing the sector's capabilities for broader economic advancement (Addis, 2020). As East African countries grapple with economic challenges and aspire to achieve sustainable development, the intensified attention on manufacturing, coupled with the implementation of conducive policies and infrastructure development, represents a consensus on how to use the industry to boost the local economy and create jobs (Nigatu, 2022). The observed disparities in growth rates among East African nations underscore the diverse strategies being employed, acknowledging that every nation has its own set of circumstances that must be considered while devising strategies to overcome obstacles and take advantage of opportunities (Khanna, 2023).

In Kenya, the manufacturing sector holds a central position in the nation's pursuit of its Vision 2030 objectives. With a substantial contribution of 10% to Kenya's Gross Domestic Product (GDP) and serving as a significant employer for a substantial portion of the formal workforce, manufacturing firms play key role in shaping economic landscape of the nation. Despite these commendable contributions, there exists a set of formidable challenges that impede the sector's ability to meet customer needs consistently and reliably (Oyomo ,2019). One of the challenges faced by manufacturing firms in Kenya is the difficulty in effectively analyzing information, anticipating competition, and adapting to dynamic customer preferences (Kandagor & Gitonga ,2020). In an era of rapid technological advancement and ever-

evolving market dynamics, the ability to glean actionable insights from data, stay ahead of competitors and align products with shifting customer expectations is important.

## **1.2 Statement of the Problem**

In the highly competitive, turbulent and dynamic manufacturing business environment, the importance of customer centricity cannot be overemphasized. Achieving great customer experiences, loyalty and retention is integral to gaining a competitive advantage. Manufacturing firms that adhere to traditional approaches without adapting to changing customer life cycle conditions find themselves vulnerable and unable to excel in a highly competitive environment. Managers often do not have enough information to make informed decisions on how customer centricity affects organizational performance (Hariyani, 2019), leading to inadequate strategies that compromise customer satisfaction. These firms frequently neglect the analysis of customer-centric information crucial for strategic decision-making. As per the Economic Survey (2022) from Kenya National Bureau of Statistics (KNBS), manufacturing sector's contribution to the nation's GDP is worrying, at only 7%, significantly lower than the 20% goal set by the Vision 2030. There is reduced activity in Kajiado Central's manufacturing sector, which has been exacerbated by increased competition from cheap imports and changing customer demands. It is therefore critical to analyse customer centric strategies on performance of these manufacturing firms.

There's a dearth of literature on customer centric strategies and performance of manufacturing firms. Oyomo (2019) explored relationship between customer centricity and insurance firms' performance and revealed positive link between this variables. This research focused solely on insurance firms, creating a conceptual gap. Similarly, Kandagor and

Gitonga (2020) investigated the transformation strategies and commercial banks' competitive advantage and identified significant effects of innovation, customer-centrism and operational excellence techniques on competitive advantage. Nonetheless, this study's focuses on banks in Nairobi county raises both conceptual and contextual gaps. Nyamweya (2022) analyzed how customer retention influences the audit firms' competitiveness, highlighting the significant effect of segmentation, customer satisfaction and customer rewards. However, methodological and conceptual gaps exist as the study employed census and purposive sampling techniques, and its scope was limited to audit firms in Kenya. This study analysed of customer centric strategies on performance of manufacturing firms in Kajiado Central Sub County.

### **1.3 Purpose of the study**

The purpose of this study was to analyse effects of customer centric strategies on performance of manufacturing firms in Kajiado Central Sub County.

### **1.4 Objectives of the study**

Study's objectives are to: -

- i. evaluate the effect of interactive customer relationship management on the performance of manufacturing firms in Kajiado Central Sub County
- ii. assess the effect of internal integration on the performance of manufacturing firms in Kajiado Central Sub County
- iii. investigate the effect of customer segmentation on the performance of manufacturing firms in Kajiado Central Sub County

- iv. examine the effect of external integration on the performance of manufacturing firms in Kajiado Central Sub County

### **1.5 Research Questions**

- i. What is the effect of interactive customer relationship management on the performance of manufacturing firms in Kajiado Central Sub County?
- ii. How does internal integration affect the performance of manufacturing firms in Kajiado Central Sub County?
- iii. To what extent does customer segmentation affect the performance of manufacturing firms in Kajiado Central Sub County?
- iv. What is the effect of external integration on the performance of manufacturing firms in Kajiado Central Sub County?

### **1.6 Significance of the study**

The study will be important to the management of manufacturing firms. The findings will guide management on the interactive customer relationship management, internal integration, customer segmentation and external integration on performance. Management could identify weaknesses in the current customer centric strategies and develop more effective ones, leading to enhanced performance. The recommendations for the study will form a basis upon which customer centric strategies could be employed to enhance performance. Overall, the recommendations will serve as a guide upon which the firms can build and implement strategies to enhance its performance and secure its future in the manufacturing sector.

Study findings will be important to scholars. These findings add to theory on interactive customer relationship management, internal integration, customer segmentation and external integration and performance. It will aid in expansion of existing theories. This enhances the depth and breadth for academic understanding. Scholars can build upon the study's methodology, concepts and empirical data to develop theory on customer centric strategies and performance. Students pursuing degrees in marketing, strategic management and related disciplines will find this study valuable as a reference in their academic studies. The study's recommendations for further research provide a guide for scholars, who will use these recommendations as a starting point for formulating their researches.

### **1.7 Scope of the study**

The finding analyzed customer-centric strategies and performance of manufacturing firms in Kajiado Central Sub County. It was conducted in Kajiado Central Sub County, with target population being staff at the manufacturing firms. It was conducted between September 2024 and October 2024. Mixed methods were used in data collection and analysis.

### **1.8 Limitations of the study**

This finding was limited to the analysis of customer-centric strategies on performance of manufacturing firms in Kajiado Central Sub County. This finding focused on the geographic region of Kajiado Central Sub County. The quality of the data might have been constrained by the respondents' inability to express themselves clearly in the selected language for data gathering. Research instruments were tested for reliability through piloting. The study was limited to the sample chosen for the research, and thus, stratified random sampling was employed to ensure equal chances of selection for the respondents. Questionnaires and

interviews were the only means of data collection. These methods were designed to elicit comprehensive responses from the participants in order to address the study objectives.

### **1.9 Delimitations of the study**

This study finding was limited to analysis of customer-centric strategies on performance of manufacturing firms in Kajiado Central Sub County. The finding acknowledged that there could be other components that might affect the performance of manufacturing firms in Kajiado Central Sub County. Only those falling within the specified scope were given attention. The research was conducted within a defined time period, and questionnaires were administered to individuals who consented to participate.

### **1.10 Assumptions of the study**

The research assumed that participants were knowledgeable about performance and capable of offering sound information. It was also assumed that the chosen independent variables influenced performance. Additionally, it was considered that the participants in the study possessed a thorough comprehension of non-financial performance indicators and had the requisite abilities to differentiate them from financial performance indicators in the selected manufacturing firms.

### **1.11 Operational definition of key terms**

#### **1.11.1 Customer centric strategies**

A strategic approach in business that revolves around prioritizing and placing the customer at the forefront and core of all operations (Rotar & Kozar, 2017). The goal is to deliver a

positive and satisfying customer experience, promoting the development of enduring and meaningful relationships.

### **1.11.2 Customer segmentation**

Method of categorizing customers based on their purchasing behaviors and motivations. It enables organizations to tailor sales and marketing strategies for distinct customer groups, optimizing engagement and enhancing the effectiveness of targeted initiatives (Wang, 2023).

### **1.11.3 External integration**

Involves aligning and combining logistics activities seamlessly with those of customers and suppliers. This collaborative approach enhances communication, efficiency, and coordination in entire supply chain (Song et al., 2017). Organizations achieve a synchronized flow of information and resources, hence improved performance and customer satisfaction.

### **1.11.4 Internal integration**

A strategic initiative that entails harmonizing, collaborating, and integrating logistics activities with other functional areas within an organization (Siagian et al., 2020). This approach ensures seamless coordination between logistics and various departments, enhancing overall efficiency and effectiveness.

### **1.11.5 Relationship management**

An all-encompassing plan implemented by businesses to efficiently manage engagements with current and prospective clients. Companies could improve internal procedures, nurture strong customer connections, increase sales, improve customer service and yield higher profits (Teng et al., 2021). This strategic approach emphasizes a holistic and customer-centric

methodology to optimize business performance through targeted and personalized engagement with customers at every stage.

#### **1.11.6 Performance**

It is a firm's capacity to reach its goals within an environment characterized by continuous change and adaptability (Wang, 2023). It is the ability to consistently achieve set results while being responsive to the ever changing business environment (Kossyva & Gannon, 2020).



## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

Literature linked to this topic was reviewed. Empirical findings pertinent to the study were presented and discussed in accordance to the study objectives, which aimed to analyze effect of interactive CRM, internal integration, customer segmentation and external integration on performance. Theories guiding the study were then presented and linked to the study. A conceptual framework was also proposed. A recap of literature review was made.

### **2.2 Empirical Review**

Customer-centrism is often hindered by the misconception that mere claims of being 'close to the customer' or 'customer-focused' suffice. Customer-centrism is recognized as an initial step in the journey toward achieving customer-centricity as a genuine source of organisational performance. Unfortunately, many organizations fall short of translating these ideals into concrete practices, and their purported customer-centricity becomes more of an idea or aspiration rather than a lived reality (Amoako et al., 2022). To attain customer-centricity, organizations must implement comprehensive customer-centric strategies. This involves a fundamental departure from traditional perspectives on customer relationships. It necessitates a holistic reevaluation of various aspects within the organization, spanning culture, processes, structure, and strategy. Simply revisiting the setup of sales and marketing departments is insufficient; instead, a complete shift in organizational mindset and practices is required (Wambua et al., 2023).

Poor understanding of the process of applying customer-centricity throughout the whole organization persists, despite the relevance of the concept. This knowledge gap underscores the need for research to identify key factors influencing organizations' success or challenges in consistently placing customer value creation at the core of their operations (Michael, 2023). Customer-centric organizations distinguish themselves not by pushing products or services onto customers but by mastering the art of deeply understanding customer needs. This comprehension is prerequisite to the production of goods, services, or solutions by these companies (Zhang et al., 2018). Customer-centricity demands an organizational shift towards prioritizing and delivering sustained value to the customer (Siagian et al., 2020). This subsection presents empirical studies as per the research objectives.

### **2.2.1 Effect of interactive customer relationship management on firm performance**

Fundamentals of business are evolving rapidly, driven by shifts in customer needs, organizational strategies and competitive dynamics. During the industrial revolution, the emphasis was on mass marketing and production. Presently, customer needs are dynamic, influencing organizational processes. The traditional product-oriented "design-build-sell" model has transformed into a customer-oriented "sell-build-redesign" model (Siagian et al., 2020). Simultaneously, the transition from traditional mass marketing to personalized one-to-one marketing has occurred. This shift prioritizes retaining existing customers over acquiring new ones due to resource efficiency.

Organizations recognize that transactions offer opportunities beyond mere sales. Instead, they view transactions as chances to provide excellent service experiences, fostering long-term one-to-one relationships with each customer. In recent years, organizations have rapidly

adopted various tools and techniques to establish enduring relationships with customers. CRM employs diverse strategies to attract, acquire, retain, and cultivate strong connections with customers. CRM is a dual creation process involving the capture, integration, access, and exchange of information to create future customer value from existing customer interactions (Michael, 2023). Haislip and Richardson (2019) investigated how CRM systems influence firm performance. The study looked at companies that had installed CRM systems, analyzing the possible advantages linked to their use. The research found various operational benefits that these systems offer to companies. It was noted that CRM greatly influences performance. The results highlight the important benefits in operations and finances that companies can gain from strategically implementing CRM systems.

Rajab et al. (2021) evaluated effect of CRM on performance of manufacturing companies in Kenya. They highlighted that effective CRM practices, including customer data management, segmentation, and personalized marketing, positively influenced key performance indicators such as operational efficiency, customer satisfaction, and profitability. The researchers found that manufacturing firms that adopted CRM strategies experienced improved business outcomes, demonstrating that CRM not only improves customer relationships but also leads to general organizational success in the Kenyan manufacturing sector.

### **2.2.2 Internal integration and firm performance**

Internal integration involves manufacturer aligning its organizational strategies, processes, and practices to meet customer requirements efficiently and cost-effectively. Jafarinezhad et al. (2018) define internal integration as the level of coordination among the internal functions

of all supply chain partners. They stress that internal integration emphasizes the significance of various organizational departments operating as an integrated process rather than functioning in isolation as functional silos. The elements of internal integration encompass order fulfillment, demand management, and inventory management (Lazo et al., 2020). Order fulfillment, a key supply chain activity, entails the supplier meeting customer demands and signifies the supplier's capability to satisfy customer requirements. However, Wang (2023) expands on this concept, asserting that order fulfillment involves more than mere order processing—it includes defining customer requirements, designing a network, and optimizing total delivered cost. The processes of order fulfillment exhibit variability based on the nature of different organizations (Lazo et al., 2020).

A study carried out by Amoako et al. (2022) examined link between internal integration, external integration and ICT in influencing firm performance. Employing cross-sectional method, they gathered data by distributing questionnaires to firms' owners. The study primarily aimed to evaluate relationship between internal integration within firms and their overall performance, particularly focusing on the role of external integration as a mediator. Internal integration refers to how well a firm aligns its internal processes, systems, and departments to work together efficiently. External integration, involves firm's collaboration with external partners like suppliers and customers. The results showed that the relationship between internal integration and firm performance is greatly mediated by external integration, indicating that while internal integration is important, its effectiveness in driving performance is enhanced when firms actively engage with external entities. Internal integration has a higher positive effect on performance as a whole when external integration is high.

Internal integration should align with the drivers and constraints of the broader supply chain. While the primary acknowledged benefit of internal integration is aligning internal processes, other positive influences are seldom discussed. Shannahan et al. (2019) emphasize that a company's success hinges on effectively integrating the intricate network of business relationships within the company. However, Datta, Agarwal and David (2020) caution that the necessary integration mechanisms in internal integration may incur costs that outweigh the benefits. Full integration might become excessively costly. Chiang and Huang (2021) go further, raising doubts about the actual influence of internal integration on time performance

In manufacturing industry, navigating the challenges of trade globalization enhances performance. The ever-present uncertainties in demand and supply, coupled with intensified competition, emphasize the need for effective leadership. Siagian et al. (2020) conducted research that examined how affective leadership can enhance company performance by combining both internal and external resources in FMCG manufacturing firms. Results showed that emotional leadership is crucial for improving both internal and external integration, as well as overall company performance. However, an internally integrated system significantly influences firm performance through the facilitation of external integration.

Many organizations face challenges in efficiently integrating and coordinating numerous activities (Khanna ,2023). The complexity of managing a higher number of functions can lead to confusion, hindering efforts to enhance goal congruity and foster a collaborative environment. While a greater number of functions may bring about increased creativity and ideas for new products, it also has the potential to escalate confusion and conflicts due to diverse viewpoints (Rotar & Kozar ,2017). According to Oyomo (2019), in certain supply

chains, it might be more appropriate to link only one key process, while in others, linking multiple or all business processes may be more suitable. Liu and Jayaraman (2019) examined how combining external knowledge with global customers and integrating different functional units internally can enhance overall firm performance. A conceptual framework describing proposed links was produced through the study, which made use of organizational learning theory. The theoretical framework proposed that the effectiveness of a service provider is enhanced by two main factors: connecting with international clients externally and collaborating across different departments internally. The researchers expected that the combined influence of these elements would be key in enhancing firm's overall performance. To examine these theories, a structural equation model (SEM) was utilized and data from a survey of 192 professional service providers based in India were studied. The results of the research supported the predicted connections in the theoretical framework, showing a direct link between a service provider's effectiveness and its external collaboration with international customers as well as internal cooperation among departments. Additionally, the research emphasized the synergistic effects achieved through a balanced and high-level integration both externally and internally. This equilibrium, characterized by effective collaboration with global clients and seamless internal coordination, was identified as effective in positively influencing overall firm performance.

### **2.2.3 Customer segmentation on firm performance**

The primary objective of customer segmentation is to tailor approaches for each customer category, ultimately maximizing the profitability of each customer for the business. As emphasized by Dzogbewu et al. (2021), customer segmentation relies on identifying key differentiators that distinguish customers into target groups. Implementing a customer

segmentation model enables organizations to direct their marketing efforts more effectively, allocating resources where they are likely to yield the greatest influence. This targeted approach also enhances the potential for cross-selling and up-selling (Song et al., 2017). Furthermore, customer segmentation leads to improvement of customer service and cultivation of customer loyalty and retention (Dzogbewu et al., 2021).

A study conducted by Jafarinezhad, Zangeneh and Naami (2018) evaluated effect of customer segmentation on performance in Iran. The study aimed to offer insights into critical elements influencing the success of export endeavors among SMEs in this particular sector. The sample for this study comprised 227 individuals actively involved in the development of SMEs in Iran focusing on food industry. Researchers employed a questionnaire designed on a Likert scale, featuring 34 questions to collect data. The questionnaire aimed to capture information on various factors related to customer segmentation and their influence on the export activities of SMEs. Findings indicated that several factors played significant roles in promoting performance. Competitive structure highlights the need for SMEs to comprehend and navigate the competitive dynamics in the market. Organizational strategy emphasizes essence of positioning export activities with the wider goals and plans of the organization. Customer studies underscore the significance of understanding and segmenting the customer base to tailor export activities accordingly. Lastly, organizational factors encompass the internal aspects of the business that contribute to or hinder the success of export initiatives.

Employing market segmentation can provide companies with a competitive advantage, potentially leading to enhanced organizational performance. Motunrayo and Fasanmi (2021) examined the effect of market segmentation on bank performance in Nigeria, focusing on Guarantee Trust Bank. The research, based on the opinions of 184 customers across five

locations in Nigeria, identifies significant influences of psychographic and demographic segmentation on bank performance. The study suggested that Nigerian banks should adopt customer-centric approaches in their psychographic and demographic segmentation paradigms to enhance their performance. Similarly, Cheptiram et al. (2018) examined how market segmentation strategy is connected to organizational performance in Kenyan seed industry. Using a descriptive survey technique, the research focused on department heads, managers, and employees of specific seed companies. Analysis of data collected from structured questionnaires utilized both descriptive and inferential statistical techniques, indicating that market segmentation strategy plays key role in influencing organizational performance as a key product differentiation strategy.

#### **2.2.4 External integration on firm performance**

External integration entails collaborative efforts with company suppliers to execute various manufacturing-related tasks. This integration extends beyond the confines of the company and encompasses a range of coordinated activities with external entities. External integration involves more than just coordination—it represents a holistic approach to integrating activities across various organizational borders. Kalyar et al. (2020) underscored importance of external integration in optimizing manufacturing processes and achieving synergy with suppliers. An important feature of external integration is strategic partnerships, which highlight significance of supplier and customer collaboration. This collaborative approach, as suggested Tarifa (2022), allows manufacturers to align their strategies with suppliers and customers, collectively developing approaches to address market opportunities effectively. External integration, as highlighted by Ariadi et al. (2020), enables companies in the manufacturing sector to form collaborative relationships with partners. These collaborations

go beyond transactional engagements, emphasizing the establishment of strategic alliances. Such alliances contribute to the development of comprehensive strategies, ensuring that manufacturing activities are not isolated but integrated seamlessly into broader supply chain dynamics (Liu & Jayaraman, 2019). Amoako et al. (2022) examined how external integration influences small firms' performance in Ghana. Utilizing a cross-sectional approach, surveys were given to SME proprietors; results showed that integration with external factors greatly influenced the performance.

Dzogbewu et al. (2021) conducted an in-depth analysis of how supply chain integration affects firms' operational performance. This study employed a quantitative survey research approach and cluster sampling to examine thirty manufacturing firms. Data was gathered by surveying 317 workers with questionnaires, and SEM was used to analyze the direct and mediated connections in supply chain. Results showed a notable mediation influence in the correlation between internal integration and operational performance, where external integration had a critical mediating function. This means that how well internal integration processes work has a direct influence on operational performance, which is then enhanced and achieved with the help of external integration.

Manufacturing flexibility is increasingly recognized as a crucial factor for businesses navigating the challenges posed by dynamic environmental influences, including fluctuations in consumer demand, disruptions in raw material supply chains, and changes in industrial policies. In addressing how to enhance manufacturing flexibility, Ariadi et al. (2020) propose that strategic integration with both suppliers and customers plays key role in achieving flexibility in production process, ultimately leading to improved financial performance. Their study specifically examines the bottled drinking industry in Indonesia, becoming clear that

the level of external integration greatly affects the performance of the firm. While manufacturers acknowledge the potential benefits of external integration for enhancing overall performance, there remains a significant challenge. Many supply chain managers lack a deep understanding of how to strategically leverage external integration to achieve optimal results. This challenge is compounded by the confusion between supply chain integration and partnerships or collaborations with business partners. Wambua et al. (2023) investigated how FMCG companies in Kenya performed after using external integration strategies. External integration refers to how well firms collaborate with external partners, including suppliers, distributors, and customers, to enhance operational efficiency and competitiveness. The study examined key aspects such as supply chain coordination, information sharing, and joint decision-making. Findings indicated that firms with strong external integration experienced improved inventory management, faster response times, and higher customer satisfaction. The study concluded that fostering strategic relationships with external stakeholders enhances agility and market performance, emphasizing the need for FMCG firms to adopt integrated approaches for sustainable growth in Kenya's dynamic business environment.

### **2.3 Theoretical Review**

It is comprised of interconnected concepts, based on existing theories. It acts as a rational framework of statements, originating from and supported by real-world data or proof. A theoretical framework explains the reasons behind observed phenomena by taking them into account and making them clearer. Kivunja (2018) suggests that theories allow researchers to make new discoveries, improve practical strategies, and contribute to the growth of more sophisticated theories. The study was anchored on dissonance theory, as the anchor theory and the Kano model, as the supplementary theory.

### **2.3.1 Dissonance theory**

It posits that when a customer anticipates a service above the average and, instead, receives a service of lower value, they become aware of the disparity, leading to cognitive dissonance (Yahya & Sukmayadi, 2020). This cognitive dissonance arises from the conflict between the expected level of service and the actual experience. According to the theory, post-service evaluations are primarily influenced by the initial anticipation levels or the discomfort associated with recognizing this disconfirmation. Customers, in response to the perceived dissonance, are suggested to adjust their expectations of service performance to align with their initial anticipations. This adjustment serves as a psychological mechanism to reduce the discomfort caused by the disparity between expected and actual service outcomes. Harmon and Mills (2019) argue that customers may even enhance their assessments of services, especially when associated costs are high. This phenomenon can be attributed to the psychological need to justify the expense incurred and align the perceived value with the anticipated value (Yahya & Sukmayadi, 2020).

The dissonance theory explains that customer expectations are not static but can change based on their service experiences. As customers move through different service interactions, their expectations regarding the quality of service delivery may evolve based on their previous encounters. For example, if a customer has a positive experience at the reception, their expectations for subsequent interactions may be influenced positively (Siagian et al., 2020). Customers responding to poor service delivery quality by terminating their contract may have a different perspective. Consistently providing high-quality services is crucial for service providers to avoid consumer discontent and negative responses (Yahya & Sukmayadi, 2020). Dissonance theory informs interactive customer relationship management (CRM) by

addressing customer uncertainties and dissatisfaction promptly, enhancing loyalty. It aids customer segmentation by identifying segments prone to dissonance, allowing for tailored communication strategies that mitigate discomfort and improve overall satisfaction and engagement.

### **2.3.2 The Kano Model**

The Kano model, as outlined by Rotar and Kozar (2017), serves as a valuable framework for categorizing and prioritizing customer needs and demands. It offers manufacturers crucial guidance throughout the entire lifecycle of a product, ensuring sustained customer satisfaction, especially when introducing new product lines (Jin et al., 2022). To better comprehend and meet customer expectations, this model offers a structured framework. The model becomes particularly powerful when applied to product development. By analyzing customer needs and identifying specific product requirements, manufacturers and service providers gain valuable insights. This information empowers them to optimize the performance attributes of their offerings and align them more effectively with customer expectations. Furthermore, the Kano model is a dynamic tool that adapts to changes over time. As customer preferences evolve, the model provides a framework for manufacturers to adjust their strategies accordingly (Rostasova et al., 2020). Whether enhancing existing products or introducing new ones, the model guides decision-making to ensure ongoing customer satisfaction.

The Kano model of customer satisfaction proves highly pertinent by acknowledging customer needs and categorizing their responses into three distinct groups to adeptly address those needs. The initial category comprises basic needs, encompassing fundamental

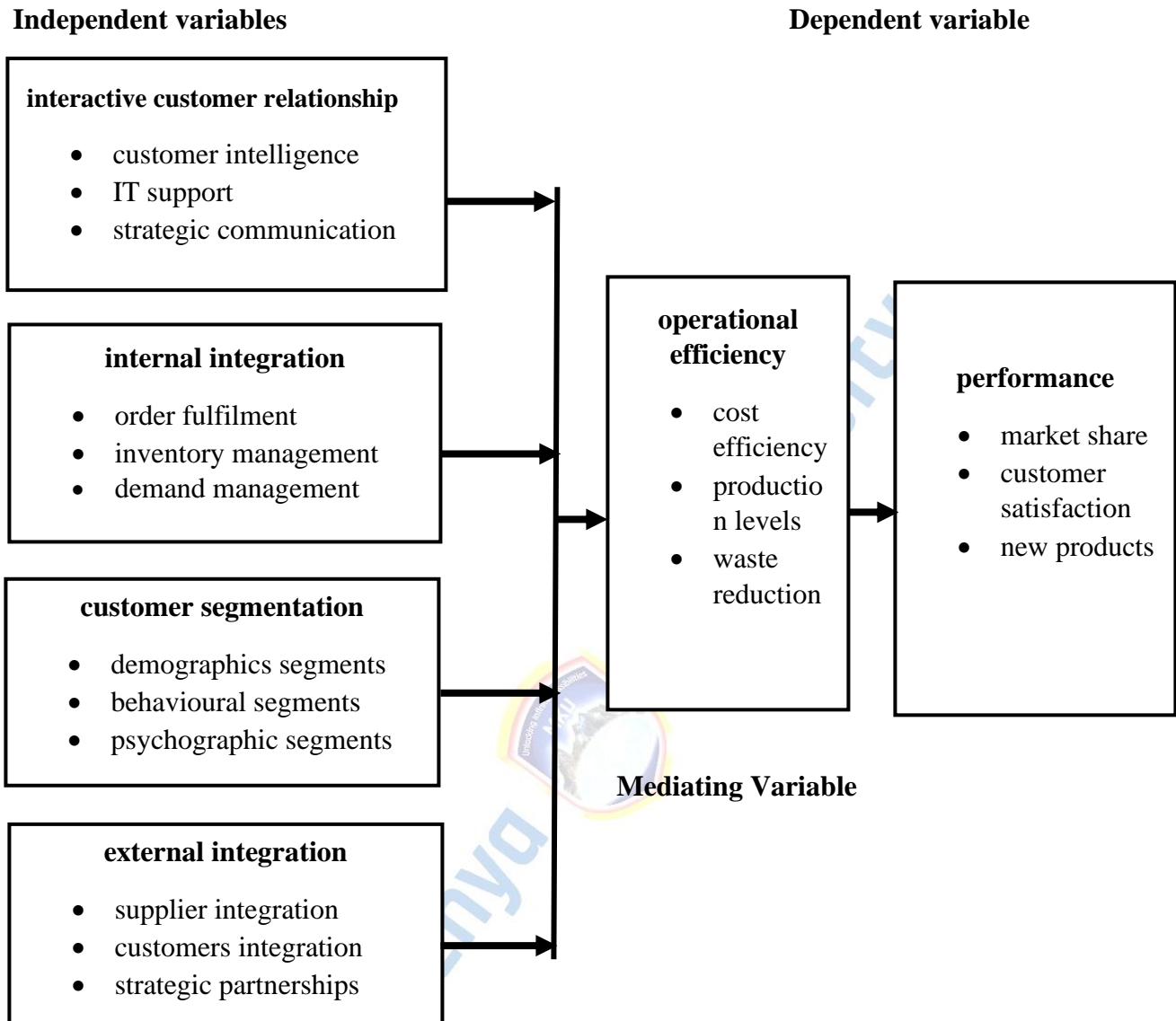
requirements essential for meeting customer demands. When these basic needs are met, customers are delighted, but when they are not fulfilled, customers tend to be disappointed. This category is crucial as it forms the foundation of customer satisfaction by addressing essential customer requirements (Bentz, 2017). The second category in the Kano model is performance needs, which differentiates products or services based on the features they offer. Meeting performance needs provides a competitive edge, allowing companies to stand out among competitors. This category acknowledges that customers not only seek basic functionality but also value additional features that enhance the overall performance and utility of a product or service. The third category is attractive needs, which represent unspoken or unexpected desires that customers may not explicitly express (Barsalou, 2023). While the absence of attractive needs may not significantly influence customer satisfaction, their provision can lead to positive surprises and increased delight. This category emphasizes the importance of going beyond customer expectations to create memorable and positive experiences. The Kano model, with its three categories, provides a comprehensive framework for understanding and managing customer satisfaction. It guides businesses in prioritizing and allocating resources to meet basic needs, differentiate through performance features, and occasionally surprise and delight customers with unexpected offerings (Dace et al., 2020).

The application of this model to this study is significant as it revolves around understanding and meeting customer needs while assessing customer responses to fulfill those needs. In the context of a manufacturing firm, the belief in having effective customer-centric strategies is only validated when these strategies create tangible value from the customer's perspective. True competitive advantage, in this sense, is achieved by aligning the firm's offerings with

what customers value (Kim & Yoo, 2020). The Kano model, with its classification of customer needs into basic, performance, and attractive categories, provides a structured approach to evaluating customer centricism. Basic needs, when met, prevent dissatisfaction, performance needs differentiate the firm's products or services, and attractive needs offer unexpected delights (Harrington, 2020). The Kano Model aids internal integration by aligning product features with customer satisfaction, ensuring cohesive development and marketing strategies. Externally, it enhances integration by identifying customer priorities, guiding partnerships, and driving customer-focused innovation, thus fostering stronger relationships and market competitiveness.

#### **2.4 Conceptual framework**

It helps understand variables relationships, correlations and causal links between observations and interpretations. The dependent variable is performance and independent variables are: interactive customer relationship management, internal integration, customer segmentation and external integration; as shown in Figure 2.1:-



**Figure 1 : Conceptual framework**

Source : Researcher (2023)

Figure 2.1 indicates that interactive customer relationship is measured by the level of customer intelligence, IT support and strategic communication within the manufacturing firms. The fundamentals of business are evolving rapidly due to changing customer needs, organizational strategies and competitive dynamics (Huo et al.,2021). Traditionally, mass marketing and production dominated, but modern businesses have shifted to a customer-oriented approach, prioritizing personalized interactions over broad outreach (Siagian et al.,

2020). Organizations nowadays are more concerned with holding on to their current customers than finding ways to attract new ones, recognizing that transactions are opportunities to enhance service experiences and develop long-term relationships. CRM has become essential in this transformation, utilizing various strategies to attract, retain and strengthen customer connections. CRM integrates data capture, access, and exchange to enhance future customer value (Michael, 2023). Research by Haislip and Richardson (2019) found that CRM systems significantly improve firm performance by offering operational and financial benefits. The strategic implementation of CRM not only enhances customer relationships but also drives efficiency and profitability for businesses.

The indicators of internal integration include order fulfillment, inventory management and demand management. Internal integration refers to the alignment of a manufacturer's organizational strategies, processes, and practices to efficiently and cost-effectively meet customer needs. Jafarinezhad et al. (2018) expressed internal integration as the level of coordination among internal functions across all supply chain partners. They emphasize that effective internal integration requires different departments within an organization to operate as one unit rather than operating differently. Key elements of internal integration include order fulfillment, demand management, and inventory management (Lazo et al., 2020). Order fulfillment, a critical supply chain function, involves ensuring that suppliers effectively meet customer demands, reflecting their ability to satisfy requirements. However, Wang (2023) argues that order fulfillment extends beyond simple order processing—it also includes defining customer needs, designing an optimized supply network, and managing total delivered costs. The specific processes involved in order fulfillment vary depending on the nature of the organization (Lazo et al., 2020).

Customer segmentation is measured by demographics segments, behavioural segments and psychographic segments. The main goal of customer segmentation is to customize strategies for different customer groups, ultimately maximizing each customer's value to the business. As highlighted by Dzogbewu et al. (2021), effective segmentation involves identifying key characteristics that differentiate customers into distinct target groups. By implementing a customer segmentation model, organizations can optimize their marketing efforts, ensuring that resources are allocated where they will have the greatest effect. This not only improves marketing efficiency but also increases opportunities for cross-selling and up-selling (Song et al., 2017). Additionally, customer segmentation enhances customer service, fosters stronger relationships and improves customer loyalty and retention (Dzogbewu et al., 2021).

External integration indicators include : supplier integration, customers integration and strategic partnerships. performance indicators are non-financial and include market share, customer satisfaction and number of new products. External integration enhances collaboration with suppliers to execute various production-related tasks. It extends beyond the company's internal operations, encompassing a network of coordinated activities with external entities. More than just coordination, external integration represents a comprehensive approach to aligning activities across organizational boundaries. Research by Kalyar et al.(2020) highlights its importance in optimizing manufacturing processes and enhancing synergy with suppliers. A key aspect of external integration is the formation of strategic partnerships, which emphasize collaboration with both suppliers and customers. As noted by Tarifa (2022), this cooperative approach enables manufacturers to align their strategies with supply chain partners, jointly developing solutions to capitalize on market opportunities. Similarly, Ariadi et al.(2020) emphasize that external integration allows

manufacturing firms to establish deeper, long-term relationships rather than merely transactional engagements. Firms can develop more comprehensive strategies that ensure manufacturing activities are seamlessly integrated into the broader supply chain (Liu & Jayaraman, 2019). These partnerships contribute to greater efficiency, improved responsiveness to market demands and a more resilient manufacturing network.

The connection between customer-centric strategies and performance of manufacturing firms is mediated by operational efficiency. Without operational efficiency, organizations would struggle to survive in today's competitive business environment. Efficiency entails optimizing resources—time, labor and materials—to maximize output while minimizing waste. Johnson and Lee (2012) define operational efficiency as the ability to provide products and services in a cost-effective manner without compromising quality. This is important for manufacturing firms, such inefficiencies have the potential to cause high production costs, extended lead times, and low-quality products. Operational inefficiency negatively influences businesses by reducing productivity, increasing operational costs and raising risks associated with delays and defects (Bagshaw, 2020). A firm that fails to enhance its efficiency may struggle to compete, especially in industries where customers demand high-quality products at competitive prices. Therefore, manufacturing firms must continuously refine their production processes, invest in modern technologies and implement best practices to maintain operational efficiency. According to Akbar (2010), a firm is deemed efficient if it can achieve higher output levels using the same input resources compared to competitors. This highlights the importance of process optimization, automation and workforce training in enhancing efficiency.

## 2.5 Recap of literature review

Many organizations fall short of translating these ideals into concrete practices, and their purported customer-centricity becomes more of an idea or aspiration rather than a lived reality. To attain customer-centricity, organizations must implement comprehensive customer-centric strategies (Tuominen et al.,2023). Despite importance of customer-centricity, actual process of implementing it across the entire organization remains poorly understood in practice. This knowledge gap highlights the need for research to identify key factors influencing organizations' success or challenges in consistently placing customer value creation at the core of their operations (Oyomo ,2019). Hanaysha and Mehmood (2022) investigated correlation between CRM strategies and organizational performance in Palestine, addressing knowledge gaps identified in previous research. Their study presents contextual and methodological gaps as it focused on the banking industry in Palestine.

Rajab et al. (2021) investigated how CRM influences performance of manufacturing companies in Kenya. The research, which used a descriptive approach, focused on 499 manufacturing firms in Nairobi, identifying a contextual gap due to the exclusive focus on Nairobi County. Liu and Jayaraman (2019) investigated how combining external knowledge from global clients with internal integration across functional units can influence firm performance. They used a SEM and surveyed 192 professional service providers based in India, highlighting a geographical difference. In their 2018 study, Jafarinezhad, Zangeneh and Naami assessed how customer segmentation affects the export performance of SMEs in Iran, identifying a gap in both geography and concept. In their study, Cheptiram et al. (2018) investigated how market segmentation strategy influences organizational performance in the seed industry in Kenya. They focused only on the seed subsector in their research, resulting

in a contextual gap. In research carried out by Wambua et al. (2023), the influence of external integration on performance of FMCGs in Kenya was evaluated. Information was gathered through surveys and evaluated with SPSS software. The research solely utilized quantitative methods for data analysis, resulting in a methodological deficiency.



## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.0 Introduction

This chapter explained the research design. It detailed population and sample. Moreover, the instruments used for gathering data were specified and the analysis of data addressed. Ethical concerns were also emphasized.

### 3.1 Research design

The research used a descriptive design. This involved observing and studying the variables in their natural state without purposefully changing them (Siedlecki, 2020). The goal was to make sure that the subject understood information without affecting variables. The objective was to gather data that could enhance the general understanding in the field of study. Descriptive research included not just data gathering but also sorting, quantifying, analyzing and interpreting the data.

### 3.2 Population of the study

There were 16 manufacturing firms in Kajiado Central Sub County, as reported by Kenya Association of Manufacturers (KAM). The employees of these firms were chosen as the unit of observation for the research because of their involvement in day-to-day running of the firms, hence best suited to analyse customer centric strategies on performance; as illustrated in Table 1:

**Table 1: Target Population**

Category	Population
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Sales and marketing managers	16
Sales & marketing staff	231
Administration staff	612
Operations staff	1044
<b>Total</b>	<b>1903</b>

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Source : KAM (2024)

### 3.3 Sampling Techniques and Sample size

Stratified sampling was utilized. Strata represented the different categories of personnel. To ascertain the number of workers in each category, a sampling proportional to the population was utilized. The research subsequently employed simple random sampling to choose the employees. This method offered a fair chance for every employee to be chosen (Gumpili & Das, 2022).

#### 3.3.1 Sample size

The study utilized formula introduced by Yamane in 1973. As a result:

$$n = \frac{N}{1 + N(e)^2}$$

n is sample size; N is study population and e is margin of error (0.05). According to the equation, n is equal to 330. Table 2 displays the sample size distribution:

**Table 2 Sample Size**

<b>Category</b>	<b>Population</b>	<b>Sample</b>
Sales and marketing managers	16	3
Sales & marketing staff	231	40
Administration staff	612	106
Operations staff	1044	181
<b>Total</b>	<b>1903</b>	<b>330</b>

### **3.4 Research instruments**

Data was gathered through combination of different methods. Staff chosen for the research were given semi-structured questionnaires. The surveys included six parts, specifically demographic data and research variables. Using statements presented on a Likert scale allowed for the measurement of the variables. The partially structured questionnaires collected information regarding interactive customer relationship management, internal integration, customer segmentation, external integration, and performance of these firms. Interviews conducted in person gathered data from the marketing managers, collecting qualitative data on the study variables.

### **3.5 Pilot Test**

The pilot test was carried out at Krystalline Salt Limited. A random selection of 23 respondents, representing 10% of the main study's sample, was made. Researcher evaluated the methods and tasks to identify challenges. The researcher will evaluate the questionnaire administration and filling process and note any challenges. These will be used to improve the statement in the questionnaire.

### 3.5.1 Reliability

A tool's consistency may be defined as its ability to reliably measure the target variables (Mohajan, 2017). The instrument's capability to consistently yield similar or nearly identical outcomes in repeated tests. To carry out the test-retest method in pilot research, the same set of research instruments were administered to a sample group at two different points in time, with a time gap of 1-2 weeks. After the second administration, the responses were compared for consistency. This method helped assess the reliability and stability of the instrument over time, ensuring that the results were repeatable. In contrast, internal consistency examined how well the questions within the tool aligned with each other, focusing on the degree of agreement among questions that assessed the same concept. The reliability pilot test was deemed to have adequate internal consistency when the Cronbach's alpha score was 0.7. This value suggested that the items within the test or survey were sufficiently correlated, meaning they measured the same underlying concept or construct. (Segal & Coolidge, 2018). Table 3 displays reliability results obtained from the pilot study.

**Table 3: Reliability results**

Variable	Item	Alpha Value	Recommendations
Interactive customer relationship management	5	0.704	Reliable
Internal integration	5	0.712	Reliable
Customer segmentation	5	0.727	Reliable
External integration	5	0.714	Reliable
Performance	5	0.719	Reliable

**Source: Field data (2024)**

Cronbach alpha coefficients for interactive customer relationship management, internal integration, customer segmentation and external integration were 0.704, 0.712, 0.727 and 0.714. A coefficient of 0.719 was found for the performance of manufacturing firms. The tool was hence reliable.

### **3.5.2 Validity**

Instruments were assessed to confirm they effectively represented the intended concepts (Taherdoost, 2016). Content validity was established to guarantee that instruments appropriately represented the study objectives and questionnaire included relevant questions. The reliability of the instrument tests was evaluated using criterion validity. Expert review was sought from the university supervisor. The supervisor evaluated the questionnaire to ensure the questions accurately reflected indicators intended to achieve the study's objectives. Their feedback helped refine the wording, structure and relevance of the items, enhancing content validity. .

### **3.6 Data collection procedure**

The objectives of the research were explained to the participants, and those who agreed to take part were given the questionnaires along with enough time to fill them out. The researcher assisted participants facing challenges in completing the questionnaires. Afterwards, the gathered questionnaires were evaluated to ensure they were correct and fully filled out. The researcher assured the participants that taking part in the study posed no risks. Subsequently, the researcher conducted interview sessions. Interviews with department heads were scheduled at least 14 days in advance of the interview day. Each interview session

lasted 45 minutes to gather detailed information (Oben, 2021). Recording the interviews made it easier to review and report the narrations word for word.

### 3.7 Proposed data analysis

The accuracy and consistency of the questionnaires were assessed. Editing, coding and tabulation were used for the data cleaning and analysis process. Data analysis involved identifying anomalies in the answers and assigning numerical scores for evaluation using SPSS. Descriptive statistics, including frequencies, means, and percentages, were utilized for additional evaluation. These statistical techniques offered a clear summary of the data distribution and the key averages, helping to enhance understanding of the observed patterns and trends in the responses. Inferential statistics were applied to compare the variables, and Pearson's correlation was utilized to evaluate their relationship. Additionally, regression analysis was performed to investigate the combined effect of variables. This model was used in the study: -

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Whereby: -

Y= performance of manufacturing firms

$\beta_0$  = intercept

$(\beta_i; i=1, 2, 3, 4)$  are Beta coefficients that measure effect of each independent variable to dependent variable

$X_1$  is interactive customer relationship management

$X_2$  is internal integration

$X_3$  is customer segmentation

$X_4$  is external integration

$\varepsilon$  is the error term, for unobserved factors affecting firm performance.

Qualitative data was analysed thematically.

### **3.8 Ethical considerations**

The researcher sought permission from Mount Kenya University's ethical committee and subsequently received an introduction letter. Furthermore, the research obtained ethical clearance from NACOSTI. Respondent's consent was sought. Respondents' confidentiality and privacy were protected, and the data collected for academic purposes ensured that participant identities remained confidential in all published or shared findings.

## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

#### 4.1 Introduction

This chapter presents results and makes discussions thereof. This is done as per the objectives.

#### 4.2 Response rate

This study issued questionnaires to 330 employees in 16 manufacturing firms in Kajiado Central Sub County, out of which 304 questionnaires were filled and returned. The response rate was 92%. This response rate was excellent (Mugenda & Mugenda, 2013). This is summarised in Table 4

**Table 4 : Response rate**

Category	Sample	Responses	Response rate
Sales and marketing managers	3	1	33%
Sales & marketing staff	40	37	93%
Administration staff	106	95	90%
Operations staff	181	171	94%
<b>Total</b>	<b>330</b>	<b>304</b>	<b>92%</b>

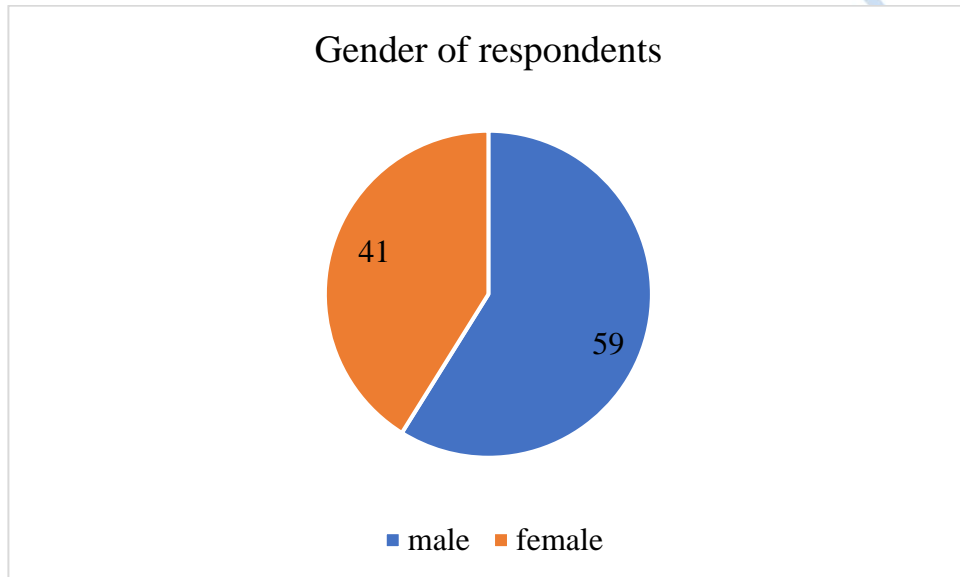
**Source: Field data (2024)**

#### 4.3 Demographic information

The research analysed: gender, category, education and work experience.

### 4.3.1 Respondents' gender

Figure 4.1 indicates that out of 304 respondents, 179 (59%) were male and 125 (41%) were female. There were more males than females in the study. This is shown in Figure 2



**Figure: 2 Respondents' gender**

**Source: Field data (2024)**

### 4.3.2 Respondents' Job Category

Table 4.2 indicates that out of 304 respondents, 7(2%) were at middle level, 56(18%) were at supervisors and 241 (80%) were operations. Hence, majority of staff were in operations. This is summarised in Table 5

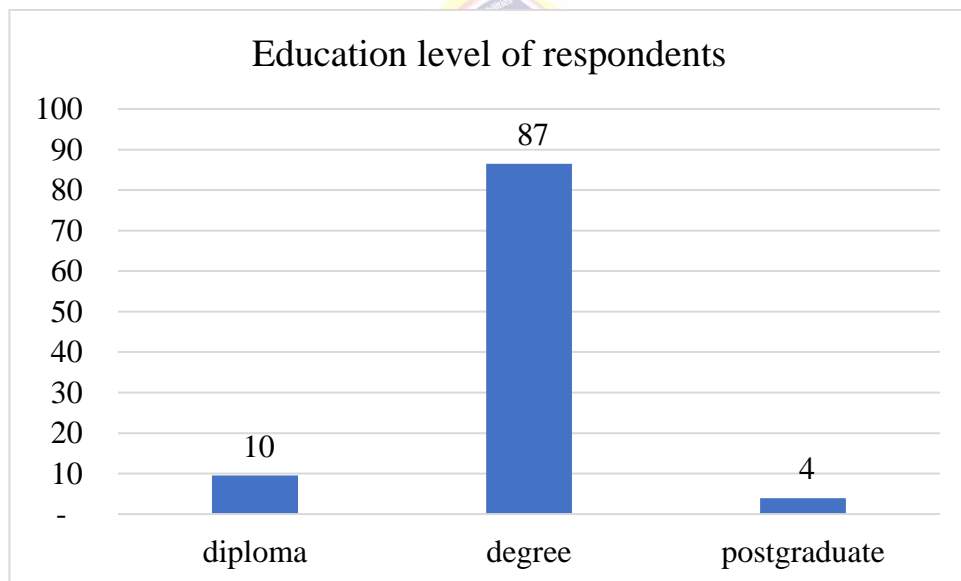
**Table 5: Respondents' Job Category**

Category	Frequency	Percent
Middle Level	7	2
Supervisor	56	18
Operations	241	80
<b>Total</b>	<b>304</b>	<b>100</b>

Source: Field data (2024)

#### 4.3.3 Respondents' Education

Results in Figure 3 indicated that 29 (10%) of the respondents had diploma, 263 (87%) of the respondents had degree and 12 (3%) of the respondents were postgraduates. Therefore, majority of respondents had graduate degree level of education.



**Figure 3: Respondents' education**

Source: Field data (2024)

#### 4.3.4 Respondents' Experience

Table 6 shows that that 24 (8%) of the respondents had experience of less than 5 years, 273 (90%) of the respondents had experience of 6-10 years and 7 (2%) of the respondents had

experience of above 10 years. Most of the respondents had 6-10 years of experience. This illustrated a well-experienced workforce whose responses could be relied on for findings and conclusions.

**Table 6 : Respondents’ experience**

<b>Experience</b>	<b>Frequency</b>	<b>Percent</b>
Less Than 5 Years	24	8
6-10 Years	273	90
Above 10 Years	7	2
<b>Total</b>	<b>304</b>	<b>100</b>

**Source: Field data (2024)**

#### 4.4 Descriptive statistics

##### 4.4.1 Interactive customer relationship management and performance

The study evaluated the effect of interactive customer relationship management on the performance of manufacturing firms in Kajiado Central Sub County. Results are indicated in Table 7

**Table 7 : Interactive customer relationship and performance**

<b>Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>	<b>SA%</b>	<b>A%</b>	<b>NS%</b>	<b>D%</b>	<b>SD%</b>
The firm regularly conducts customer intelligence surveys	304	4.17	0.609	28	60	12	0	0
The company uses information technology to support transactions with customers	304	4.30	0.602	38	55	8	0	0
Strategic communication is an important element in the company’s dealing with its customers	304	4.43	0.547	46	51	3	0	0
The company updates customer records on a regular basis	304	4.54	0.532	55	43	2	0	0
The firm offers after sales services to customers	304	4.40	0.577	45	51	5	0	0

**Field data (2024)**

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Table 4.5 shows that out 304 respondents, 28% strongly agreed, 60% agreed and 12% were not sure, there were no respondents who disagreed nor strongly disagreed that the firm regularly conducts customer intelligence surveys (Mean=4.17; Std. Dev=0.609). 38% strongly agreed, 55% agreed, 8% were not sure, and there were no respondents who disagreed nor strongly disagreed that the company uses information technology to support transactions with customers (Mean=4.30; Std. Dev=0.602). The survey results indicate that 46% strongly agreed, 51% agreed, and 3% were uncertain about the importance of strategic communication in the company's dealings with customers (Mean=4.43; Std. Dev=0.547). This aligns with Teng et al. (2021), who emphasize that strategic communication builds trust and enhances customer relationships. Furthermore, 55% strongly agreed and 43% agreed that the company regularly updates customer records (Mean=4.54; Std. Dev=0.532), agreeing with Shammari (2023), who assert that maintaining up-to-date customer information is crucial for personalized service and targeted marketing. Additionally, 45% strongly agreed and 51% agreed that the firm offers after-sales services (Mean=4.40; Std. Dev=0.577), which corroborated Michael (2023) argument that after-sales support is vital for maintaining customer loyalty and long-term satisfaction.

Respondents were required to explain how their firms ensured that customer relationship was managed effectively. Respondents highlighted that personalized communication played a key role in achieving this objective. Through tailoring interactions to individual customer needs, firms ensured that clients felt valued and understood. Respondents noted that regular follow-ups, actively seeking feedback, and promptly addressing complaints were commonly cited

strategies for fostering strong customer relationships. These measures not only improved customer satisfaction but also helped firms identify areas for service enhancement. Additionally, respondents noted that continuous employee training in customer service skills was essential in ensuring positive interactions between clients and company representatives, ultimately leading to a more customer-centric business environment.

Respondents indicated that firms employed various customer retention strategies such as loyalty programs and exclusive discounts for repeat clients. These incentives encouraged long-term customer engagement and strengthened brand loyalty. Additionally, keeping customers informed through regular updates about new products or services was seen as an effective approach to maintaining engagement. Respondents indicated that such proactive communication strategies ensured that customers remained connected to the brand.

An interview with the sales and marketing managers inquired how interactive customer relationship management affected performance of manufacturing firms. The interviewee responded,

"Interactive CRM improves customer experience through real-time feedback adjustments, leading to higher retention, stronger brand perception, and increased revenue. It enables data-driven decision-making, enhancing demand forecasting, inventory management, and marketing strategies. Accurate insights into customer behavior allow for personalized communication and proactive market adjustments, ensuring competitiveness and efficiency. This approach optimizes operations, strengthens market position, and supports long-term business growth."

#### 4.4.2 Internal integration and performance

The study assessed the effect of internal integration on the performance of manufacturing firms in Kajiado Central Sub County. Results are indicated in Table 8

**Table 8: Internal integration and performance**

Statements	N	Mean	Std. Dev	SA	A	NS	D	SD
The company ensures customer orders are fulfilled in time	304	4.26	0.558	32	62	6	0	0
The firm has an elaborate inventory management system	304	4.38	0.596	44	50	6	0	0
The firm ensures that it manages customer demand satisfactorily	304	4.28	0.538	33	63	4	0	0
The company has a robust billing system for efficiency	304	4.33	0.561	38	58	5	0	0
The management has put in place elaborate mechanisms to ensure raw materials for finished products are adequate for customer orders	304	4.34	0.615	42	51	8	0	0
<b>Aggregate mean</b>		<b>4.32</b>						

#### Field data (2024)

Table 8 shows that out 304 respondents, 32% strongly agreed, 62% agreed, and 6% were unsure about the company's timely order fulfillment (Mean=4.26; Std. Dev=0.558), consistent with Nigatu (2022), who note that timely deliveries are essential for customer satisfaction and loyalty. Additionally, 44% strongly agreed, 50% agreed, and 6% were unsure about the company's inventory management system (Mean=4.38; Std. Dev=0.596), supporting Lazo et al. (2020), who emphasize that efficient inventory management reduces stockouts and ensures product availability. Furthermore, 33% strongly agreed, 63% agreed, and 4% were unsure about the firm's management of customer demand (Mean=4.28; Std. Dev=0.538), aligning with Kalyar et al. (2020), who argue that demand management helps companies adapt to market changes and customer expectations. The results also showed that 38% strongly agreed, 58% agreed, and 5% were unsure about the company's billing system

efficiency (Mean=4.33; Std. Dev=0.561), corroborating Chiang and Huang (2021), who highlights the importance of efficient billing systems in improving operational effectiveness and customer satisfaction. Results indicate that 42% strongly agreed, 51% agreed, and 8% were unsure that management ensures adequate raw materials for customer orders (Mean=4.34; Std. Dev=0.615), supporting Hariyani (2019), who stresses that securing raw materials is critical for meeting customer demand and ensuring smooth operations.

Respondents explained that internal integration measures were instrumental in fostering a customer-centric approach within their firms. When departments collaborated seamlessly, they were able to better understand and address customer needs. Respondents indicated that the removal of communication barriers allowed customer-related information to flow smoothly across teams, ensuring that everyone in the organization had access to the same insights. As a result, employees at all levels were more aligned in their efforts to serve customers, which improved the overall customer experience. Additionally, respondents pointed out that this integration led to quicker response times when addressing customer inquiries and resolving issues. With teams working together, the firms were able to respond more effectively and consistently, which further enhanced customer satisfaction.

Furthermore, integrated systems, such as shared databases and collaborative platforms, facilitated a cohesive approach to managing customer relationships. Respondents indicated that these systems allowed the firm to track customer preferences and feedback more efficiently, providing valuable insights that could be used to tailor services and products. As a result, customers received personalized solutions, which reinforced their loyalty to the brand. Respondents emphasized that this integrated approach to customer relationship

management not only streamlined operations but also contributed to a more personalized and efficient service, ultimately driving improved customer satisfaction and business success.

The sales and marketing manager responded to the question on the effect of internal integration on the performance of manufacturing firms as ;

"Alignment between sales, marketing, production, and customer service enhances workflow efficiency and reduces errors. Seamless information sharing ensures quick responses to customer needs and market changes, improving service delivery. Collaboration among teams enhances product quality, speeds up delivery, and eliminates redundancies, optimizing resource use. Strong internal integration boosts agility, competitiveness, and customer satisfaction, driving long-term growth."

#### 4.4.3 Customer segmentation and performance

The study assessed the effect of customer segmentation on the performance of manufacturing firms in Kajiado Central Sub County. Results are indicated in Table 9

**Table 9: Customer segmentation and performance**

<b>Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>	<b>SA</b>	<b>A</b>	<b>NS</b>	<b>D</b>	<b>SD</b>
The company segments its customers as per demographics	304	4.58	0.546	60	37	3	0	0
Behavioural segmentation is adhered to in the company	304	4.32	0.580	38	56	6	0	0
The company segments its customers psychographically	304	4.54	0.500	54	46	0	0	0
The company segments its customers as per their geographic regions	304	4.32	0.556	36	59	5	0	0
The company uses the value-based approach to segment its customers	304	4.33	0.643	42	48	10	0	0
<b>Aggregate mean</b>		<b>4.41</b>						
<b>Field data (2024)</b>								

Table 9 shows that out 304 respondents, 60% strongly agreed, 37% agreed and 3% were not sure, there were no respondents who disagreed nor strongly disagreed that the company segments its customers as per demographics (Mean=4.58; Std. Dev=0.546). 38% strongly agreed, 56% agreed, 6% were not sure, and there were no respondents who disagreed nor strongly disagreed that behavioural segmentation is adhered to in the company (Mean=4.32; Std. Dev=0.580). The survey results indicate that 54% strongly agreed and 56% agreed that the company segments its customers psychographically (Mean=4.54; Std. Dev=0.500), which aligns with the findings of Shannahan et al. (2019), who emphasize that psychographic segmentation allows businesses to tailor their products and marketing strategies based on consumer lifestyles and preferences. Additionally, this finding is supported by Tuominen et al. (2023), who suggests that psychographic segmentation enhances customer engagement by addressing emotional and psychological factors. The results also show that 36% strongly agreed, 59% agreed, and 5% were unsure about the company's use of geographic segmentation (Mean=4.32; Std. Dev=0.556), consistent with studies by Wang (2023), who argue that geographic segmentation helps companies optimize product distribution based on regional needs. Similarly, Oyomo (2019) highlights that geographic segmentation is crucial for firms seeking to tailor their offerings to specific regional markets, ensuring better alignment with customer preferences. Furthermore, 42% strongly agreed, 48% agreed, and 10% were unsure that the company employs a value-based approach to segment its customers (Mean=4.33; Std. Dev=0.643), which is in line with the work of Susanty et al. (2018), who argue that value-based segmentation allows companies to focus on high-value customers for greater profitability. This is further supported by Santiago et al. (2023), who indicate that value-based segmentation helps firms enhance customer satisfaction by offering tailored products that meet specific customer needs.

Respondents were required to indicate how customer segmentation enhanced customer centricity. Respondents emphasized that customer segmentation played a key role in enhancing customer centricity by allowing firms to tailor their products and services to meet the distinct needs of various customer groups. This segmentation enabled businesses to create personalized marketing strategies and improve their customer service, ensuring that each customer segment received the most relevant and appealing offerings. With this targeted approach, respondents noted that firms were able to address the unique preferences and expectations of different customer groups, thus promote stronger relationships and deeper customer loyalty.

Moreover, respondents highlighted that customer segmentation allowed businesses to prioritize high-value customers and offer customized solutions, which further strengthened customer relationships. According to the respondents, firms could anticipate customer needs more accurately, address pain points more effectively, and deliver targeted promotions, all of which contributed to enhanced customer satisfaction. Respondents also noted that segmentation helped firms allocate resources more efficiently, ensuring that marketing efforts were focused on the most profitable customer segments. This allowed businesses to optimize their marketing budgets.

The researcher inquired for the sales and marketing manager the extent to customer segmentation affected performance of manufacturing firms. The interviewee noted,

"Customer segmentation allows for tailored products, personalized marketing, and targeted sales strategies, enhancing satisfaction and loyalty. Identifying high-value and emerging segments ensures proactive market positioning and competitiveness. Resource allocation

becomes more efficient, optimizing marketing budgets and improving overall sales performance. This strategic approach strengthens customer relationships, enhances retention and maximizes long-term business growth."

#### 4.4.4 External Integration and performance

The study assessed the effect of external integration on the performance of manufacturing firms in Kajiado Central Sub County. Results are indicated in Table 10

**Table 10: External Integration and performance**

Statements	N	Mean	Std. Dev	SA	A	NS	D	SD
The company has clear supplier integration modules to enhance efficiency	304	4.46	0.618	53	40	7	0	0
There is adequate link between customer integration and company operations	304	4.35	0.588	41	54	6	0	0
Strategic partnership is part of the firm's strategy to enhance customer relationship	304	4.49	0.551	52	46	3	0	0
The firm has an elaborate logistics team that ensures delivery of goods to customers	304	4.25	0.620	35	56	10	0	0
The company has a culture that supports collaboration with key raw materials vendors	304	4.38	0.608	45	48	7	0	0
<b>Aggregate mean</b>		<b>4.39</b>						

#### Field data (2024)

Table 10 shows that out 304 respondents, 53% strongly agreed, 40% agreed and 7% were not sure, there were no respondents who disagreed nor strongly disagreed that the company has clear supplier integration modules to enhance efficiency (Mean=4.46; Std. Dev=0.618). 41% strongly agreed, 54% agreed, 6% were not sure, and there were no respondents who disagreed nor strongly disagreed that there was adequate link between customer integration and company operations (Mean=4.35; Std. Dev=0.588). The survey results indicate that 52% strongly agreed and 46% agreed that strategic partnership is part of the firm's strategy to enhance customer relationships (Mean=4.49; Std. Dev=0.551). This finding aligns with the

work of Rostasova et al. (2020), who argue that strategic partnerships are essential for long-term customer relationship management, as they enable firms to leverage mutual strengths, improve resource sharing, and enhance value delivery. Similarly, Oyomo (2019) highlights that such partnerships help companies maintain a competitive edge by fostering collaboration that leads to innovation and greater customer satisfaction. Additionally, 35% strongly agreed, 56% agreed, and 10% were unsure that the firm had an elaborate logistics team to ensure timely delivery of goods (Mean=4.25; Std. Dev=0.620). This is consistent with studies by Nyamweya (2022), who notes that efficient logistics and supply chain management are critical to customer satisfaction, as they ensure product availability and on-time delivery. Moreover, the research by Liu and Jayaraman (2019) emphasizes the role of a well-structured logistics team in enhancing a firm's responsiveness to customer demands and improving overall service quality. Furthermore, 45% strongly agreed, 48% agreed, and 7% were unsure that the company has a culture supporting collaboration with key raw materials vendors (Mean=4.38; Std. Dev=0.608). This aligns with the findings of Jafarinezhad et al. (2018), who suggest that close collaboration with vendors can improve product quality, reduce lead times, and foster stronger customer relationships. Additionally, Hendijani and Saeidi (2020) argue that strong relationships with suppliers and vendors enable firms to better meet customer expectations by ensuring a consistent supply of high-quality materials.

Respondents were required to explain how external integration enhanced customer centricity. Respondents explained that external integration significantly enhanced customer centricity by promoting closer relationships with suppliers, distributors, and other key external stakeholders. This integration allowed firms to better align their operations with the needs and expectations of the broader supply chain, ensuring more efficient delivery of products

and services to customers. Respondents noted that firms were able to meet customer demands more effectively, which led to higher levels of satisfaction and loyalty.

Additionally, respondents noted that when external partners were integrated into the firm's processes, information flowed more seamlessly across the supply chain. This enabled firms to leverage the expertise of suppliers and partners, leading to better product quality and innovation. According to the respondents, firms could anticipate market trends and adjust their offerings to meet customer preferences more effectively. This proactive approach helped firms stay competitive and responsive to changes in customer needs. Respondents indicated that external integration strengthened customer loyalty by ensuring that firms could deliver products and services that matched or exceeded customer expectations, enhancing overall satisfaction and building long-term relationships.

The researcher inquired from the sales and marketing manager the effect of external integration on the performance of manufacturing firms. The interviewee noted,

“Collaboration with suppliers, distributors, and partners streamlines operations, optimizes inventory management, and enhances cost efficiency. Seamless integration ensures quick adaptation to demand fluctuations, improving delivery times and customer satisfaction. Access to external expertise fosters innovation, better product quality, and market differentiation. Strong coordination with stakeholders boosts efficiency, competitiveness, and customer loyalty, driving overall business success.”

#### **4.4.5 Performance**

The study analysed the effect of customer centric strategies on the performance of manufacturing firms in Kajiado county. Results are indicated in Table 11

**Table 11: External Integration and performance**

<b>Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>	<b>SA</b>	<b>A</b>	<b>NS</b>	<b>D</b>	<b>SD</b>
The company's market share has increased	304	4.18	0.519	24	70	6	0	0
Company's customer satisfaction has increased over time	304	4.35	0.595	41	52	6	0	0
The company has come up with new products to the market	304	4.32	0.519	34	63	3	0	0
Employee numbers have increased in the company	304	4.32	0.556	36	59	5	0	0
The company meets its revenue targets in time	304	4.42	0.558	46	51	3	0	0
<b>Aggregate mean</b>		<b>4.32</b>						

**Field data (2024)**

Table 11 shows that out 304 respondents, 24% strongly agreed, 70% agreed and 6% were not sure, there were no respondents who disagreed nor strongly disagreed that the company's market share has increased (Mean=4.18; Std. Dev=0.519). The results reveal that 41% strongly agreed and 52% agreed that the company's customer satisfaction has increased over time (Mean=4.35; Std. Dev=0.595). This finding supports the work of Harmon-Jones and Mills (2019), who concluded that customer satisfaction is a key determinant of business success and that sustained improvements in customer satisfaction are linked to long-term profitability and growth. Similarly, Hanaysha and Mehmood (2022) emphasize that a customer-centric focus significantly enhances satisfaction, leading to improved loyalty and repeat business. Additionally, 34% strongly agreed, 63% agreed, and 3% were not sure that the company had introduced new products to the market (Mean=4.32; Std. Dev=0.519). This finding is consistent with studies by Dursun and Çelik (2018), who argue that continuous product innovation is essential for businesses to maintain competitive advantage, meet evolving customer needs, and drive market growth. Furthermore, the research by Datta et al. (2020) highlights that successful product development and introduction are directly linked to

enhanced customer satisfaction and market share. Also, 36% strongly agreed, 59% agreed, and 5% were not sure that employee numbers have increased in the company (Mean=4.32; Std. Dev=0.556). This aligns with findings by Chatterjee and Basu (2023), who suggest that organizational growth, including increased hiring, is a common indicator of business expansion and enhanced service capabilities. Additionally, 46% strongly agreed, 51% agreed, and 3% were not sure that the company meets its revenue targets in time (Mean=4.42; Std. Dev=0.558). This is in line with research by Ariadi et al. (2020), who argue that meeting financial targets on time is an essential factor in ensuring sustainable business success and operational effectiveness.

The researcher inquired from the sales and marketing manager on what more could manufacturing firms could do to enhance customer centricism for better performance. The interviewee noted,

"... manufacturing firms could start by investing more in customer insights and data analytics. Understanding customer preferences through advanced analytics can help in personalizing products and services even more effectively. Firms could also strengthen their customer feedback mechanisms, ensuring that all departments, from production to marketing, act on real-time customer input. Regularly gathering feedback through surveys, social media, and direct communication will allow us to anticipate needs, solve problems proactively, and make data-driven decisions that enhance customer satisfaction. Additionally, firms should focus on improving cross-departmental collaboration to ensure a consistent customer experience across all touchpoints. Marketing, sales, and customer service teams need to be in constant communication to address customer issues quickly and efficiently. Training employees at all levels to adopt a customer-first mindset is also critical. When employees

understand the direct influence of their actions have on customer satisfaction, they are more likely to go the extra mile. Manufacturing firms could consider adopting more flexible and agile production methods to quickly respond to changing customer demands and market trends. This agility would not only improve customer satisfaction but also improve overall operational efficiency and firm performance."

#### 4.5 Inferential analysis

##### 4.5.1 Correlation Analysis

The results of correlation are illustrated in Table 12, with n=304.

**Table 12 : Correlation analysis**

		<b>Performance</b>
Performance	r (correlation)	1
	p(significance level)	
Interactive customer relationship	r	.652**
	p	0.000
Internal integration	r	.373**
	p	0.000
Customer segmentation	r	.566**
	p	0.000
External integration	r	.514**
	p	0.000

\*\* . Correlation is significant at the 0.05 level.

**Source : Field data (2024)**

There is a moderate and significant correlation ( $r=0.652$ ,  $p=0.000$ ) between interactive customer relationship management and performance. The correlation between internal integration and performance was weak and significant ( $r=0.373$ ;  $p=0.000$ ). There was a moderate and significant correlation ( $r=0.566$ ;  $p=0.000$ ) between customer segmentation and

performance. The correlation between external integration and performance was moderate and significant ( $r=0.514$ ;  $p=0.000$ ).

#### 4.5.2 Linear regression model

A regression analysis was conducted to ascertain variables' relationship. Linear regression model summary is shown in Table 13

**Table 13 : Model summary**

<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>	<b>Durbin-Watson</b>
.740 <sup>a</sup>	0.548	0.542	0.16156	2.073

a. Predictors: (Constant), external integration, internal integration, interactive customer relationship, customer segmentation

b. Dependent Variable: performance

**Source : Field data (2024)**

The model summary indicates a strong relationship between the independent variables (interactive customer relationship management, internal integration, customer segmentation and external integration) and the dependent variable, performance of manufacturing firms, as evidenced by an R value of 0.740. The R Square value of 0.548 implies that approximately 54.8% of the variance in performance of manufacturing firms can be explained by the independent variables.

**Table 14: ANOVA**

	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	9.453	4	2.363	90.545	.000 <sup>b</sup>
Residual	7.804	299	0.026		
Total	17.257	303			

a. Dependent Variable: performance

b. Independent variables: (Constant), external integration, internal integration, interactive customer relationship, customer segmentation

**Source : Field data (2024)**

The ANOVA results indicate that the regression model, which includes the independent variables (interactive customer relationship management, internal integration, customer segmentation and external integration) is highly significant in explaining variations in performance of manufacturing firms. The F-value of 90.545 > 2.417 (critical value), with a significance level of 0.000, indicated the model's significance. The regression sum of squares, 9.453, is larger than the residual sum of squares, 7.804, suggesting that the model accounts for most of the variance in performance of manufacturing firms. Hence, interactive customer relationship management, internal integration, customer segmentation and external integration in the model significantly contribute to explaining the variance in performance of manufacturing firms.

**Table 15: Coefficients**

	<b>Unstandardized Coefficients</b>	<b>Std. Error</b>	<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
(Constant)	0.650	0.201		3.239	0.001
Interactive customer relationship	0.496	0.051	0.493	9.691	0.000
internal integration	0.033	0.039	0.040	0.849	0.397
customer segmentation	0.123	0.053	0.160	2.313	0.021
external integration	0.187	0.052	0.234	3.587	0.000

**Source : Field data (2024)**

Table 15 indicates the multiple regression model as :-

$$Y = 0.650 + 0.496X_1 + 0.123X_3 + 0.187X_4 + \epsilon$$

Findings indicated that interactive customer relationship management significantly and positively affect performance of manufacturing firms in Kajiado Central Sub County ( $\beta =$

0.496,  $p = 0.000$ ). Hence, for each unit increase in interactive customer relationship management, performance would increase by 0.496 units, holding other factors constant. This finding is consistent with the research of Mpinganjira et al. (2021), who highlighted that interactive Customer Relationship Management (CRM) systems facilitate direct communication and personalized engagement, ultimately enhancing customer satisfaction and driving better business outcomes. By integrating interactive CRM solutions, firms establish stronger relationships with customers, fostering loyalty and trust that contribute to long-term revenue growth. Personalized interactions enable businesses to understand customer preferences, respond to inquiries in real-time, and offer tailored solutions, all of which create a more satisfying customer experience.

Similarly, Kossyva and Gannon (2020) argued that companies leveraging interactive CRM strategies—such as customer feedback loops, social media engagement, and real-time communication—experience measurable improvements in operational performance. These strategies allow firms to gather valuable insights into customer behavior, predict future trends, and proactively address potential issues. Improved customer engagement leads to higher retention rates, as customers appreciate responsive service and customized interactions. Moreover, businesses that effectively implement interactive CRM systems optimize resource allocation, reduce inefficiencies, and boost overall profitability. Strengthening customer relationships through interactive CRM not only improves service delivery but also ensures a competitive advantage, positioning firms for sustainable growth in an increasingly customer-centric market environment.

Indeed, CRM significantly enhances the performance of manufacturing firms by fostering customer engagement, improving service delivery and increasing customer satisfaction.

Weinstein (2020) emphasize that CRM strategies enable firms to build long-term relationships, leading to higher customer retention and business growth. Pujangkoro et al. (2018) further asserts that firms leveraging interactive CRM experience improved sales performance and market competitiveness. Hadikusuma and Siagian (2022) found that customer-centric CRM systems enhance operational efficiency and profitability by allowing firms to personalize interactions and respond effectively to customer needs. Addis (2020) highlight that interactive CRM strengthens customer relationships, providing firms with a competitive edge. Firms leveraging customer relationship capabilities gain sustainable competitive advantages. Therefore, adopting interactive CRM tools such as customer analytics, digital engagement platforms and real-time communication can drive firm performance, enhance profitability and sustain long-term customer relationships.

According to Dissonance Theory, individuals experience psychological discomfort when their beliefs and behaviors are misaligned, which, in a business context, can lead to customer dissatisfaction when expectations are not met (Festinger, 1957). This dissonance can stem from product quality, service delivery, or overall customer experience. Interactive Customer Relationship Management (CRM) plays a crucial role in mitigating this discomfort by fostering direct communication and engagement between firms and customers. Interactive CRM helps firms align their products and services with evolving customer expectations. As a result, firms can proactively address concerns, clarify misunderstandings, and offer tailored solutions, leading to increased customer satisfaction and long-term loyalty.

Similarly, Kotler et al. (2023) emphasized that firms that implement CRM strategies promoting two-way communication not only resolve customer dissatisfaction more efficiently but also build trust and brand loyalty. In manufacturing firms, where expectations

regarding product quality, timely delivery, and after-sales support are particularly high, interactive CRM serves as a valuable tool for managing customer relationships. Engaging customers through digital platforms, live chat, surveys and automated service channels helps firms address complaints before they escalate, reducing cognitive dissonance and enhancing overall customer experiences. Furthermore, by maintaining an open line of communication, firms can gather insights into customer preferences, improve product offerings, and refine service delivery, thus strengthening their competitive position in the market. The ability to anticipate and meet customer needs through interactive CRM contributes to higher customer retention, repeat business, and improved financial performance. Therefore, integrating interactive CRM into business operations is not just about resolving dissatisfaction but also promotion of strong, lasting customer relationships that drive sustained business growth.

Internal integration had a positive and insignificant influence on performance of manufacturing firms in Kajiado Central Sub County ( $\beta = 0.033$ ,  $p = 0.397$ ). This finding diverges from that of Liao et al. (2020), who found that internal integration, such as aligning marketing, production, and sales departments, significantly enhanced manufacturing performance by improving operational efficiency. However, in Kajiado Central, the effect might be diluted due to other competing factors like external market conditions or the presence of stronger external integration practices, which could have overshadowed the effect of internal integration.

Conversely, there is also convergence with studies that suggest internal integration may have limited direct effects on performance, particularly in certain contexts. For example, a study by Huo et al. (2021) argued that while internal integration is important, its influence on performance is often moderated by external factors, such as customer relationships and

supplier integration. This finding is particularly relevant in Kajiado Central Sub County, where firms may prioritize external integration and interactive customer relationship management over purely internal coordination. These external factors could have a more direct effect on performance, as the firms might be more focused on market demands and customer satisfaction rather than internal process alignment alone. Zhang et al. (2022) highlights that the effect of internal integration might not be fully realized unless firms also focus on external collaborations, indicating that a comprehensive approach involving both internal and external strategies is necessary for maximizing performance.

Findings indicated that customer segmentation positively and significantly affected performance of manufacturing firms in Kajiado Central Sub County ( $\beta = 0.123$ ,  $p = 0.021$ ). Hence, a unit increase in customer segmentation would cause performance to increase by 0.123 units, other factors held constant. This finding is consistent with Jahan and Yousaf (2021), who demonstrated that manufacturing firms utilizing customer segmentation techniques, such as categorizing customers based on purchasing behavior and preferences, experienced significant gains in profitability and customer loyalty. Firms can tailor marketing strategies, customize product offerings, and enhance customer engagement. This targeted approach improves resource allocation, ensuring that high-value customers receive personalized services that strengthen retention. Additionally, segmentation enables firms to anticipate market trends, optimize pricing strategies, and enhance competitiveness, thus leads to sustained business growth and improved customer satisfaction.

According to Sarma et al. (2020), segmentation allows firms to allocate resources where they are most likely to yield results, particularly in competitive environments like those found in Kajiado Central Sub County. The positive and significant effect of customer segmentation in

this study may reflect the region's evolving manufacturing sector, where understanding different customer needs—whether demographic, geographic, or behavioral—can lead to better strategic decision-making. Firms that are able to identify distinct customer groups can adapt their offerings accordingly, improving customer satisfaction and, in turn, driving business performance.

Customer segmentation enhances firm performance by allowing businesses to tailor products and marketing strategies to specific customer needs. Kotler and Keller (2016) emphasize that segmentation enables firms to identify distinct customer groups, leading to improved satisfaction and operational efficiency. Bittner (2023) found that effective segmentation enhances market competitiveness by helping firms allocate resources efficiently and focus on high-value customers. Similarly, Dace et al. (2020) highlight that data-driven segmentation improves customer retention, boosts sales and increases profitability. Firms leveraging customer insights gain a sustainable competitive advantage. Therefore, adopting customer segmentation strategies, including data analytics and personalized marketing, can enhance firm performance, drive profitability, and ensure long-term business growth.

The findings also align with the Kano Model, in that customer segmentation allows firms to identify which customer groups prioritize each of these attributes, enabling more precise targeting of customer expectations. Park and Kim (2022) observes that customers may have different expectations based on segmentation, where some prioritize product functionality (performance needs) while others seek innovation or additional features (excitement needs). The integration of customer segmentation and the Kano Model highlights that customer satisfaction is not a one-size-fits-all approach. As noted by Liu et al. (2019), when firms are

able to consistently exceed customer expectations through tailored strategies, they create a competitive advantage that leads to long-term performance improvements.

Results revealed a positive and significant effect of external integration on performance of manufacturing firms in Kajiado Central Sub County ( $\beta = 0.187$ ,  $p = 0.000$ ). This indicates that, for each unit increase in enterprise development strategies, performance of manufacturing firms in Kajiado Central Sub County would increase by 0.187 units, holding other factors constant. This is in congruence with findings of Zhang et al. (2020), who found that firms that actively engage with external partners, particularly suppliers and customers, experience better operational outcomes, enhanced product quality, and higher levels of customer satisfaction. This result highlights the significance of building strong external relationships to ensure the smooth flow of materials, information, and feedback, which can directly affect performance.

Moreover, external integration promoted innovation and facilitating access to new technologies and markets. According to a study by Sharma and Kumar (2021), external integration, particularly in the form of strategic partnerships, enables firms to tap into new markets and technologies, improving their product offerings and competitiveness. The findings in Kajiado Central Sub County indicate that manufacturing firms that integrated their operations with external stakeholders may be able to leverage these partnerships to enhance their performance, drive innovation, and respond more effectively to market demands. This could be especially relevant, where manufacturing firms may need to adapt quickly to external challenges such as changing customer preferences or technological advancements.

The findings also align with the Kano Model, which posits that customer satisfaction is influenced by the presence of basic needs, performance needs, and excitement needs. External integration, particularly with customers, allows firms to better understand and fulfill these needs, thereby enhancing satisfaction and loyalty. According to the Kano Model, meeting basic customer needs is essential for customer retention, while performance needs directly affect customer satisfaction. Excitement needs, which exceed customer expectations, can create delight and foster loyalty.

The positive and significant effect of external integration on the performance of manufacturing firms in Kajiado Central Sub-County aligns with the Kano Model, which categorizes customer satisfaction into basic, performance, and excitement attributes. External integration, involving collaboration with suppliers, customers, and stakeholders, enhances supply chain efficiency and responsiveness, directly impacting performance attributes in the Kano Model. When firms effectively integrate external partners, they meet customer expectations, improve quality, and enhance delivery reliability—key performance factors. Moreover, strategic integration can lead to innovation, aligning with Kano's excitement attributes, which provide a competitive advantage. Thus, external integration contributes to both meeting fundamental customer needs and exceeding expectations, leading to improved performance and sustained growth in manufacturing firms.

In Kajiado Central Sub-County, external integration enhanced the performance of manufacturing firms through promotion of stronger relationships with customers and suppliers. This integration created a collaborative ecosystem that facilitated continuous improvement and innovation. Firms that effectively engaged in external integration were able to identify emerging market trends, gather real-time feedback and adapt their products or

services to meet evolving customer demands. According to Liu et al. (2023), integrating with external stakeholders enhances a firm's ability to remain competitive in dynamic markets, ensuring both short-term performance gains and long-term sustainability. By streamlining communication and coordination with external partners, manufacturing firms improved supply chain efficiency, reduced operational uncertainties and enhanced responsiveness to market fluctuations. This alignment with the Kano Model highlights how external integration helps firms meet and exceed customer expectations, thus leads to superior performance and sustained growth.



Mount Kenya

University

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter gives a summary of results. Conclusions are then made and recommendations presented.

#### 5.2 Summary of the result findings

##### 5.2.1 Interactive customer relationship management and performance

The study evaluated the effect of interactive customer relationship management on the performance of manufacturing firms in Kajiado Central Sub County. Findings indicated that interactive customer relationship management significantly and positively affect performance of manufacturing firms in Kajiado Central Sub County ( $\beta = 0.496$ ,  $p = 0.000$ ). Firms consistently conducted customer intelligence surveys, used information technology to support customer transactions, and emphasized strategic communication as vital in customer interactions. Regular updates of customer records and provision of after-sales services were integral practices. Firms ensured effective customer relationship management through personalized communication, tailored interactions and regular follow-ups. Feedback collection and prompt complaint resolution were prioritized. The use of customer relationship management software enabled efficient tracking of interactions, inquiry management and streamlined support. Employee training on customer service skills was emphasized, alongside loyalty programs and exclusive discounts to reward repeat customers. Regular

updates and communication about new products or services further engaged and informed customers, reinforcing strong relationships.

### **5.2.2 Internal integration and performance**

The study assessed the effect of internal integration on the performance of manufacturing firms in Kajiado Central Sub County. Internal integration had a positive and insignificant influence on performance of manufacturing firms in Kajiado Central Sub County ( $\beta = 0.033$ ,  $p = 0.397$ ).

### **5.2.3 Customer segmentation and performance**

The study investigated the effect of customer segmentation on the performance of manufacturing firms in Kajiado Central Sub County. Findings indicated that customer segmentation positively and significantly affected performance of manufacturing firms in Kajiado Central Sub County ( $\beta = 0.123$ ,  $p = 0.021$ ). Firms employed various customer segmentation strategies, including demographic, behavioral, psychographic, geographic and value-based segmentation. Customer segmentation enhanced customer centricity by enabling firms to tailor products and services to meet specific customer needs, develop personalized marketing strategies and improve customer service. Businesses prioritized high-value customers, offered customized solutions and strengthened relationships. Segmentation allowed firms to anticipate needs, address challenges effectively and provide targeted promotions, leading to increased customer satisfaction and loyalty. Additionally, segmentation facilitated efficient resource allocation, ensuring marketing efforts focused on the most profitable customer segments.

#### **5.2.4 External integration and performance**

The study examined the effect of external integration on the performance of manufacturing firms in Kajiado Central Sub County. Results revealed a positive and significant effect of external integration on performance of manufacturing firms in Kajiado Central Sub County ( $\beta = 187$ ,  $p = 0.000$ ). Manufacturing firms implemented clear supplier integration modules, established strong links between customer integration and operations and adopted strategic partnerships to enhance customer relationships. Firms maintained dedicated logistics teams to ensure efficient product delivery and promoted a culture of collaboration with key raw materials vendors. External integration was found to enhance customer centricity by promoting closer relationships with suppliers, distributors and other stakeholders, aligning operations with broader supply chain needs. This facilitated seamless information flow, improved product quality and innovation, and enabled firms to anticipate market trends and adapt to customer preferences. These practices strengthened customer satisfaction and loyalty while ensuring efficient service delivery.

#### **5.3 Conclusions**

Firms that conduct customer intelligence surveys, use information technology to support transactions, and emphasize strategic communication in customer interactions perform better. Regular updates of customer records and after-sales services are key practices. Effective customer relationship management is ensured through personalized communication, tailored interactions, regular follow-ups, feedback collection, and prompt complaint resolution. Customer relationship management software streamlines interactions, inquiry management, and support. Employee training, loyalty programs, exclusive discounts,

and updates on new products or services further engage customers and strengthen relationships.

The study concludes that manufacturing firms that implement diverse segmentation strategies, including demographic, behavioral, psychographic, geographic, and value-based approaches attain better performance. Customer segmentation enhances customer centricity by tailoring products and services to specific needs, creating personalized marketing strategies, and improving customer service. It prioritizes high-value customers, strengthens relationships, anticipates needs, and addresses challenges effectively. Targeted promotions increase customer satisfaction and loyalty, while efficient resource allocation ensures marketing efforts focus on the most profitable segments, optimizing overall performance.

Manufacturing firms that implement clear supplier integration modules, establish strong links between customer integration and operations and adopt strategic partnerships enhance customer relationships and performance. Dedicated logistics teams ensure efficient product delivery, while a culture of collaboration with key raw materials vendors promotes operational efficiency. External integration enhances customer centricity by fostering close relationships with suppliers, distributors, and other stakeholders, aligning operations with supply chain needs. This facilitates seamless information flow, improves product quality and innovation, anticipates market trends, and adapts to customer preferences, ultimately strengthening customer satisfaction, loyalty and service efficiency.

#### **5.4 Recommendations for practice**

This study recommends that manufacturing firms should prioritize customer intelligence surveys to collect data on customer needs and preferences. Manufacturing firms should

leverage information technology to streamline transactions and customer interactions and enhance operational efficiency. The firms should also focus on strategic communication, provide personalized interactions, tailored messaging and regular follow-ups to build stronger customer loyalty. The firms should implement customer relationship management software will improve interaction tracking and streamline support and ensure prompt responses and high-quality service. Additionally, manufacturing firms should invest in employee training on customer service skills will enhance the ability to address queries and complaints, contributing to better customer experiences.

Manufacturing firms should continue to focus on improving internal integration to enhance customer centricity. The firms should ensure timely fulfillment of customer orders, maintaining an elaborate inventory management system and managing customer demand effectively are critical to satisfying customer expectations. Firms should invest in robust billing systems and implement comprehensive mechanisms to guarantee that adequate raw materials are available to meet customer orders. Manufacturing firms should prioritise internal integration should be prioritized, with teams working in harmony to facilitate seamless communication and the free flow of customer-related information across the organization. This will enable faster response times, more consistent messaging, and a unified approach to tracking customer preferences.

Manufacturing firms should implement diverse customer segmentation strategies to enhance market competitiveness and long-term growth. Identifying and prioritizing high-value customers allows firms to offer customized solutions that address specific needs, fostering stronger relationships and brand loyalty. Personalized services, tailored product offerings, and dedicated support create a sense of exclusivity, making customers more likely to remain

engaged. Efficient resource allocation ensures that marketing and operational efforts focus on the most profitable customer segments, leading to optimized expenditures and higher returns. Instead of spreading resources too thin, firms should strategically invest in customers who contribute significantly to revenue generation. Implementing loyalty programs and exclusive discounts further reinforces customer retention by incentivizing repeat business and increasing customer lifetime value. Special offers, reward-based incentives, and priority access to new products or services enhance the overall customer experience, creating a competitive edge in the market. A well-structured segmentation approach not only improves customer satisfaction but also drives sustainable business expansion, positioning manufacturing firms for long-term success and profitability in an increasingly competitive business environment.

Manufacturing firms should continue strengthening supplier integration by establishing seamless connections between customer integration and operations, which enhances both efficiency and customer satisfaction. Building strong ties between these elements streamlines production processes, reduces delays, and fosters better collaboration across different departments. Strengthening external integration with suppliers, distributors, and other stakeholders ensures better alignment with overall supply chain needs, creating a more responsive and adaptable business environment. Improved coordination leads to enhanced information flow, allowing firms to anticipate demand changes, minimize disruptions, and optimize inventory management. Close collaboration with suppliers also ensures consistent product quality and promotes innovation through shared knowledge and technological advancements. Maintaining dedicated logistics teams ensures efficient product delivery, as well-organized transportation and distribution systems enhance service reliability. Timely

delivery builds trust with customers and helps firms maintain a competitive edge in the market. A comprehensive integration strategy that connects suppliers, distributors, and customers while optimizing logistics operations positions manufacturing firms for long-term growth, operational excellence, and stronger market competitiveness in a dynamic business landscape.

### **5.5 Recommendations for further research**

Further studies could expand the sample size to include a broader range of manufacturing firms across different regions to compare the effect of customer centricity on firm performance. Results indicated that interactive customer relationship management, internal integration, customer segmentation and external integration accounted for 54.8% of the performance of manufacturing firms in Kajiado county. Further studies could investigate the effects of technological advancements, such as artificial intelligence and data analytics, in enhancing customer centricity and improving customer experiences. Further studies could examine the relationship between employee engagement and the effectiveness of customer-centric strategies to assess how internal factors influence customer satisfaction in manufacturing firms. Internal integration had a positive and insignificant influence on performance of manufacturing firms in Kajiado Central Sub County. Future research could investigate barriers to effective internal integration, like organizational culture and leadership. Further studies could analyse how technology adoption and supply chain complexity affect internal integration and firm performance in different regions or industries. Tracking internal integration's evolution and long-term effects on performance through longitudinal studies is recommended.

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## APPENDICES

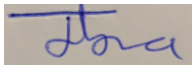
### Appendix I: Introduction Letter

TO WHOM IT MAY CONCERN

My name is John Otieno Walambra, a master's student at Mount Kenya University. I am conducting a study on '*analysis of customer centric strategies on the performance of manufacturing firms in Kajiado Central Sub County.*' Recommendations will form a basis upon which customer centric strategies could be employed to enhance performance. Kindly complete this questionnaire with accuracy. All information provided will be kept confidential.

Thank you

Yours Faithfully



**John Otieno Walambra**

## Appendix II: Questionnaire for staff

### PART A: DEMOGRAPHIC CHARACTERISTICS

1. Indicate gender. Male ( ) Female ( )
2. What is your job category? middle level ( ) supervisor ( ) operations ( )
3. What is your level of education? Secondary ( ) Diploma ( ) degree ( )  
Post Graduate ( )
4. How long have you worked in the company? Less than 5 years ( ) 5-10 years ( )  
) Above 10 years ( )

### PART B: Interactive customer relationship

Kindly indicate your score with 5 indicating a strong agreement and 1 a strong disagreement, for the subsequent sections

Statement	5	4	3	2	1
The firm regularly conducts customer intelligence surveys.					
The company uses information technology to support transactions with customers.					

Strategic communication is an important element in the company's dealing with its customers.					
The company updates customer records on a regular basis.					
The firm offers after sales services to customers.					

How does the firm ensure that it manages its customer relationship effectively?

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**PART C: Internal integration**

Statement	5	4	3	2	1
The company ensures customer orders are fulfilled in time.					
The firm has an elaborate inventory management system.					
The firm ensures that it manages customer demand satisfactorily.					
The company has a robust billing system for efficiency.					
The management has put in place elaborate mechanisms to ensure raw materials for finished products are adequate for customer orders.					

Explain how internal integration measures enhance customer centricity?

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**PART D: Customer segmentation**

Statement	5	4	3	2	1
The company segments its customers as per demographics.					
Behavioural segmentation is adhered to in the company.					
The company segments its customers psychographically.					
The company segments its customers as per their geographic regions.					
The company uses the value-based approach to segment its customers.					

How does customer segmentation enhance customer centricity?

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**PART E: External integration**

Statement	5	4	3	2	1
The company has clear supplier integration modules to enhance efficiency.					

There is adequate link between customer integration and company operations.					
Strategic partnership is part of the firm's strategy to enhance customer relationship.					
The firm has an elaborate logistics team that ensures delivery of goods to customers.					
The company has a culture that supports collaboration with key raw materials vendors					

Explain how external integration enhance customer centricity?

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**PART F: Performance**

Statement	5	4	3	2	1
The company's market share has increased.					
Company's customer satisfaction has increased over time.					
The company has come up with new products to the market.					
Employee numbers have increased in the company.					
The company meets its revenue targets in time.					

### **Appendix III: Interview guide for sales and marketing managers**


1. How does interactive customer relationship management affect the performance of manufacturing firms?
2. What is the effect of internal integration on the performance of manufacturing firms?
3. To what extent does customer segmentation affect performance of manufacturing firms?
4. What is the effect of external integration on the performance of manufacturing firms?
5. What more could manufacturing firms do to enhance customer centricism for better performance?

#### **Appendix IV : Manufacturing firms in Kajiado Central Sub County**

1. Bigger Steel Limited
2. Gifan Enterprises Limited
3. Jeniria Manufacturers Ltd
4. Kajiado Flour Mills Limited
5. Keda Kenya Ceramics
6. Leoart Ltd
7. Mabati Rolling Mills Ltd
8. Manjico Industries Limited
9. Midrow Kenya Ltd
10. Norda industries limited
11. Novel Manufacturing Company Limited
12. Pakimu Technical Manufacturers Ltd
13. Pleam Chemicals
14. R G Industries Kenya
15. Sanpac Africa Ltd
16. Twyford Tiles Factory

**Source : Kenya Association of Manufacturers (2024)**

## Appendix V: University Introduction Letter

  
**Mount Kenya University**

**DIRECTORATE OF GRADUATE STUDIES**

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MBA/2021/79609  
25<sup>th</sup> September, 2024

*National Commission for Science Technology & Innovation (NACOSTI)  
Off Waiyaki Way, Upper Kabete,  
P.O Box 30623- 00100  
NAIROBI, KENYA*

Dear Sir/Madam,


**RE: JOHN OTIENO WALAMBRA- REGISTRATION NO. MBA/2021/79609**

The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics**.

The title of the research is **"An Analysis of Customer Centric Strategies on the Performance of Manufacturing Firms in Kajiado Central Sub County."** It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **October, 2024 and December, 2024**.

Any assistance accorded to the student will be highly appreciated.

Thank you.

  
**Dr. Samuel M. Kafenga, PhD**  
**Director, Graduate Studies**  
Enc.

*Mount Kenya University  
P.O. Box 342-01000 Thika  
Office of the Director  
Graduate Studies*

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Cell: +254 709 153 000 / +254 709 153 200  
Email: info@mku.ac.ke, Web: www.mku.ac.ke  
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**Unlocking Infinite Possibilities**

## Appendix V: ERC Certificate



REF: MKU/ISERC/4382

TO: JOHN OTIENO WALAMBRA

Date: 11 September 2024

REG: MBA202179609

Dear Sir/Madam,

**RE: AN ANALYSIS OF CUSTOMER CENTRIC STRATEGIES ON THE PERFORMANCE OF MANUFACTURING FIRMS IN KAJIADO CENTRAL SUB COUNTY**

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **3102**. The approval period is **11/09/2024 - 10/09/2025**.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report with **Mount Kenya University** upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain the necessary permits needed.

Yours sincerely,

Dr. Alfred Owino, PhD  
Chairman, Mount Kenya University ISERC

**MOUNT KENYA UNIVERSITY**  
**ETHICS REVIEW COMMITTEE**  
P. O. Box 342 - 01000,  
THIKA



**Appendix VI: NACOSTI Research Permit**


  
**REPUBLIC OF KENYA**

**NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION**

**Ref No: 940333**

**RESEARCH LICENSE**



**This is to Certify that Mr. JOHN OTIENO WALAMBRA of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Kajiado on the topic: AN ANALYSIS OF CUSTOMER CENTRIC STRATEGIES ON THE PERFORMANCE OF MANUFACTURING FIRMS IN KAJIADO CENTRAL SUB COUNTY for the period ending : 22/October/2025.**

**License No: NACOSTIP/24/41212**

**940333**

**Applicant Identification Number**


  
**Director General**
  
**NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION**

**Verification QR Code**



**NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.**

**See overleaf for conditions**

## Appendix VII : Similarity Index Report

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PRIMARY SOURCES			
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