

Determinants of SME's Customer Retention: A Relationship Marketing Perspective

Regina Appiah Gyimah
Department of Marketing
Accra Technical University
Accra, Ghana
rappiah-gyimah@atu.edu.gh

Abstract

Relationship marketing has been regarded as one of the critical success factors that influence an organization's competitiveness. Constructs such as overall customer satisfaction (OCS), trust, perceived service quality (PSQ) and customer loyalty (CL) are four constructs under relationship marketing that are instrumental in characterizing the strength of the relationship that the customer has with an organization, particularly service-oriented organizations. This paper examines the effect of these variables on customer retention in a private healthcare institution. An observational quantitative research approach was used. Participants of this study were customers and employees of Faith Mission Hospital in Ghana. A stratified sampling technique was used to select 273 customers and employees each. Confirmatory Factor Analysis (CFA) was used to present results. Out of eight variables, four of them (i.e. customer satisfaction, trust, supporting staff, and physical maintenance) made a significant positive effect on customer retention in the hospital. On the other hand, perceived service quality, physician and nursing care, and operational activities fail to predict customer retention. The study recommends intensification of supervision of nursing and physician care in the hospital.

Keywords

Relationship marketing, perceived service quality, customer satisfaction, customer retention