

**SERVICE DELIVERY AND CUSTOMER RETENTION IN COSMETIC INDUSTRY
IN BURUNDI: A CASE STUDY OF MOVIT PRODUCTS COMPANY OUTLET
BUJUMBURA CITY, BUJUMBURA MAIRIE PROVINCE**

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**UGANDA CHRISTIAN
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DECLARATION

I, **Twinamatsiko Dennis** hereby declare that this research report is my original work and it has never been submitted to this or any other institution of higher learning for any award.

Signature:



Date: 22nd August 2024

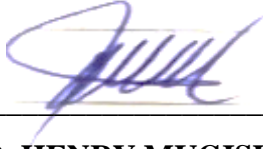
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APPROVAL

This is to certify that this research report on “*The effect of service delivery on customer retention in the cosmetic industry in Burundi, a case of Movit Products Company Outlet Bujumbura City, Bujumbura Mairie Province.*” has been done under my supervision.

Signature:



Date: 22nd August 2024.

DR. HENRY MUGISHA

RESEARCH SUPERVISOR

DEDICATION

This research report is dedicated to my late mother who passed on before seeing such an achievement. I pray that Almighty God grant her eternal peace. I also dedicate this to my entire family especially my father, Aunt Gladys and Shane Gage for their selfless support and commitment that led me through the academic journey up to this level.

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TABLE OF CONTENTS

DECLARATION	i
APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF ACRONYMS/ABBREVIATIONS	xi
ABSTRACT.....	xii
CHAPTER ONE.....	1
INTRODUCTION	1
1.1 Introduction	1
1.2 Background to the study.....	1
1.2 Statement of the Problem	5
1.3 General Objective.....	6
1.4 Specific Objectives	6
1.5 Research Questions	6
1.6 Conceptual Framework.....	6
1.7 Scope of the study	7
1.7.1 Content Scope.....	7
1.7.2 Geographical Scope	8
1.7.3 Time Scope.....	8
1.8 Significance of the Study.....	8
CHAPTER TWO.....	10
LITERATURE REVIEW	10
2.1 Introduction	10
2.2 Theoretical Review	10
2.3 Empirical Review	11
2.3.1 The effect of service reliability on customer retention	11
2.3.2 The effect of service responsiveness on customer retention	13
2.3.3 The effect of service assurance on customer retention	15
2.3.4 The moderating effect of external environmental shifts in the relationship between service delivery and customer retention.....	16
2.4 Summary of the Literature Review.....	17

CHAPTER THREE	18
METHODOLOGY	18
3.1 Introduction	18
3.2 Research design.....	18
3.3 Study population	18
3.4 Sample size determination.....	19
Table 3.1: Sampling and Sample Size Determination	19
3.5 Sampling techniques.....	19
3.5.1 Systematic sampling technique	19
3.5.2 Census sampling technique.....	20
3.6 Data collection methods	20
3.6.1 Survey questionnaire	20
3.6.2 Interview method.....	20
3.7 Data collection instruments	20
3.7.1 Questionnaire	21
3.7.2 Interview guide.....	21
3.8 Data collection procedure	21
3.8 Data quality control	21
3. 8.1 Validity	22
Table 3.2: Validity Test of the tool.....	22
3.8.2 Reliability.....	22
Table 3.3: Reliability test of the tool	23
3.9 Data analysis and presentation	23
3.9.1 Quantitative data.....	23
3.9.2 Qualitative data	23
3.10 Ethical Considerations.....	24
CHAPTER FOUR	25
PRESENTATION, ANALYSIS AND INTERPRETATION OF STUDY FINDINGS	25
4.1 Introduction.....	25
4.2 Response Rate	25
Figure 4.1: Showing the response rate.....	25
4.3 Findings on the Bio-data of the respondents	26

Table 4.1: Gender of respondents.....	26
Table 4.2: Highest education level attained	26
Table 4.3 Age bracket of Respondents	27
Table 4.4: Period spent buying Movit products	27
Figure 4.2: Time spent working with Movit Company	28
4.4 Descriptive Statistics basing on the study objectives	28
4.4.1 Service reliability on customer retention at Movit Products Company	28
Table 4.5: Responses on Service Reliability	29
4.4.2 Service responsiveness on customer retention at Movit Products Company	32
Table 4.6: Responses on Service responsiveness	32
4.4.3 Service assurance on customer retention at Movit Products Company	35
Table 4.7: Responses on Service Assurance	35
4.4.4 Response on the customer retention at Movit Products Company	37
Table 4.8: Responses on customer retention.....	38
4.4.5 Response on the external environmental shifts	40
Table 4.9: Responses on external environmental shifts.....	41
4.5 Inferential statistics.....	43
4.5.1 Correlation analysis	43
Table 4.10: Correlation results on relationship between service reliability, service responsiveness, service assurance and customer retention	43
4.5.2 Regression analysis.....	44
Table 4.11: Regression analysis	44
4.6 The moderating effect of external environmental shifts in the relationship between service delivery and customer retention.	45
Table 4.12: Regression analysis moderating effect of external environmental shifts in the relationship between service delivery and customer retention	46
Figure 4.3: Moderating effect of external environmental shifts in the relationship between service delivery and customer retention	46
CHAPTER FIVE.....	48
SUMMARY AND DISCUSSION OF FINDINGS.....	48
5.1 Introduction.....	48
5.2 Summary of the study findings.....	48

5.3 Discussion of the study findings.....	48
5.3.1 The effect of service reliability on customer retention at Movit Products Company	48
5.3.2 The effect of service responsiveness on customer retention at Movit Products Company	49
5.3.3 The effect of service assurance on customer retention at Movit Products Company	50
5.3.4 The moderating effect of external environmental shifts in the relationship between service delivery and customer retention.....	51
CHAPTER SIX.....	52
CONCLUSION AND RECOMMENDATIONS	52
6.1 Introduction	52
6.2 Conclusion	52
6.3 Recommendations	52
6.4 Limitations of the study	53
6.5 Areas for further research	53
REFERENCES.....	54
APPENDICES	59
Appendix I: Questionnaire for data collection	59
Appendix II: Interview Guide	63

LIST OF TABLES

Table 3.1: Sampling and Sample Size Determination	19
Table 3.2: Validity Test of the tool.....	22
Table 3.3: Reliability test of the tool	23
Table 4.1: Gender of respondents.....	26
Table 4.2: Highest education level attained	26
Table 4.3 Age bracket of Respondents	27
Table 4.4: Period spent buying Movit products	27
Table 4.5: Responses on Service Reliability	29
Table 4.6: Responses on Service responsiveness	32
Table 4.7: Responses on Service Assurance	35
Table 4.8: Responses on customer retention.....	38
Table 4.9: Responses on external environmental shifts.....	41
Table 4.10: Correlation results on relationship between service reliability, service responsiveness, service assurance and customer retention	43
Table 4.11: Regression analysis	44
Table 4.12: Regression analysis moderating effect of external environmental shifts in the relationship between service delivery and customer retention	46

LIST OF FIGURES

Figure 4.1: Showing the response rate.....	25
Figure 4.2: Time spent working with Movit Company	28
Figure 4.3: Moderating effect of external environmental shifts in the relationship between service delivery and customer retention	46

LIST OF ACRONYMS/ABBREVIATIONS

CVI	Content Validity Index
SPSS	Statistical Package for Social Science
SQ	Service Quality
R	Relevant
IR	Irrelevant

ABSTRACT

This study examined the effect of service delivery on customer retention in the cosmetic industry in Burundi, focusing on Movit Products Company Outlet in Bujumbura. The study aimed to assess the effects of service reliability, responsiveness, assurance, and the moderating effect of external environmental shifts on customer retention. Using a cross-sectional survey design with both quantitative and qualitative approaches, 216 out of 264 targeted participants responded.

The study findings revealed that service reliability had a significant and positive relationship with customer retention at ($r = .765^{**}$, $P < 0.01$). However, much being a positive predictor, service reliability insignificantly predicted customer retention at (Beta = **.026**, $p=.613 >0.05$). Then, service responsiveness was positively and significantly related with customer retention at ($r = .746^{**}$, $P < 0.01$) and it positively predicted customer retention at (Beta = **.570**, $p=.000 <0.05$). It was also revealed that service assurance and customer retention related at ($r= .797^{**}$, $P < 0.01$) and it was also found to be positively and significantly predicting customer retention at (Beta = **.449**, $p=.000 <0.05$). The results indicated that the combined constructs of service delivery including service reliability, service responsiveness and service assurance, collectively accounted for 67.8% (Adjusted R Square = .67.8) of the variance in customer retention at Movit outlets. The findings further revealed that *External Environmental Shifts* when introduced in the model produced the significant results of Path C = 0.360, p-value = 0.000>0.05 which means that *External Environmental Shifts* have significant moderating effect in the relationship between service delivery and customer retention.

Recommendations include implementing a reliable online delivery system, reviewing pricing strategies for affordability, establishing a robust feedback management system, prioritizing customer-centric training, and conducting market analyses to understand external shifts.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter presents the background of the study concerning quality service delivery and customer retention. It also captures the problem statement, objectives of the study, research questions, hypothesis, scope, significance, and the study conceptual framework.

1.2 Background to the study

The background of the study was looked at in form of historical perspective, theoretical perspective, conceptual perspective and contextual perspective.

Over the last decade, there has been a notable shift in the strategies employed by business-to-consumer organizations. They have moved away from transaction-based approaches in marketing towards relationship-centered methods, marking a significant change in the discipline's focus (West, 2006). This transition to cultivating long-term relationships with existing customers, rather than solely concentrating on attracting new ones, has become a prevalent practice in today's competitive market. This shift is generally associated with improved customer satisfaction, heightened loyalty, and ultimately the retention of customers (Mostert & De Meyer, 2010). Historically, organizations relied on traditional transactional marketing, where the primary goal was to attract new customers by identifying prospects, converting them into customers, and completing a sales transaction marking the conclusion of the marketing process (Brink & Berndt, 2008). While attracting new customers remains crucial, it is now viewed as an intermediate step in the overall marketing process. Presently, marketing practitioners are directing their efforts towards establishing and maintaining mutually beneficial relationships with existing customers (Brink et al., 2008).

The interest in customer retention has been substantial among both marketing practitioners and academics since the 1970s, as emphasized by Jones & Suh (as cited in Culiber, 2010). In the 1980s, researchers began relying on customer retention and quality ratings from surveys for performance monitoring, compensation, and resource allocation, further investigating the determinants of customer retention (Bolton, 1998, as cited in Culiber, 2010; Bearden & Terel, 1983). Customer retention has been a longstanding objective in marketing, with organizations recognizing that

delivering quality services is the most effective means of retaining customers. The concept of service quality (SQ) was initially proposed by the Nordic School in the 1980s (Gronross, 1982) and later expanded to North America, coinciding with the global surge in service quality in the 1920s. This initially served as a form of product inspection to ensure employee work met acceptable standards (Berry, Zeithaml & Parasuraman, 1988). However, in 1924, the quality movement took a managerial turn as Walter Shewhart designed the first control chart, incorporating statistical control processes and a program for improving quality to retain customers (Best & Neuhauser, 2016).

In recent years, customer retention has garnered increased attention from both marketing researchers and practitioners. Many firms have explicitly adopted customer retention as a corporate objective, often linking it to efforts aimed at achieving higher business profitability. This intensified focus on customer retention has given rise to a substantial industry and body of research dedicated to understanding the drivers of customer retention and assessing its impact on businesses.

The research was guided by the SERVQUAL Model, developed by A. Parasuraman, Valarie Zeithaml, and Leonard Berry in 1988. Grounded in the expectancy-disconfirmation paradigm, SERVQUAL conceptualizes service quality as the degree to which consumers' pre-consumption expectations align or deviate from their actual perceptions of the service (Parasuraman, Zeithaml & Berry, 1988). This model is characterized by five dimensions of service quality, namely Tangible, Reliability, Responsiveness, Assurance, and Empathy (Khan & Fasih, 2014).

The SERVQUAL Model has its roots in the GAP Model, which assesses service processes to determine whether customer expectations are met accurately. Simply gauging the disparity between perception and expectation is insufficient without understanding the reasons behind the actual decline in service quality. To delve into the true situation and comprehend how over-promising or underperformance affects service quality, the service gap score is utilized. The service gap is calculated by subtracting expectations from perceptions, expressed mathematically as $Q=P-E$. Initially featuring twenty-two items for measuring service quality, the model was

refined to focus on five dimensions, each rated based on its significance in evaluating service quality (Parasuraman, Zeithaml & Berry, 1991).

These five dimensions encompass Tangibility, addressing the appearance of physical facilities, business equipment, employee demeanor, and communication materials; Reliability, signifying an organization's capability to execute services accurately and effectively; Responsiveness, involving the prompt delivery of services; Assurance, encompassing staff politeness, gentility, understanding, and the ability to instill confidence and trust; and Empathy, focusing on caring and providing personalized attention to customers (Zeithaml, 1990). Consequently, the researcher posits that service reliability, service responsiveness, and service assurance were particularly pertinent in this study to ascertain the effect of service delivery on customer retention.

Within the context of this research, the focal point revolves service delivery as the independent variable and customer retention as the dependent variable. As emphasized by Gronroos (2007), service delivery involves the entire process of interaction between the service provider and the customer, starting from initial contact to the fulfillment of customer expectations. The quality-of-service delivery plays a pivotal role in customer satisfaction and loyalty (Parasuraman, Zeithaml, & Berry, 1988). In today's competitive market, organizations increasingly recognize the importance of not only meeting but exceeding customer expectations in service delivery to gain a competitive edge and foster long-term relationships (Kotler & Keller, 2016). The dimensions of service quality, such as reliability, responsiveness, assurance, and empathy, outlined in the SERVQUAL Model (Parasuraman, Zeithaml, & Berry, 1988), provide a comprehensive framework for assessing and enhancing service delivery. However, in this study service delivery which is referred as the quality of service will be looked at in form of service reliability, service responsiveness, and service assurance.

Service reliability refers to the consistent and accurate delivery of promised services, reflecting an organization's ability to perform dependably and meet customer expectations (Parasuraman, Zeithaml, & Berry, 1988). Service responsiveness, on the other hand, involves the organization's prompt and timely provision of services, demonstrating a willingness to assist customers promptly and address their needs in a timely manner (Parasuraman, Zeithaml, & Berry, 1988). Lastly,

service assurance pertains to the competence, courtesy, credibility, and ability of service providers to inspire confidence and trust in customers (Parasuraman, Zeithaml, & Berry, 1988).

On the other hand, customer retention refers to the ability of a company or product to retain its customers over some specified period (Reichheld & Sasser, 1990). High customer retention means customers of the product or business tend to return to, continue to buy or in some other way not defect to another product or business, or to non-use entirely (Kumar & Reinartz, 2016). It goes beyond transactional interactions, focusing on building trust, delivering consistent value, and understanding and addressing customer needs over time (Kumar & Reinartz, 2016). In this study, customer retention has been looked at in form of repurchase, referral, and positive attitude towards the products.

The study was conducted in Movit Company. Movit Company has its roots in Uganda with the main base in Kampala Uganda, manufacturing personal care products. Its brands include Movit, Radiant, Baby Junior, Skin Guard, Pine, NAN and Tropical Essence. The company was founded in 1997, by Simpson Birungi as a makeshift workshop in Namasuba, Wakiso District. Movit Company has grown to be a well-established beauty and personal care company in East Africa and Burundi has been diligent in implementing quality service delivery practices in the form of service reliability, service responsiveness, and service assurance that have significantly influenced customer retention (Okello, 2021). Through meticulous attention to product quality, efficient distribution, and responsive customer service, Movit has gained a reputation for providing exceptional service (Okello, 2021; Musanze, 2020). However, the customers of Movit Company in Burundi keep fluctuating. The company that used to hold more than 65% of the market share in Burundi, in 2021 registered less than 50% of Burundi's cosmetics market share (Chimp reports, 2021). This shows that the people who used to be their loyal customers could have switched to other cosmetics products of their competitors. Therefore, this prompted the researcher to examine the effect of quality service delivery on customer retention in Movit Products Company Outlet Bujumbura Mairie, Bujumbura Province.

1.2 Statement of the Problem

Customer retention is a critical facet of business strategy, involving the proactive efforts and initiatives implemented by organizations to foster lasting relationships with existing customers, ensuring their continued loyalty and repeated patronage (Reichheld, 1996). The significance of customer retention lies in its profound impact on business sustainability and profitability. Acquiring new customers typically incurs higher costs than retaining existing ones, making customer retention a cost-effective approach (Kumar & Pansari, 2016). Retained customers not only contribute to a stable revenue stream but also serve as brand advocates, influencing others through positive word-of-mouth marketing (Verhoef et al., 2010). The current state of customer retention in businesses has remained unstable as customer switch from one product to another and from company to another (Lemon & Verhoef, 2016). The contemporary challenges persist, including increased competition, and changing consumer expectations (Lemon & Verhoef, 2016). However, companies are increasingly leveraging advanced technologies, such as artificial intelligence and data analytics, to personalize customer experiences (Verhoef et al., 2020). Additionally, there is a growing emphasis on the integration of customer feedback, real-time analytics, and proactive communication strategies to enhance customer retention in the face of evolving challenges. Despite such significant efforts, businesses in Burundi's Bujumbura Province are facing challenges in retaining customers. Some products are less attractive to customers hence limiting customer base growth, and lowering market share which eventually reduces product reliability (Chimp Reports, 2021). Furthermore, for the market share of Movit Company has witnessed a decline from over 65% to less than 50% in 2021, indicating a potential shift of loyal customers to competitors' cosmetic products (Chimp Reports, 2021). It's noteworthy that there has been hardly a comprehensive study conducted to address this pressing concern. Without a thorough examination of these issues, business risks continued customer attrition to competitors, potentially jeopardizing the company's sustainability. Therefore, it's on this basis that the researcher sought to examine the effect of quality service delivery on customer retention while using Movit Products Company as a case study.

1.3 General Objective

The general objective of this study was to examine the effect of service delivery on customer retention in the cosmetic industry in Burundi, a case of Movit Products Company Outlet Bujumbura City, Bujumbura Mairie Province.

1.4 Specific Objectives

- i. To examine the effect of service reliability on customer retention at Movit Products Company.
- ii. To assess the effect of service responsiveness on customer retention at Movit Products Company.
- iii. To investigate the effect of service assurance on customer retention at Movit Products Company.
- iv. To assess the moderating effect of external environmental shifts in the relationship between service delivery and customer retention.

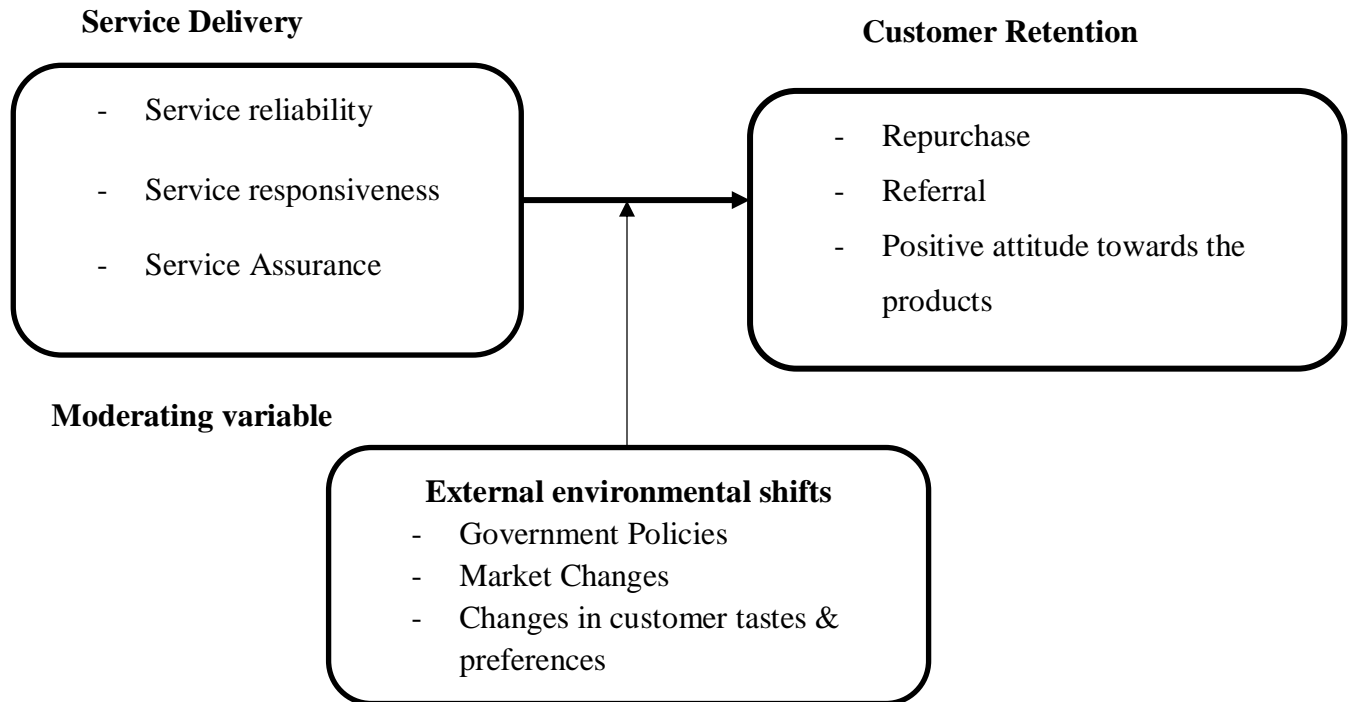
1.5 Research Questions

- i. What is the effect of service reliability on customer retention at Movit Products Company?
- ii. What is the effect of service responsiveness on customer retention at Movit Products Company?
- iii. What is the effect of service assurance on customer retention at Movit Products Company?
- v. What is the moderating effect of external environmental shifts in the relationship between service delivery and customer retention?

1.6 Conceptual Framework

This study followed a conceptual framework developed by the researcher regarding the concepts of quality service delivery as independent variable and customer retention as the dependent variable.

Conceptual framework for the study variables



Source: Adapted with Modification from Parasuraman, Zeithaml, and Berry (1985) and Ojok (2017).

Fig. 1.1: Conceptual Framework.

The conceptual framework captured the independent variable quality service delivery with three constructs which were service reliability, service responsiveness, and service assurance and it was hypothesized that these constructs predict and/or influence the dependent variable which is customer retention (Parasuraman, Zeithaml, and Berry 1985; Ojok, 2017). The implication was that service delivery leads to increased repurchases, referrals, and positive attitudes toward the products. The conceptual framework captured the moderating variable which was the external environmental shifts with indicators of changes in government policies, market changes and changes in customer tastes & preferences which influenced the relationship between quality service delivery and customer retention.

1.7 Scope of the study

1.7.1 Content Scope

The study focused on service delivery on customer retention but more emphasis was put on how the constructs of quality service delivery in the form of service reliability, service responsiveness,

and service assurance affect customer retention. These three constructs had been selected because most of the customers run away from some products of the companies failing to be reliable, and responsive and creating assurance for the availability of the products. The study also assessed the moderating effect of external environmental shifts in the relationship between service delivery and customer retention. The study furthered run the correlation, regression analysis and the moderating effect on the study variables.

1.7.2 Geographical Scope

The research was carried out from Movit Products Company Bujumbura Outlet, located in Bujumbura Mairie, Burundi. This area was considered in this study because it had the biggest Movit Outlets in Burundi, therefore, much data regarding customer retention.

1.7.3 Time Scope

The study covered literature from 2015 to 2023. This period was used because it provided a detailed and up-to-date scope of information about service delivery on customer retention. Besides that, Movit Products Company Outlets in Bujumbura Mairie were heavily experiencing challenges retaining their customers.

1.8 Significance of the Study

The study may be significant in the following ways:

Policymakers: By understanding the intricate effect of service quality on customer loyalty, policymakers can formulate informed regulations and policies that encourage businesses across various sectors, including the cosmetics and personal care industry, to prioritize high-quality service. The study's insights can guide policymakers in crafting rules that promote transparency, accountability, and fairness, ultimately fostering a healthy business environment.

Movit Company: For Movit Products Company, this study will serve as a valuable tool for strategic enhancement. The findings will guide the company in refining its customer service processes, training programs, and product offerings to align with customer expectations and preferences. Through data-driven decision-making, Movit can optimize its operational efficiency, enhance customer satisfaction, and build lasting relationships. This knowledge empowers the

company to adapt to market demands, stay ahead of competitors, and maintain a loyal customer base.

Customers: By focusing on quality service delivery, Movit Products Company can ensure that customers receive reliable, efficient, and personalized services. This translates into improved product satisfaction, streamlined communication, and timely issue resolution. As a result, customers will enjoy enhanced trust in the brand, leading to increased loyalty.

Academia: From an academic perspective, this study will contribute significantly to the body of knowledge in the fields of business, marketing, and customer relationship management. By examining real-world scenarios like Movit Products Company, scholars gain practical insights into the dynamics of service quality and customer retention in the cosmetics industry. The study will provide a rich case study that can be analyzed, critiqued, and integrated into academic curricula, enriching the educational experience for students. Furthermore, researchers can draw inspiration from the study's methodology and findings, leading to further research and exploration in the realm of customer behavior, service quality strategies, and business sustainability.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature on the effect of service delivery on customer retention in the cosmetic industry, with the motive of identifying research gaps for the current study. The chapter begins with a theoretical review and empirical studies guided by research objectives were additionally reviewed. Specifically, this chapter covers literature on examining the effect of service reliability on customer retention, the effect of service responsiveness on customer retention, the effect of service assurance on customer retention and moderating effect of external environmental shifts in the relationship between service delivery and customer retention.

2.2 Theoretical Review

This study was guided by the SERVQUAL Model, a framework model crafted by A. Parasuraman, Valarie Zeithaml, and Leonard Berry in 1988. Rooted in the expectancy-disconfirmation paradigm, SERVQUAL conceptualizes service quality as the extent to which consumers' pre-consumption expectations align with or deviate from their actual perceptions of the service (Parasuraman, Zeithaml & Berry, 1988). This model delineates five crucial dimensions of service quality, namely Tangible, Reliability, Responsiveness, Assurance, and Empathy (Khan & Fasih, 2014).

The SERVQUAL Model traces its origins to the GAP Model, which evaluates service processes to determine the accuracy of meeting customer expectations. Merely assessing the gap between perception and expectation is inadequate without comprehending the underlying reasons for the actual decline in service quality. To thoroughly explore the genuine situation and understand how over-promising or underperformance impacts service quality, the researcher utilized the service gap score. The service gap is computed by subtracting expectations from perceptions, expressed mathematically as $Q=P-E$. Initially featuring twenty-two items for measuring service quality, the model underwent refinement to focus on five dimensions, each rated based on its significance in evaluating service quality (Parasuraman, Zeithaml & Berry, 1991).

These five dimensions encompass Tangibility, scrutinizing the appearance of physical facilities, business equipment, employee demeanour, and communication materials; Reliability, indicating an organization's ability to execute services accurately and effectively; Responsiveness, involving the timely delivery of services; Assurance, covering staff politeness, gentility, understanding, and the ability to instil confidence and trust; and Empathy, concentrating on caring and providing personalized attention to customers (Zeithaml, 1990). Consequently, the researcher asserts that service reliability, service responsiveness, and service assurance will be particularly pertinent in this study to determine the impact of service delivery on customer retention.

2.3 Empirical Review

This section was guided by the study objectives with the aim of finding out how service reliability, service responsiveness, and service assurance affect customer retention.

2.3.1 The effect of service reliability on customer retention

A study by Kim and Jin (2016) in South Korea underscores the pivotal role of service reliability in cultivating customer trust, a fundamental element for customer retention in Asian markets. In this context, service reliability goes beyond the conventional definition, encompassing timely and accurate delivery of services. The research emphasizes those customers in South Korea place significant value on consistent and dependable service experiences, forming the bedrock of trust essential for retaining their loyalty. Moreover, the research by Li and Wu (2018) in China sheds light on a specific form of service reliability- online service reliability in the thriving e-commerce landscape. The study revealed that reliability in online services is a critical determinant of customer loyalty in China. This form of reliability extends to the seamless functioning of e-commerce platforms, secure transactions, and consistent delivery processes. For Chinese consumers, a reliable online service experience not only ensures satisfaction but also plays a crucial role in fostering long-term customer relationships.

In a study conducted by Chen and Cheng (2021) in Taiwan, a strong positive correlation was found between service reliability and customer retention in the telecommunications industry, emphasizing the critical role of consistent service provision in retaining customers. Similarly, research by Garcia and Giraldo (2022) in Colombia revealed that service reliability significantly influenced customer retention in the banking sector, highlighting the cross-cultural relevance of

this factor. Additionally, Rahman et al. (2023) in Australia found that service reliability played a pivotal role in the aviation industry, with customers more likely to remain loyal to airlines that consistently provided reliable services. These findings collectively affirm that irrespective of the geographical context, customers are more likely to be retained by service providers who consistently deliver reliable services.

According to Andersson and Kristensson (2017), the significance of reliability is a key determinant of customer retention in the competitive telecommunications market. This form of service reliability involves consistent network connectivity, minimal service disruptions, and effective issue resolution. The study indicates that in the Swedish context, where customers have high expectations for telecommunications services, reliability becomes a critical factor influencing customer churn rates. Service providers with a reputation for reliability are better positioned to retain their customer base. Relatedly, in Germany, Müller and Kiel (2019) focused on the automotive service industry, emphasizing a distinct aspect of service reliability. In this context, reliability extends to the accuracy and efficiency of services, timely completion of repairs, and adherence to promised service timelines. The correlation identified in the study highlights that customers are more likely to remain loyal to providers with a track record of reliable and high-quality service delivery.

In Nigerian, Ogunnaike and Akinbode's study (2017) emphasizes service reliability as a critical factor influencing customer satisfaction and retention. Here, reliability extends to the accuracy and efficiency of transactions, the dependability of online systems and the consistency in providing personalized service advice. Relatedly, in Kenya, Kiiru and Nyabwanga (2018) revealed that service reliability includes network uptime, prompt issue resolution, and accurate billing. Additionally, Mhlanga and Mpinganjira (2019) in South Africa sheds light on the hospitality industry, where service reliability involves consistent and high-quality service delivery in hotels and resorts. This extends to areas such as timely room service, efficient check-in/check-out processes, and reliable amenities.

Within the dynamic landscape of the Nigerian cosmetic industry, the study conducted by Akindele and Adepoju (2017) showed the integral role of service reliability in shaping customer satisfaction

and retention. Their research highlighted the multifaceted nature of service reliability, extending its purview beyond conventional boundaries. In this context, service reliability involved a trio of crucial components: ensuring the seamless availability of products to meet consumer demands, providing accurate and comprehensive information about the products, and facilitating timely delivery. Similarly, Van der Westhuizen and Kearney (2019) in South Africa looked at service delivery in cosmetic industry. Their findings revealed that cosmetic market thrives on consistent product quality, reliable information dissemination regarding product usage, and the provision of dependable customer service.

2.3.2 The effect of service responsiveness on customer retention

In the fiercely competitive South Korean market, Lee and Park (2018) revealed the pivotal role of service responsiveness in shaping customer retention. The research underscored those swift responses to customer inquiries, efficient complaint resolution, and the implementation of personalized services collectively form a trifecta that significantly contributes to fostering customer loyalty. In the dynamic South Korean cosmetic landscape, where consumer expectations are exceptionally high, the ability of businesses to promptly attend to customer needs and concerns emerges as a strategic imperative for sustaining market share and building enduring customer relationships (Lee & Park, 2018). In another study by Wang and Zhang (2017) it was revealed that timely order processing, responsive customer support, and quick issue resolution are integral components that contribute to the overarching goal of customer retention. In the rapidly growing and evolving Chinese cosmetic market, where consumer preferences are dynamic, businesses that prioritize responsiveness are better positioned to navigate the competitive landscape and secure long-term customer allegiance.

According to a study by Li and Wang (2022) in China, it was discovered that the prompt and effective responsiveness of services significantly contributed to elevated customer retention rates within the e-commerce sector. Likewise, research conducted by Okafor and Adeyemi (2021) in Nigeria underscored the significance of service responsiveness in the telecommunications industry, emphasizing that customers were more inclined to maintain loyalty when their concerns were promptly addressed. Additionally, a study by Santos and Silva (2023) in Brazil delved into the impact of service responsiveness on customer retention within the hospitality industry,

revealing a positive correlation between swift, personalized responses and heightened customer loyalty

In another study by Andersson and Johansson (2019) they provided valuable insights into the role of service responsiveness in the Swedish markets. The study revealed that responsive services, characterized by timely deliveries and efficient after-sales support, play a pivotal role in enhancing both customer satisfaction and loyalty. In the sophisticated and discerning market, where customers value not only high-quality products but also seamless and responsive services, businesses that excel in these aspects are likely to enjoy a competitive edge. Relatedly, according to the Müller and Schmidt (2021), their research explored how businesses that prioritize swift responses to customer inquiries, ensure fast product shipping, and effectively resolve issues positively influence customer loyalty. In the German cosmetic market, renowned for its emphasis on precision and efficiency, the ability to deliver responsive services emerges as a key factor in maintaining a loyal customer base.

Oliveira and Costa (2020) studied the significant influence of quick response times, efficient order processing, and proactive communication on customer retention. They revealed that, in the fast-paced and diverse industry, where customer expectations vary widely, businesses that excel in responsiveness are better positioned to meet the evolving needs of their customer base and build lasting relationships. Furthermore, Oliveira and Costa (2020) emphasized the importance of service responsiveness and timely delivery in fostering customer loyalty in the Brazilian industry. The research indicated that businesses that prioritize responsive customer service, ensuring quick issue resolution and timely delivery of products retained their customers.

A study by Sulemana, Galyuoni, Cowther and Issah (2023) in Ghana delved into the effect of quality service on customers' satisfaction and loyalty. The research underscored the critical nature of immediate responses to customer inquiries, efficient distribution channels, and personalized after-sales services in influencing customer retention within the unique context of the Ghana. Furthermore, Sulemana, *et al.* (2023) revealed that in a market characterized by its own set of challenges and opportunities, businesses that tailor their strategies to meet the specific needs of consumers are poised to establish a strong foothold and foster sustained customer loyalty.

2.3.3 The effect of service assurance on customer retention

Dupont and Martin (2020) explored the landscape of service assurance in France, delving into elements such as consistent product quality, adherence to regulatory standards, and transparent ingredient communication. Their research revealed the pivotal nature of these factors in nurturing customer satisfaction and loyalty. Similarly, Patel and Hughes (2017) conducted a study in the UK, showcasing the significant impact of service assurance, encompassing ethical practices, cruelty-free product offerings, and transparent marketing, on customer retention in the British market.

Lee and Kim (2019) shed light on the indispensable role of service assurance within the South Korean market, underscoring key factors such as product safety, transparent ingredient disclosure, and reliable after-sales services. The significance of these elements cannot be overstated, as they collectively contribute significantly to the retention of customers. Their study emphasizes the pivotal role played by these assurances in instilling trust and confidence among consumers. Similarly, Chen and Wang (2018) conducted a study in China, emphasizing the paramount importance of service assurance in cultivating trust and fostering customer loyalty. Their research highlighted crucial factors including product quality assurances, compliance with safety standards, and transparent communication about ingredients. These elements, according to their findings, play a central role in influencing customer retention in the Chinese market.

A study conducted by Kim, Park and Lee (2022) in South Korea showed that comprehensive service assurance, comprising aspects of reliability and consistency, played a significant role in enhancing customer retention rates within the technology sector. The customers exhibited a higher likelihood of maintaining loyalty when they were confident in the security and dependability of the services provided. Furthermore, research by Schmitt and Müller (2023) in Germany looked at the impact of service assurance on customer retention within the automotive sector and that customers were more inclined to remain loyal to brands that offered assurances regarding the quality of both products and services.

Oliveira and Costa (2020) emphasized the critical role of service assurance components in influencing customer loyalty, citing clear labeling, safety guarantees, and responsive customer

service as key elements. Additionally, their research highlighted the positive effects of service assurance, particularly concerning product authenticity, adherence to safety standards, and reliable marketing practices, on customer retention within the Brazilian industry.

In Tanzania, Macharia and Mushi (2017) conducted research that explored the impact of service assurance on customer retention. Their findings revealed that factors such as consistent product quality, adherence to safety standards, and transparent communication significantly influence customer satisfaction and loyalty in the Tanzanian market. Similarly, Mhlanga and Mpinganjira (2019) conducted a study focusing on hotels, revealing that adherence to safety standards and transparent service delivery is critical in improving customer retention within the hospitality sector. These studies collectively underscore the global importance of service assurance in various markets, emphasizing its multifaceted role in building and maintaining customer loyalty.

2.3.4 The moderating effect of external environmental shifts in the relationship between service delivery and customer retention

According to Faster Capital (2023), during economic downturns, customers tend to exhibit heightened price sensitivity and reduced tolerance for service issues. In times of financial constraint, individuals often prioritize cost-effectiveness, making them more discerning consumers. Conversely, during periods of economic prosperity, customers may shift their focus to seeking additional services and enhanced experiences. This indicates that economic shifts play a crucial moderating role, influencing the impact of service quality on customer retention (Faster Capital, 2023). The dynamics of consumer behavior in response to economic changes stresses the need for businesses to adapt their service strategies to align with prevailing economic conditions.

The ever-changing landscape of societal values and trends significantly shapes customer expectations and preferences. Liao, Wu and Pham, (2020) revealed that the increasing emphasis on sustainability has the potential to moderate the relationship between a company's environmentally friendly service practices and customer loyalty. Furthermore, Liao, Wu and Pham, (2020) and Jia, Iqbal, Ayub, Fatima, and Rasool (2023) revealed that as consumers become more environmentally conscious, businesses that integrate sustainable practices into their service delivery not only align with societal values but also enhance their appeal to a growing segment of

environmentally aware customers. Relatedly, Hsieh, Chen and Huang (2023) revealed that unforeseen global events, such as pandemics, have the potential to disrupt service delivery and impact customer retention. Businesses that exhibit agility and promptly adapt to changing circumstances, ensuring the seamless continuation of services while maintaining high quality, stand a better chance of mitigating potential negative effects on customer loyalty (Hsieh, Chen, & Huang, 2023). The adaptability and resilience displayed by businesses during global events contribute significantly to maintaining customer trust and satisfaction.

Meyer, Li, Brouters, & Jean (2023) revealed that changes in regulations and policies have far-reaching implications for service delivery standards. Organizations operating in regulated environments need to adapt swiftly to new requirements. The effectiveness with which businesses navigate and implement these regulatory changes can influence customer retention. Regulatory shifts, therefore, serve as moderators in the intricate relationship between service delivery and customer loyalty (Meyer *al et.*, 2023). The ability to maintain compliance while still meeting customer expectations is critical for sustaining long-term customer relationships.

2.4 Summary of the Literature Review

The literature examined above indicated that various studies have explored the effect of service delivery on customer retention. Despite the literature highlighting aspects such as service reliability, service responsiveness, and service assurance across different dimensions, there were limited studies that have specifically investigated this phenomenon in Burundi. Additionally, there was a scarcity of literature addressing the influence of service delivery on customer retention within the cosmetics industry. The majority of existing studies such as Chen and Cheng (2021), Rahman et al. (2023), Andersson and Kristensson (2017), Müller and Kiel (2019), Mhlanga and Mpinganjira (2019), Chen and Wang (2018) and Kim, Park and Lee (2022) have primarily focused on sectors such as telecommunications, hospitality, and mechanical services. Furthermore, geographical gaps persist as most of these studies were conducted in countries other than Burundi. Consequently, there is a shortage of local literature within the specific context of Burundi. Therefore, to bridge that gap, the researcher examined the effect of service delivery on customer retention in the cosmetic industry in Burundi, a case of Movit Products Company Outlet Bujumbura Mairie, Bujumbura Province.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The study examined the effect of service delivery on customer retention in the cosmetic industry. This chapter details the methods to conduct the study. The chapter presents the research design, population, sample size, data collection method, data collection instrument, and data collection procedures, data quality control, data analysis & presentation and ethical consideration.

3.2 Research design

According to Kothari (2014), the research design serves as a well-structured blueprint that outlines the methodology for addressing the research inquiries at hand. In this study, a cross-sectional survey design was used. This specific research design allows for data collection from a diverse group of individuals at a single defined point in time (Croswell, 2018). The selection of the cross-sectional survey design was based on its efficiency in rapidly and cost-effectiveness in data collection. The research employed a mixed-method approach, integrating both quantitative and qualitative approaches. Quantitative approach was used to obtain unbiased insights that could be extrapolated to a broader population while qualitative approach was used to obtain an in depth understanding of the study problem. This approach involved conducting individual in-person interviews. The use of a mixed-method approach was intended to facilitate triangulation, leveraging the strengths of one data approach to compensate for the limitations of the other.

3.3 Study population

Kombo and Tromp (2016) define a population as a group of individuals, objects, or items from which samples are taken for measurement. The study targeted the customers and the top management of Movit Company in Bujumbura. According to a report by Nyambaju (2021) who was one of the Marketing Administrators, Movit Company Outlet Bujumbura Mairie averagely registered 700 customers annually that deal in the Movit Products and there were 09 top management officials running the Movit Company in Bujumbura. Therefore, this study targeted a population of 709 customers from which the sample size was selected.

3.4 Sample size determination

A sample size is several people/items or representation of the population that is selected to take active role in the study on behalf of the population (Mbabazi, 2011). A total of 264 respondents were considered in the study. For the top management of Movit Company, all 09 members were considered and a total of 255 customer respondents were considered. For customers, the sample was reached at using on Yamane’s formula developed in 1967 as shown below.

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

Where

N- Population = 700

e - Standard error = 5%

n- Sample size = ?

$$n = \frac{700}{1 + 700(0.05^2)}$$

$$n = \frac{700}{1 + 1.75}$$

$$n = \frac{700}{2.75}$$

n = 255 Respondents

Table 3.1: Sampling and Sample Size Determination

Category	Population	Selected sample	Sampling technique	Data Type
Top Management Officials	09	09	Census	Qualitative
Customers	700	255	Systematic Sampling	Quantitative
TOTAL	709	264		

3.5 Sampling techniques

The study considered systematic sampling and census sampling techniques

3.5.1 Systematic sampling technique

The study utilized a systematic sampling technique to select Movit Customers to be included in the study. Systematic sampling is a probabilistic approach where a specific Nth number of items

from the population is chosen to participate in the study (Bryman, 2018). After obtaining a list of customers from Movit Company Outlet Bujumbura Mairie, the researcher assigned numbers to customers based on lists that were obtained. Specifically, every fifth (3rd) name of the customer on the count of 1,2,3 as per list was selected for the study. This process was repeated until the desired sample size was reached.

3.5.2 Census sampling technique

A census involves collecting data from every member of the population rather than from a subset or sample (Mugende & Mugende, 2013). In other words, a census attempts to include every individual or element in the entire population under study. This technique was employed on top management officials of Movit and all of them were considered in this study.

3.6 Data collection methods

The study considered survey questionnaire and interview method.

3.6.1 Survey questionnaire

The research employed a survey questionnaire as the primary data collection method, utilizing a structured format to gather quantitative data. Field data collection involved distributing copies of the structured questionnaires to respondents after providing them with a briefing. The questionnaire included items aligned with the study objectives and utilized Likert scale responses. This method was employed on customers of Movit Company.

3.6.2 Interview method

To acquire a more profound insight into the effect of service delivery on customer retention, the researcher used of interviews. These interviews involved in-person conversations between the interviewer and the participants (Leedy & Ormrod, 2015). The purpose of these interviews was to collect comprehensive perspectives and insights from the participants. The research involved conducting interviews with top management of officials of Movit Company.

3.7 Data collection instruments

The instruments included questionnaire and interview guide.

3.7.1 Questionnaire

The primary instrument for data collection in this study was a questionnaire. A questionnaire, defined as a set of questions compiled to gather essential research data (Mugenda & Mugenda, 2013). The research instrument chosen for this study was self-administered, involving the distribution of questionnaires with close-ended questions. Respondents received the questionnaires to read and complete. This instrument was favored due to its ability to provide a high level of assurance regarding the anonymity and confidence of the research respondents.

3.7.2 Interview guide

This is a collection of semi-structured questions, typically administered to key informants, allowing them ample room to discuss the topic openly (Amin, 2005). To ensure consistency and minimize bias, an interview guide was crafted. The researcher engaged in verbal interviews with Top Management Officials of Movit Company in Bujumbura. These interviews offered a chance for direct interaction between the researcher and the respondents, facilitating in-depth expression and the provision of extensive details related to the study objectives.

3.8 Data collection procedure

Upon receiving approval for the proposal and data collection instrument from the supervisor, the researcher proceeded to obtain an introductory letter from Uganda Christian University. This letter served to introduce the researcher to the respondents and was presented to both Movit Company and local authorities, seeking permission to conduct the study at Movit Products Company Outlet Bujumbura Mairie. Following the acquisition of necessary permissions and respondent consent, the researcher commenced data collection by distributing questionnaires. Before initiating the main study, a pilot study was conducted involving 20 individuals who were not included in the primary research. The results of the pilot study helped to improve the reliability of the study.

3.8 Data quality control

In every research endeavor, the data quality control holds paramount significance. In this study, the validity and reliability of the research instruments were rigorously examined.

3. 8.1 Validity

The validity of the study tools was primarily ensured through face and content validity. Face validity involved a review of the tools by supervisors, who provided feedback on the clarity of the questions. Any questions deemed unclear by supervisors were revised leading to the reconstruction of the final tools. Content validity assesses the extent to which the instrument measures the intended constructs (Amin, 2005). Two research experts, holding positions equivalent to researcher supervisors at Uganda Christian University, were requested to evaluate the relevant (R) or irrelevant (IR) on each question based on the content of the statements. That test on the questionnaire was employed to calculate the Content Validity Index (CVI) using the formula: $CVI = R / (R + IR)$ (Golafshani, 2003). The established CVI was used as a criterion and all items scored CVI of 0.7 hence making them valid as per the recommendation by (Mugenda & Mugenda, 2013).

Table 3.2: Validity Test of the tool

Construct	Total Items	Relevant Items	Irrelevant	CVI
Service Reliability	07	06	01	.86
Service Responsiveness	07	06	01	.86
Service Assurance	07	05	02	.71
Customer Retention	07	06	01	.86
External Environment Shifts	05	05	00	1.00

Nevertheless, necessary adjustments were made on questions that were ranked Irrelevant (IR) to improve the validity of the tool.

3.8.2 Reliability

The reliability of a tool refers to its capacity to yield consistent responses across different occasions and circumstances (Creswell, 2018). To ensure reliability, the tools underwent a pre-test involving 20 individuals not included in the primary study. The outcomes of this pre-testing phase were entered into SPSS Ver. 23 for a Cronbach reliability test. The instrument was considered reliable because items attained alpha values of 0.7 and above, as recommended by (Mugenda & Mugenda, 2013).

Table 3.3: Reliability test of the tool

Construct	Item tested	Alpha values
Service Reliability	07	.958
Service Responsiveness	07	.970
Service Assurance	07	.969
Customer Retention	07	.957
External Environment Shifts	05	.973

3.9 Data analysis and presentation

3.9.1 Quantitative data

The collected quantitative data underwent editing, coding, and entry into the Statistical Package for Social Sciences (SPSS) software program Ver. 23 for analysis. SPSS extracts utilized for data analysis, encompassing descriptive statistics such as frequency and percentages, as well as inferential statistics like correlation and regression analysis. Interpretation of the study results was based on metrics including the correlation coefficient (R) and coefficients of determination (Adjusted R² and Beta-value). The presentation of the data involved the use of tables, figures where necessary, and descriptive statements.

3.9.2 Qualitative data

From interviews, data was continuously reviewed to ensure their thoroughness and accuracy. The information collected via interview schedules was systematically structured into meaningful and comprehensive categories. The primary method for analyzing this data involved content analysis, with a specific emphasis on assessing the data's sufficiency, trustworthiness, utility, and coherence (Mugenda & Mugenda, 2013). Noteworthy and pertinent quotations, sentences, statements, and expressions were thoughtfully selected and incorporated into the study to effectively convey the authentic viewpoints and perspectives of the interviewees regarding the study's variables.

3.10 Ethical Considerations

The study upheld recommendable research ethical considerations as put forward by (Creswell, 2018).

Securing Participants' Informed Consent: Prior to involving any participants, the researcher diligently sought informed consent. The purpose, objectives, and mode of participation were clearly explained to participants before they completed a consent form. Only those who willingly provided consent were included in the study.

Privacy Protection: Participants' privacy was strictly maintained, and the completion of questionnaires was not permitted in group settings.

Confidentiality Assurance: To further safeguard the confidentiality of respondents' views and opinions, the researcher ensured that responses provided in questionnaires were exclusively used for academic purposes. No details, such as names or particulars that might disclose the identity of respondents were collected.

Zero Tolerance for Plagiarism: Recognizing plagiarism as a serious academic offense, the research process and documentation exhibited minimal tolerance for it. The researcher employed rephrasing and paraphrasing techniques to minimize plagiarism levels. Proper acknowledgment and cross-referencing were implemented for all reviewed literature.

Rigor Maintenance: Rigor was a crucial ethical consideration in research, encompassing the careful design, implementation, analysis, and reporting of the study. To uphold rigor, the researcher ensured the use of an appropriate research design specifically, a descriptive research design with a quantitative research approach. Informed consent from respondents was obtained only from those voluntarily participating in the study.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF STUDY FINDINGS

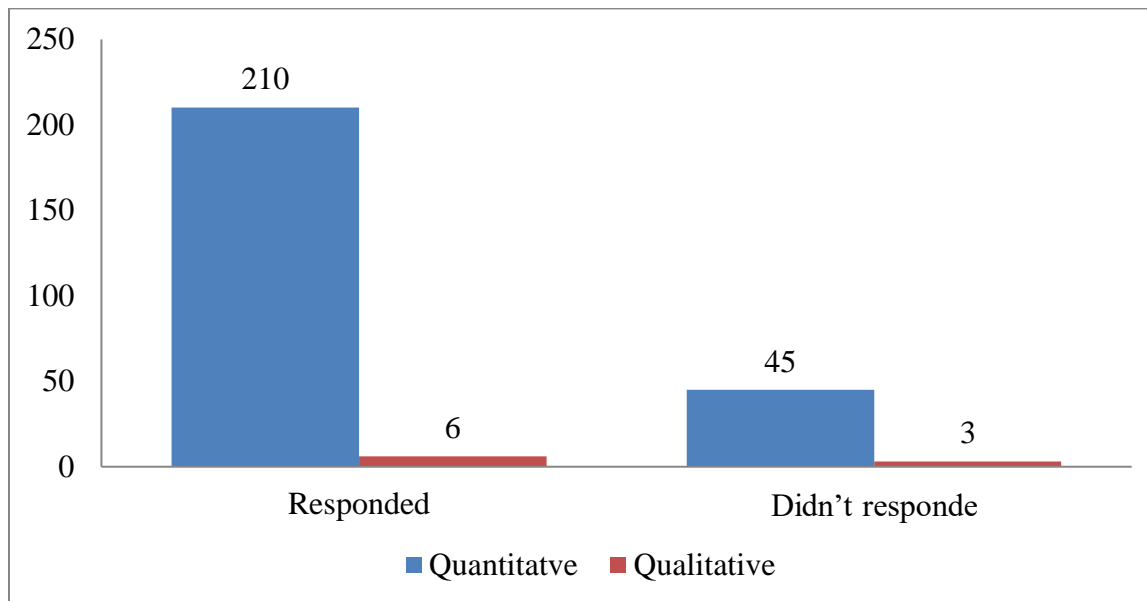
4.1 Introduction

This chapter looks at the presentation, analysis and interpretation of the study findings. The chapter includes the presentation of the descriptive statistics of the demographic characteristics of the respondents and then followed by findings on critical variables in the study objectives which included the effect of service reliability on customer retention at Movit Products Company, the effect of service responsiveness on customer retention at Movit Products Company, the effect of service assurance on customer retention at Movit Products Company and the moderating effect of external environmental shifts in the relationship between service delivery and customer retention.

4.2 Response Rate

The figure below presents the number of respondents who responded back and those who did not.

Figure 4.1: Showing the response rate



Source: Field data, 2024

From the data presented in Figure 4.1, it was revealed that out of the 264 targeted participants, 216 (81.8%) provided responses, while 48 (18.2%) did not. This showed that the response rate was above the 70% as advised by the Guttmacher Institute (2006). Therefore, the response rate was commendable.

4.3 Findings on the Bio-data of the respondents

The study gathered bio-data of the respondents to assess different factors, such as gender, educational background, age, time taken using Movit products and time taken working with Movit Company. The findings were presented in form of frequency and percentage which are presented in the tables below.

Table 4.1: Gender of respondents

Category	Frequency	Percent
Male	102	47.2
Female	114	52.8
Total	216	100.0

Source: Field data, 2024

From Table 4.1 above, it was revealed that majority 52.8% of the respondents were female, whereas 47.2% were male, indicating a significant predominance of female representation in the study. This trend could be associated to the fact that Movit products which are cosmetics are mostly used by women. Therefore, the company's customers are mostly women.

Table 4.2: Highest education level attained

Category	Frequency	Percent
Primary	62	28.7
Secondary	103	47.7
Higher institutions	42	19.4
Others	09	4.2
Total	216	100.0

Source: Field data, 2024

From Table 4.2, it was revealed that majority 47.7% of the respondents had reached secondary school level, 28.7% had reached primary, and 19.4% had reached in higher institutions of learning which only 4.2% had other qualifications, such as postgraduate and professional courses. This indicates that all participants had received formal education. Their educational backgrounds equipped them with the necessary understanding to comprehend the survey questions and offer reliable responses concerning the study objectives.

Table 4.3 Age bracket of Respondents

Category	Frequency	Percent
18 to 29	19	8.7
30 to 39	41	19.0
40 to 49	44	20.4
50 to 59	90	41.7
60 and above	22	10.2
Total	216	100.0

Source: Field data, 2024

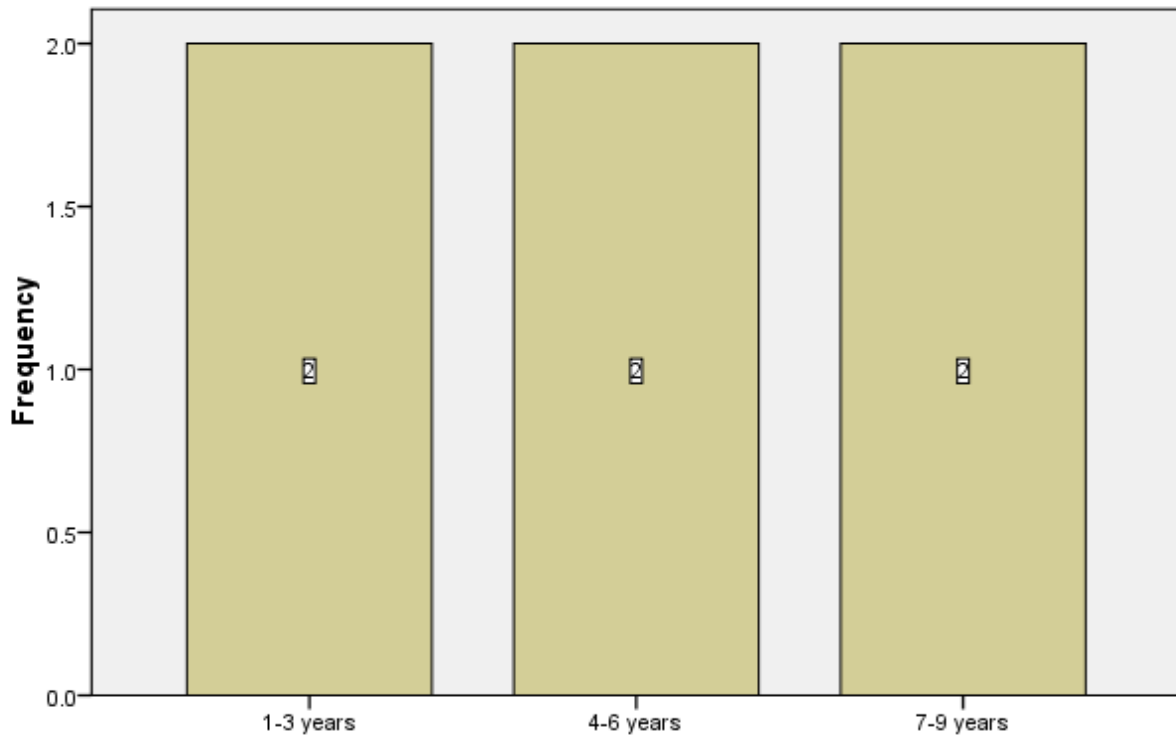
From Table 4.3 above, it was revealed that 72.3% of the participants were above the age of 40, and 27.7% were below the age 40 years. This implies that a significant majority of the respondents were old enough and had either used Movit product for long or worked with Movit Company, therefore, they had much information regarding the study objectives and could offer reliable responses.

Table 4.4: Period spent buying Movit products

Category	Frequency	Percent
Less than a year	10	4.8
1-3 years	38	18.1
4-6 years	109	51.9
7-9 years	47	22.3
10 years and above	6	2.9
Total	210	100.0

Source: Field data 2024

From Table 4.4 above, it was revealed that the largest portion of the respondents, accounting for 77.1%, had used Movit products for 4 years and above as compared to only 22.9% that had used the products for less than 4 years. This showed majority of the respondent had used Movit products for long therefore, they had more information regarding the study objectives.



Source: Field data 2024

Figure 4.2: Time spent working with Movit Company

From Figure 4.2 above, it was revealed that those who took part in study, majority 4 (66.7%) had worked with Movit Company for 4 years and above while only 02 (33.3%) had worked with Movit for less than 4 years. This showed majority had worked there for long, which means they had more information regarding the study objectives.

4.4 Descriptive Statistics basing on the study objectives

4.4.1 Service reliability on customer retention at Movit Products Company

The first objective of the study focused on the effect of service reliability on customer retention at Movit Products Company. All participants were asked to rank their responses, and the findings were subsequently analyzed using means, and standard deviations for interpretation. The mean of each item was compared to the grand mean to ascertain the level of agreement or disagreement towards the statement.

Table 4.5: Responses on Service Reliability

<i>Statement</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>S.D</i>
There are always staffs to provide services to the customer	2	5	4.29	.779
The Movit products I need are always available at outlets	1	5	3.10	1.388
Movit outlets are always open whenever I go there	1	5	3.77	1.247
Movit makes deliveries when an order is made online	1	5	2.17	1.085
Movit has a lot of products where the customer can make a choice	3	5	4.40	.554
Service providers at Movit outlets always provide information on how to use Movit Products	1	5	3.25	1.322
Movit charges affordable prices for its products	1	5	2.28	1.145
GRAND MEAN			3.32	

Source: Field data, 2024

From Table 4.5 above, it was revealed that there were always staffs to provide services to the customer. This was supported by a high mean value of (Mean = 4.29) since it was higher than the grand mean of (3.32). On top of that, there was consistency in responses because of the standard deviation was below one (.779). This meant the outlets of Movit Products Company in Bujumbura City, Bujumbura Mairie Province had enough staff members to keep them open and serve the customers whenever they come. These were similar to the interview results and one of the respondents revealed that;

“...as Movit Company we have enough staff members. this ensures that our outlets are open to provide service to the customers whenever they come” (Respondent - 1).

On whether the Movit products needed by the customer were always available at outlets, majority of the respondents were in disagreement with it. This was supported by a low mean value of (Mean = 3.10) which was below the grand mean of (3.32) and also scored a high variance in responses because of the standard deviation being above one (1.388). This meant that not all the Movit products that customers needed were always available at outlets. This could be attributed to stock outruns in some Movit outlets. On contrary, information from the interviews, revealed that all products produced by Movit Company are available at the outlets and one of the respondents revealed that;

“...we ensure that all the products are available at all our outlets. ...when stock levels go down, we immediately bring new stock from the factory to ensure that all the Movit products needed by our customer are available” (Respondent - 3).

Still from Table 4.5 above, scoring a high mean value of (Mean =3.77) which was higher than the grand mean of (3.32) despite showing inconsistency in responses because of the standard deviation being above one (1.247) revealed that majority of the respondents agreed with the statement that Movit outlets are always open. This meant that customers can be served at any time they go there. This was so because Movit Company has enough staff to keep the company outlets open to effectively serve the customers. Similarly, from the interview results, it was revealed that the Movit outlets are always open and one of the respondents revealed that;

“...our staff members ensure that our outlets are always open except only on Sunday and holidays because the staff also have to rest on those days” (Respondent - 2).

Furthermore, with a low mean value of (Mean = 2.17) which was lower the grand mean of (3.32) despite showing a high variance in responses because of the standard deviation being above one (Std. Dev =1.085), meant that majority of the respondents opposed the statement that the Movit makes deliveries when an order is made online. This meant that the company does not make deliveries online. Therefore, the clients have to move to the outlets and make their orders. Relatedly, the qualitative data revealed that online deliveries were not common and some respondents revealed;

“...we have been always dealing with physical order by either customer to outlets or our staff going to the field to serve the clients but this thing of ordering online is still new and most of our clients don't know it” (Respondent - 1). Other respondents revealed that ...most of the people are not good at using technology ...they prefer physical buying than ordering online (Respondent - 2).

Still from Table 4.5 above, it was revealed that Movit has a lot of products where the customer can make a choice. With consistency in responses because of the standard deviation being below one (.554), the findings were supported by a high mean value of (Mean =4.40) which was greater than the grand mean of (3.32) which was the threshold. This is because Movit Company targets different

categories of customers hence producing a lot of products where customers can make different choices. From the qualitative results, it was revealed that indeed customers have got a lot of choices to make and one respondent revealed that;

“...Movit as company produces more than 30 products, ranging from Jelly, Lotions, Soaps, Powders, Dyes, Relaxers, Gels, among others. ... therefore, our clients have a variety from where they can make choices” (Respondent - 6).

Furthermore, on the issue of service providers at Movit outlets always providing information on how to use Movit Products, it scored a low mean value of (Mean =3.25), which was lower than the grand mean (3.32). Despite showing inconsistency in the responses because of the standard deviation being above one (Std. Dev =1.322), the findings implied that most times service providers at Movit outlets don't always provide information on how to use Movit Products. This could be attributed at the fact that all Movit Products have labels with guidelines on how to use such products. The same finding was revealed from the interview results and one of the respondents revealed that

“...if asked by the customer, I give him or her information about the product(s), however, every product has got on it a paper or labels showing the information of the ingredients of the product and how to use the product (Respondent - 4).

Lastly, from Table 4.5 above, regarding the statement on whether Movit charges affordable prices for its products. It scored a high mean value of (Mean = 2.28) which was below the grand mean of (3.32). Besides showing high variance in response because of the standard deviation being above one (SD =1.15) majority of the respondents opposed the statement. This showed that prices of the most products of Movit are not affordable to the customers. This could be attributed to the high levels of poverty in Burundi where most of the people have got little disposable income. On the other hand, the interview results showed that Movit products are charged at fair price and one of the respondents revealed that;

“...I think Movit as company charges fairly on its products, ...the company targets different categories of people, and these people are charged according to their capacity to ensure that every one is served” (Respondent - 6).

4.4.2 Service responsiveness on customer retention at Movit Products Company

The second study objectives examined the effect of service responsiveness on customer retention at Movit Products Company. Like objective one, all respondents were asked to rank their responses and means, and standard deviations were used to interpret the results. The computed descriptive statistics (mean values) were compared with the grand mean to determine the agreement and disagreement with the statement.

Table 4.6: Responses on Service responsiveness

<i>Statement</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>S.D</i>
There is quick responsiveness to customer complaints	1	5	2.68	1.210
Service providers are always willing to help customers	4	5	4.44	.497
There is prompt provision of services	1	5	2.62	1.131
Deliveries are made within the promised time-frame	1	5	2.85	1.276
Movit produces products according to different customer segments	3	5	4.13	.717
The distribution channels of Movit are efficient	1	5	3.37	1.254
Movit staff offer after-sales support in case of anything regarding their products	2	5	4.01	.938
GRAND MEAN			3.44	

Source: Field data, 2024

From Table 4.6 above, it was revealed that there was no quick responsiveness to customer complaints. These findings were supported by a lower mean value of (Mean = 2.68) since it was below the grand mean of (3.44) despite showing high variance in responses since the standard deviation was above one (SD =1.210). This meant Movit Company was taking long to respond to customers complaints. This could be attributed to that fact that Movit Company takes time to first fully analyze the complaint lodged before responding to the customer. Results from the interviews revealed that the Movit management tries to handle complaints as first as possible and one the respondents revealed;

“...as the management we try our best to resolve the issues as first as possible however, some complaints may time to carry out some investigation and gather more information in order to make the right decision” (Respondent - 4).

On the issue of whether the service providers were always willing to help customers, it scored a high mean value of (Mean=4.44) which was above the grand mean of (3.44) with little variance in responses since the standard deviation was below one (SD=.497). This meant that the Service providers at Movit outlet were always willing to help customers. This was so because offering help was part of customer service. Relatedly, results from the interviews revealed that staff members of Movit company were much willing to help customers and one interviewed respondent revealed that;

“...the main reason why we have staff members is to help our customers and ensure they are all served well. ..therefore, our staff try their best to ensure that they help the customers to make choices and how to use the products” (Respondent - 2).

Still from Table 4.6 above, it was revealed that there was no prompt provision of services. This was supported by a low mean value of (Mean = 2.62) which was low than the grand mean of (3.44) besides showing inconsistency in responses since the standard deviation was above one (SD =1,131). Therefore, this meant there were delays in provision of services at Movit outlets. This could be attributed big orders made by customers that require much time to prepare. On contrary, from the interviews, it was revealed that Movit staff members offer prompt services to customers and one respondent revealed;

“...our staff members are always there at our outlets to offer prompt service to our clients. ...the client is served as sooner as he/she arrives at out outlets” (Respondent - 1).

Furthermore, from Table 4.6, on the issue of deliveries being made within the promised time-frame, it scored a low mean value of (Mean = 2.85) which was less than the grand mean of (3.44) despite showing high variations in responses because of the standard deviation being below one (SD =1.276). This meant that there were delays in making deliveries. This was attributed to big orders made by customers that require much time to prepare. From the interviews, it was revealed that;

“...our delivery vans are always ready to make deliveries to the clients delays may be caused by may be break down of the vans, but as a company we try our level best to delivery in time” (Respondent - 2).

It was further revealed that Movit produces products according to different customer segments. This was supported by a higher mean value of (Mean =4.13) which was above the grand mean of (3.44) with the consistency in responses because of the standard deviation being below one (SD =.717). This was so because different customer segments have got different tastes and preferences. Therefore, Movit Company has to produce different products to meet different demands of different customer segments. From the interviews, it was revealed that Movit produces products targeting different categories of people and one respondent revealed;

“...we produce of range of products to cover different categories of people ranging from babies to adults, low-income people and high-end people” (Respondent - 3).

Still from Table 4.6 above, it was revealed that the distribution channels of Movit are efficient. This was supported by a high mean value of (Mean = 3.37) which was above the grand mean of (3.44) besides showing inconsistency in responses since the standard deviation was above one (SD =1.254). This could be attributed to the fact that Movit Company has many outlets in Burundi that are closer to the customers. Similarly, from the interviews, it was revealed that the nature of distribution is efficient and one respondent revealed;

“...we have got different channels of making our distributions to our customers and ensure that all the targeted people are served in time and with the right products” (Respondent - 5).

Lastly, from Table 4.6 above, regarding the issue of Movit staff offering after-sales support in case of anything regarding their products, it scored a high mean value of (Mean = 4.01), which was above the grand mean of (3.44). There was consistency in responses because of the standard deviation being below one (SD =.938). This meant that indeed Movit staff offer after-sales support in case of anything regarding their products. This was so because it was part of the customer care service of Movit Company. Similarly, from the interviews, it was revealed that staff offer after-sales support and one respondent revealed that;

“...as part of customer care service, the client has to be supported to ensure that he/she is fully satisfied.... our staff even go ahead to give product knowledge to our customers to ensure they use our products in the right manner” (Respondent - 4).

4.4.3 Service assurance on customer retention at Movit Products Company

The third study objectives examined the effect of service assurance on customer retention at Movit Products Company. Like objective one and two, all respondents were also instructed to rank their responses, in the same way means and standard deviations were used to interpret the results. The mean values obtained from the data were compared with the grand mean to assess the extent of agreement or disagreement concerning the statement.

Table 4.7: Responses on Service Assurance

<i>Statement</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>S.D</i>
Service providers at Movit outlets are honest	3	5	4.06	.717
Service providers at Movit outlets are polite	2	5	3.86	.912
Service providers at Movit outlets are professional when handling customer issues	1	5	3.37	1.143
Service providers at Movit outlets understand the specific needs of the customer	1	5	2.64	1.154
Service providers at Movit outlets give customers personalized service	1	5	2.85	1.230
The behavior of Service providers at Movit outlets instills confidence in the customer	1	5	2.99	1.237
Movit always produces high quality cosmetic products	3	5	4.30	.692
GRAND MEAN			3.44	

Source: Field data, 2024

From Table 4.7 above, on whether service providers at Movit outlets are honest, it received high attention because it scored a high mean value of (Mean = 4.06) which was above the grand mean of (4.06) with consistency in responding to the statement with standard deviation being below one (Std. Dev = .717). This meant that service providers at Movit outlets were honest. Therefore, they were in position to give right products and right amounts of products to customers. Similarly, from the interviews, it was revealed that;

“...honesty is a key factor considered when recruiting our staff and if someone violates it, he/she is terminated from work” (Respondent - 3).

On whether the service providers at Movit outlets were polite, majority of the respondents agreed with it. It was supported by a high mean value of (Mean = 3.86) which was above the grand mean of (3.44) and showed little variances because of the standard deviation being below one (SD =.912). This meant that indeed service providers at Movit outlets were polite because it was part of customer care service. Relatedly, results from the interviews revealed that politeness is key and one respondent said;

“...being polite is part of customer service ... the staff has to act politely to the customers to ensure that they are well served without any complaint” (Respondent - 6).

Still from Table 4.7 above, it was revealed that most of service providers at Movit outlets were not professional when handling customer issues. It was supported by a lower mean value of (Mean = 3.37) which was below the grand mean of (3.44) besides high variations in responses because of the standard deviation being above one (SD =1.143). This is because there were some delays in handling customer complaints. On the other hand, the interview results showed that there was professionalism in handling customer issues and one of the respondents revealed that;

“...we ensure all the issues raised are handled professionally to eliminate any doubt. ...we even have a desk of professionals who handle all the issues and complaints raised by the customers” (Respondent - 5).

Furthermore, on whether service providers at Movit outlets understand the specific needs of the customer, majority of the respondents opposed it. It was supported by a lower mean value of (Mean = 2.64) which was below the grand mean of (3.44) while showing much variations in responses because of the standard deviation being above one (SD =1.264). This could be attributed to the fact that customers had diverse needs, understanding all of them by the service providers was challenging.

On whether the service providers at Movit outlets give customers personalized service, majority of the respondents opposed the statement. This was supported by a high lower mean value of (Mean = 2.85) which was above the grand mean of (3.44) with high variations in responses because of the standard deviation being higher than one (SD =1.230). This was so because Movit products

target different segments not individual customers. Therefore, service providers at Movit were giving services that meet the needs of a given customer segment. Similarly, results from the interviews revealed that there were no personalized services and one respondent revealed;

“...we produce products according to different customer segments; therefore, we target different segments of customers not individuals. for example, we produce products targeting babies, school goers, women, men, among others”
(Respondent- 2).

Furthermore, whether the behavior of service providers at Movit outlets instills confidence in the customer, it received much little and majority of respondents disagreed with it. It was supported by a low mean value of (Mean = 2.99) which was below the grand mean of (3.44) while scoring high variance in the responses (SD =1.237). This could be attributed that service providers don't take much time to engage the customers and give them assurance to instill confidence in them.

Lastly from Table 4.7, it was revealed that Movit always produces high quality cosmetic products. It was supported by a higher mean value of (Mean = 4.30) which was higher the grand mean of (3.44). The standard deviation was also below one (Std. Dev =.692) which means that respondents were consistent in responding to the statement presented to them. This is because quality products were one of the core values of Movit Company. The interview results reviewed that the company produces high quality products and one of the respondents interviewed revealed that;

“...quality is one of our core values, we ensure that the products we put on the market meet the required quality standards and those produced have to be approved by different regulatory bodies before people buy on the market”
(Respondent - 4).

4.4.4 Response on the customer retention at Movit Products Company

The respondents in the study were asked to provide responses on the customer retention at Movit Products Company and were guided to rank their responses. Mean and standard deviation were used and compared with the grand mean to gauge the extent of agreement regarding the statement.

Table 4.8: Responses on customer retention

<i>Statement</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>S.D</i>
I always return to buy more of Movit products	4	5	4.44	.497
I intend to continue using Movit products for a long time	3	5	4.04	.744
I feel Movit provides the best service	2	5	3.59	.785
Movit products are always my first choice	1	5	3.19	1.229
I always recommend others people to buy Movit products	3	5	4.31	.661
I always talk good about Movit products	3	5	4.35	.640
I advertise Movit products	1	5	3.76	1.313
GRAND MEAN			3.95	

Source: Field data, 2024

From Table 4.8 above, it was revealed that the customers always return to buy more of Movit products. These findings were supported by a high mean value of (Mean = 4.44) since it was above the grand mean of (3.95) with low variance in responses since the standard deviation was below one (SD =.497). This was so because Movit Company produces high quality products. Similarly, from the interview results it was revealed that customers keep coming to buy Movit products and one of the respondents revealed that;

“...our customers always return to buy our products; we have customers that have for the last 5-7 years have been consistently buying our products. ...this is a sign that they like our products” (Respondent - 1).

On whether the customers intended to continue using Movit products for a long time, it scored a high mean value of (Mean = 4.04) which was high than the grand mean of (3.95) with little variance in responses since the standard deviation was below one (SD =.744). This showed that customers were willing to continue using Movit products for a long time This is attributed to the fact that customers were satisfied with Movit products because of their high quality.

On whether customers feel Movit provides the best service. The statement scored a low mean value of (Mean = 3.39) which was lower than the grand mean of (3.95) with consistency in responses since the standard deviation was below one (SD =.785). This showed that customers felt that Movit was not providing the best service. However, remaining loyal its products could be attributed to

the availability of the products and may be the fair prices charged compared to other companies. On contrary, from the interview, it was revealed that Movit offers the best service and one of the respondents revealed that;

“...as Movit we offer the best services to our customers,that is so because we are the leading cosmetic company in Burundi and East Africa at large. ...and we don't usually receive complaints about our products” (Respondent - 4).

Furthermore, on the statement on whether Movit products were always the customer's first choice. Majority of the respondents opposed the statement. This was supported by a low mean value of (Mean = 3.19) which was below the grand mean of (3.95) besides showing high variations in responses because of the standard deviation being below one (SD = 1.229). This showed that the customers had other choices where they choose before considering the Movit Products. This could be attributed to the much competition the cosmetics industry has in Burundi.

Still from Table 4.8 regarding the issues of customers always recommending others people to buy Movit products, it attracted a high mean value of (Mean = 4.51) which was above the grand mean of (3.95) with consistency in responses because of the standard deviation being below one (SD = .661). This showed that customers were recommending others to use Movit products. This could be attributed to high quality of Movit products. Similarly, from the interview, it was revealed that some customers are recommended to use Movit products by their friends and one of the interviewed respondents revealed that;

“...most times we get referrals, ...someone comes and tells you that one of our customers recommended him/her to start using or dealing in Movit products. ...this shows that serving well the customers also saves Movit the burden or making more advertising as customers recommend their fellow friends to use Movit products” (Respondent - 3).

On whether the customers always talk good about Movit products, the statement scored a high mean value of (Mean = 4.35) which was higher than the grand mean of (3.95) with little variance in responses since the standard deviation was below one (SD = .640). This showed the customers

were talking good about Movit products. This could be so because of high quality of Movit products.

Lastly, on whether customers advertised Movit products. It scored a low mean value of (Mean = 3.76), which was below the grand mean of (3.95) besides showing consistency in responses because of the standard deviation being above one (SD =1.313). This showed that customers were not mainly advertising Movit products. This was so because customers knew that advertising Movit products was not their main role. However, on the other hand, from the interview, it was revealed that some customers advertise Movit products and one of the interviewed respondents revealed that;

“...I think our customers advertise our products ...this is because we give them posters which they put in their shops displaying the products Movit deals in. ...we also give them promotional materials like T-shirts, caps, aprons among others all having our information” (Respondent - 5).

4.4.5 Response on the external environmental shifts

The respondents were also requested to provide their view on external environmental shifts and how it's affecting their loyalty to Movit Products. Mean and standard deviation and the mean values were compared with the grand mean to ascertain the level of agreement or disagreement to the statements.

Table 4.9: Responses on external environmental shifts

<i>Statement</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>S.D</i>
My loyalty on Movit Products has reduced because of high inflation which increased product prices	1	5	3.08	1.258
Outbreaks like Covid-19 led to economic turndowns hence reduced my purchasing power for Movit Products	1	5	3.55	1.359
Government policies like increase in taxes have negatively affected my loyalty to Movit Products	1	5	3.52	1.306
I'm no longer loyal to Movit Products because my tastes and preferences changed	1	5	2.27	1.169
I'm no longer loyal to Movit because it's does not promote environmental sustainability as emphasized by the government	1	5	2.62	.972
GRAND MEAN			3.01	

Source: Field data, 2024

From Table 4.9 above, it was revealed that the loyalty of most customers to Movit Products had reduced because of high inflation which increased product prices. These findings were supported by a high mean value of (Mean = 3.08) since it was above the grand mean of (3.01) besides showing a low variance in responses since the standard deviation was above one (SD =1.258). This was so because increase in prices reduces the purchasing power of the clients. Similarly, from the interview, it was revealed that inflation had affected the purchasing power of customers and one of the interviewed respondents revealed that;

“...I may not say that loyalty of our customer had reduced, they are loyal but increase in inflation increased the prices of products hence negatively affecting their purchasing power because of limited funds” (Respondent - 1).

On whether the Outbreaks like Covid-19 led to economic turndowns hence reduced customers' purchasing power for Movit Products, it scored a high mean value of (Mean = 3.55) which was higher than the grand mean of (3.01) besides showing high variance in responses since the standard deviation was above one (SD =1.359). This showed that outbreaks like Covid-19 affected the purchasing power of clients because there were limited movements which affected economic trade hence affecting the earning of people. Likewise, from the interview, it was revealed that Covid-19

affected businesses and also affected the purchasing power of Movit customers and one respondent revealed that;

“...Covid-19 led to total shut down. ...most of businesses were at stand still. This not only affected our operations but also the operations of our customers. This led to limited sales made due to lack of enough finances by our customers”
(Respondent - 2).

Still from Table 4.9 above, it was revealed that Government policies like increase in taxes had negatively affected customers' loyalty to Movit Products. This was supported by a high mean value of (Mean = 3.52) which was greater than the grand mean of (3.01) besides showing inconsistency in responses since the standard deviation was above one (SD =1.306). This was because increase in taxes leads to increase in product prices hence affecting the purchasing power of customers. Similarly, from the interview, it was revealed that government policies like increasing taxes affect the purchasing of the customers and one respondent revealed that;

“...the government is always increasing taxes on the cosmetics industry. This also increases the prices of our products hence affecting the purchasing power of our customers” **(Respondent - 6).**

Furthermore, on whether customers were no longer loyal to Movit Products because their taste and preferences had changed. Majority of the respondents opposed with the statement. This was supported by a low mean value of (Mean = 2.27) which was below the grand mean of (3.01) besides showing high variations in responses because of the standard deviation being above one (SD =1.169). This showed that customers were still loyal to Movit products and their tastes and preferences had not changed. This could be attributed to the fact that Movit Company produces high quality products.

Lastly, from Table 4.9 regarding the issues of customers no longer being loyal to Movit because it does not promote environmental sustainability as emphasized by the government, it attracted a low mean value of (Mean = 2.62) which was below the grand mean of (3.01) with consistency in responses because of the standard deviation being below one (SD =.972). This showed that customers were still loyal to Movit products. This could be attributed to the efforts put forward by

Movit Company to promote environmental sustainability through environmentally friendly production, packaging and engaging in environmental conservation campaigns in the communities where the company operates. From the interviews, it was revealed that Movit promote environmental sustainability and one respondent revealed that;

“...promoting environmental sustainability is a key factor we look up to. I think Movit is among the leading companies in Burundi promoting environmental sustainability from the way we produce out products, the way we package them and even community activities like tree planting” (Respondent - 2).

4.5 Inferential statistics

The researcher considered the inferential statistics to obtain the relationship between the study objectives and predictive potential of independent variables to the dependent variables. The study utilized correlation analysis and linear regression analysis. Correlation analysis was utilized to ascertain the nature of the relationship between the study variables, while linear regression analysis was employed to determine the predictive potential of service delivery on customer retention.

4.5.1 Correlation analysis

Pearson correlation was run using SPSS and was used to investigate the relationship between the constructs of service delivery and customer retention and results are presented in the Table 4.10 below.

Table 4.10: Correlation results on relationship between service reliability, service responsiveness, service assurance and customer retention

Items	SR	S_Resp	SA	CR
Service Reliability (SR)	1			
Service Responsiveness (S_Resp)	.812**	1		
Service Assurance (SA)	.869**	.824**	1	
Customer Retention (CR)	.765**	.746**	.797**	1

** Correlation is significant at the .01 level (2-tailed).

From the correlation results presented in Table 4.10 above, it was revealed that service reliability had a significant and positive relationship with customer retention at ($r = .765^{**}$, $P < 0.01$). Similarly, service responsiveness was positively and significantly related with customer retention

at ($r = .746^{**}$, $P < 0.01$) and so it was service assurance and customer retention at ($r = .797^{**}$, $P < 0.01$). This means that increase in service reliability; service responsiveness and service assurance positively increase customer retention at Movit outlets.

4.5.2 Regression analysis

This study employed a regression analysis to evaluate the degree to which constructs of service delivery predict customer retention at Movit outlets.

Table 4.11: Regression analysis

Regression Coefficients					
	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.177	.054		3.276	.001
Service Reliability	.023	.046	.026	.507	.613
Service Responsiveness	.553	.057	.570	9.637	.000
Service Assurance	.425	.057	.449	7.440	.000
Model Summary					
Adjusted R Square	.678				
ANOVA^b					
F	3.1423				
Sig. (P)	.000^a				

Source: Field data, 2024

The results in table 4.11 above, indicated that the combined constructs of service delivery including service reliability; service responsiveness and service assurance, collectively accounted for 67.8% (Adjusted R Square = .678) of the variance in customer retention at Movit outlets. The remaining 32.2% of the variance was attributed to factors which were not considered in this study. These findings suggest that the regression model effectively predicted the dependent variable. The goodness of fit was confirmed by the significant F-value ($F = 3.1423$, $P = .000 < 0.05$), supporting the model's validity.

For the individual constructs, using Beta values, the results also revealed a positive but insignificant effect service reliability on customer retention at ($Beta = .026$, $p = .613 > 0.05$). Service

reliability being insignificant predictor of customer retention could be due to customers prioritizing other factors like personalized service and competitive pricing over the consistency of service delivery. However, it meant that a unit increase in service reliability leads to only .026 increase on the customer retention, and a unit decrease in service reliability leads to .026 decrease in customer retention. For service responsiveness, it positively predicted customer retention at (Beta =**.570**, $p=.000 <0.05$). This finding implied that a unit increase in service responsiveness leads to .570 increase in customer retention, and a unit decrease in service responsiveness leads to .570 decrease in customer retention. Lastly, service assurance was also found to be positively and significantly predicting customer retention at (Beta =**.449**, $p=.000 <0.05$), this implied that a unit increase in service assurance leads to .449 increase in predicting customer retention, and a unit decrease in service assurance leads to .449 decrease in predicting customer retention.

4.6 The moderating effect of external environmental shifts in the relationship between service delivery and customer retention.

The researcher ran a moderating analysis to assess the effect of external environmental shifts in the relationship between service delivery and customer retention basing on the assumptions of Baron and Kenny (1986) which include;

- i) The dependent and independent variables should be measured on a continuous scale.
- ii) There should be a moderator variable that is a nominal variable with at least two groups.
- iii) The variables of interest (the dependent variable and the independent and moderator variables) should have a linear relationship.
- iv) The data must not show multicollinearity.
- v) There should be no significant outliers, and the distribution of the variables should be approximately normal.

Table 4.12: Regression analysis moderating effect of external environmental shifts in the relationship between service delivery and customer retention

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.441	.096		4.593	.000		
Service delivery	.812	.043	.862	18.937	.000	.053	8.934
External Environmental Shifts	.348	.054	.487	6.412	.000	.019	5.706
Service delivery * External Environmental Shifts	.045	.009	.360	4.805	.000	.020	5.171

a. Dependent Variable: Customer Retention

From Table 4.12 above, service delivery and external environmental shifts each independently was significant at $p\text{-value} = 0.000 > 0.05$. Still combination of *Service delivery * External Environmental Shifts* when introduced in the model produced the significant results of $p\text{-value} = 0.000 > 0.05$ and low collinearity statistics (VIF) = 5.171 was registered. In handling the VIF and tolerance in the data analysis, the researcher acknowledged the low multicollinearity indicated by the VIF values (all significantly higher than 10) and corresponding low tolerance values (all less than 0.1) for the predictors, including service delivery, external environmental shifts, and their interaction.

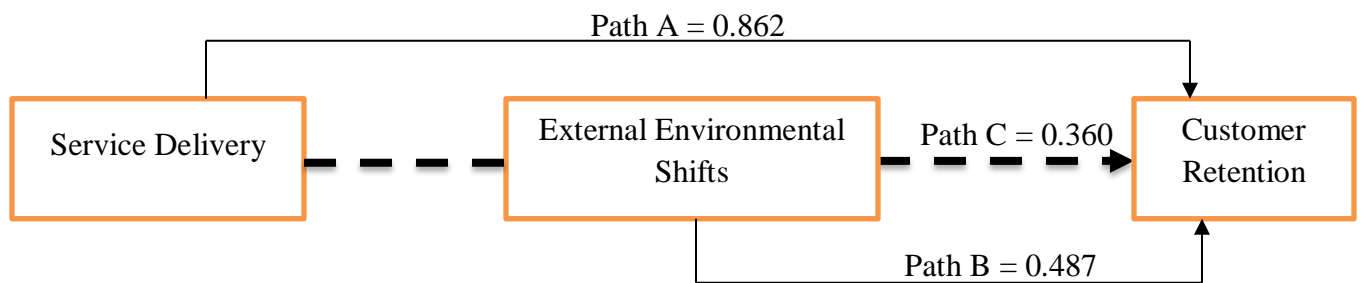


Figure 4.3: Moderating effect of external environmental shifts in the relationship between service delivery and customer retention

- i) **Path A (Service Delivery → Customer Retention, $\beta = 0.862$):** Strong effect of service delivery on customer retention.
- ii) **Path B (External Environmental Shifts → Customer Retention, $\beta = 0.487$):** Significant effect of external environmental shifts on customer retention.

iii) Path C (Service Delivery * External Environmental Shifts → Customer Retention, β = 0.360): The interaction term, representing the moderating effect, showing that the relationship between service delivery and customer retention is influenced by external environmental shifts.

CHAPTER FIVE

SUMMARY AND DISCUSSION OF FINDINGS

5.1 Introduction

The chapter provides a comprehensive summary and discussion of the study's findings. The results were organized in line with the study objectives which included the effect of service reliability on customer retention at Movit Products Company, the effect of service responsiveness on customer retention at Movit Products Company, the effect of service assurance on customer retention at Movit Products Company and the moderating effect of external environmental shifts in the relationship between service delivery and customer retention.

5.2 Summary of the study findings

The study findings revealed that service reliability had a significant and positive relationship with customer retention at ($r = .765^{**}$, $P < 0.01$). However, much being a positive predictor, service reliability insignificantly predicted customer retention at (Beta = **.026**, $p = .613 > 0.05$). Then, service responsiveness was positively and significantly related with customer retention at ($r = .746^{**}$, $P < 0.01$) and it positively predicted customer retention at (Beta = **.570**, $p = .000 < 0.05$). It was also revealed that service assurance and customer retention at ($r = .797^{**}$, $P < 0.01$) and it was also found to be positively and significantly predicting customer retention at (Beta = **.449**, $p = .000 < 0.05$). The results indicated that the combined constructs of service delivery including service reliability; service responsiveness and service assurance, collectively accounted for 67.8% (Adjusted R Square = .67.8) of the variance in customer retention at Movit outlets. The findings further revealed that *External Environmental Shifts* when introduced in the model produced the significant results of $p\text{-value} = 0.000 < 0.05$ and low collinearity statistics (VIF) = 5.171 was registered which means that *External Environmental Shifts* have significant moderating effect in the relationship between service delivery and customer retention.

5.3 Discussion of the study findings

5.3.1 The effect of service reliability on customer retention at Movit Products Company

Regarding service reliability, the study finds a positive correlation with customer retention, echoing previous research emphasizing its critical role in building trust and loyalty. This is reinforced by similar findings across diverse industries, underlining its universal importance.

These findings corroborated the insights gleaned from previous research conducted by Kim and Jin (2016) which emphasized the critical role of service reliability in cultivating customer trust and ultimately, retention. This shows the significance of consistent and dependable service experiences in building a foundation of trust essential for retaining customer loyalty. Similarly, the findings resonated with the findings by Li and Wu (2018) that highlighted the importance of online service reliability in fostering customer loyalty. While the focus of their study was on e-commerce platforms, the findings resonate with the current study's emphasis on the multifaceted nature of service reliability, extending beyond conventional boundaries. This emphasized the pivotal role of reliability in ensuring customer satisfaction and fostering long-term relationships, albeit in different market contexts.

Furthermore, the study findings aligned with the research conducted by Chen and Cheng (2021) which revealed a strong positive correlation between service reliability and customer retention in the telecommunications industry. This agreement reinforces the universality of service reliability as a key determinant of customer loyalty across diverse industries and geographical regions. Similarly, the findings resonate with the research by García and Giraldo (2022), Rahman et al. (2023), Andersson and Kristensson (2017), and Müller and Kiel (2019), all of which highlighted the significance of service reliability in influencing customer retention within their respective contexts.

5.3.2 The effect of service responsiveness on customer retention at Movit Products Company

The study reveals a significant link between service responsiveness and customer retention, emphasizing the need for swift and personalized assistance to foster loyalty. Again, this aligns with previous studies across different contexts. The study's findings aligned closely with previous research, particularly with the insights provided by Lee and Park (2018) and Wang and Zhang (2017). Both studies emphasized the crucial role of service responsiveness in shaping customer retention, highlighting factors such as swift responses to inquiries, efficient complaint resolution, and personalized services as key drivers of customer loyalty. Similarly, the current study highlights the importance of proactive assistance, personalized support, and timely issue resolution by Movit staff in enhancing service responsiveness and fostering stronger customer relationships. This

alignment reinforces the universal significance of service responsiveness as a determinant of customer loyalty across diverse markets and industries.

Furthermore, the findings of the current study resonate with the research conducted by Andersson and Johansson (2019) and Müller and Schmidt (2021), both of which emphasized the importance of responsive services, timely deliveries, and efficient after-sales support in enhancing customer satisfaction and loyalty. While these studies focused on different geographical contexts, their findings mirror the emphasis placed on service responsiveness as a critical factor in retaining customers. Similarly, Oliveira and Costa's (2020) research highlighted the influence of quick response times, efficient order processing, and proactive communication on customer retention, further reinforcing the significance of service responsiveness across diverse market landscapes.

5.3.3 The effect of service assurance on customer retention at Movit Products Company

The results revealed that service assurance is identified as another key factor influencing customer retention, with consistency in product quality and transparent communication being pivotal. The study's findings are supported by a plethora of research, indicating its cross-cultural relevance in driving customer loyalty. The study findings aligned with the insights provided by Dupont and Martin (2020), Patel and Hughes (2017) and Lee and Kim (2019) regarding the importance of service assurance in nurturing customer satisfaction and loyalty. Like the findings of the current study, these previous studies emphasized factors such as consistent product quality, adherence to regulatory standards, and transparent communication as key drivers of customer retention. This alignment emphasized the universal significance of service assurance as a critical component of customer service strategy across diverse market contexts.

Furthermore, the research conducted by Chen and Wang (2018) and Kim, Park, and Lee (2022) further supports the findings of the current study, highlighting the paramount importance of service assurance in cultivating trust and fostering customer loyalty. Both studies emphasized factors such as product quality assurances, compliance with safety standards, and transparent communication about ingredients as essential elements influencing customer retention. This agreement reinforces the cross-cultural relevance of service assurance as a determinant of customer loyalty in different geographical regions and industries. Moreover, the study findings aligned with the research

conducted by Oliveira and Costa (2020), Macharia and Mushi (2017) and Mhlanga and Mpinganjira (2019) in the hospitality sector, which emphasized the critical role of service assurance components such as clear labeling, safety guarantees, and responsive customer service in influencing customer retention. This emphasizes the global importance of service assurance in various markets, demonstrating its multifaceted role in building and maintaining customer loyalty.

5.3.4 The moderating effect of external environmental shifts in the relationship between service delivery and customer retention

The study highlights the moderating effect of external environmental shifts on the relationship between service delivery and customer retention. External factors like economic downturns and regulatory changes significantly influence customer behavior and perceptions, necessitating adaptability in service strategies to maintain loyalty. These findings aligned with previous research conducted by Faster Capital (2023), Liao, Wu, and Pham (2020), Jia et al. (2023), Hsieh, Chen, and Huang (2023), and Meyer et al. (2023). These studies collectively emphasize the profound impact of external factors on consumer behavior, service delivery standards, and ultimately, customer retention. Similarly, the insights provided by Faster Capital (2023) regarding heightened price sensitivity and reduced tolerance for service issues during economic downturns resonate with the current study's findings. This highlights the importance of businesses adapting their service strategies to align with prevailing economic conditions to maintain customer loyalty. Liao, Wu, and Pham (2020) and Jia et al. (2023) emphasized the influence of societal values, such as sustainability, on customer preferences and loyalty. This aligns with the current study's observation that societal trends, including environmental consciousness, can moderate the relationship between service practices and customer retention. Furthermore, the study findings regarding the impact of unforeseen global events, such as pandemics, on service delivery and customer retention, align with the research conducted by Hsieh, Chen, and Huang (2023). The agility and resilience displayed by businesses in adapting to changing circumstances, while maintaining service quality, are critical for mitigating negative effects on customer loyalty.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

The chapter presents the conclusion and recommendations to the study.

6.2 Conclusion

The study concluded that the service delivery constructs of service reliability, service responsiveness, and service assurance play crucial roles in predicting customer retention. While service reliability showed a strong correlation with customer retention $r = .765^{**}$, its predictive power was not statistically significant (Beta = .026, $p = .613 > 0.05$). In contrast, both service responsiveness and service assurance not only exhibited strong correlations with customer retention but also significantly predicted it (Beta = .570, $p = .000$) and (Beta = .449, $p = .000$) respectively. Collectively, these constructs accounted for an impressive 67.8% of the variance in customer retention at Movit outlets. Furthermore, the study highlights the substantial moderating effect of External Environmental Shifts on the relationship between service delivery and customer retention ($p = 0.000$; VIF = 5.171), emphasizing the need for businesses to adapt their service strategies in response to external changes. These insights underline the importance of a multifaceted approach to service delivery to enhance customer loyalty and retention.

6.3 Recommendations

The following recommendations were suggested and these include;

The study underscores the importance of service factors in customer retention at Movit Products Company. While service reliability isn't a standalone predictor, it's closely tied to customer retention, driven by staff availability, outlet accessibility, and product variety. This highlights the need for a comprehensive customer service strategy encompassing these elements.

Moreover, service responsiveness emerges as crucial for customer loyalty, emphasizing proactive assistance, product alignment, and after-sales support. Prioritizing and enhancing service responsiveness can foster stronger customer relationships and competitiveness.

Additionally, service assurance, defined by honesty, politeness, and product consistency, plays

a vital role in customer loyalty. Upholding integrity and product excellence can further cultivate enduring customer relationships.

The study also stresses the impact of external shifts on service-delivery-customer retention dynamics. Implementing recommendations such as reliable online delivery, comprehensive staff training, robust feedback management, and market analyses can help adapt to these shifts effectively, aiming to boost customer satisfaction, loyalty, and long-term profitability for Movit Products Company.

6.4 Limitations of the study

The researcher encountered the following limitations.

- i) Gathering information from participants proved challenging due to their inflexibility and concerns regarding the confidentiality of their data. To mitigate this issue, the researcher clarified the study's objectives and reassured participants of strict data confidentiality measures.
- ii) Additionally, some participants encountered time constraints due to their professional obligations, resulting in delays in engaging with the researcher. To address this challenge, the researcher distributed questionnaires to participants, allowing them to complete them at their convenience. Despite these efforts, some questionnaires were incomplete, and errors in the data introduced inaccuracies. However, the researcher successfully addressed this limitation through data cleaning procedures.

6.5 Areas for further research

The following areas were put forward for future research studies:

- (i) Another study may be conducted, in Burundi, the similar study needs to be conducted in other counties like Uganda about Movit or be carried out in another company other than Movit Company. This will enable meaningful comparisons to be made.
- (ii) Exploring the Role of Technology in Enhancing Service Delivery and Customer Retention.

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APPENDICES

Appendix I: Questionnaire for data collection

Dear Respondent,

I'm **Twinamatsiko Dennis** a student pursuing a Masters Degree in Business Administration from Uganda Christian University and as part of the requirement for this award, I am undertaking a study on the topic, *“effect of service delivery on customer retention in the cosmetic industry in Burundi, a case of Movit Products Company Outlet Bujumbura City, Bujumbura Mairie Province”*. As a stakeholder, you have been selected to participate by providing your opinions through answering the questions in the questionnaire below attached. Please feel at ease to give your true opinion as this is just an academic study and your responses will be treated for that purpose. Your views will be treated with great confidentiality.

Write or tick (✓) in the space or box (es) provided in the front of the given options

Section A: Bio-data

- 1. Sex of respondents
 - Male
 - Female
- 2. Age group of respondents
 - 18 to 29
 - 30 to 39
 - 40 to 49
 - 50 to 59
 - 60 and above
- 3. Respondent's highest level of education
 - Primary
 - Secondary
 - Higher Institutions
 - Others (please specify):
- 4. Time taken buying products of Movit Company?
 - Less than 1 year
 - 1-3years
 - 4-6 years
 - 7-9 years
 - 10years and above

For Section B, C, D & E, respond by ticking only one option: (1-Strongly disagree, 2-Disagree, 3-Neutral, 4-Agree and 5-Strongly Agree) To show your level of agreement or disagreement with the items provided.

SECTION B: Service Reliability

Code	Item	Ranking				
		1	2	3	4	5
B1	There are always staffs to provide services to the customer					
B2	The Movit products I need are always available at outlets					
B3	Movit outlets are always open whenever I go there					
B4	Movit makes deliveries when an order is made online					
B5	Movit has a lot of products where the customer can make a choice					
B6	Service providers at Movit outlets always provide information on how to use Movit Products					
B7	Movit charges affordable prices for its products					

SECTION C: Service Responsiveness

Code	Item	Ranking				
		1	2	3	4	5
C1	There is quick responsiveness to customer complaints					
C2	Service providers are always willing to help customers					
C3	There is prompt provision of services					
C4	Deliveries are made within the promised time-frame					
C5	Movit produces products according to different customer segments					
C6	The distribution channels of Movit are efficient					
C7	Movit staff offer after-sales support in case of anything regarding their products					

SECTION D: Service Assurance

Code	Item	Ranking				
		1	2	3	4	5
D1	Service providers at Movit outlets are honest					
D2	Service providers at Movit outlets are polite					
D3	Service providers at Movit outlets are professional when handling customer issues					
D4	Service providers at Movit outlets understand the specific needs of the customer					
D5	Service providers at Movit outlets give customers personalized service					
D6	The behavior of Service providers at Movit outlets instils confidence in the customer					
D7	Movit always produces high quality cosmetic products					

SECTION E: Customer Retention

Code	Item	Ranking				
		1	2	3	4	5
E1	I always return to buy more of Movit products					
E2	I intend to continue using Movit products for a long time					
E3	I feel Movit provides the best service					
E4	Movit products are always my first choice					
E5	I always recommend others people to buy Movit products					
E6	I always talk good about Movit products					
E7	I advertise Movit products					

SECTION F: External environmental shifts

Code	Item	Ranking				
		1	2	3	4	5
F1	My loyalty on Movit Products has reduced because high inflation which increased product prices					
F2	Outbreaks like Covid-19 led to economic turndowns hence reduced my purchasing power for Movit Products					
F3	Government policies like increase in taxes have negatively affected my loyalty to Movit Products					
F4	I'm no longer loyal to Movit Products because my tastes and preferences changed					
F5	I'm no longer loyal to Movit because it does not promote environmental sustainability as emphasized by the government					

END: THANK YOU

Appendix II: Interview Guide

Respondents' bio-information

- i Age:.....
- ii Sex:.....
- iii Highest level of education.....
- iv Number of years working with Movit Company

Objective questions

Research Issues	Probing questions
To examine the effect of service reliability on customer retention at Movit Products Company	<ul style="list-style-type: none"> - Do you have knowledge about service reliability? - If yes, what shows service reliability about Movit Products? - How has service reliability affected the customer retention at Movit Products Company?
To assess the effect of service responsiveness on customer retention at Movit Products Company	<ul style="list-style-type: none"> - Do you have knowledge about service responsiveness? - If yes, what shows service responsiveness about Movit Products? - How has service responsiveness affected the customer retention at Movit Products Company?
To investigate the effect of service assurance on customer retention at Movit Products Company	<ul style="list-style-type: none"> - Do you have knowledge about service assurance? - If yes, what shows service assurance about Movit Products? - How has service assurance affected the customer retention at Movit Products Company?
To assess the moderating effect of external environmental shifts in the relationship between service delivery and customer retention	<ul style="list-style-type: none"> - Do you have knowledge about external environmental shifts that tend moderate the relationship between service delivery and customer retention? - If yes, how do think external environmental shifts moderate the relationship between service delivery and customer retention at Movit Products Company?
Customer retention at Movit Products Company	<ul style="list-style-type: none"> - In your own view, how do you describe Customer retention on Movit Products Company? - Generally, how do you rate the Customer retention on Movit Products Company?

Thank You Very Much



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SCHOOL OF RESEARCH AND POSTGRADUATE STUDIES

DISSERTATION CORRECTION COMPLIANCE REPORT BY THE CANDIDATE (POST VIVA FORM)

Date: 3rd September, 2024.

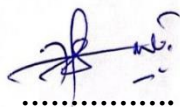
Name of Candidate: Twinamatsiko Dennis


Reg. No: J21M15/010

Title of Dissertation: Service Delivery and Customer Retention in Cosmetic Industry in Burundi: A Case Study of Movit Products Company Outlet Bujumbura City, Bujumbura Mairie Province.

SN	COMMENTS BY VIVA VOICE PANEL	ACTION TAKEN	INDICATOR
1	The need to define service delivery	This has been done “ <i>service delivery is the entire process of interaction between the service provider and the customer. In this study, service delivery was referred to as the quality of service inform of service reliability, service responsiveness, and service assurance.</i> ”	Chapter One, Page (3)
2	The need to review the results and reduced Multicollinearity in Regression Analysis	This has been done by removing some of the highly correlated independent variables, linearly combining the independent variables and also using partial least squares regression that uses principal component analysis to create a set of uncorrelated components.	Chapter Four, Pages (45-47)
3	The need to present the moderating effect in a diagram	This diagram has been presented showing the Moderating effect of external environmental shifts in the relationship between service delivery and customer retention.	Chapter Four, Page (46)

4	The need to give a reason why Service Reliability was insignificant	This has been done “ <i>Service reliability being insignificant predictor of customer retention could be due to customers prioritizing other factors like personalized service and competitive pricing over the consistency of service delivery.</i> ”	Chapter Four, Page (47)
5	The need to include statistics in the conclusion	Statistics indicating relationships and regression have been captured in the conclusion.	Chapter Five, Page (52)
6	The need to make recommendations basing on the study variables	This has been done under the recommendations.	Chapter Five, Pages (52-53)
7	The need to read the work and remove grammatical errors	This has been done throughout the study.	Throughout the Research Report

Twinamatsiko Dennis 
.....
(Candidate’s Name) Signature

Dr. Mugisha Henry 
.....
(Supervisor’s Name) Signature



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SCHOOL OF RESEARCH AND POSTGRADUATE STUDIES

DISSERTATION CORRECTION COMPLIANCE REPORT BY THE CANDIDATE (INTERNAL EXAMINER)

Date: 3rd September, 2024.

Name of Candidate: Twinamatsiko Dennis

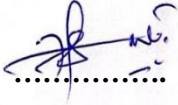
Reg. No: J21M15/010

Title of Dissertation: Service Delivery and Customer Retention in Cosmetic Industry in Burundi: A Case Study of Movit Products Company Outlet Bujumbura City, Bujumbura Mairie Province.

SN	COMMENTS BY INTERNAL EXAMINER	ACTION TAKEN	INDICATOR
1	The need to reduce the Abstract	This Abstract has been reduced from 450 words to 280 words.	Under Abstract Page (xii)
2	The need to reduce on the Problem statement without losing the message	The problem statement has been reduced without losing the message.	Chapter One, Section 1.2, Page (5)
3	The need to improve results analysis for a more comprehensive evaluation	This has been improved by expanding on the explanations of the results.	Chapter Four, Pages (25-47)
4	The need to create Chapter Six	Chapter Six has been created and it covers conclusions and recommendations	Chapter Six, Pages (52-53)
5	The to use referencing style conform to APA 7 th Edition	This has been done by italicizing journal titles and book titles, and ensuring URLs and DOIs are clickable where provided.	Under References List, Pages (54-58)

6	The need to read the work and remove grammatical errors	This has been done by proofreading, to ensure correct capitalization for titles and right punctuations.	Throughout the Research Report
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Twinamatsiko Dennis
 (Candidate's Name)



.....
Signature

Dr. Mugisha Henry
 (Supervisor's Name)



.....
Signature