

Relationship Marketing As A Customer Loyalty Strategy: Case Of Microcredit Service Providers In The City Of Quelimane.

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Abstract

This research deals with Relationship Marketing as a customer loyalty strategy, whose general objective is to analyze the strategies adopted by small Microcredit companies in the city of Quelimane, in the process of attracting and retaining customers. For its pursuit, the qualitative methodology was adopted using the content analysis technique, to obtain data, field research was used where from an interview script, through which it was possible to collect information about Microcredit companies in the city of Quelimane. This concludes that Wizu Microcredit, Malabo Microcredit and Chuanga Microcredit value customer loyalty so much that they incorporate it into their business strategies. However, not all of them adopt the same tools such as PDCA and CRM. In terms of the characteristics of the services offered by microcredit companies, it was observed that all of them offer microcredit services to disadvantaged segments of society, such as low-income individuals who want financing for small businesses. Customers value companies that are free from the bureaucracy of credit granting processes. It is suggested that all microcredit companies apply PDCA to continuously improve their business, increase their service portfolio, evaluate projects as a strategy to guarantee credit returns in all microcredit companies in the city of Quelimane and raise awareness among people about the existence of these services, focusing on the segment of these companies (target audience).

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I. INTRODUCTION

Nowadays, new ventures are subject to intense market competition, caused by the wide range of products and services in similar markets, offered by companies that are potential competitors operating in the same market. Given this wide range of products and services, customers have a greater choice and are able to easily obtain information about products and services.

It is also worth noting that there are currently changes in consumer behavior, which have become increasingly demanding and less loyal to companies. Given the scenario described above, it is clear that companies face major challenges in attracting new customers and retaining them.

In addition, attracting new customers has represented greater expenses for companies when compared to the costs arising from customer retention in companies. Therefore, customer retention is the best alternative for companies to face market competition.

Gaining customer loyalty is a competitive weapon for companies from a strategic point of view, which can only be achieved by establishing a lasting relationship with customers. Paiva, Barbosa, & Ribeiro (2009) emphasize that establishing a relationship with customers through relationship marketing can lead to customer loyalty, which in turn increases the company's revenue. On the other hand, Kotler (2011) emphasizes that in addition to increasing revenue, establishing a lasting relationship with the customer through the application of relationship marketing also allows for customer loyalty.

Therefore, this constitutes a major differentiator linked to competitors, as it represents a competitive strategy. In general, current relationship marketing strategies seek to link the needs that the customer has to the characteristics of their products or services.

As a result, the market presents products that represent much more than the satisfaction of basic needs, but the addition of value after consumption. It can be seen at this point that relationship marketing strategies aim to make products reflect the customer's own image, with the aim of making the consumer identify with what was provided to them and, consequently, making them loyal to the company, product or service.

This research focuses on studying Relationship Marketing as a tool for customer loyalty in microcredit companies in the city of Quelimane, Zambézia province. Taking into consideration the constant changes in the market, one factor that remains evident is the importance of companies differentiating themselves in the market through marketing strategies, that is, relationship marketing.

Thus, it is the Strategic Marketing Management area, through relationship marketing, that is presented as the main maintenance of companies' competitiveness, and definition of strategies that represent a differential for the company's positioning in the market. In the business market, consumers or customers develop relational exchanges with the company, that is, more than one sale, when they believe that the costs arising from these relational exchanges exceed the costs of acquiring the product or service, that is, if the good or service adds value through consumption by the customer.

For small microcredit companies in the city of Quelimane, relationship marketing is extremely important, due to the high entry of new companies providing similar services, which has been observed in the city of Quelimane, making the environment highly competitive, thus jeopardizing the growth and maintenance of the market share of these companies. Thus, this is a fact that justifies the establishment of relationship marketing, aimed at attracting and retaining customers, in the view of Albuquerque (2003).

Thus, the main objective of this research is to analyze whether the strategies adopted by small companies providing microcredit services in the city of Quelimane are aimed at establishing a lasting relationship between customers and the company, aiming to achieve customer loyalty to the products or services offered by the same group of companies providing microcredit services. In what way does the application of relationship marketing in microcredits in the city of Quelimane help in attracting and establishing lasting relationships with customers?

Thus, among the gains that this study will bring is the definition and redirection in the definition of the products and services offered by microcredit companies to customers, by offering services or products that suit their needs and expectations, without leaving aside the positioning of companies providing microcredit services, by establishing lasting relationships with their customers.

For the development of this work, bibliographical research and field research will be used, in addition to a case study. The bibliographic research will be based on scientific publications in the area of relationship marketing.

The case study will be developed in its entirety through field research, involving the profile of employees of companies providing microcredit services in the city of Quelimane, their view in relation to the attributes of the services considered relevant by customers when choosing services and products from companies providing microcredit services in the city of Quelimane, the strategic marketing assessment defined by the company, with a view to creating an effective relationship with customers and consequently gaining their loyalty.

II. RESEARCH METHODOLOGY

The path to constructing the method begins with the classification of the research according to Turrioni & Mello (2012), which is a theoretical analysis, of an exploratory nature, about relationship marketing.

Silvia & Menezes (2005) define the methodology stage as the section that seeks to define how and where the research will be carried out. Therefore, the research uses a bibliographical research tool, which is a systematic review, seeking to restrict the articles that are related to the subject researched in this article, there is a reduction of data for the interpretation of how the application of the definition of microcredit from Microfinance occurs. For the preparation of this scientific research work, bibliographical, documentary and field research will be used.

III. THEORETICAL BASIS

At this point we define some terms to contextualize the actions in order to distinguish microcredit from microfinance in the context of Marketing in Mozambique.

Silva (2005) defines Marketing as the functional vision of a set of tools and techniques that aim to increase sales of products and services. Furthermore, Microcredit is defined as a small amount of money lent to a customer by a bank or other institution. Microfinance refers to loans, savings, insurance, money transfers, microcredit loans and other financial products aimed at low-income customers.

However, since the concept of Microfinance is polysemic, but there are common features among authors, in this work we express Microfinance as a middle ground that encompasses microcredit, plus other characteristics.

According to Iesde (2012, p. 15), the application of marketing must be flexible to keep up with market changes, be ready for the changes necessary to improve its services, aiming for these changes to achieve the well-being of the community served and promote access to information

3.1. THE ARISING OF MICROCREDIT IN MOZAMBIQUE

In 1989, a fund (Urban Enterprise Credit Fund) was created with the aim of incorporating the World Bank's Urban Rehabilitation Program (PRU). This program was implemented by the Office for the Promotion of Employment (GPE), where small loans were granted to be applied in various areas of activity. The aim was that, for the first time, the loan funds would be non-bank, although the funds would be disbursed through the then state bank, BPD (Banco Popular de Desenvolvimento). This was the first activity related to Microfinance in Mozambique (Camoto & Rebelatto, 2015).

With the fall of the Berlin Wall and the reunification of Germany, a problem arose for Mozambique. In 1992, 18,000 Mozambicans were repatriated. To combat this setback, a credit program was created to assist the returnees. Doors were open for investment by small entrepreneurs in Maputo and Beira (Sotomane, 2023).

That year, with the end of the civil war, a new debate arose about the role of microcredit in the reintegration process of demobilized soldiers. One of the models that was widely suggested was the "GTZ (Gesellschaft fuer Technische Zusammenarbeit) – GPE (Office for the Promotion of Employment) returned", which consisted of granting credits followed by pre-requested bonuses instead of cash (Sotomane, 2023).

Although the initiatives mentioned above had some elements of microcredit, the first true microcredit initiative in the country was in 1993. This initiative was extremely ambitious and followed an unconventional methodology. The project was launched by World Relief and consisted of creating small banks for the poor women's market in the provinces of Chokwé and Gaza.

The first cooperative project aimed exclusively at microcredit, Tchuma, began in 1995 and was a partnership between BCI (Banco Internacional de Moçambique) and FDC (Fundo de Desenvolvimento Comunitário). Two years later, the first NGO emerged with the aim of creating a specific group to provide assistance to the poor people, focusing solely on microcredit.

SOCREMO was the first microcredit programme to become a registered financial institution. PCRs (savings and revolving credit) were a reference methodology at the end of the last century that allowed the expansion of microcredit activity across the country's various arteries, de-escalating this activity that was largely centered on Maputo.

The turn of the millennium was accompanied by a decline in the pioneering programmes of certain NGOs, largely due to changes in management levels and increased competition. The government introduced legal reforms in Credit Institutions and Financial Companies and Societies, such was the growth of NGOs that encouraged PCRs that served as financial investments. These changes divided the provision of microcredit into four categories:

- Micro-bank, subdivided into four categories, three of which allow deposits from the public;
- Credit organizations, with special emphasis on cooperatives;
- Operators that only provide credit;
- Operators that act as intermediaries in obtaining deposits;

The minimum capital for the designation of a commercial bank until 2005 was 70 billion meticais and was abolished, which allowed many banks that until that period were called microcredit banks (minimum operating capital of 25 billion) to change their name to commercial banks, as was the case with SOCREMO and BOM (Banco de Oportunidade de Moçambique).

The regulatory entity for credit risks is called the Central Credit Registry. A risk center for micro-debtors was also created, such is the diversity of the nature of the clients and institutions. This service also serves all categories of microcredit operators.

Data indicates that in 2005 almost half of the clients were investing savings. This growth has been so pronounced that, at this date, the number of savings depositors is higher in rural areas compared to urban areas. This fact may be linked to the deposit facilities of this type of bank compared to commercial banks, as

demonstrated by the minimum deposit amount of USD 4 (four US dollars) in microcredit banks, much lower than the USD 218 (two hundred and eighteen US dollars) imposed by commercial banks. 2.2. Operating methodologies of microcredit institutions in Mozambique

3.2. OPERATING METHODOLOGIES OF MICROCREDIT INSTITUTIONS IN MOZAMBIQUE

3.2.1. Microcredit methodologies and Institutions in Mozambique

According to Laice (2000), the methodology for operating a microcredit institution must be designed taking into account all its spheres, from economic, social objectives, among others. An extremely important aspect to take into account when defining microcredit services are customer expectations, without leaving aside social, cultural, economic, religious specificities, etc., aspects that are no less important as they interfere with customer loyalty.

3.3. FUNDAMENTAL PRINCIPLES OF THE METHODOLOGY

According to Laice (2000), the following are fundamental principles of the methodology of companies that intend to operate in the microcredit market: free market, group size, type of guarantees required, relationships and contacts between technicians and customers, processes for selecting customers, evaluation of loan requests, approval, disbursement, repayment and delinquency, meeting requirements and contents thereof, policies for granting additional loans and savings policies to be adopted if they exist. In their view, the methodologies for providing microcredit services can be grouped into two categories, these being the type of guarantee required by microcredit and the independence of the borrowing group.

3.4. ASPECTS TO BE CONSIDERED WHEN PROVIDING MICROCREDIT SERVICES

For Laice (2000), the following are important aspects to be considered when providing microcredit services:

- Personalized services, that is, closer and more focused on customer satisfaction
- Approval of loans based on the customer's repayment capacity, not based on the project;
- Simple but comprehensive credit application form;
- Relatively low loan amounts for short term;
- Interest rates charged based on declining balances;
- Encourage payment through the possibility of accessing subsequent credits of relatively large amounts; and
- Training micro-entrepreneurs in business management, with the aim of minimizing reimbursement risk.

IV. CONCLUSION

This research sought to analyze the strategies adopted by Microcredit companies in Quelimane City that are adjusted to the process of attracting and retaining customers of microcredit services. Responding to the objective of the research, which aimed to verify whether the strategies adopted by Microcredit companies in Quelimane City are adjusted to the process of attracting and retaining customers, it was observed that WizuMicrocrédito, Malabo Microcrédito and ChuangaMicrocrédito strive for customer loyalty so much that they incorporate into their business strategies. However, not all adopt the same tools such as PDCA and CRM.

Regarding the characteristics of the services offered by companies, it is also worth highlighting that credit in general has short payment terms and values tend to be low. It was also observed that the demand for these credits is mostly from informal creditors, a fact that forces companies not to require real guarantees or credit history.

Thus, after carrying out this work, it can be stated that the microcredit program can be considered as a viable financing policy alternative to meet the need for productive credit of small formal and informal entrepreneurs, as it operates exactly in the discriminated sectors against by the traditional financial system.

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