

## Customer Service and Customer Retention in Stationery Retail Shops: Evidence from Buea Municipality, Cameroon



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### Abstract

**Aim:** The increasingly competitive market environment demands that businesses employ effective measures to build long-term relationships with their potential and existing customers, thereby increasing loyalty and retention. This paper sought to assess the effect of customer service on customer retention in stationery retail shops in Buea Municipality.

**Methods:** The Leaky Bucket and the planned behaviour theories were employed to indicate the relationship that exists between the constructs. This study adopted a survey explanatory research design and used the convenience sampling technique. Data were collected through questionnaires administered to 395 customers of stationery retail shops in the Buea Municipality. Ordinary least squares regression was used to analyze the data.

**Results:** Findings showed that employee attitude (0.162\*\*\*), complaint handling (0.283\*\*\*) and effective communication (0.402\*\*\*) as customer service dimensions have a significant and positive relationship with customer retention in stationery retail shops in the Buea Municipality at 1% significance level, that is, a 99% confidence level.

**Conclusion:** Overall, the results show that customer service is a significant tool for customer retention.

**Recommendations:** The study recommends that the management of stationery retail shops in Buea Municipality should provide reliable information about their products and services. They should also invest in staff training and implement robust feedback mechanisms to strengthen customer relationships and enhance retention.

**Keywords:** *Customer service, employee attitude, complaints handling, effective communication, customer retention, stationery retail shops, Buea Municipality.*

## 1.0 INTRODUCTION

Customer retention is an important element in achieving competitive advantage for businesses. The increasingly turbulent economic environment has brought this again to the forefront of many organisations (McCrory, 2013). Although businesses and organisations must constantly acquire new customers to thrive, it is imperative to remember that cultivating loyalty among existing customers is also key to a company's success. According to the Harvard Business Review (2021), it costs 5–25 times more to acquire a new customer than it does to retain an existing one thus, improving customer retention rates can go a long way in helping your bottom line (Framson, 2021). Every organisation must consider how best to serve its potential and current customers if it intends to retain them. Reichheld (2020) researched financial services companies and realised that a 5% increase in customer retention produces more than a 25% increase in profit (Mensak, 2021). According to HubSpot research, 68% of consumers indicate their willingness to pay more for products and services from a brand known to offer good customer service experiences (Smith, 2021).

Similarly, research by Hisaka (2013) found that it may cost 6–7 times more to acquire a new customer than to retain an existing one. His study further indicates that 83% of customers agree that they feel more loyal to brands that respond to and resolve their complaints, and 86%, good customer service turns one-time clients into long-term brand champions (Smith, 2021). This has generated a debate amongst some business operators who advocate for profitability as the sole motive of their operations—irrespective of whether they retain customers—and another school of business operators that focus on retaining their customers as a long-term survival strategy or for "the going concern". For example, Nwahanye (2021), Krishnapillai (2013), Thenya (2016), all show how customer service contributes to customer retention, while Anderson (1997), Almudhafar (2022), Augutina (2023) and Pooser (2018) focused on customer service as an important element of profitability. Despite these slight differences in opinion among the schools of thought, customer service and retention remain the drivers of performance for business enterprises such as stationery shops in Buea Municipality. This justifies why performance is like a mirror to a firm, and particularly to stationery shops. It greatly depends on the customer's ability to make repeated purchases, which is customer retention.

Stationery and office supplies businesses have become an essential part of our world. The industry has experienced a 7.4% growth, with Office Depot and Staples having the lion's share in the United States of America (USA) market, but no single operator has control over the pricing trend, advertising trend, distribution model, customer loyalty, customer retention, and service quality in the industry (Nwokoro, 2020). Demand for stationery products in Western Africa has witnessed a two-fold increase owing to the rising number of educational institutes as well as commercial organisations. Based on end users, the education sector accounted for the highest market share of 75% in 2017 (Africa Stationery Market Research, 2020). It is observed that the stationery and office supply industry of Cameroon, just like that of Africa as a whole, is growing at a high rate. This is due to the rising number of educational institutions (University of Buea, Private Higher Institutions, Primary, and secondary schools) and non-governmental organisations due to the current socio-political crisis affecting the North West and South West Regions of Cameroon. Also, population growth, and the United Nations (U.N.) offices operating in Cameroon and Buea Municipality has led to increased demand. These have provided a steady market for stationery shops and consequently their proliferation.

The stationery retail sector operates in a perfectly competitive market where there is free market entry and exit. These sellers compete with each other to acquire and retain more valued customers to gain a greater share of the market. This is evident in some stationery retail shops in the Buea Municipality, such as Excel & Co Stationery, Office Corner, Password, and Melino Documentation, which have been operating in the market for over 10 years. The difference between stationery shops that grow and those that don't is customer retention or the ability of customers to make repeated purchases. The more you keep your customers and continue to sell to them, the more likely you are to achieve your business goals (Kulbyte, 2021). Stationery retailing shops especially face the challenge of adopting marketing strategies that facilitate customer retention (Asamoah, 2012). This has motivated the authors to investigate and make practical recommendations on customer service and customer retention.

Mindful of the fact that customer retention increases business profit, sales revenue, reduces marketing expenses (compared to acquisition), boosts brand reputation, encourages positive word-of-mouth referrals, engages customers to provide more feedback, and helps evaluate how good customer service is (Charlton, 2021; Asamoah, 2012), customer retention is therefore a very important aspect in the life of a business, but it has not been given much attention in the stationery retail industry in the Buea Municipality, where emphasis is still laid on making sales rather than building a relationship with customers through pre-selling, selling, and post-selling (Kotler & Keller, 2016). This has resulted in some shops winding up (Alicia Shopping, Frank Fils Bookshop) a few years after their creation, and retarded growth observed in most cases compared to the market potential.

Customer service and customer retention are no longer new topics in the field of customer relationship management practices and philosophies, but literature indicates that no study has been carried out about the stationery retail shops in the Buea Municipality. This creates a research gap which this study intends to fill. This study sought to examine the effects of customer service on customer retention in stationery retail shops in the Buea Municipality by providing answers to the following research questions: How do employee attitude, complaints handling, and effective communication affect customer retention in stationery retail shops in the Buea Municipality? Given these questions, the objectives of this study shall therefore be to investigate the influence of employee attitude, complaints handling, and effective communication on customer retention in stationery retail shops in the Buea Municipality.

This will enable investors in stationery businesses to design, develop, and implement strategic decisions related to customer service provision; take measures to curb the harsh consequences of losing customers to competitors; and avoid heavy sums of money being invested in public relations campaigns in line with the stationery business in Buea in particular, and Cameroon at large. These measures will result in reduced costs, increased market share, and growth in sales volume leading to improved performance in the long run. This article shall further present the literature review, methodology, findings, conclusion, and recommendations.

## **2.0 LITERATURE REVIEW**

### **2.1 Conceptual Review**

Customer service is the support you offer your customers both before and after they buy and use your products or services, which help them to have an easy and enjoyable experience with your

brand. Customer service plays a crucial role in the success and growth of any business (Hanna *et al.*, 2025). It is the foundation upon which lasting relationships with customers are built. Providing exceptional customer service can significantly impact customer retention rates and ultimately contribute to the overall success of a company. Havaladar *et al.* (2011) observed that organisations providing superior basic customer service had a higher frequency of daily reviews of customer complaints (58.2%). GAINSIGHT, a customer success management company, outlined that providing engaging and personalised customer service persuades customers to stay and brings in new customers. It suggests the following measures for improving customer service and customer retention in an organisation: build and foster a cordial relationship with customers, analyse customer interactions to identify "at risk" customers, track customer actions to understand interests, intent, wants, needs, and perceptions of the customers, adopt a proactive approach to boost customer loyalty, build and enhance a 360-degree customer view, and provide the right service at the right time.

Customer retention is a direct result of consumer attitudes and behaviours in response to the services they receive, and it is characterised by customers' willingness to be involved in future interactions with a service provider, encompassing the particular nature of these forthcoming interactions (Hume *et al.*, 2007). This aligns with the study of Harriet *et al.* (2024), who posit that the desire to repurchase is rooted in customers' willingness to make repeat purchases or return to the same institution. Based on this, a company's customer retention rate is determined by dividing the total number of active customers by the proportion of the remaining customers at the start of the fiscal year (Ali *et al.*, 2010). Oliver (2014), on his part, characterizes customer retention as a robust and long-lasting pledge to regularly repurchase a favoured good or service in the future. It is therefore an action that the service provider takes to mitigate customer defections. Successful customer retention efforts commence from the initial interaction a company has with a customer and persist throughout the entire duration of the customer relationship. It is important to note that customer retention focuses on maintaining a good business relationship between a seller and the purchaser.

Customer retention has become extremely important in modern business because it decreases churn rates, increases customer lifetime value, creates customer loyalty, builds empathetic customer relationships, reduces acquisition costs, provides value-added feedback, encourages word-of-mouth marketing, creates competitive advantages, improves customer care, increases revenues, and enhances brand reputation (Hanna *et al.*, 2025; Paul du Preez Botha, 2024; Artha, 2022; Nwanhanye, 2021; Graham, 2021). Customer retention challenges are common in the stationery industry bringing stiff competition and thus making customer service a critical issue. Customer service and customer retention are two important business strategies in today's competitive business environment. Many empirical studies have buttressed this assertion, as presented in the literature review section.

## 2.2 Empirical Review

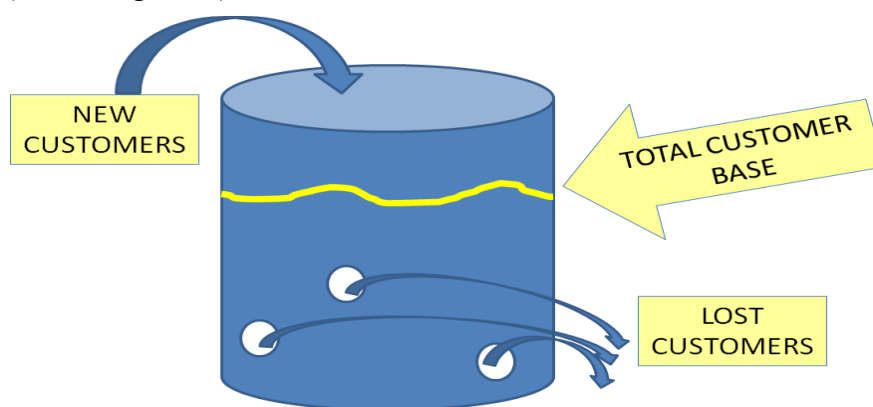
Suriansha *et al.* 2024 assessed the effect of service quality on customer retention and customer experience as a mediating variable. Their study revealed that customer experience significantly and positively influences customer retention at the Ramayana Department store. Artha *et al.* (2022) did research with the objective to determine the factors associated with customer retention. After reviewing 19 articles, the study reviewed that customer retention is vital to

businesses. Nwahanye (2021) opined that overall customer service is a significant tool for customer retention in CAMTEL. His study further shows that communication management and staff attitudes are the constructs of customer service that have a significant and positive correlation with customer retention. Jimoh and Idowu's (2021) study on customer service delivery and customer retention in commercial banks in Nigeria revealed that service quality dimensions (tangibility, reliability, responsiveness, assurance, and empathy) significantly and positively influenced customer satisfaction and are crucial for customer retention in commercial banks. Fida *et al.* (2020) investigated the impacts of service quality on customer satisfaction and customer loyalty for selected major Islamic banking institutions in Oman using the SERVQUAL model and found that the application of three important factors - service quality, customer satisfaction, and customer loyalty - significantly relate to each other.

Kinya *et al.* (2019) established that effective communication and satisfactory complaint-handling strategies are vital in developing and nurturing healthy business relationships that subsequently lead to loyalty. They further revealed that the influence of complaints on customer loyalty can be mediated by customer satisfaction, which also shows a positive relationship. Basnayake and Hassan (2015) examined the effect of employees' ethical behaviour on customer satisfaction and retention based on Malaysian fast-food restaurants. The study shows that the ethical behaviour of employees, customer satisfaction, and customer retention are highly correlated. These relationships between customer service and retention are supported by several theories such as the Leaky Bucket Theory and the Theory of Planned Behaviour. The results of these empirical studies that demonstrate the positive correlation of customer service to customer retention justify the formulation of alternative hypotheses.

### 2.3 Theoretical Review

The Leaky Bucket theory was developed by Andrew Ehrenberg (1988). It illustrates how firms put customers into a leaky bucket, as opposed to preventing them from leaking away through the bottom of the bucket, the firm keeps topping up the bucket with new customers (Ehrenberg, 1988).



**Figure 1: Customers' Attrition (Churn)**

*Source: Clerk (2014)*

The Leaky Bucket theory equally emphasises the importance of knowing at what stage of the business life cycle to focus more on customer acquisition or customer retention. Acquiring



customers without taking measures to retain them will result in a leak (no repeat purchases). Stationery retail shops focus on huge advertisements to attract customers but lack strategies to cause these customers to make repeat purchases or retain them over a long period.

The planned behaviour theory pioneered by Icek Ajzen (1980), discusses the involvement of participants in the selection of products and services (Ajzen, 2015). The theory of planned behaviour explains that individual desires and behaviour are influenced by three main factors namely; attitudes, subjective norms, and perceived behavioural control (Yuzhanin & Fisher 2016). Planned behaviour theory emphasize that if employees understand that when they perceive customers better and have good attitude towards customers, they can convert dissatisfied and first-time customers to loyal customers. This makes them mind their ways and always try to put out a good attitude when interacting with them. The conceptual, empirical, and theoretical justification explained herein motivated the formulation of the following alternative hypotheses:

H<sub>1</sub>: Employee attitude significantly influences customer retention in stationery retail shops in the Buea municipality.

H<sub>2</sub>: Complaints handling significantly affects customer retention in stationery retail shops in the Buea municipality.

H<sub>3</sub>: Effective communication significantly influences customer retention in stationery retail shops in the Buea municipality.

### **3.0 METHODOLOGY**

#### **3.1 Research Design and Data**

This study adopted a survey explanatory research design and a random probability sampling technique. The target population was all customer of stationery retail shops in Buea municipality. These customers include male/female, individual/corporate—who buy periodically on a weekly and daily basis. The questionnaire required the respondents to show the extent to which they agree with some crucial aspects of customer service and customer retention using a 5-point Likert scale ranging from strongly disagree to strongly agree. The sample frame of the study comprised 450 customers of stationery retail shops, who were sampled from six (06) selected stationery retail shops in the Buea Municipality. The choice of these shops was a result of their strategic location, precisely in Molyko-Buea, where most of these educational institutions and NGOs are located, serving as both institutional and individual customers for these shops.

These customers with its diverse characteristics represent a broader perspective of the stationery market. Four hundred and fifty (450) questionnaires were distributed to the customers who visited these shops. However, 395 (sample size) were completed and returned, representing an 87.8% response rate, which was good enough considering the difficulties involved in following up on questionnaires. This was critical, as a good response rate strengthens the validity of the study. According to Bryman and Bell (2007), a response rate of 50% is acceptable to analyse and publish, 60% is good, and 70% is very good. The overall 87.8% response rate achieved for this study was therefore very good. Bruce (1999) stresses that the response rate is one of the most critical factors used to determine study quality and adds that a response rate of 75% is appropriate. Out of the 395 questionnaires that were completed and returned, 67 of the

respondents were from Excel & Co Stationery LTD, 69 from Office Corner, 66 from Paper Gate, 64 from Ngassa Bookshop, 67 from Melino Documentation, and 62 from Office Essentials.

### 3.2 Model Specification, Description and Measures

A mathematical model was developed that relates the dependent variable to the independent variables, drawing inspiration from the studies of Nwahanye (2021), Jimoh and Idowu (2021), Fida, *et al.* (2020), and Kinya *et al.* (2019). In this model, customer retention is the dependent variable, and customer service constructs comprise Employee Attitude, Complaints Handling, and Effective Communication (EA, CH & ECOM), which represent the independent variables. These customer service constructs indicate the support offered to customers before, during, and after they buy and use a product or service, helping them have an easy and enjoyable customer experience. The model was specified as follows:

$$CR = \beta_0 + \beta_1 EA + \beta_2 CH + \beta_3 ECOM + \beta_4 P + \beta_5 PQ + \beta_6 SHL + \beta_7 SHR + \varepsilon$$

Where:

Customer Retention (CR): Is defined as a company's ability to turn customers into repeat buyers and prevent them from switching to other competitors. It is measured using repeat purchases, positive word of mouth, customer experience, price insensitivity, and customer loyalty.

Employee Attitude (EA): It refers to an employee's ability to show empathy during customer-employee interactions. It is measured by the timely and effective delivery of services, employee behavior, and attitude.

Complaints Handling (CH): A planned and controlled way of receiving, recording, processing, responding to, and reporting on complaints, as well as using them to improve services and decision-making. It is measured by solutions sorting and implementing to resolve and reduce the number of complaints.

Effective Communication (ECOM) includes creating strong emotional connections with customers that may prompt progressive business, positive word-of-mouth, and information from customers that leads to customer loyalty.

Other dimensions of customer service used as control variables are the price of the product (P), product quality (PQ), shop location (SHL), and shop reputation (SHR).

$\beta$ s are the parameters of the equation to be estimated and are the coefficients of the various variables.  $\varepsilon$  is the error term/stochastic term.

The Leaky Bucket Theory and Planned Behavior Theory, together with empirical studies related to customer service and customer retention in enterprises, reviewed the following a priori expectations:

$\beta_1 > 0$ : An improvement in employee attitude towards the customers will lead to an increase in customer retention in stationery retail shops in the Buea municipality, everything being equal (Nwahanye, 2021).

$\beta_2 > 0$ : Good complaints handling by the employees of stationery retail shops will contribute to customer retention in stationery retail shops in the Buea municipality, *ceteris paribus* (Mensah, 2016).

$\beta_3 > 0$ : Effective communication between the management of stationery retail shops and their customers will contribute to improved customer retention in stationery retail shops in the Buea municipality, everything being equal (Kinya *et al.*, 2019).

### 3.3 Estimation Technique (s)

Ordinary Least Squares (OLS) regression estimation technique was carried out, and the results were validated based on the economic a priori test, statistical (1st order) tests, and the econometric (2nd order) tests. The choice of OLS is justified by the fact that it is the best linear unbiased estimator (BLUE) with its smallest variance, and desirable properties such as consistency, asymptotic normality and efficiency. The economic a priori test was meant to verify whether or not the size and signs of the estimated coefficients are in accordance with expectations concerning customer service and customer retention in stationery retail shops. Estimated coefficients are expected to conform to a priori expectations. The ordered Logistic Regression technique was employed to test the robustness of the OLS results which provide highly interpretable coefficients that explain the relationship between the variables and outcome.

The statistical (1st order) test uses statistical measures like the multiple coefficients of determination, adjusted R-squared, t-statistics, and the F-ratio test to determine the reliability of the estimated coefficients. It measures the goodness of fit of the regression. An adjusted R-squared of 0.80, for example, would imply that 80% of the variation in the dependent variable is explained by joint variations in the explanatory variables in the model, with 20% accounted for by the error term. The t-statistic was employed to test the significance of the regression coefficients. The decision to accept or reject the null hypothesis is based on the value of the test statistic obtained from the data. The F-test measures the overall significance of the model, and the adjusted R-squared shows the degree of reliability of the results.

The econometric (2nd order) test was employed to verify the main assumptions of the Ordinary Least Squares method. The test for multicollinearity was conducted to assess the correlation among the variables to determine the likely nature of multicollinearity. The benchmark rule is to consider that multicollinearity exists between independent variables if there is a correlation of more than 0.8 between them.

The results obtained from the administration of the questionnaires were tested using the Cronbach alpha coefficient. The reliability threshold was a Cronbach alpha greater than 0.70, suggesting satisfactory levels of construct reliability. The Cronbach alpha for this study was 0.852, indicating an overall reliability of the scales used in this study.



## 4.0 FINDINGS

### 4.1 Descriptive Results

**Table 1: Descriptive Statistics**

Variables	Observation	Mean	Standard Deviation	Minimum	Maximum
Customer Retention (CR)	395	3.39	1.06	0	5
Employee Attitude (EA)	395	3.60	.81	1.63	5
Complaint Handling (CH)	395	3.14	1.08	1.38	5
Effective Communication (ECOM)	395	3.17	1.24	0	5
Price	395	.39	.48	0	1
Product Quality	395	.28	.45	0	1
Shop Reputation (SHR)	395	.05	.21	0	1
Shop Location (SHL)	395	.24	.43	0	1

*Source: Researcher (2025)*

From the findings in Table 1, customers of stationery retail shops in the Buea municipality indicated, with a mean of 3.60/5 which is above the neutral midpoint indicating that employees of stationery retail shops in Buea municipality exhibit good attitudes toward their customers to make them feel comfortable each time they make a purchase. The respondents (customers) further indicated, with a mean of 3.14/5, that their complaints are often handled to their satisfaction whenever they visit these shops. Also, customers of stationery retail shops in the Buea municipality indicated, with a mean of 3.17/5, that employees of stationery retail shops communicate effectively.

The study employed some control variables, which were Price, Product Quality, Shop Reputation (SHR), and Shop Location (SHL), all of which had means of 0.39/1, 0.28/1, 0.05/5, and 0.24/1 respectively. These values are, however, not central to the objectives of this study but are included because they could influence the outcome of the results.

### 4.2 Inferential Statistics

#### 4.2.1 Pearson Correlation Results and Hypothesis Testing

**Table 2: Pearson Correlation Results**

Independent Variable	Dependent Variable	Pearson Correlation	Observations	Asymptotic Sig. (P.Value)
Employee attitudes	Customer retention	0.436	395	0.000
Complaints handling	Customer retention	0.409	395	0.000
Effective communication	Customer retention	0.413	395	0.000

*Source: Researcher (2025)*

Level of significance (p-value) is 0.05; Decision rule: Reject the null hypothesis if  $p\text{-value} \leq 0.05$ ; fail to reject if  $p\text{-value} > 0.05$ .

The Pearson's  $r$  values in Table 4.2 show a positive linear relationship between the dependent and the independent variables. This relationship is described as a moderate degree relationship between employee attitude (EA), complaints handling (CH), and effective communication (ECOM) and customer retention (CR). This, therefore, implies that as the values of the independent variables (EA, CH, & ECOM) increase, the value of the dependent variable also tends to increase. This further implies that when good customer service strategies in terms of employee attitude (EA), complaints handling (CH), and effective communication (ECOM) are put in place by owners and employees of stationery retail shops in the Buea municipality, many customers will make repeat purchases (customer retention) in the same shops.

The p-values of correlations between customer retention and employee attitude, complaint handling, and effective communication are less than 0.05, and the Pearson correlation values are all close to 0.05. This shows, with at least 95% certainty that the customer service dimensions - employee attitude, complaint handling, and effective communication - have a positive and significant relationship with customer retention. As such, the alternative hypothesis (Employee attitude has a significant influence on customer retention in stationery retail shops in the Buea municipality) is accepted, as there exists a positive relationship between employee attitude and customer retention, justified by the p-value (0.000). This implies that a good employee attitude, manifested by employees of stationery retail shops in the Buea municipality, is associated with repeated purchases in the same shop, thus enhancing customer retention.

The alternative hypothesis that customer complaints handling has a significant effect on customer retention in stationery retail shops in the Buea municipality is accepted because, based on Table 2, the p-value of 0.000 is lower than 0.05 ( $p = 0.000 < 0.05$ ). This equally implies that where customers' complaints are handled effectively to their satisfaction, this will cause many of these customers to make repeat purchases in the same stationery retail shop.

Finally, the alternative hypothesis that effective communication has a significant influence on customer retention in stationery retail shops in the Buea municipality is accepted, justified by the p-value of 0.000, as seen in Table 4.2, which is lower than 0.05 ( $p = 0.000 < 0.05$ ). The implication, therefore, is that an increase in effective communication between customers of stationery retail shops in the Buea municipality and the shop owners or employees will lead to customer retention, as many of these customers will make repeat purchases in the same stationery retail shops.

#### 4.2.2. Ordinary least Square Regression and Ordered Logistic Regression results

**Table 3: Ordinary Least Square Regressions and Ordered Logistic Regression results for customer service and customer retention**

Independent Variable	OLSR coefficient (Standard error)	OLR coefficient (Standard error)
Employee attitude (EA)	0.162*** (0.455)	0.696*** (0.139)
Complaints Handling (CH)	0.283*** (0.529)	1.638*** (0.227)

Effective Communication (ECOM)	0.402*** (0.044)	<b>0.430**</b> (0.207)
Price (P)	0.415** (0.181)	1.043** (0.488)
Product quality (PQ)	0.079 (0.184)	1.066** (0.496)
Shop location (SHL)	0.659*** (0.184)	2.199*** (0.490)
Shop Reputation (SHR)	1.038*** (0.255)	3.266*** (0.708)
Female	0.224*** (0.075)	0.204 (0.233)
Age (15-44)	0.327*** (0.101)	1.641*** (0.304)
Level of education (EDU)	0.073** (0.029)	0.274*** (0.104)
Duration of purchase (DUP)	0.247*** (0.042)	1.398*** (0.171)
	Prob>F= 0.0000	prob>Chi2= 0.0000
	Adj R-squared= 0.66	Pseudo R2=0.246
		LR Chi2(11) = 438.55

*Standard error in parenthesis, \*\*\* $p < 0.01$ ; \*\* $p < 0.05$ ; \* $p < 0.10$ . OLSR= Ordinary Least Square Regression, OLS= Ordered logistic regression*

*Source: Researcher (2025)*

The model specified was broken down into two representing the ordinary least square regression estimation and the ordered logistic regression estimation as follows.

$$CR = -.94 + .162EA + .283CH + .402ECOM + 0.4154P + 0.079PQ + 0.659SHL + 1.038SHR + .224Female + 0.327Age15 - 44 + .073Edu + 0.0247Dup + \varepsilon$$

..... (1)

$$CR = -.94 + .696EA + 1.638CH + .430ECOM + 1.043P + 1.066PQ + 2.199SHL + 3.266SHR + .204Female + 1.641Age15 - 44 + .274Edu + 1.398DuP + \varepsilon \dots \dots \dots (2)$$

The coefficients of employee attitude, complaint handling and effective communication are positive. This implies that good employee attitude, satisfied complaint handling, and effective communication by the employees of stationery retail shops in the Buea municipality towards their customers will lead to increased customer retention *ceteris paribus*. The coefficient of Employee Attitude is 0.162 meaning that customer retention will increase by 0.162 units if Employee attitudes are ameliorated. Complaint handling is seen with a coefficient of 0.283 meaning that the ability of customers to do repeat purchases in the same shops will increase by 0.283 units if customers are satisfied with the way their complaints are handled. Finally, the coefficient of effective communication is 0.402 implying that customer retention will increase by

0.402 units if there is effective communication between employees of stationery retail shops in the Buea municipality and its customers. These positive relationships between employee attitude, complaints handling, effective communication and customer retention are however significant at 1% since their p-values of 0.000 which is lower than the usual significant level of 0.05.

The adjusted  $R^2$  shown in Table 4.4 is 0.66. This means that 66% of the variation in customer retention in stationery retail shops in the Buea municipality is explained by the employee attitude, complaints handling and effective communication. Therefore, 34% is explained by the error term (other variables).

The Ordered logistic regression was used to check the robustness of the findings. The results show evidence of robustness as the direction did not change but the magnitude of estimated coefficients varied.

## 5.0 DISCUSSIONS OF RESULTS

A high degree of employee-customer interaction throughout the customer's buying journey, particularly employee attitudes characterized by courtesy, friendliness, helpfulness, and a focus on customer satisfaction, is crucial for establishing a positive customer experience and fostering long-term customer relationships. If an employee's attitude is positively perceived by customers, the likelihood of customer retention and referrals increases significantly. Customer retention often begins with the first impression formed during a customer's initial interaction with a business and continues throughout the customer's relationship with the company.

Employees' attitudes play a vital role throughout this process. Courteous, friendly, helpful, polite, and customer-focused employees are essential in delivering the level of satisfaction that transforms a customer from a one-time transactional buyer to a loyal, relationship-driven client.

Successful retention strategies enhance the overall customer experience, increase the repeat purchase rate, stimulate positive word-of-mouth and referrals, boost customer commitment, and reduce churn. These findings are consistent with Hassan (2015), who demonstrated a strong correlation between ethical employee behaviour, customer satisfaction, and customer retention. Similarly, they support Nwahanye (2021), whose study found that staff attitudes significantly influence customer retention at CAMTEL South-West. These results align with the a priori expectation ( $\beta_1 > 0$ ), which posits that improved employee attitudes lead to increased customer retention, all other factors being equal.

Effective complaint-handling policies—such as acknowledging and apologizing for complaints, offering appropriate compensation, providing clear complaint channels, and resolving issues promptly—can significantly increase the likelihood that customers of stationery retail shops in the Buea Municipality will return for repeat purchases. This supports the a priori expectation ( $\beta_2 > 0$ ). The findings echo those of Mensah (2016), who, in his study of Unibank Ghana Ltd, found that how a company handles the complaint resolution process directly impacts customer retention. The present study also aligns with Kinya *et al.* (2019), who found that effective communication and satisfactory complaint-handling strategies are key to developing strong business relationships that enhance customer loyalty and retention.

However, these findings contradict Nwahanye (2021), who concluded that complaint management did not significantly affect customer retention at CAMTEL South-West. This

inconsistency may be attributed to CAMTEL's failure to treat complaint management as a strategic investment to retain customers and protect long-term profitability, as suggested by Lovelock and Wirtz (2011). This view contrasts with prior studies, including those by Stauss & Schoeler (2004), Boshoff (2005), and Oh (2006), which underscore the importance of complaint resolution in customer retention.

Finally, Effective communication emerges as another vital determinant of customer retention. As Putra and Ardiani (2018) observed, the communication process influences both customer satisfaction and customer retention. Generally, when businesses actively listen to customer needs, understand expectations, and maintain open lines of communication—especially through phone interactions and other post-purchase communication methods—customer satisfaction is likely to rise in stationery retail shops in Buea. By proactively communicating, building trust, offering timely solutions, and maintaining customer engagement, businesses can increase revenue, enhance brand reputation, and enjoy the peace of mind that comes from satisfied customers (Hoffman, 2018). These findings are consistent with Waari (2018) and Nwahanye (2021), both of whom found that communication management has a positive and significant effect on customer retention at CAMTEL South-West. This supports the a priori expectation ( $\beta_3 > 0$ ).

## 6.0 CONCLUSION

This study assessed the effects of customer service on customer retention in stationery retail shops within the Buea municipality. The article focused on three key components of customer service - employee attitude, complaint handling, and effective communication. The findings revealed that customer service plays a crucial role in customer retention. Specifically, positive employee attitudes, efficient complaint handling, and effective communication were significant and influential factors in encouraging repeat purchases and long-term customer loyalty. These together led to revenue growth, cost efficiency, brand advocacy, resilience to competition, feedback and innovation.

## 7.0 RECOMMENDATIONS

Based on these findings, this article recommends short-term, medium terms as well and long-term strategies for entrepreneurs in the stationery business. Management of stationery retail shops in the Buea municipality should take deliberate steps to enhance their customer service practices. Managers should prioritize attentiveness, politeness, and cordiality in their daily customer interactions. Establishing simple, accessible channels for customers to voice complaints or concerns is essential. Management should respond promptly to issues, acknowledge complaints, and provide timely, empathetic resolutions.

Additionally, maintaining regular communication, expressing gratitude, rewarding customer loyalty, and sharing accurate product and service information through accessible communication channels will greatly enhance the customer experience. Gathering customer feedback to evaluate whether complaints were handled satisfactorily can also help refine service strategies. More specifically, Retailers could organize quarterly workshops on customer service etiquette or develop a simple feedback-tracking tool to monitor complaint resolution.

To ensure long-term sustainable improvement, stationery retail shop managers should invest in Customer Relationship Management (CRM) practices, train staff to be responsive and customer-



focused and develop effective information systems to keep customers updated on products, services, and promotions. These strategic actions will not only improve customer satisfaction but also contribute to the long-term success and competitiveness of stationery retail shops in the Buea municipality. Customers will also be Encouraged to participate via suggestion boxes or digital surveys, and frontline staff be involved in co-creating customer service standards.

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