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Customer Retention Management Strategies adopted by the Freight Transport Service sector in Ghana. A Review Paper on Related Literature

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Abstract

Achieving customer retention in freight transport sector provides survival for the firms. The varied economic benefits associated with the adoption customer retention management cannot be over-emphasised as it can lead to the overall profitability of firms. This paper review address both theoretical and empirical literature on Customer Retention Management Strategies adopted by the Freight Transport Service sector in Ghana. This paper seeks to explore variables, which may be considered in any Customer Retention Management Strategy and Customer Retention by drawing together strands from various literature on: strategies and analytical approaches for managing customer defections in the freight transport industry in Ghana; customer defection groups, and the reasons for their defections, and the significant role played by Life time value of the customer (LTVC) theory to freight transport businesses in Ghana; models which can be adopted to manage customer defections in the freight transport industry in Ghana; and the actual switching barriers that can be adopted by the players in the freight transport industry in Ghana to promote customer retention.

Keywords: Customer retention management strategies, Switching barriers, Freight Transport, Ghana

INTRODUCTION

Over the years, customer services have been considered important factor in customer retention management strategies. Potter-Brotman (1994), believes that the role service in every economy plays is more critical and crucial than ever, - a trend which will continue. Specifically, transport serves as physical linkage between clients and suppliers, thereby facilitating flow of materials and other resources. It can be maintained further that with the introduction of third party logistics (abbreviated 3PL, or TPL refers to a provider of a firm's outsourced logistics services) providers and even fourth party logistics (abbreviated as 4PLs – refers to integration, assemblage and management of all resources, capabilities and technology of a firm's Supply Chains and its range of providers), majority of carrier service firms provide more than just physical transport links. Such carrier service firms provide functions which include value addition services which range from inventory control and warehouse management (Naim, Potter, Mason, and Bateman, 2006). In transport business, while 3PL application refers to any service contract that involves storing or shipping logistics, a 4PL provider is regarded as a supply chain integrator.

It is established in literature that logistics system adopted by industrial firms is basically linked with freight transport systems at all stages of procurement, production and distribution of goods to the final consumer. By freight transport, Crainic and Dejax (1990) mean that all the supply chain activities and functions are said to be performed by one or several carriers, using one or several modes of transportation, to move freight of varied commodities, from multiple clients (cities), between several locations. Humans are all the time involved in the development of various applications in the areas of distribution systems planning and facility location for industrial production or transport firms, as well as the medium-term service network design and the tactical planning of operation for freight transport firms (Crainic and Dejax, 1990).

The role played by the road haulage sector is key to any national economy with users boasting of huge spending budget. Experts group the freight transport industry into two core hauliers — own account and hire and reward. Own account operators include manufacturers or distributors who can boast of their own fleet of transports available to serve their own standards and requirements. The services of hire and reward hauliers are offered to third parties. Experts believe that the hire and reward haulier sector is experiencing an increasing growth, as growing numbers of stakeholders such as manufacturers, distributors and retailers suggest that the function of physical distribution of goods should be performed by transport firms (ibid).

In Ghana, it can be submitted clearly that the vast majority of freight service functions are performed by road hauliers, largely because of its cheapness and flexibility and it is anticipated that this is unlikely to change in the foreseeable future since less attention is paid by the state towards other modes of transport like air, rail and sea. That is to say that the freight transport service sector is characterised with fierce competition which has been, and will remain severe as the entry barriers continue to be low. Defending this position, Duffy (1985) stresses that certain customers who purchase freight transport services, also operate in highly competitive markets, hence the onus lies on freight transport firms to pay increasing attention to improving the services rendered to the customers. That is, the industry has been characterised with features of excess capacity, low barriers to entry and high levels of competitive rivalry among players who are always confronted with the enormity of the task in meeting the ever increasing demands of powerful customers. Crainic and Dejax (1990) are of the view that it is always anticipated that customers in the freight transport industry are becoming more aggressive in their quests in seeking out and defecting to competing suppliers who could meet their demands whereas, other competitors who were unable or unwilling to do so are deselected by customers. This stands to reason that as the freight transport market is becoming increasingly competitive, players are advised constantly to adjust to and to meet customers' needs and requirements profitably while offering flexible, reliable, high quality and low cost services.

The current reviewers of this paper perceived that the freight transport sector is considered as vital element of all economies across the globe since transportation and distribution of goods have significant effect on the performance of basically all the sectors of economies. Functionally, the freight transport sector serves as the backbone of production, trade, and consumption activities thereby ensuring effective movement of raw materials and finished products at the right time (Crainic, 2000), advancement of globalisation, increases connectivity of markets and businesses, and finally simplifying movement of freights and people (Vetevood, 2008).

The discussion so far suggests that the function performed by freight transport is key to ensuring a smooth, cost- and timely fulfillment of customers' requirements. Hence this view brings to the fore, the sole purpose of every business, which according to Peter Drucker (1973), is "to create the personality called customer". This position is also supported by Ofori-Okyere (2014) in his book "Customer Communications, Theories, frameworks and concepts", which made it clear that managers of today's businesses in their quests of attracting, acquiring, and maintaining today's customer for a lifetime business transaction, should pay particular attention to the needs and requirements of the customer which are becoming ever increasing in demands.

A position held by authorities is that in order for businesses to survive in today's competitive marketplace, managers must allocate more funding in their implementation of customer retention management programmes when their market share is experiencing increasing growth, and finance customer acquisition efforts when their market share is falling (Fruchter and Zhang, 2004). Lee, Lee, Feick(2001), sharing similar perspective posit that as market growth declines or as markets remain highly competitive, players in such competitive environments usually adopt strategies in maintaining their market share through paying attention to retain existing customers. Business organisations achieve this by continually seeking new ways of acquiring, retaining, and increasing their marketing activities due to the fact that there is rising cost to be incurred when it comes to losing customers (Petzer, 2005). Choi and Chu (2001), stress that businesses that are capable of attracting, satisfying, and retaining customers are said to survive than the ones which do contrary. It is advocated in a more benign manner that customer retention management strategy is considered as more reliable source of superior performance (Reichheld and Sasser, 1990), which in this way can be adopted as a marketing programme by freight transport firms in Ghana.

The authors of this review paper perceive that customer retention management strategies comprise series of marketing programmes (approaches) to be adopted by each freight transport service provider in Ghana to prevent customers from defecting to alternative competing service firms. In the main, it can be understood that successful customer retention management strategy as a core marketing strategy commences with the organisation making its first contact with the customer and also spans throughout the entire relationship chain. The demand for freight transport services is almost entirely derived and the fate of the industry as a whole is closely related to the state of the economy, since any reduction in consumer demand, which causes output by manufacturers to fall, leads inexorably to reduce demand for transport and vice versa (Whyte, 1993).

The current authors maintain that despite a lot of empirical studies done in the broad areas of transport and logistics, customer retention management and their related subjects there is little known literature with specific examination done on customer retention management strategies in the Freight Transport service sector specifically in Ghana. Whyte (1993), researched on "The Freight Transport Market: Buyer-Seller Relationships and Selection Criteria, and found that buyers are both demanding and active in the market with the result that over the last decade, they have replaced suppliers whose performance was regarded as inadequate. Stank, and Goldsby(2000), researched on "a framework for transportation decision making in an integrated supply chain" and concluded that "managers must motivate their companies to view the total cost and total value provided by carriers, and desist from buying transportation solely based upon lowest transactional cost." Mason, Lalwani, and Boughton

(2007), investigated on "Combining vertical and horizontal collaboration for transport optimisation", Supply Chain Management" in the UK and the European environment with specific reference to road freight transport industry: the authors recommended similar study to be conducted in other industrial settings for alternative transport modes and other geographical region. Naim, Potter, Mason, and Bateman (2006), aimed to develop "a framework that rationalises transport flexibility into different types," and identified twelve definitions and key components of transport flexibility." Holter, Grant, Ritchie and Shaw (2008), studied "A framework for purchasing transport services in small and medium size enterprises in the UK environment and indicated that "a framework using several tools for purchasing transport services and improving transport performance has emerged from the research." Sanchez-Rodrigues, Potter, and Naim (2010), studied "the impact of logistics uncertainty on sustainable transport operations" in the UK environment, and found that "the main drivers that influence the sustainability of transport operations are delays, variable demand/poor information, delivery constraints and insufficient supply chain integration."

In a related development which is in the area of customer retention management, Buttle and Ahmad (2002), dealt with "Customer retention management: a reflection of theory and practice for UK firms and recommends that "both theoreticians and managers should consider business context in developing and implementing customer retention strategies." Petzer(2005) studied "Customer Retention Management for the Hotel Industry in Gauteng and concluded that service businesses such as hotels retain customers by making sure they are compatible with each other, by keeping track of, and managing customer defections, by addressing service failure with recovery strategies, and by keeping long-term value-creating relationships with their customers. Ang and Buttle (2006), did a quantitative study on customer retention management processes in the Australia market and concluded that "excellence in customer retention is significantly associated with documented complaints-handling processes."Anani (2013), studied "customer retention strategies in the airline industry in Ghana and concluded that airlines can only survive in today's competitive but volatile business environment when they pay particular attention to the effective implementation and monitoring of four strategies(Relationship Marketing (RM), Airline Service Quality (ASQ), Airline Switching Barriers (ASB) and Service Recovery (SR)) to ensure their continued use and application to guarantee customer retention and overall profitability of airlines. Martey (2014), investigated into "the Relationship between Customer Retention and Customer Loyalty in the Restaurant Industry in Ghana", and found that all the four constructs of customer retention; namely price, service quality, customer satisfaction, and brand image had significant correlation with customer loyalty.

Coherently with above discussions, it can be submitted clearly that despite the extant body of research done on both transport and customer retention management as separate topics, the attempt of merging the two business concepts hence an examination of customer retention management strategies in Freight Transport Service Industry in Ghana is said to be under-researched. That is merging the two topical issues in research, it is worth mentioning that panoply of extant studies have reviewed literature on customer retention management in other industry such as the Hotel (Petzer, 2005), telecommunications Gustafsson, Johnson, and Roos, (2005), airline(Anani,2013), Restaurant (Martey, 2014), but little is known in Freight Transport service sector and even in Ghana.

It is safe to submit that extant studies have failed to establish in specifics, what constitute specific models vis-à-vis strategies (approaches and programmes) to be used in managing customer defections; and factors that constitute switching barriers to promote customer retention in the freight industry in Ghana. Existing literature on customer defection, and retention management strategies lack specificity hence a detailed explanation needs to be done into it. It is in this regard that the general objective of the present paper is to offer a review to contribute to the topic: an examination on customer retention management strategies from the perspective of freight transport businesses in Ghana. For its focus, the review seeks to achieve the following as specific objectives:

(1) To identify strategies and analytical approaches for managing customer defections in the freight transport industry in Ghana. (2). To determine customer defection groups, and the reasons for their defections, and the significant role played by Life time value of the customer (LTVC) theory to freight transport businesses in Ghana. (3). to describe in detail, models which can be adopted to manage customer defections in the freight transport industry in Ghana. (4). to explore factors that constitute switching barriers that can be adopted by the players in the freight transport industry in Ghana to promote customer retention.

LITERATURE

The theoretical considerations in this review cover analytical approaches that are useful in the identification of core reasons that account for customer defections; customer defection groups, and the reasons for their defections, and the significant role played by life time value of the customer (LVC) theory; and the description of proven models which can be adopted to manage customer defection; and the exploration of factors that constitute switching barriers.

Strategies and analytical approaches for managing customer defections

Management of customer defections has been emphasised in extant researches (e.g. Ahmad, 2002; Dove and Robinson, 2002; Pearson and Gessner, 1999). It is suggested that business organisations have to make extra effort in instituting, monitoring processes and control devices that are capable of alerting managers of customer defections. In the case of the freight transport industry, this will enable players to reduce customer defections by instituting instant follow up actions or responses that are capable of identifying and eliminating customers who are considered unprofitable.

Reicheld and Sasser (1990), maintain that business organisations should provide a defection analysis. This is accomplished by motivating service personnel to ask definite, related questions about why particular or a group of customers have defected. This is to suggest that business organisations need to be sensitive on the issue of defection rates (Colgate ET al.1996). Top management commitment is needed in the freight transport industry when there is the need for allocating resources to handle causes associated with defection.

It can be summed up that a tactfully designed and accomplished study about customers who had defected over a period can provide effective information to be used to identify core reasons that account for customer defections, investigate attitudes of employees toward service quality, develop a better understanding of the customer's process for terminating the business relationship (so that appropriate intervention and recovery actions can be taken), and discover whether or not there is an identifiable profile for customers who had defected and which may be used for the early discovery of customers at risk (Corner, 1996). Payne (2000a), suggests four analytical approaches for managing customer defections:

- Purposely trained marketing researchers should be recruited to undertake a tactical analysis of the core reasons that underpin why customers defect in businesses. In this way, the business can identify poorly delivered business practices that need strategic improvement and modification. These efforts are capable of resulting to recover the customer and to salvage the poor relationship (Reicheld, 1996), existing between the parties, in this case are the freight transport firms and their customers.

- The business should undertake critical marketing research to identify the aspects of the service been delivered that are key or crucial when it comes to retaining a customer for the purposes of valued relationships.
- The business should benchmark its performance on critical customer service activities against what is done successfully in the competition.
- The business should carefully and tactfully analyse customer complaints received. Zineldin (2006), on the subject of customer retention stresses that firms that adopt customer retention strategies and programmes must first of all be responsive to their customers' needs and concerns through putting in place an effective programme that addresses customers' concerns through a good complaint management system.

Customer defection groups, reasons for their defections, and the role of life time value of customer (LTVC)

Customer defection is explained as a critical situation where customers leave and abandon a service provider and opt for another (Garland, 2002). Similarly, customer defection rate had been explained to be the degree to which customers terminate the relationship they have had with businesses over a period (Page et al., 1996). Reichheld (1996), reporting on the effect of defections stresses that an increase in the defection rate can lead to decrease in cash inflow to an affected organisation. It is suggested that reduction in customer defection rate is likely to lead to increase in profits substantially more than growth in market share, improved profit margins, or factors associated with competitive advantage (Colgate et al., 1996). A lot of service organisations sometimes fail to pay particular attention to customer defections, that is, customers who change service providers for competing ones.

Authorities with empirical studies on customer defection (e.g. Desouza,1992; Matin-Consuegra, Molina and Esteban,2007; Seawright, DeTienne, Bernhisel and Hoopes Larson,2008) list the following as customer defection groups: There are customers who switch to competitors just because of lower prices; customers who switch to competitors just because they are offering better products or services; customers who leave because of inadequate products or services offered by an existing provider; customers who are lost because they are no more in business (in the case of B2B); customers who switch to products and services provided by other companies found outside the industry; and lastly, customers who leave due to internal and external political considerations.

Ahmad (2002), suggested to managers of firms to make extra efforts regarding instituting control mechanisms that are capable in keeping track of customer defections. Similarly, Dove and Robinson (2002), advocate for the existence of development of systems capable of alerting organisations when their customers threaten to defect so that the situation can be averted.

Given the customer groups who engage in defection, Anani (2013), postulates that there are a number of reasons that account for customers defecting to competing companies and their brands as follows:

- For product reasons: This refers to customers who want to experience better and quality product offered by a particular competitor and willing to perceive the competitor's product as being superior.
- Marketing reasons: There are customers who leave the entire market thereby being considered as lost to the organisation and its competitors.

- Technological reasons: There are customers who may defect because of technological discoveries seemed to be lacking in the firm they have dealings with but exist in another and perceived to be capable of satisfying their needs or wants.
- Price reasons: There are customers who may likely defect to competitors because of lower prices and would defect as soon as they can obtain better prices elsewhere (Martin-Consuerigra et al, 2007).
- Service reasons: There are customers who may likely defect due to poor services offered by the existing provider (Seawright et al, 2008).

By identifying reasons why customers may defect, it can be said that organisations may be in the best position to adopt strategies to combat customer defections in order to attain high levels of customer retention by satisfying their needs or wants through good customer service delivery (Mostert, De Meyer and Van Rensburg, 2009). It is instructive to note that in an attempt to comprehend the complete influence defections have on businesses, managers must identify the LTV of each single customer of theirs. LTV is a prediction of the netprofit attributed to the entire future relationship with a customer (Lovelock and Wirtz, 2007).

A number of empirical studies on the subject "value of a customer" (e.g. Claycomb and Martin, 2001; Trubik and Smith, 2000; Kurtz and Clow, 1998), report that the value of a customer will also increase over time due to the underlying reasons:

There is the case of increasing initial costs always incurred in attracting and acquiring a new customer; Customers are likely to utilise services more recurrently over time; Service firms become more efficient in delivering services over time; Existing customers refer or recommend others to the business; Existing customers may generate positive word-of-mouth advertising, which is supposed to be among the most powerful and impartial sources of influence in the marketplace; Businesses can slowly increase their prices because of the apparent quality and dependable service they provide.

Best (2005), contends strongly that the marketing costs a business may incur to ensure customer satisfaction is small in comparison to the benefits the business will derive from customer purchases and the cost savings of customers not defecting. Petzer (2005), maintains that although it is not realistically achievable, business organisations must strive at least aim at creating a zero-defection culture.

Models that can be adopted to manage customer defections and to promote retention

In managing customer defections, certain models play key role. Sampathkumaran (1994), suggested a five-step analytical process called 'customer migration analyses' as a way to help business organisations to stay on top of competition, and prevent, customer defection. The author contends that 'customer migration analysis' should be practised as a continuous, dynamic process that will enable marketers to monitor customer performance against benchmarks, predict and prevent customer defection, foster loyalty, and realise a return on investment.

The steps in the customer migration analysis according to (Sarnpathkumaran, 1994), include the following:

- Managers should spot migration groups based on their expenditure. Divide customers into groups: those that have increased spending, those that have reduced spending, those that have sustained spending, those that have stopped spending, and those that have resumed spending.

- Managers should create profiles of the groups with the use of available information such as the number and nature of transactions, demographic characteristics of customers, and survey results.
- Managers should endeavour to ascertain previous and potential return on investment (ROI) of each of the migration groups. Compare information on promotion efforts (the budget assigned to acquire and retain customers) directed at these groups to assess ROI.
- Managers should establish future resource allocation. Make the most of the return on future investment by striking a balance between acquiring, advancement, and retaining efforts. Take the extent of the customer base, the possible prospect population, the stage in the product life cycle and competition into account when allocating resources.
- They should monitor the migration groups and evaluate the ROI continuously.
- Colgate et al. (1996), proposed a four-step process that businesses must follow in order to reduce defection rates and capture quality and more profitable defectors:
- Managers must ascertain what constitute defection rate.
- Managers must determine the cost associated with the actual defection rate. This is done by: (a) calculating the value of an average customer over his or her lifetime; (b) approximating the current value of such customers at the current rate of defection; and (c) calculating the increase in profit that could be realised if the defection rate is reduced. This indicates the cost of the defection rate.
- Managers should identify a mix of enticements that will persuade customers to remain loyal to the business.
- Management should channel resources to areas of business that will entice customers to stay.
- Page et al. (1996), suggest a six-step analytical process for the assessment of the impact of customer defection on business organisations, which include:
- Managers drawing up profiles on contributions of each individual customer. A contribution profile is referred to as a customer's contribution to income in relation to the number of purchases made throughout the duration of the customer's relationship with the business.
- Managers determining the rate at which customers defect and how it fluctuates over time.
- Managers establishing the anticipated financial value of every new customer over his or her lifetime, and see how this fluctuates over the expected customer lifetime.
- Managers ascertaining the overall customer base of the business organisation.
- Managers determining the eventual contribution of the customer base and how it fluctuates when projections are altered.
- Managers deciding on marketing mix strategies needed to create a balance between acquiring and retaining customers.

Factors that constitute actual switching barriers

A switching barrier can be defined as any factor that makes it difficult or costly for customers to change service providers (Jones, Mothersbaugh and Beatty, 2002). Following this definition, Anani (2013), assumes that the term switching barrier or switching cost can be used interchangeably though some authorities try to differentiate the two concepts based on what they aim to achieve. Ranaweera and Prabhu (2003), perceive the concept as constraints intentionally created by service providers to essentially prevent all acts of switching on the part of customers. From this viewpoint, Gronhaug and Gilly (1991), argue that a dissatisfied customer may remain loyal because of a business high switching costs instituted. It is suggested that the costs of switching to competitors tend to be higher for services than tangible goods (Gremler and Brown, 1996).

In classifying switching barriers, authorities on the subject (e.g. Jones et al., 2002; and Vazquez-Carrasco and Foxall, 2006), have attempted their categorisation under the following factors: Switching cost, and Interpersonal relationships. Cross-selling (Daniell, 2000) and up-selling (Ofori-Okyere, 2014) have been identified as also important factors that need to be taken into consideration when planning against customer switching.

Switching cost

This paper review has identified factors as well as approaches from the academic literature which may have managerial importance when it comes to assigning reasons that account for customer defections in the freight transport industry in Ghana. Notably, a panoply of published studies have empirically tested switching costs as a main determinant of customer loyalty in consumer markets (Gremler, 1995), as well as business-to-business service context. Most of these studies report on the various proven strategies that business organisations can adopt to minimise customer defections (Reicheld and Sasser, 1990; Colgate et al.1996; Corner, 1996; Pearson and Gessner, 1999; Ahmad, 2002; Dove and Robinson, 2002), with the general objective to achieve customer retention for their businesses.

Switching cost is considered as the buyer’s perceived costs (both monetary and non-monetary) involved in switching from the existing to a new supplier (Heide and Weiss, 1995). These include the cost of changing services in terms of time, monetary and psychological expenditure (Dick and Basu, 1994). Porter (1998), defines switching cost as the cost that a customer incurs when changing from one service provider to another. It is also described as the perception of the magnitude of an additional cost to be incurred to terminate a relationship and securing an alternative one (Patterson and Smith, 2003).

However, multiple conceptualisations exist for switching cost and these are reflected in diversity of forms including psychological, physical, and economic (Jackson, 1985); continuity costs, learning costs, and sunk costs (Guiltinan, 1989). Burnhan, Frels and Mahajan (2003), provide a more detailed and comprehensive but succinct categorisation of switching costs to include procedural, financial and relational costs. In spite of these multiple conceptualisations and classifications, switching cost can broadly be grouped as economical and psychological. For example, the economic risk cost identified within the procedural dimension of switching cost refers to the psychological costs due to perceived risk from the uncertainty of trying new products or service. The psychological switching cost such as uncertainty related or loss in relational investments and social bonds or other procedural costs (relating to time, search, evaluation and set up) have been found to have major impact on switching barrier (Jones et al., 2002).

Even the sunk cost which is primarily economic in nature becomes psychologically significant in assessing the perceived switching cost (Jones et al, 2002). These psychological costs span the entire switching process and beyond, making switching cost more than just a one-time cost (Wan-Ling, 2006). This is because customers may consider even the post switching behavioural and cognitive dissonance costs when switching and can therefore be considered as part of switching cost (Klemperer, 1995). In practice, switching cost is considered consumer specific and its nature varies depending upon the industry and the product or service characteristics (Gummesson, 2006).

Interpersonal relationship

Interpersonal relationship established between customers and service providers is deemed imperative as it goes a long way to benefit the two parties mutually and at the same time serve as a switching barrier that helps to keep customers to a particular business. For superior customer service to experience a success, firms must boast of well trained, motivated and satisfied employees' base. Wong and Sohal (2003), posited that good relationship through good customer service can improve satisfaction, and help keep customers stay loyal to a company.

Customer service is defined as a system of activities that encompass customer support systems, complaint processing, speed of complaint processing, ease of activities complained about and friendliness when reporting complaints (Kim, Kliger and Vale, 2004), reliable delivery, fast / just-in-time delivery, installation of computerised reorder systems, provision of fast accurate quotes, detection of reduction right first time, etc.(Ofori-Okyere, 2014). Customer service can produce customer behaviours that can indicate whether a customer will remain with an organisation or defect from it (Zeithaml, Berry, and Parasuraman, 1996). In a more specific relation with the airline industry in Ghana, Anani (2013), maintain that the high level of competition that pertains in the travel industry has necessitated the implementation of excellent customer service techniques to satisfy and retain customers. An efficient customer service is likely to enhance customer retention and to reduce switching between and among service providers. Therefore superior customer service includes all help and assistance freight transport service firms can provide to clients directly or indirectly prior to, during and/or after receiving the service to provide exciting customer experience. If well leveraged, it has the potential in serving as a switching barrier and at the same time offer a competitive advantage to all the players in the freight transport industry and also enable them attract and retain customers. Anani (2013), further adds that relationship marketing, service quality, and service recovery are customer retention strategies.

Cross-selling

Cross-selling is explained as a switching barrier approach strategically adopted for the purpose of increasing revenues by selling new or additional products and services, whereas, up-selling also refers to the purposes of increasing revenues by selling upgraded, more expensive products or services to a customer segment which in other words referred to as upgrades (Ofori-Okyere, 2014), which aim of retaining them. The two strategies are said to have positive impacts on a firm's return on investment and overall profitability, because loss of market share and diminishing opportunities to engage in cross-selling and up-selling as a marketing strategy weighs heavily on a firm' s profitability and continued existence.

CONCLUSION

The main effect of creating switching barriers is to ensure customer retention (Lee, Lee and Feick, 2001). It can be inferred from the reviewed literature that switching barriers entail interpersonal relationships, switching costs, attractiveness of alternatives) regarding the propensity to stay with service providers (Jones et al. 2000, Patterson and Smith 2003). In as much as customer satisfaction and loyalty are viewed as important components of customer retention management strategy, Bendapudi and Berry (1997), stress that these two components are not the only strategies to be considered for customer retention management strategy but barriers to customer defection such as the development of strong interpersonal relationships or the institution of switching costs may also represent additional customer retention strategies. In this vein, Jones et al, (2000), also added that a well trained, professional, and satisfied employees' base can also provide positive switching barriers.

In sum, it can be concluded reasonably that there are certain effective strategies that business like freight transport firms need to adopt to prevent customer defection and to achieve retention. They are as follows:

First, Reicheld and Sasser (1990), state that a service firms probably cannot eradicate all defections, but they can and should minimise defections. If a business decides to embark on a zero-defection approach, it should be prepared to recognise customers who leave, and then investigate and act on the information these customers provide. The rationale for getting information about those customers who leave is to find out from them why they are doing so. Customers who leave can provide an information about the business that is not visible to all the employees inside it. The main objective is to use defections as early warning signals in order to learn from defectors about the business, and use this information to improve on their performance.

Much emphasises need to be laid on the fact that satisfying customers is no longer enough to further long-term customer loyalty or bonding. Freight transport service firms in Ghana need to modify their philosophy regarding customer centricity by focusing on those customers who may switch instead of relying on attracting new customers to take the place of existing ones. Factors such as escalating competition, industry maturity, and strain caused by recessions experienced in the marketplace are just some of the reasons why new customers are simply more difficult to find (Comer, 1996). Reicheld (1996) offer a more practical proposal that indicate that customers who reallocate some of their purchases to other businesses, and customers who buy extra but whose purchases represent a less significant share of their total expenditure should be taken into account when dealing with customer defections. The current researchers maintain that apart from boasting of well trained, and motivated staff, it is important for freight transport service firms to ensure that all employees' satisfaction be considered and catered for if customer retention as marketing programme needs to be achieved.

In addition, result oriented switching barriers have to be deliberately created by freight transport service firms as a marketing strategy to make it difficult and costly for customers to switch to competitors' to choose their service offerings, since this has a core objective towards retaining the customers, especially the key accounts. Other studies have confirmed the positive effect of erecting switching barriers for the purposes of controlling customer retention (Bansal and Taylor, 2002; Jones et al., 2000; Lee et al, 2001; Ranaweera and Prabhu, 2003).

In specifics, it can be stated that when switching barriers are high in the industry, freight transport service firms will be more likely to retain even those customers who are less satisfied. Conversely, White, and Yanamandram (2004), contend that a firm with a high switching barriers and poor service quality is likely to generate negative attitudes, and damaging word of mouth communications.

RECOMMENDATION

It is recommended also that the freight transport service firms in Ghana can benchmark what is evidenced in many other service firms with inherent natural switching costs (e.g. it is a lot of work for customers to change their primary banking account, especially when many direct debits, credits, and other related banking services are tied to that account, plus many customers are reluctant to learn about the products and processes of a new provider - Lee, and Cunningham, 2001; Lam, Shankar, Erramilli, and Murthy, 2004; Bell, Auh, and Smalley, 2005). Practically, also, switching costs can be created by freight transport service firms in Ghana by introducing and implementing contractual penalties for switching, such as the transfer fees levied by some brokerage firms for moving shares and bonds to another financial institution. However, White and Yanamandram (2004) caution that firms need to be cautious so that they are not perceived as holding their customers hostage.

The current reviewers also support the view of Anani (2013) which stress that relationship marketing, service quality, and service recovery constitute customer retention management strategies which if adopted by the freight transport firms can go a long way to improve their services rendered to the customers hence achieving customer retention.

RECOMMENDATION

There is need to convert this review paper to an empirical study by gathering data from respondents on the field hence coming out with findings that will be more capable of suggesting several promising directions for future research.

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