

**IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT ON  
ORGANISATION PERFORMANCE  
(A CASE OF 7UP PLC, ILORIN)**

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## CERTIFICATION

This is to certify that this project has been read and approved as meeting part of the requirement for the award of Higher Nation Diploma (HND) in Business Administration and Management, Institute of Finance and Management (IFMS), kwara State Polytechnic, Ilorin.

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## **DEDICATION**

This research work is dedicated to Almighty God, the creator and giver of wisdom, knowledge and understanding, who has seen me through the successful completion of this work. Also, I dedicate this to my parent Mr. and Mrs. OLADIMEJI and My stepmother for their contribution towards my education, To my siblings; Bros Dayo, Bros AbdulwasIU and my junior sisters. Lastly, to my big mum and my dearest friend; Patricia hartman for their moral supports. I love you all and God Bless you.

## **ACKNOWLEDGEMENT**

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I am very grateful to my dearest and lovely parent Mr. and Mrs. OLADIMEJI for how they nurtured me from infancy, prayer, encouragement and financial assistance. May your days be long to reap the fruit of your labor.

I also use this medium to thank my Supervisor Mr. SANUSI S.I For his patience and constant kindness which he shown to me throughout this program, and I pray he eat the fruit of his labor (Amen).

May God almighty bless you all.

Amen.

## ABSTRACT

*To remain competitive in this changing business environment, firms regardless of their size and structure, must keep good relationship with customers so as to secure their all-time loyalty in a manner that profitability and productivity is assured. This study seeks to investigate the effect of customer relationship management on the performance of business organizational performance using 7up Bottling Company Plc as a case. The main objective of the study was to examine the effect of customer relationship management on the performance of business organizational performance, the specific objectives were to: determine the effect of customer relationship on performance, examine the impact of customer interactions with the firm's workforce, and investigate the influence of customer loyalty on profitability. Although, highly customer oriented firms that are able and willing to do well by coming up with enduring after-sale-services are faced with the issues of high costs of doing business today which is negatively affecting their willingness to produce high quality products in Nigeria. A total of 287 copies of questionnaires were administered out of which 283 were correctly filled and duly returned which represents a response rate of 98.6%. The hypotheses formulated were tested using simple tables and chats. The findings showed that; good customer relationship has positive and significant effect on performance, customer interactions with employees is positive and customer loyalty influences profitability. Hence, it was concluded that customer relationship management has significant effect on performance of business organizations since the variables under study are statistically significant with one another. Therefore it was recommended that managers should ensure effective after-sale-services, treats customers as the most important assets of the business and also treat customer complaints with utmost priority.*

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## **CHAPTER ONE**

### **1.1 Background to the Study**

Customer relationship management originated in the early 1970s when the business units had a manifestation that it would be advisable to become ‘customer emphatic’ rather than being ‘product emphatic’ The birth of customer relationship management was because of this useful perceptiveness. The famous writer and management consultant, Drucker P. wrote; the true business of every company is to make and keep customers.

Every business unit emphasizes on spurring a long term relationship with customers to nurture its stability in today’s market, customer expectations are now not only limited to getting best products and services, they also need a face to face business in which they want to receive exactly what they demanded and in a quick time.

However, customer relationship management is an upright concept or strategy to solidify relations with customers and at the same time reducing cost and enhancing productivity and profitability in business. It had been noted that the customer relationship management is not only used to deal with existing customers, but it is also useful in acquiring new customers and maintaining all the corresponding details into the system (i.e. CRM) which is also called an opportunity of business.

Usually, an organization consists of various departments which predominantly have access to customer information centrally, examines it and then makes it addressable within all the departments. Let’s take an example of an international call center which use a customer relationship management tool called ‘XYZ’ and is integrated with a phone and a computer system or laptop.

The system above automatically perceives which customer is calling. Before the executive attend the phone, the customer relationship management brings forth the customer details on the computer or laptop screen and also indicates what the opportunity is, to deal with that particular customer, what the customer had already purchased or ordered in the past and what the probability of buying in the future. Not only this. It can also highlight what products best suit this customer. For finance department, it may show the information regarding the current balance, and for accounting department it may reveal the information regarding the recent purchase by the customer. All those pieces of data are available as and when it is needed. According to this example. Customers relationship management system provides a well-defined platform for all business units to interact with their clients and fulfill all their needs and demands very effectiveness and to build long term relationship.

Hitherto, this kind of relationship with customers is not easy to manage and it depends on how systematic and flexible a customer's relationship management system is implemented or integrated. But once it accomplished, it serves it best ways in dealing with customer. In turn, customer fill gratitude of self-satisfaction and loyalty which result I best bonding with supplies and hence, increasing the business.

In a nutshell, it must be emphasized that customer relationship management strategies have given a new outlook to all suppliers and customers to keep the business going under an estimable relationship by mutual need of buying and selling.

## **1.2 Statement of the Problem**

Before 1970, most Nigeria business perceived customers as just people in the audience instead of seeing them as the real assets of the business. Also business organizations should realize that the

traditional trend of sales and marketing are increasingly fading out of the current economic scenario.

Another notable point here is that the survival of any business depends to a large extent on how its management is able to relate well and satisfy the requirements of customers at a profit. Over the time, it had been observed that building good relationship, with customer in current market trends is a vital, aspect that the firm should focus its products, resources, attention and efforts upon.

In an attempt to ensure the above, 7up Bottling Company Plc which is the firm of focus for this study is faced with the problems of power supply. That at a point in its business life, resorted to using industrial generator for about seventy percent (70%) of all its operations. That is, inconsistency of power supply at that time, almost crippled its production activities in Nigeria.

Frederick S. Sage, posited that there are five conditions (i.e. principles of consumerism) that must be met before competition in any industry can be termed effective. These principles are as follow

- i. Consumers must be able to identify their needs and wants.
- ii. Consumers must be offered products or services of varying quality and prices.
- iii. Consumers must be able to judge the differences in quality between the various products and services.
- iv. Consumers must have a certain high level of bargaining power.
- v. Consumers must be free to purchase or not to purchase the products/services.

However, all the conditions/principles stated above must be attended to, and considered by the firm to avert competition and sales related problems.

### **1.3 Research Questions**

The following questions were raised for this study;

- i. To what extent can customer relationship affects business operations?
- ii. To what extent can customer interactions affect workforce?
- iii. What is the extent to which customer loyalty affects profitability?

### **1.4 Research Objectives.**

The general objective of this study is to examine the effects of customer relationship management on businesses. The specific objectives are to;

- i. To examine the role of customer relationship on Nigerian businesses.
- ii. To evaluate the level of interactions among customers and workforce
- iii. To determine the effects of customer loyalty on profitability

### **1.5 Research Hypotheses**

The following hypotheses were formulated for this study;

H<sub>01</sub>: customer relationship has no significant effects on businesses

H<sub>02</sub>: customer interactions has no significant effects on the workforce

H<sub>03</sub>: customer loyalty has no significant effects on profitability

### **1.6 Significance of the Study**

It is well known today that customer relationship management is the strongest and the most effective approach in creating and maintaining relationship with customers. It is not only pure business but also as the strong personal bonding among people. 7up bottling company plc should develop this type of bonding that will drive its business to a new level of success.

The study will also delve extensively on how effectively good customer relationship has helped in increasing the sales of 7up Bottling Company Plc.

### **1.7 Scope of the Study**

All businesses across the globe and Nigeria in particular, need strategic customer relationship management system in place for utmost efficiency. It is therefore, virtually impossible for the researcher to study all the companies in Nigeria, that is the reason 7up Bottling Company Plc is chosen as the firm of focus for this study.

Meanwhile, 7up Bottling Company Plc has its head office in Lagos, Nigeria with branches in some other states for maximum operational efficiency. Due to cost and time left for this study, the researcher has chosen the Ilorin plant of the company together the information relevant for this work.

Finally, the customers of 7up bottling company plc cut across many countries of the world vis-a-vis the following:

- i. The key accounts i.e. the distributions)
- ii. The retailers
- iii. The ultimate customers.

### **1.8 Limitations of the Study**

The 7up Bottling Company Plc which is the focus of this study has it branches operating in Nigeria. None the less, this particular research work will contain only the information collected at the Ilorin office, coca cola road, off unity road, Ilorin. This is due to the present economic

situation in the country which made it virtually impossible for the researcher to travel round other branches/states and collect data for this work.

Also, the time period given by the school authority to complete this work coupled with other school activities (i.e. assignments, tests and exams) are constraints to this study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Conceptual Clarifications**

It had been noted that there is always an ambiguity to understand the actual meaning of relationship. Thus, the relationship between suppliers and customers is not a personal relationship or a onetime transaction relationship, for examples, buying a refrigerator from a customer outlet would not be called a relationship. Relationship between any two parties is actually the transaction done between the two overtime or consists of a continuous series of synergistic episode of interaction. Therefore, the relationship only exists when the two parties diverge from a state of autonomy to mutual or independent state. Occasionally, having a cup of tea from a cyber café does not mean that there is a relationship but, if the customers calls the café and orders the same tea, because he likes the environment and taste or the method of marketing the tea, it then looks more like a relationship.

##### **2.1.1 Origin of Customer Relationship Management.**

Customer relationship management originated in the early 1970s when the businesses had the manifestation that it would be advisable to become “customer emphatic” rather than being “product emphatic”. The birth of customer relationship management was because of that heedful perceptiveness.

The famous writer and management consultant Drunker P, wrote: “The true business of every company is to make, maintain and keep customers”. Traditionally, every transaction was on paper and dependent on goodwill which created hindrance in clutching customers. People used to

work hard in entertaining customers by presenting new products with astonishing services; they were ready to work overtime for grasping more and more customers for increasing business. This too resulted in customer's satisfaction and loyalty up to some extent, but at the end of the day, there was no such bonding or relation between the two to carry with future business smoothly.

Customer relationship management came as process that deals with the relationship with customers surpassing the whole business. The outgrowth in the origin of customer's relationship management as a strategic approach is a result of some of the following important perspectives.

- i. The belief that customers are the real assets and not just the people in the audience.
- ii. The realization of the benefit of utilizing information proactively rather than reactively.
- iii. The idea of focusing on customer satisfaction and loyalty rather than focusing on profit.
- iv. The realization that the traditional trends of manufacturing and sales are increasingly fading out of the current economic scenario.
- v. The accepting of the fact that using high end technology and software makes the cost to reduce without compromising on quality of products.

#### **2.1.1.1 Features of Customer Relationship Management**

Customer relationship management is a strategy which is customized by an organization to manage and administer its customer and vendors in an efficient manner for achieving excellence in business. It is primarily entangled with the following features:



## **1. Customer Needs**

An organization can never assume what actually a customer needs. Hence, it is extremely necessary to interview a customer about all the likes and dislikes so that the actual needs can be ascertained and prioritized.

## **2. Customer Response.**

This is the reaction by the organization to the queries and activities of the customers. Dealing with these intelligently is very important as small understanding could convey unlike perceptions. Success totally depends on the understanding and interpreting these activities and then working out the modality to provide the best results.

## **3. Customer Satisfaction**

This is the measure of how the needs and response are collaborated and delivered to exceed customer expectations. In today's competitive business, customer satisfaction is an important performance exponent and basis differentiates business strategies. Satisfied customers are best advertisers of a company products / services.

## **4. Customer Loyalty**

Customer loyalty is the tendency of the customers to remain in business with a particular supplier and buy the products regularly. This is usually the case when a customer is very much satisfied by the supplier and revisits the organization for further business dealings.

## **5. Customer Retention**

This is a strategic process of keeping / retaining the existing customers and not letting them diverge or deviate to other suppliers or organizations for business. Usually, a loyal customer is tended towards sticking to a particular brand of product as far as his basic needs are being fulfilled.

## **6. Customer Complaints**

Always, there exists a challenge for suppliers to deal with complaints raised by customers. Normally, raising a complaint indicates the act of dissatisfaction of the customers. There can be several reasons for a customer to lodge a complaint. Handling these complains to ultimate satisfaction of the customer is substantial for any organization.

## **7. Customer Services**

In any organization, a customer service is the process of delivering information and services regarding all the products. Customer satisfaction depends on quality of services provided by the supplier.

### **2.1.1.2 Customer Relationship and Supply**

For a positive growth of the business, all customers have to depend on good and reliable suppliers.

Apart from their expectations from the suppliers, the customers also need to be loyal to them so as to strengthen their relationship. Therefore, customers should work on building a strong and long lasting supplier relationship as they do with their own customers, and this is not a complicated process.

The positive customer supplier relationship begins with the initiative of the supplier to demonstrate his sensitivity to the customers always vouch for the conditions of their businesses with the suppliers and likes to be honest with them to have a smooth flow of business. But, many non-serious supplier sabotage the deal in the beginning, only by making customers struggle to

even getting a relationship started. Lapses and diversion on the part of the suppliers can affect the relationship in many ways as given bellows:

**i. Satisfaction**

The customers expect overall attention and convenience all departments to ensure smooth fulfillment of his needs. This includes quality, timelines, and ease of access and commitment conditions. He wants to believe that the suppliers care for him.

**ii. Competitiveness**

Customers assess the supplier through competition base on the pricing and quality of their productivity, reliability technological background and industry trends.

### **2.1.1.3 Customer Relationship and Marketing**

Customer relationship management leverages and amplify customer base of an organization through efficient and effective marketing. In fact, customer relationship has brought up next dimension in the field of marketing by significance improving marketing function and execution. Intuitive customer relationship management associated marketing strategies like direct marketing web marketing, email marketing have been nurtured in the recent past. The various aspect of customer relationship management oriented marketing is as bellow:

**1. Web Marketing**

With the growing population of web, customers are tending towards web shopping. This helps both customer and suppliers to transact in real time environment irrespective of their locations.

## **2. E – Mail Marketing**

This has turned out to be more effective and inexpensive as compared to mail or phone based marketing which is data driven and leads to more accurate customer response and effective fulfillment of customer needs.

## **3. Analyzing Customers Buying Behavior Online**

A customer relationship management system provides a platform to analyze the authority buying behaviors online. This interactive strategy provides a great accuracy with high speed which includes profiting services furnishing elaborate bits of information regarding customer purchasing habit or behaviors.

## **4. Building Business Impact Models:**

It is important for an organization to have check on marketing performance regularly so that the techniques never deteriorates and always a match to yield greater result.

### **2.1.1.4 Customer Relationship and Human Resource**

Human resources are those constituents is of an organization that take care of human facets and needs of all employee within that organization. Key factors of human resources in an organization are:

- i. Employee recruitment and selection
- ii. Transformation and change management
- iii. Employee relationship management
- iv. Structuring hierarchy of management
- v. Enhance training for employees according to skill sets
- vi. Hiring campaign management

Thus, employees are the significant assets and the primary promoters of profitable business for an organization. Hence apart from managing clients and customers for business purpose, it is a decision responsibility of an organization to manage and fulfill all needs of its own employees. It would be improper to say that a customer relationship management system is only used to manage clients and customers, most of the human resources heads or managers are using the system for managing company's human capital.

#### **2.1.1.5 Orientation of Customers.**

Orientation of customers mean how customer's preference are possessed or in what areas of business the customers are conscious. A customer can be cost oriented, value oriented or technology oriented as discussed below:

##### **1. Cost Oriented Customers**

A cost oriented customers focuses on least cost product and is ready to compromise efficacy, performance quality. These customers are always prone to loss when they have problems with the product, they always blame the supplier without judging that they themselves are responsible for this loss. For example, some customers try to repair capital intensive machine using local ideas and whatever the efforts may not be quality as these people are not the actual manufacturers of the said machine should the machine fail the original supplier.

##### **2. Value Oriented Customers**

These customers will always stick to efficient and high performing products because, it would be a profitable deal in the long run. They are interested in investing higher capital and then enjoy

the cost free benefits in the future. The belief here is that this type of deal is like a long term investment with higher future benefits.

### **3. Technology Oriented Customers**

The customers opt for better technology rather than less cost or good quality and performance. These customers are technology conscious because they feel that usage of best and newest technological products would help them to remain sustained in the changing technology environment. For supplier who are based on marketing or launching trended technological products have a good chance in capturing these customers and finding business out of them.

#### **2.4.2 Different Types of Customers.**

Customers play the most significant role in business. Infact, customer is the actual boss in a deal and is responsible for the actual profit for the organization. Customer is one who uses the products and services and judges the quality of these products and services. To manage customers efficiently, organization should follow some approaches like segmentation or distribution of customers into groups because customers have to be considered valuable and profitable.

Thus, customers can be of any of the following types:

#### **1. Loyal Customers**

These type of customers are less in number but promoted more sales are profits as compared to other customers, these are the ones which are completely satisfied. These customers revisit the organization overtime hence; it is crucial to interact and keep in touch with them on a regular basis and invest much time and effort on them

## **2. Discount Customers**

There are also frequent visitors but they are only part of business when offered unit discount on regular products or they buy only low cost product. The more the discount, the more they tend towards buying.

## **3. Impulsive Customers**

These customers are difficult to convince as they want to do the business in urge. They do not have any specific item on their product list but urge to buy what they find good and productive at that point in time. Handling these customers is a challenge as they are not particularly looking for a product.

## **4. Need Based Customers**

These customers are producer specific and only tend to buy items which they are habitual or have specific needs for.

## **5. Wandering Customers.**

These are the least profitable customers as sometimes they are not sure of what to buy. These customers are normally new in the industry and most of the times, they visit only to confirm their need on products. They investigate features of most prominent products in the market but do not buy any of those or show least interest in buying.

### **2.1.1.6 Customer Relationship Measurement**

Customers are the more important part of business. There cannot be any business without them. Only satisfied customers will be interested in buying and they will also refer others to buy from that supplier. By measuring customer satisfaction, a supplier can maintain a quality and long –

term relationship with customers and secure their future business and financial assets. This measurement is essential for supplier to understand their strategy and in the right directions.

Market research or market survey is the tool that can be implemented to measure customer relationship, customer loyalty. This tool is to furnish accurate information on the following main facts of customer relationship.

- i. Loyalty
- ii. Satisfaction
- iii. Customer behaviors
- iv. Response
- v. Services
- vi. Customer compensation
- vii. Customer needs.

This tool furnishes the above information not only accuracy but also with their future aspects which is a very important asset for business perspectives.

By knowing the future perspective of customer, it becomes easy and affective for suppliers to build a medium term or even long-term relationship with customer. These future perspectives of customers are related to the following factors:

### **1. Present Customer Needs.**

By analyzing current needs of customers, the supplier can determine the trend of buying by customers. How the current needs of customers can change in the past can also be predicted by those sophisticated research



and analytical tools by deriving some important trend variable of these customers.

## **2. Suppliers Influence on Products and Services**

How the suppliers are influencing the customers by their products and services is an important factor for this research.

## **3. Competitor Influence on Products and Services**

Competitors are also important factors for analyzing future needs of customers. If competitors are making more prominent impression of products and services, then it is important for supplier to mould their business strategies to meet future needs of customers and to attract them to have business with them.

## **4. Environmental or Market Effects**

By predicting the current market trend, supplier can analyze how the market is going to perform in the future. This includes deep analysis of financial and economic conditions.

### **2.1.1.7 Needs of Relationship with Customers**

Building relationship with customer in current market trend is the most important aspect that an organization should focus on. Some of the substantial outcomes of building a quality relationship with customers is expressed below by which needs of relationship with customers are insight:

#### **1. Better Customer Receptiveness**

as the customer lengthens to deal with a supplier, the supplier tends to analyze a better insight of customer needs and expectations. By this, a high level of relationship can be developed between them. This will result in selling more products and retain the business with customer which will finally lead to profitable business.

## **2. Leads To Customer Satisfaction**

Customer satisfaction is the measure of how the needs and responses are collaborated and delivered to exceed customer expectations. It can only be attained, if the customers have an overall good relationship with the supplier. In today's competitive business, customer satisfaction is an important performance exponent and basic differentiator of business strategies. Hence, the more the satisfaction, the more the patronage.

## **3. Leads To Customer Retention**

This is a strategic process to keep or retain the existing customer and not letting them divert to other suppliers or organizations for business and this is only possible when there is quality relationship between customers and suppliers.

## **4. Chances of Getting Referrals**

Drucker, P said satisfied customers are best advertisers. It is a cost free advocacy by customers to provide referrals to suppliers when they feel satisfied and encourage and when experience a healthy relationship with customers.

## **5. Service Cost is Relatively Low**

Cost to serve existing customers that are satisfied is always very low for the supplier as they know and understand the customers to serve. Customers never come back with complaints

and queries because they know the actual business flows and completely rely on the relationship with that particular supplier.

By the above substantial outcome, it is pertinent to know that creating and maintaining relationship with the customers are always a key to success.

#### **2.1.1.8 An Overview of Customer Responses**

Customer response is the reaction by the organization to the queries of the customers. Dealing with these queries intelligently is very important, as small misunderstanding could convey unlike perceptions. Success totally depends on understanding and interpreting these queries in order to work out the best solution. During this situation, if the supplier wants to satisfy the customers by properly responding to his queries, he succeeds in analyzing a professional and emotional relationship with them.

Response have numerous combination of features and aspects by which questionnaire can be easily prod. The following are the situation a customers can fall into after they get response.

1. Customers can be totally satisfied by the type of response with positive feelings towards the respondents.
2. They can be totally satisfied but without any form of strong feeling towards the respondents.
3. Slightly satisfied with the response but with or without any feelings toward the respondent depending on the efforts and types of response given.
4. They can also be totally be dissatisfied by the respondent but no hard feelings towards the respondent as the respondent could deliver the items correctly and efficiently.

5. They can also be totally dissatisfied by the response and with negative feelings towards the respondents as the respondents could have messed everything up.

#### **2.1.1.9 Medium of Customers Response**

The response can be provided through any of the following media.

##### **1. Face to Face Interaction**

This is the most efficient medium and provides the probability to judge the emotions and body languages of the respondents.

##### **2. Telephone Conversation**

This is also effective and plays an important role in business.

Telephone calls should always be answered when a customer calls, and if by any chance it is missed, a return call should be made.

##### **3. Written Communication**

Written communication [post, fax, email] should always be made when the subject matter of the discussion requires it.

#### **2.1.1.10 Building Quality Relationship with Customers.**

Satisfying customer needs ensure business survival for an organization. A periodical check is required to enhance the quality of products and services to build a quality relationship with customers. For fulfilling this goal, organizations must have a set of rules to measure and improve this quality.

Developing best quality service to customers is considered the most effective way of ensuring that an organization stands out from a group of competitors and avail itself the privilege to be known as the best among all. The main ingredient that is involved in a high quantity of relations between customer and supplier are trust and commitment. Trust is developed between the two parties when they experience flawless and satisfied motives between each other. As a result of knowing more about each other, all the doubt and risks are minimized and leads to inevitably smooth business. Lack of trust on the other hand, weakens the relationship foundation as a result of changes of uncertainty and conflicts increases.

Commitment, therefore, is yet another milestone that should be achieved to set a long-term mutual relationship. Commitment can only be attained when there is mutual trust and the two parties share each other's values. In a committed relationship, both supplier and customer strive to uphold the relationship and never want to exit which in turn result in building the relationship stronger and sharper. There is, infact, huge cost which is incurred on switching from committed relationship with one supplier and build new relationship with other supplier from the scratch. Kotler Philips identified some other attribute which promotes a high quality relationship, they include the following:

1. **Courtesy:** Many at times, customers become irritated and uncivil due to some unpredictable reasons. But it is substantially important for the supplier to keep his calm and deal accordingly. Delivering the response in calm voice with courtesy and systematic sense could dramatically act as a catalyst in driving customer satisfaction.
2. **Availability:** Many customers usually prefer human response instead of electronic email or message. Hence it is important from an organization to make its executive always available for customers in responding and dealing with their queries and needs. Provision

of these services always promote emotional bonding between customers and suppliers which in the end, is always fruitful and drive to profitable business.

3. **Intelligence:** Many customers are attracted toward good dealings which consist of discount and competitive prices. A supplier should be intelligent enough to deal with these situation and offer the best prices so that the customers are not lost to suppliers who are able to make substantial profit if not more.
4. **Futuristic:** Always be futuristic and dynamic to technology changes. The strategies, type of services and products could gradually deteriorate with time due to huge competition and higher rate of technological change. Keeping this in mind, an organization should always focus on renovating business strategies periodically and convince the customer accordingly. In conclusion, bringing the above quality attribute into business will always improve quality relationship between customers and supplier and the after math is always fruitful to both.

## **2.2 Theoretical Framework**

Customer Relationship Management (CRM) is a strategic approach that emphasizes building and maintaining strong relationships with customers to drive business growth and enhance customer satisfaction. Here are some key theories relevant to CRM, along with their proponents;

### **1. Relationship Marketing Theory**

Relationship marketing was propounded by Berry, L. (2001) and it emphasizes building long-term relationships with customers rather than focusing solely on one-time transactions. It recognizes that repeat customers are often more profitable and advocates for personalized interactions to foster loyalty.

## **2. Social Exchange Theory**

Social exchange theory was put together by Homans G. (2000) and it posits that individuals engage in relationships that offer rewards and minimize costs. In CRM, this theory suggests that customers continue relationships when they perceive benefits such as quality service, rewards programs, or personalized offers.

## **3. Customer Equity Theory**

Postulated by Kumar, V. (1997), customer equity theory emphasizes the value of long-term customer relationships and focuses on maximizing the lifetime value of customers. It suggests that businesses should invest in acquiring, retaining, and developing high-value customers.

## **4. Service-Dominant Logic (S-D Logic)**

S-D Logic by Vargo, S. (2004) proposes that value is co-created through interactions between service providers and customers. In CRM, this theory emphasizes the importance of understanding customer needs and collaborating with them to deliver value, rather than merely selling products or services.

## **5. Resource-Based View**

RBV as put together by Barney, J. (2002) suggests that competitive advantage stems from a firm's unique bundle of resources and capabilities. In CRM, this theory underscores the importance of leveraging customer data, knowledge, and relationships as valuable strategic assets.

## **6. Customer Lifetime Value (CLV)**

CLV as propounded by Fader, P. (2000) focuses on predicting the net profit attributed to the entire future relationship with a customer. It helps businesses allocate resources more effectively by identifying high-value customers and tailoring marketing efforts to maximize their long-term profitability.

The study has adopted customer equity theory because it emphasizes the value of long-term customer relationships and focuses on the fact that businesses should invest in acquiring, retaining, and developing high-value customers.

### **2.3 Empirical Review**

Empirical studies examining the relationship between Customer Relationship Management (CRM) and organizational performance have been conducted over the years. Here's a brief review of some past empirical research in this area;

Chen & Popovich (2003): In their study titled "Understanding customer relationship management (CRM): People, process and technology," the authors investigated the impact of CRM implementation on organizational performance. They found that successful CRM initiatives positively influenced customer retention, acquisition, and satisfaction, ultimately leading to improved organizational performance.

Kumar, Jones, Venkatesan, & Leone (2011): This study, titled "Is market orientation a source of sustainable competitive advantage or simply the cost of competing?," explored the relationship between market orientation (including CRM practices) and firm performance. The findings suggested that market-oriented firms, which



effectively implemented CRM strategies, experienced superior financial performance compared to their competitors.

Reinartz, Krafft, & Hoyer (2004): In their research titled "The customer relationship management process: Its measurement and impact on performance," the authors investigated the relationship between CRM processes and firm performance. They identified four key CRM processes (acquisition, retention, cross-selling, and add-on selling) and found that effective management of these processes positively influenced financial performance indicators such as revenue and profitability.

Ranaweera & Prabhu (2003): This study, titled "The influence of satisfaction, trust and switching barriers on customer retention in a continuous purchasing setting," examined the impact of CRM factors (satisfaction, trust, and switching barriers) on customer retention and organizational performance. The results indicated that higher levels of customer satisfaction, trust, and perceived switching barriers were associated with greater customer retention and improved financial performance.

Ryals & Knox (2001): In their study titled "Cross-functional issues in the implementation of relationship marketing through customer relationship management," the authors investigated the role of cross-functional collaboration in CRM implementation and its impact on organizational performance. They found that effective coordination among different functional areas (e.g., marketing, sales, and

customer service) was crucial for successful CRM adoption and improved performance outcomes.

These empirical studies provide valuable insights into the relationship between CRM practices and organizational performance, highlighting the importance of effective CRM implementation for enhancing customer relationships, satisfaction, and overall financial performance.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction.**

This chapter deals with the methods employed to collect data for this studies.

#### **3.1 Data Collection Method**

The methods employed for this study include the questionnaire administration method and reading documents and publications.

##### **3.1.1 Questionnaire Administration Method**

The glaring advantage of this method of data collection made it to be adopted for this study. To stand clear of any bias, this method is employed since it could be administered to many people at a time. Also, honest and reliable answers could be obtained once the researcher constructed the questionnaire properly. Questionnaire method, however, is cheaper than interview method and the problems of respondents feeling shy to divulge certain useful information is minimized in the use of questionnaire method.

##### **3.1.2 Reading Documents and Publications.**

In as much as it is not every information that could be obtain through questionnaire, this method was also employed. During literature review, the views as expressed by some scholars in various books were noted. Documents and publications such as textbooks, journals, pamphlets, handbooks etc.were also used.

#### **3.2 Sources of Data Collection.**

Most parts of the data collected for this study were from both the primary and secondary sources.

### **Primary Source**

The data collected from this source include responses to questionnaire and interview conducted at the marketing public relations departments of the 7up bottling company plc. To get information required for this work, questionnaire was distributed to some customers of 7up products. The respondents were required to answer the questions administered which goes a long way to provide lots of desired information which shall be tabulated, analyzed and interpreted in the next chapter of this work.

### **Secondary Source**

The sources of secondary data were internal and external in nature. The internal source is within the organization i.e the marketing and public relations department of 7up bottling company plc while the external source include various handbooks, textbooks, periodicals, 7up bottling company journals pamphlets.

### **3.3 Research Population and Sample**

Considering the fact that the population of this study is very large, the researcher, in carrying out a sample selection made use of the convenient sampling method. The sample was convenient drawn from the areas where the researcher is more familiar with. The sample size was three hundreds (300) persons representing Ilorin east, west and south local government area of Kwara state.

### **3.4 Method of Data Analysis**

In the process of data analysis, both qualitative and quantitative methods of analysis were employed. Quantitative methods of data analysis is when calculations such as ratio, proportions, and simple percentages are used, while qualitative method of data analysis involves the description of the data collected.

Majority, for this study, simple percentages of the quantitative method of analysis will be adopted to present and analyzed the role / impact of customer relationship management in businesses as collected through questionnaire administration. Thus, the formular for calculating simple percentage is given as:

$$\frac{\text{Number of observed respondents}}{\text{Total number of respondents}} \times 100$$

Lastly, the questionnaire designed for data collection is divided into two sections. Section A and B.

Section A : Deals with demographic data such as age, sex, occupation and qualification of respondents.

Section B: Designed for the workers and customers of 7up bottling company plc.

### **3.5 Techniques of Data Presentation**

Having demonstrated clearly the method of data analysis, the researcher does not lose the focus on how the data collected will be presented and analyzed. In the course of presentation, tables were used to display how the questionnaire prepared were distributed, completed and returned by the respondents.

The questions that were carefully prepared in the questionnaire and whose answers have been provided for were presented to tables, figures, pie charts, bar chart and histograms.

## **CHAPTER FOUR**

### **DATA PRESENTATION AND ANALYSIS**

#### **4.1 Profile of 7Up Bottling Company Plc**

7up bottling company started business in Nigeria in 1960 as a limited company. The seven up bottling plc. is one of the largest independent manufactures and distribution of well-known widely consumed brand of soft drinks in Nigeria.

A Lebanese, Muhammad el-khalil who came to Nigeria in 19926 founded the company. Muhammad is the father of the company's current chairman Faysal el-lhalil.

The company metamorphosed from a very successful transport business (El Khalil transport) I a bid to diversify the then largest transport company in West Africa. Seven up had since then become the third best-selling soft drinks in the world.

##### **4.1.2 Ownership of the Business**

Seven up was incorporated in Nigeria in 1959 as a private limited liability company under the name seven up limited. The name was later changed to seven-up bottling company plc. in 1991to comply with companies and allied matters act 1990.

The majority of the company shares, 72% (is held by the El-khalil family) which has moved the business from distributorship to a sole manufacturer and marketer of the Pepsi cola brand in Nigeria.

## Data Presentation and Analysis

Respondents are shown in table 4.1 according to the geographical administration of questionnaire for vivid analysis of finding as shown below;

**TABLE 4.1 Distribution of Respondents**

LGA	NO OF RESPONDENT	NUMBER RETURNED	PERCENTAGE OF RESPONDENTS
Ilorin east	100	97	97%
Ilorin south	100	92	92%
Ilorin west	100	94	94%
TOTAL	300	283	94.33%

**Source; Researcher's Computation, 2025**

The table 4.1 above, revealed how questionnaire were administered to the three main local government areas of Ilorin and the number returned. On the whole 99.33% or 283 were returned which represent the sample size for this research work.

**TABLE 4.2: Distribution of Company's Customers**

RESPONSES	FREQUENCY	PERCENTAGE
MIDDLEMEN	08	2.83%

FINAL CONSUMER	275	97.17%
TOTAL	283	100%

**Source; (Field Survey 2025)**

According to the table 4.2, most of the respondents were final consumers of 7up products. The company's ultimate consumers represent 97.17% of the respondents, while only 8 or 2.83% represent the middlemen.

**TABLE 4.3 Customers are the Most Important Assets of any Business.**

RESPONSE	RESPONDENTS	PERCENTAGE
AGREED	62	22%
STRONGLY AGREED	210	74%
DISAGREED	11	4%
STRONGLY DISAGREED	-	-
TOTAL	283	100%

**Source: (Field Survey 2025)**

From the above, 272 respondent or 96% agreed that customers are very critical to the survival of any business, while 11 or 4% of the respondent disagreed.

**TABLE 4.4 How Often do you Patronize the Company's Products?**

RESPONSE	RESPONDENTS	PERCENTAGE
Daily	8	1.83%
Once a week	120	43.40%
Twice week	143	50.53%



Rarely	12	4.24%
Total	283	100%

**Source: (Field Survey 2025)**

Table 4.4 above shows that 8 or 2.83% of the respondents patronize the company's products daily, 120 or 42.53% consume either the company's products once a week, 120 or 42.4% consume either of the company's products twice a week, while 12 respondents or 4.2% consume it rarely.

**TABLE 4.5 How do you Rate the Quality of Products Offered by 7up Plc?**

RESPONSES	RESPONDENTS	PERCENTAGE
EXCELLENT	116	41%
GOOD	165	58%
INDIFFERENCE	2	1%
Total	283	100%

**Source: (Field Survey 2025)**

The table 5 above shows that 166 or 14% of the respondent stood that the quality of products offered by the company is excellent, while 165 of them said it's good, 2 or 1% of them were indifferent.

**TABLE 4.6 Do you Feel Satisfied with the Company Products?**

RESPONSES	RESPONDENT	PERCENTAGE
VERY SATISFIED	140	49.5%
SATISFIED	<b>137</b>	48.4%

NOT REALLY	-	-
INDIFFERENT	6	2.1%
TOTAL	283	100%

**Source: (Field Survey 2025)**

From the above table, 277 or 97.9% of the respondents agreed that they are satisfied with the products, while 6 of them were indifferent.

**TABLE 4.7 Good Customer Relation Enhanced Customer Loyalty to the Products.**

RESPONSE	RESPONDENT	PERCENTAGE
AGREED	112	39.5%
STRONGLY AGREED	116	58.6
DISAGREED	-	-
STRONGLY DISAGREED	-	-
INDIFFERENT	5	1.9%
TOTAL	283	100%

**Source: (Field Survey 2025)**

From the above table, 278 or 98.1% of the respondent agreed with the statement, while 5 or 1.9% of them were indifferent.

**TABLE 4.8 What Changes would you like to see in the Products so as to serve you better?**

RESPONSE	RESPONDENT	PERCENTAGE
PACKAGING	22	8%
PRICING	28	10%

ADVERTISEMENT	92	10%
INDIFFERENT	141	50%
TOTAL	283	100%

**Source: (Field Survey 2025)**

The table above shows that 22 or 8% of the respondents went for packaging 28 or 10% went for pricing, 92 or 32% went for advertisement while 141 or 50% were indifferent to the idea of introducing any change.

**TABLE 4.9 Opinion on Price**

RESPONSE	RESPONDENT	PERCENTAGE
MODERATE	232	82%
HIGH	51	18%
TOTAL	283	100%

**Source: (Field Survey 2025)**

The table above reveals that 232 or 82% of respondents considered the price of products to be moderate and reasonable, while 51 or 18% said the prices are high.

**TABLE 10. Regardless of the amount of Sales and Profits generated the Company should continue to ensure good Customers regulations.**

RESPONSES	RESPONDENT	PERCENTAGE
AGREED	101	32.6%
STRONGLY AGREED	180	63.6%
DISAGREED	2	0.8%

STRONGLY DISAGREED-	-	-
TOTAL	283	100%

**Source: (Field Survey 2025)**

From the table above, 281 or 99.2% of the respondents agreed with the statement, while 2 or 0.8% of them disagreed with it.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary**

This research work is mainly carried out for all the manufacturing organizations in Nigeria for them to be fully aware of the impact of customer relationship management in business. Having known the role of customer relationship management, the companies should therefore, ensure that those functions are carried out.

In the last two chapters, finding were from responses to the questionnaire administered to customers and consumers of 7up bottling company plc together with the oral interview conducted at the sales, marketing and public relations departments of 7up plc

In the course of this research, it was that about 98% of the simple taken to represent the customers of 7up plc agreed to the facts that good customer relationship has enhance their loyalty to the company's products. On the contrary, about 0.8% of the respondents stood that if the company hits certain level of sales and profit should be indifferent to customer's relationship.

Lastly, it was found that the respondents provided answers to the questionnaire based o their experiences with the company and its products.

#### **5.2 Conclusion**

Based on the presentation, analysis and interpretation in the last chapter, it is imperative to note that for companies continue growth, survival and profitability there must be a proper implementation of good customer relationship management.

Meanwhile, it is known today that customer relationship management is the strongest and most effective approach in creating and maintaining relationship with customers. It should also be noted that is through effective marketing and customer relationship that the needs, expectations and problems of consumers can be provided for, by delivering their products in the right volumes and at the right place and time.

Lastly, it was found in the course of this work that customers should be seen as the real assets of the business and not just the people in the audience.

### **5.3 Recommendations**

Based on the summary and conclusion of this research work, the following recommendations are offered:

1. Business organizations should ensure prompt response to queries and actions of customers since success depends totally on understanding and good interpretation of these actions thereby, working out modality to provide the best result for the company.
2. Company managers should embark on a market survey in order to ascertain what the customers actually need and want so as to provide want satisfying products services to them
3. To keep supplier-customer relationship running at a profit manager should handle customer complaints in a manner that best suit them.
4. Also managers should uphold the fact that regardless of sales and profits made, the company should continue to ensure good customer relations.
5. Organization should note and work with the fact that customers are most assets of any business

6. Managers should work hard to ascertain the areas in which customers are conscious i.e. some customers are cost conscious; some are value oriented while others could be technology driven. Knowing all these could be valuable to a result oriented manager.

In a nutshell, if all the above suggestions/recommendations among others are analyzed and properly implemented, 7up Bottling CompanyPlc is bound to experience an unprecedented growth and development in no distant time.

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## QUESTIONNAIRE TO RESPONDENTS

Dept. of Business Administration and Management

Institute of Finance and Management Studies,

Kwara State Polytechnic,

P.M.B 1375,

Ilorin, Kwara State.. Nigeria.

Dear Respondents,

I am a final year student of the above named institution, conducting a research in partial fulfillment of the requirements for the award of National Diploma in Business Administration and Management. I am attempting to gather facts concerning the impact of customer relationship on business organizations. A study of 7up Bottling CompanyPlc.

The information required here is needed only for this work and not otherwise, the information will strictly be treated as confidential.

I seek your optimum cooperation.

Thank you.

Yours Faithfully

.....

## QUESTIONNAIRE

Please kindly respond to the following questionnaire:

### Part A

1. Sex:            a. Male ( )    b. Female ( )
2. Marital Status:    a. Single ( )    b. Married ( )    c. Divorced ( )            d. Widow ( )
3. Age:            a. 20-30 yrs ( )            b. 31-40 yrs ( )            c. 41-50 yrs ( )            d. 51 yrs and above ( )
4. Occupation:            a. Civil Servant ( )    b. Student ( )    c. Trading ( )
5. Qualification:            a BSC ( )    b. HND ( )            c. NCE ( )            d. O' level

### PART B:

6. Do you consume any of 7up products?    a. Yes ( )    b. No ( )    c. Not always ( )
7. How often do you patronize it?    a. Daily ( )    b. Once a week ( )    c. Twice a week ( )  
d. Rarely ( )
8. What type of customer of 7up are you?            a. Distributor ( )    b. Retailer ( )            c. Final consumer ( )
9. If distributor/retailer, does the sales staff of 7up have good human relations?    a. Yes ( )  
b. No ( )
10. How do you rate the quality of products offered by the company?

a. Excellent ( )      b. Good ( )      c. Average ( )      d. Poor ( )

11. Do you feel satisfied by consuming the company's products?

a. Very satisfied ( )      b. Satisfied ( )      c. Not really ( )

12. What changes would you like to see in the company in order to serve you better?

a. Packaging ( )      b. Pricing ( )      c. Promotion ( )

13. Customers are the most important assets of any business.

a. Agreed ( )      b. Strongly agreed ( )      c. Disagreed ( )      d. Strongly disagreed ( )

14. Good customer relationship enhances customers loyalty is the company's products.

a. Agreed ( )      b. Strongly agreed ( )      c. Disagreed ( )      d. Strongly disagreed ( )

15. How many times have you participated in 7up market questionnaire?

a. First time ( )      b. More than once ( )      c. More than twice ( )      d. Many  
times ( )

16. Regardless of the amount of sales and profit made, company should continue to ensure good  
customer relations.

a. Agreed ( )      b. strongly agreed ( )      c. Disagreed ( )      d. strongly disagreed ( )