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## **ABSTRACT**

*Customer Relationship Management is becoming a method to maintain existing structure and development of high quality customer base. It involves development of marketing strategy through a better understanding of the entire customer base, understanding needs and attitudes of customers, as well as more efficient consideration of profitability and added value that each customer have for the bank. The aim of research, presented in this paper, is to assess to benefits of Customer Relationship Management in banking industry, by defining strategies, adjustment of bank structure, culture and internal processes with help of modern technology. The paper presents how Customer Relationship Management has helped the performance of the staff working directly to the customer. The population of this study consists of all first bank plc employees in Ilorin metropolis. (i.e. staff that works directly to the customer) sample size of 76 determined through the Tara Yamani formula. Questionnaire was used as an instrument for primary data collection, descriptive and inferential statistics were adopted for analysis. Data were analyzed using percentage; mean and frequency count table; hypothesis was tested in the statistical package for social sciences (SPSS) version 17. The findings of this study revealed that there is significant relationship between customer relationship management and the performance of the staff. And technology has positively influence CRM and staff performance. It is therefore noted that banks will have better competitive advantage when all staff implement, appreciate and demonstrate these customer relationship management strategies with a view of satisfying the customer.*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the Study

The concept of customer relationship management (CRM) originated in developed economies, primarily in organizations whose priority is to retain existing customer base as an important business segment especially in competitive environment (Pisker & Faganel, 2009). CRM is a philosophy, process, concept of development and management of customer relationships. With implemented CRM concept banks are able to identify and anticipate customer's needs and desires (Ogundipe & Victor, 2000). It is worthy of note that degree of banking competition and its association with market concentration is always a subject of controversy. It is a more relevant issue now than earlier times and of vital importance for welfare-related public policy toward market structure and conduct in the banking. In every economy, the Banking Industry plays very vital roles in the financial system and therefore is a crucial agent of the developmental process in the economy (Shaffer, 2004). Banks in their industry capacity as financial intermediaries channel savings and investment from the surplus units to the deficit units thereby increasing the volume of national savings and investments and consequently the national output. Since the early '90s', the phenomenal growth of the Banking Industry in Nigeria following the deregulation of the industry has generated interest and enthusiasm amongst top notch stakeholders and institutions in the industry stressing the urgent need for customer relationship management (Shaffer, 2004)..

Rapid changes in technology and changes in customer's everyday life have enabled successful implementation of CRM concepts and new forms of communication. CRM concept is based on a marketing strategy which integrates internal processes, functions and external networks in order to create value to customers, in order to achieve profit (Buttle,

2009). Today, many businesses such as banks, insurance companies, and other service providers realize the importance of customer relationship management (CRM) and its potential to help them acquire new customers, retain existing ones and maximize their lifetime value. At this point, close relationship with customers will require a strong coordination between IT and marketing departments to provide a long-term retention of selected customers.

Customer relationship management, as the name implies, is saddled with the responsibility of establishing, developing and sustaining relational partnerships between an organization and its clients. It is becoming an important issue in marketing in order to gain customer loyalty, improve customer relations rates, as well as increase profits. According to Kuo-chung and Chin-shan (2012) Customer relations management refers to a management approach that seeks to create, develop, and enhance relationships with carefully targeted customers in order to maximize customer value and corporate profitability

Customer relationship management also entails building or establishing a relationship between an organization and its customers through excellent service provision/delivery in order to create an impressionable opinion of the organization in the minds of the customers. Some organizations that have thrived in business over the years are those that carved a niche for themselves as customer friendly enterprises. In most cases, the difference between ailing and thriving companies or organizations lies in their customer service orientations.

Customer relationship management (CRM) is becoming an important issue in marketing in order to gain customer loyalty, improve customer retention rates (Kandampully, 1998; Massey, 2001), as well as increase profits (Fornell & Wernerfelt, 1987). This study empirically identifies customer relationship management (CRM) and examines its impacts on the performance of Nigeria banking Industry.

## **1.2 Statement of the Problem**

Customer relationship management is not only about the market; it is also about understanding people and their individual needs and styles and meeting them. The best way banks can do this is to keep the customers in mind and think of them as the real business, instead of the product or services offered. To do this, the banks must constantly strategize to adapt to the changing circumstances of the society and the behaviour of the customer, which is constantly in a state of flux.

This research work therefore will focus on investigating the impact of customer relationship management and performance in the Nigerian banking Industry (First bank Plc) as case study. Customers are the major products of every bank and the way these products are managed determine the effectiveness and efficiency of the banks and ultimately their performance. This is because most banks offer to customers the same set of services and the only way to be different from others and gain competitive advantage over other banks is to treat the customers as kings. This is why this study focuses on studying the impact of customer relationship management and how it affects the performance of the Nigerian banking industry.

## **1.3 Research Questions**

1. What are the effects of customer satisfaction and organizational efficiency?
2. To what extent can customer retention affect organizational effectiveness?
3. What is the relationship between customer retention and organizational efficiency?
4. What is the relationship between customer satisfaction and organizational effectiveness?

## **1.4 Objectives of the Study**

The main objective of the study is to investigate the impact of customer relationship on the Nigerian Banking Industry while the specific objectives are;

1. ascertain the effect of customer Satisfaction on organizational efficiency.

2. investigate the extent of relationship between customer retention and organizational effectiveness.
3. determine the relationship between customer retention and organizational efficiency.
4. determine the relationship between customer satisfaction and organizational effectiveness.

### **1.5 Research Hypotheses**

**RH1:** There is no significant relationship between customer satisfaction and organizational efficiency.

**RH2:** Customer retention has no significant relationship with organizational effectiveness.

**RH3:** Customer retention has no significant relationship with organizational efficiency.

**RH4:** There is no significant relationship between customer satisfaction and organizational effectiveness.

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

Customer relationship management is an important business approach because it can enhance a company's ability to achieve the ultimate goal of retaining profitable customers and gain competitive advantage over its competitors. In principle, CRM focuses on building long-term and sustainable customer relationships that add value for both customer and the company. It is regarded as a process of computerizing a staff's knowledge about his or her customers because customer relation staff would normally need to remember their clients' requirements, behaviors, tastes and preferences in a usual business process.

This research work examines the impact of customer relationship management and performance in the Nigeria banking Industry. Customers are viewed as important elements in organizational performance of banks. When relationship with customers is properly managed, this can lead to competitive advantage for the banks. This study is important for customers, employees, banks, academia and even government. Customers will have access to better and qualitative services from the banks.

It will further assist in developing an understanding of research about the banking industry by finding out what are actually involved in the banking and client service world. It may also help in educating other financial and non-financial organizations on the relevance of adopting good customer/client relations that is based on value orientation and customer satisfaction.

The study will as well provide data for the research activities of bankers, financial experts, students, lecturers, as well as other corporate bodies and public/customer relations practitioners.

Employees can also have improved conditions of service due to better organizational performance. Banks can gain in terms of superior performance. The research can also benefit the academia in terms of addition to knowledge.

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

This research will cover the customer relationship management of Nigeria Banking Industry with the case study of First Bank Plc branches in Ilorin metropolis, Kwara state Nigeria. The span of the research will cover the year 2016-2021.

### **1.8 Operationalization of Variables**

Topic: customer relationship management and performance of Nigeria banking industry

The two construct include:

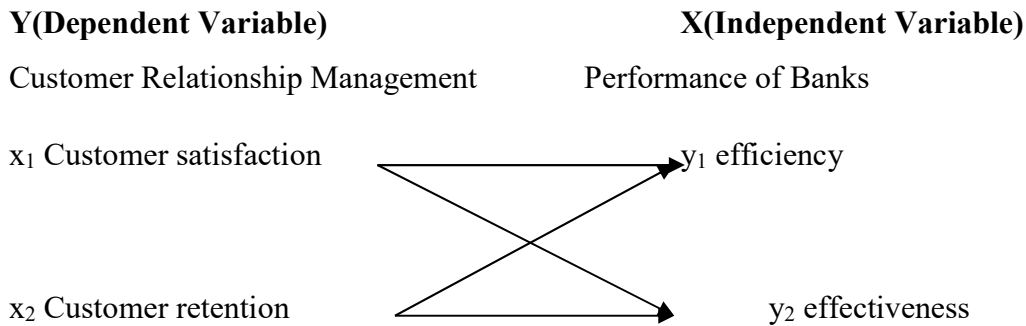
1. Customer Relationship Management
2. Performance of Nigeria Banking Industry

$$Y = f(X)$$

Where Y = Dependent construct (variables)

Where X = Independent construct (variables)

Where



### 1.9 Definition of Terms

Certain terms as used in this research work may not be fully understood by everyone. It becomes pertinent therefore, to define some of these terms. Hence, we have them as follows:

**Customer:** This is a person who buys a product or service from a person or organization, usually a seller and in some situation, a customer can turn out to be a consumer.

**Relationship:** it is the way in which two or more people or things are connected or the state of being connected. It can also be defined as a connection (a feeling of understanding and the ease of communication between two or more people) or association between two or more parties.

**Management:** it comprises all the activities in a business organization i.e the process of planning, organizing, implementing and controlling. Management in all business areas and organizational activities are the acts of getting people together to accomplished desired goals and objectives efficiently and effectively.

**Performance:** This is a tool that measures how effective and measurable a business or task could be. It also measures the level of integrity, influence and how well an organizational goal is being achieved.

**Bank:** A bank is a financial institution set up purposely for the safe keeping of money, valuable goods and documents to be made available at the request of the depositor. It is also charged with the responsibility of accepting deposits, granting of loans and over draft irrespective of interest paid on them. It can also be define as a financial institution that accepts deposits from the public and creates credit; Lending activities can be performed either directly or indirectly through capital markets.

**Banking Industry:** The modern banking industry is a network of financial institutions licensed by the state to supply banking service. The principles services offered relate to storing, transferring, extending credit against, or managing the risk associated with holding various forms of wealth.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Preamble**

This chapter on literature review will try to enumerate customer relationship management intensively. The chapter will also discuss the importance of customer relationship management, various types of customer relationship management, objectives of customer relationship management and limitation of customer relationship management.

#### **2.1 Conceptual Clarification**

##### **Overview of Customer Relationship Marketing**

With the conceptualization of Customer Relationship Marketing, it is overtly believed that the concept varies according to knowledge of scholars and various authorities in the field of marketing. The concept of customer relationship marketing was defined as it appeals to various scholars ranging from Feinbery (2003), Ahmasebi (2001), Hanafizadeh (2011), Hamzehlu (20013) Cross (2001) to Anderson (1994).

Feinbery (2003) defined customer relationship marketing as a comprehensive strategy and marketing that provides technologies process and business activities based around the integrated customer. He further asserted that by widening the customer base as well as expanding the depth of the customer base using relationship marketing there is every possibility to lengthen the revenue lines of the organization. Therefore marketing professionals too will benefit greatly by understanding more about direct marketing, service marketing and Customer Relationship Management (CRM).

Ahmasebi (2012) customer in his own view defined relationship marketing as also a comprehensive strategy and process that enable organization to identify, attract, retain and train profitable customer by establishing and maintaining long term relationship with them.

In the word of Hanafizadeh (2011), saw customer relationship marketing as a developed process of information technology that identifies, integrates and focuses on the different capabilities of organization to identify valuable customers and seeks to identify the best potential customer market

Hamzehlu (2013) asserts that customer relationship marketing is a business strategy focused on customer that unifies dynamically sales, marketing and services in orders to create and add value for both customer and organization.

Kotler (2006) in his own view sees relationship marketing as an exercise that involves cultivating the right kind of relationship with the right constituent groups. He advised that marketing must not only do Customer Relationship Management (CRM) but also Partner Relationship Management (PRM) as well.

Cross (2001) defined relationship marketing as a process of building mutually satisfying long –term relationship with key parties in order to earn and retain their business

Customer relationship management (CRM), an emerging customer innovation focused on growing customers profitably by knowing, caring and delivering value to the customer in a bid to enhance customer intimacy, increase quality service levels and enhance business penetration supported by the technological capabilities of databases, interactivity and mass customization is a business of strategy that has up till now remained latent with a greater emphasis on mass marketing and subsequently target marketing. Customer relationship management entails all aspect of interaction that a company has with its customers, whether it is sales or service-related. It is often thought of as a business strategy that enables business to understand the customer; retain customers through better customer experience; attract new clients and contracts; increase profitability; decrease customer management costs. It is an all-encompassing paradigm that revolves around the idea that maximizing customer satisfaction inevitably maximizes the long-term profitability of an enterprise.

Customer relationship management entails all aspect of interaction that a company has with its customers, whether it is sales or service-related. It is often thought of as a business strategy that enables business to understand the customer; retain customers through better customer experience; attract new clients and contracts; increase profitability; decrease customer management costs (Wikipedia.com) “It is an all-encompassing paradigm that revolves around the idea that maximizing customer satisfaction inevitably maximizes the long-term profitability of an enterprise” (Bitpipe.com, 2012).

According to Lawson (2012) in Onyebuchi (2012) “customer relations or customer service, is the frontline between an organization and its customers.” She further opined that “how customers are initially greeted and treated can influence their decisions to do business with your company”. What this means is that people (customers) would naturally stay with the company or where they are treated nicely and would distance themselves from anyone who do not give them adequate attention. In essence, if a customer is treated well, he/she will be encouraged to do more business with your company. Contrarily, if a customer is taken for granted, the company will have itself to blame because no customer wants to do a repeat purchase in a place where his/her need are taken for granted.(Onyebuchi 2012).

Customer relationship management (CRM) is a philosophy within the managerial arena that seeks to create lasting relationship with customer. CRM is being described as a strategic method which is concerned with creating enhanced shareholder value via the evolvment of suitable alignments with key customers and customer segments (Payne A & Frow P., 2005). According to Richards and Jones (2006), CRM is a set of business activities supported by the alignment of both technology and process directed by strategy and designed to enhance firm performance in an area of customer management. Thus, successful customer relationship management aims at fathoming the desires and needs of the customers and is accomplished by the integration of these desires with the

organization's strategy, technology, people and enterprise process (Fagbemi & Olowokudejo, 2011).

It is noteworthy that CRM came to the fore because of widening market areas, stiff competition and revolution in technological development. Instead of being static, the information processed within this modern system is dynamic. Just as CRM differs from company to company, it is expected that each company decides the sort of relationship it wants to have with its clients which includes: product research, market research and insight into competitors CRM programs etc.

A lot of investigators have defined CRM based on their knowledge and findings. Below are some of the definitions:

In the expansive works of Peppers and Rogers (1996) CRM is viewed as the process of managing detailed information about individual customers and carefully managing all the customers' loyalty. The challenge thus is to produce satisfied customers; several competitors can do this; the challenge is to produce satisfied customers; several competitors can do this; the challenge is to produce delighted and loyal customers.

In the words of Kotler (2005) CRM is a skill which enables companies to provide excellent real-time customer service by developing a relationship with each value involved customer through the effective use of individual account information.

Hess and Ed (2001) views the CRM business strategy as "the superset of business models, processes, methodologies and interactive technologies for achieving and sustaining high levels of retention and referrals within identified categories of values and growing customers". Furthermore, CRM complements the relationship marketing perspective. According to Couldwell (1998) it is defined as, "A combination of business processes and technology that seeks to understand a company's customers from the perspective of who they are? What they do? And what they are like?

CRM is therefore the subsequent stage in the evolution, and it moves us back into the direction of developing intimacy with today's customers. According to McDonald (2000) definitions of CRM include:

(i) A continuous performance initiative to increase a company's knowledge of its customers and

(ii) Consistent high quality customer support access across all communications channels.

The characteristics of CRM are suggested as follows by McDonald (2000) sees customer relationship management (CRM) as a "strategy used to learn more about customer's needs and behaviors in order to develop strong relationship with them". He further states:

"Good customer relationships are at the heart of business success. There are many technological components to CRM, but thinking about CRM in primarily technological terms is a mistake. The more useful way to think about CRM is, as a strategic process that will help you better understand your customers' needs and how you can meet those needs and enhance your bottom line at the same time. This strategy depends on bringing together lots of pieces of information about customers and market trends so you can sell and market your products and services more".

The above suggests that CRM is not a one-step event as it involves series of careful planning, monitoring, implementing and evaluation of trends in customer/buyer behaviors or needs. Technology is just an aspect of CRM and therefore cannot be separated from other elements of CRM. Both customers and product/service companies use technology for the sourcing and storage of both customer and product information in a database for easy accessibility and recall. Websites, Automated Teller Machine (ATM), telephone and other information systems are the modern means of aiding customer access to product/services and company information. This in a way gives the customers a measure of satisfaction. Since it reduces distance and ensures interactivity between them and the company thereby enhancing their relationships. However, Wailgum (2003) seems

to argue that the application of technology alone cannot ensure effective customer relations except of course it is being managed professionally by the company.

## **Types of CRM**

### **1. Operational CRM**

Operational CRM streamlines the business process that includes Sales automation, Marketing automation and Service automation. Main purpose of this type of CRM is to generate leads, convert them into contacts, capture all required details and provide service throughout customer lifecycle (Winer, 2001).

#### **(i) Sales Automation:**

Sales automation helps an organization to automate sales process. Main purpose of sales automation is to set standard within organization to acquire new customers and deal with existing customers. It organizes information in such a way that the business can meet customer's needs and increase sales more efficiently and effectively. It includes various CRM sales modules like lead management, contact management, Quote-to- Order management, sales forecasting (Joseph, 2005).

#### **(ii) Marketing Automation:**

Main purpose of marketing automation is to find out the best way to offer products and approach potential customers. Major module in marketing automation is campaign management. It enables business to decide effective channel/s (like emails, phone calls, face to face meeting, ads on social media) to reach up to potentials customers(Winer, 2001).

#### **(iii) Service Automation:**

Service automation enables business to retain customers by providing best quality of service and building strong relationship. It includes issue management to fix customers' problems, customer call management to handle incoming/outgoing calls, service label management to monitor quality of service based on key performance indicators.

### **2. Analytical CRM**

Analytical CRM helps top management, marketing, sales and support personnel to determine the better way to serve customers. Data analysis is the main function of this type of CRM application. It analyzes customer data, coming from various touch points, to get better insights about current status of an organization. It helps top management to take better decision, marketing executives to understand the campaign effectiveness, sales executives to increase sales and support personnel to improve quality of support and build strong customer relationship.

### **3. Collaborative CRM**

Collaborative CRM, sometimes called as Strategic CRM, enables an organization to share customer's information among various business units like sales team, marketing team, technical and support team. For example, feedback from a support team could be useful for marketing team to approach targeted customers with specific products or services. In real world, each business unit works as an independent group and rarely shares customer's data with other teams that often causes business losses. Collaborative CRM helps to unite all groups to aim only one goal and use all information to improve the quality of customer service to gain loyalty and acquire new customers to increase sales.

Different types of CRM applications have different features and advantages. So before implementing CRM system, it is very much important for a business to decide future goal and strategy.

### **Importance of customer relationship management**

The better a business can manage the relationship it has with its customers the more successful it will become. Therefore IT systems that specifically address the problems of dealing with customers on a day-to-day basis are growing in popularity.

Customer relationship management (CRM) is not just the application of technology, but is a strategy to learn more about customers' needs and behaviors in order to develop stronger relationships with them. As such it is more of a business philosophy than a technical solution to assist in dealing with customers effectively and efficiently. Nevertheless, successful CRM relies on the use of technology. The important of CRM are stated below

**(i) Results in Customer Satisfaction**

Companies that spend time and energy on building and maintaining strong relationships with their clients often experience rising customer satisfaction levels, which is mainly because clients feel more comfortable when they know the CSRs on a personal level, from whom they can seek advice and recommendations.

**(ii) Provides an Opportunity to Learn More about Customers**

Staying in touch with clients and interacting with them on a regular basis, helps a business gain insight into their expectations. In order to stay competitive, it is important for any business to know its clients and anticipate their future needs. This can done by building strong, reliable communication channels, which will allow the flow of information from consumers to the company in a seamless fashion. Information can be a powerful tool for most companies, since it is the foundation upon which companies can innovate, experiment and market new products and services.

**(iii) Brings You Word of Mouth Referrals**

Customers are more likely to recommend a particular product or service to their friends or family if they receive high quality service experience. Word-of-mouth promotion has proven to be an effective avenue to create hype and promote a trend among customers. It has an added benefit of being highly cost-effective since the company does not have to spend directly on marketing and promotion.

**(iv) Enhances Customer Loyalty**

Effective client relationship management enables a brand to induce customer loyalty, which in turn translates into repeat sales for the company. The greater volume of sales also means higher revenues and profits for the brand in addition to growth. Customer loyalty also provides the opportunity for companies to effectively cross-sell since loyal clients already trust the quality of products and services, they wouldn't hesitate to try other products and services that are being offered by that particular brand.

**(v)Encourages Insightful Feedback from Customers**

Strong relationships with clients can play a significant role in terms of collecting insightful, reliable and timely feedback from them. Clients are more likely to be honest about their feedback if relationship between the company and them is based on mutual trust and understanding. The feedback can be invaluable, since it has the potential to aid the next innovation for the company. Feedback is also important to ensure the level of service quality in line with the competition and consumer expectations. Any flaws, shortcomings or discrepancies in the service delivery or the products can be instantaneously recognized through feedback, along with possible suggestions as corrective measures. Consequently, honest feedback can create a cycle of continuous improvement that not only adds value to the brand but also helps the company achieve the pinnacle of customer service excellence.

Different types of CRM applications have different features and advantages. So before implementing CRM system, it is very much important for a business to decide future goal and strategy. This could lead us to know how CRM is being implemented.

**How to Implement CRM**

The implementation of a customer relationship management (CRM) solution is best treated as a six-stage process, moving from collecting information about your customers and processing it to using that information to improve your marketing and the customer experience.

### **Stage 1 - Collecting information**

The priority should be to capture the information you need to identify your customers and categories their behavior. Those businesses with a website and online customer service have an advantage as customers can enter and maintain their own details when they buy.

### **Stage 2 - Storing information**

The most effective way to store and manage your customer information is in a relational database - a centralized customer database that will allow you to run all your systems from the same source, ensuring that everyone uses up-to-date information.

### **Stage 3 - Accessing information**

With information collected and stored centrally, the next stage is to make this information available to staff in the most useful format.

### **Stage 4 - Analyzing customer behavior**

Using data mining tools in spreadsheet programs, which analyze data to identify patterns or relationships, you can begin to profile customers and develop sales strategies.

### **Stage 5 - Marketing more effectively**

Many businesses find that a small percentage of their customers generate a high percentage of their profits. Using CRM to gain a better understanding of your customers' needs, desires and self-perception, you can reward and target your most valuable customers.

### **Stage 6 - Enhancing the customer experience**

Just as a small group of customers are the most profitable, a small number of complaining customers often take up a disproportionate amount of staff time. If their problems can be identified and resolved quickly, your staff will have more time for other customers.

### **2.2.3 Limitation of CRM**

There are several reasons why implementing a customer relationship management (CRM) solution might not have the desired results.

(i) There could be a lack of commitment from people within the company to the implementation of a CRM solution. Adapting to a customer-focused approach may require a cultural change. There is a danger that relationships with customers will break down somewhere along the line, unless everyone in the business is committed to viewing their operations from the customers' perspective. The result is customer dissatisfaction and eventual loss of revenue.

(ii) Poor communication can prevent buy-in. In order to make CRM work, all the relevant people in your business must know what information you need and how to use it.

(iii) Weak leadership could cause problems for any CRM implementation plan.

#### **2.2.4 Banking in Nigeria: A general overview**

The importance of banking in any modern economy cannot be immediately quantified. This is because of its positive impacts on business activities all over the globe. Banks not only play a role to their customers but also serve as “one of the powerful indicators of economic trends”. They are set primarily to keep money in safe custody and make such money available for economic activities (Onyike, 2012). It is an organization normally a corporation, chartered by the state or federal government, the principal functions of which are to receive deposit, honour instruments drawn against them and pay interest on them as permitted by law (Rosenberg, 1985).

It is important to note emphatically that the studies on the relationship between the structure elements of the banking industry and its impact on performance is still inconclusive. Among the factors which has influenced the direction of conclusions on such a relationship include: the types and number of independent variables chosen by the researcher which he conceives as the main determinants of performance, the availability of data on some variables in some countries or industries, the amenableness of variables to quantification, the length of period covered in the research and the extent of multi-collinearity among the independent variables. This relationship presumes that measures of

banking market structure, including measures of market concentration, are good indicators of the intensity of competition that occurs (“conduct”) (Scherer & Ross, 1990). The intensity of competition influences the price for financial services, which are, in turn, assumed to determine firms’ profits (“performance”).

In Nigeria, banking did not develop until the 19<sup>th</sup> century. Elder Dempster & Co. and Mr. George William Neville were credited as pioneering the establishment of banking operations in Nigeria. African Banking Corporation (ABC) was the first bank to be established in the country in 1892. It later metamorphosed into Bank of British West Africa (BBWA) in 1894 and now First Bank of Nigeria (FBN). (Ogundipe, 1990; Anayanwaokor, 1996). “Nearly two decades after, in 1917 the then Barclays Bank (now Union Bank) was established. It took about thirty (30) years (in 1948) before another bank, British and French Bank (now United Bank For Africa (UBA) was established.” (Ekwueme, 2008).

Although a number of banks were established between 1947 and 1954 these trio forms the tripod of old (also called first generation) generation Nigerian banks, since all of them excepting these trio were also consumed by the spate of failures that visited the banking industry during that period (Uzoaga, 1981, Ituwe, 1983; Ekwueme, 2008). Post-independence Nigeria (1960 till date) saw the emergence of many commercial banks that are today classified as new generation banks. According to Akpan (2002) in 1970, there were 14 commercial banks in Nigeria. The number grew to 20 in 1980; 58 in 1990 and fell to 51 in 1998”. However, after the consolidation exercise of the year 2006 by the Central Bank of Nigeria (CBN) only 25 banks were satisfied healthy enough to operate. These include First Bank, UBA, Union Bank, Fidelity Bank, Mainstream Bank, Skye Bank, Wema Bank, Sterling Bank, Eco Bank, Stanbic IBTC Bank, FCMB, GT Bank, Access Bank, Zenith Bank, Equatorial Trust Bank (GTB), Unity Bank etc. (Newswatch, 2006; Onyike, 2002).

It is noteworthy to state here that the reforms that were witnessed in the banking industry and its attendant mergers, acquisitions and or liquidations were done to secure the interest

of the banking public (customers) who were fast losing confidence on the industry. It may not be out of place also to argue that some of the distressed banks in the past were so because they did not give customer service, satisfaction and perception adequate attention.

### **Customer Relationship Management and customer satisfaction**

It is proven fact that customer satisfaction is the bedrock of any business organization. A business can only stand the test of time only if customers are duly satisfied and they make referrals to other people while still patronizing the organization. So how we measure customer's satisfaction? Are there indicators which must be put in place? What must be done to ensure a customer willingness to call again and again?

One way of measuring customer loyalty (maintaining and keeping customers) is Return on Relationship. Return on Relationship model allows measuring and maximizing profitability of customers, through proper use of CRM technologies and changing business processes (resource optimization in sales and support, encouragement of customers to use alternative channels, etc.).

However, the most correct is to measure qualitative and quantitative indicators of success of this concept. (Kim *et al.* 2003), authors recommend the Balanced Scorecard model. With perspective of CRM concept, the Balanced Scorecard uses four indicators: these include:

- Value of customers, which measures financial effects of customers (increase revenue, increase profits, reduce costs).
- Client satisfaction, which shows level of customer satisfaction with bank's products and services.
- Interaction with customers, which measures efficiency of internal processes and communication with customers through various communication channels.
- Knowledge of customers, which measure quality of data which bank, has about customer.

It is also important to note that employee satisfaction drives customer satisfaction, and in a competitive market place where customers can switch suppliers, customer satisfaction is the sine qua non of customer retention.

According to the researcher, CRM is concerned with building business relationships that would enhance product quality, improve sales, and create a positive reputation or image for the company and its products/service as well as to ensure repeat business. Its place in the service industry like banking and others cannot be overemphasized. This is because unlike product companies who can attract patronage by way of distribution and pricing, the service industry (intangible products market) relies more on public perception to enhance patronage and could be achieved through customer satisfaction.

According to Russels (2001) assert that the notion of customer satisfaction is being expanded to change CRM to CEM, customer experience management.

He further states:

“The idea behind this is that with the number of customer contact points to these contacts and develop immediate responses to negative experiences. These responses could include timely apologies and special offers to increasing all the time; it is more critical than even to measure the customers’ reactions compensate for unsatisfactory service.

The idea is to expand the notion of a relationship from one that is transaction-based to one that is experiential and continuous. The bottom line is that companies that are not taking a customer-centric view of their business operations are going to be passed by those that view relationship activities as the key to long-term profitability”.

It can be deduced from the above that relationship exists between customer satisfaction and profitability. That is to say that the overall goal of CRM or any other relationship program is to deliver higher level of customer satisfaction than competing firms do. In

terms of intangible benefits stakeholders observed increased customer satisfaction, depth and effectiveness of customer satisfaction, streamlined business processes, closer contact management, improved customer service and better understanding of customer requirements. CRM also describes that loyal customers cost less to serve, because they know the product and require less information. Loyal customers will create business referrals and provide references. This is also confirmed by Homburg *et al.*, (2001), who report a direct correlation between customer satisfaction and loyalty.

Reinartz *et al.*, (2001) also warn that a focus on customer satisfaction is likely to be more effective for customers with weak relations and propose that a focus on building trust and commitment will be more effective for the creation of long-term relationships, while Hill (2007), promotes the concept of finding and looking after lasting trusted partners. This implies that trust is required by both parties. There can thus be no doubt that the presence of mutual trust is not only a vital prerequisite for the establishment of a lasting and beneficial customer relationship.

### **Corporate Image, Public Confidence and Customer Service in Banks**

In a series of research conducted and compiled by Stewart Lewis, the director of MORI (a research group) in 2003, it was discovered that business's lack of apparent concern-let alone priority-to issues of corporate citizenship is cavalier. Many large companies are genuinely committed to fulfilling social responsibilities-but fail to communicate actively enough to convey it. This directly affects both the image and reputation of such company. It therefore goes to say that "If the image is false and our performance is good, it's our fault for being bad communicators. If the image is true and reflects our bad performance, it's our fault for being bad managers... unless we know our image, we can neither communicate nor manage (Bernstein, 1983) cited in Lewis (2003).

In another study by Ernst and Young (2002) titled “global consumer banking survey” the researchers assert, “amid sweeping regulatory changes, slow economic growth and tightened margins, banks today are increasingly focused on their most important stakeholders – their customers”. The researchers further stated that, “despite their best efforts to attract and retain customers, customers’ confidence levels in banks remain low. The survey which studied 28, 560 banking customers across 35 countries sort to learn more about customer needs and preferences. Another study by Unegbu Elizabeth,(2012), titled “Relationship marketing in the performance of STANBIC IBTC GROUP”, show that there exist a relationship between the services rendered by Stanbic IBTC Group and the performance of the company.

The research questions that guided this study are: is there a direct link between organizational performance of Stanbic IBTC Group and the behaviors of its products and workers; to what extent does the organizational relations of Stanbic IBTC Group enhance its performance? What are the challenges confronting the practice of relationship marketing in Stanbic IBTC Group? The staff and customers of the Stanbic IBTC bank and Stanbic IBTC Pension managers formed the population of the study. The findings show that the behaviors of the product and workers find expression in customer-oriented services, such as “sensitivity to customer needs; commitment to customer satisfaction; building customer confidence; direct marketing, and e-marketing”. All these emphasize a relationship that must exist between the company staff and the clients (Unegbu, 2012). Such relationship must emphasis customer needs in order to appeal to customer sensibility and instill his/her confidence in the product or the company. According to Winer (2001) “any contact or touch points that a customer has with a firm is a customer service encounter and has the potential to gain repeat business and help CRM or have the opposite effect”. Winer (2001) divided customer service two - proactive and reactive service. While in the former, the manager does not wait for customers to contact the firm but rather be aggressive in establishing a dialogue

with customers prior to complaining. The later only reaches out to the customers when a problem exists. Many companies perform reactive customer service through e-mails, telephones.

## **2.2. Concept of Customer Satisfaction**

Customer satisfaction is a term frequently used in marketing. Today's companies are facing their toughest competition ever. It is generally believed by so many authorities in the field of marketing that companies can outperform competition if they can move from a product and sales philosophy to a marketing philosophy.

The answer lies in doing a better job of meeting and satisfying customer needs. There is generally congruence in the conceptual clarification of customer satisfaction by different authorities.

Faris, Neil et al (2010) defined customer satisfaction as the number of customers or percentage of total customers whose reported experience with a firm, its products or its services (ratings) exceeds specified satisfaction goals.

Gitman, MacDaniel (2005) in their own view, sees customers satisfaction firm the perspective of being key performance indicator within business which is also parts of balanced scorecard. They went further to assert that in a competitive market place where business compete for customer, customer satisfaction is seen as a key differentiation and increasingly has become a key element of business strategy.

Johnson et al, (2006) defined customer satisfaction from the view of how products or service has meet or exceed expectations. This expectation as he confirmed are a key factor beyond satisfaction.

Kotler (2006) sees customer satisfaction as a person's feelings of pleasure or disappointment resulting from comparing products perceived performance (or outcome) in relating to his or her expectation. He further asserted that if the performance falls short of expectation the customer is dissatisfied. If the performance matches expectations the

customer is satisfied. If the performance exceeds expectations the customer is highly satisfied or delighted.

Jobber(1998) belief customer satisfaction occurs when perceived performance matches or exceeds expectation He further asserted that expectation are formed through post buying experiences, discussions with other people, and suppliers' marketing activities. He further advised the companies to avoid the mistake of setting customer expectation too high through exaggerated promotional claims since this can lead to dissatisfaction if performance falls short of expectations.

Customer Loyalty according to Kotler and Armstrong (2011), consumer loyalty in general can be interpreted fidelity someone on a product, goods and services. Consumer loyalty is a manifestation and continuation of consumer satisfaction to use the facilities and services provided by company, as well as to be a repeated buyer of the company.

### **2.3. Concept of Customer Retention**

A principle of relationship marketing is the retention of customer through varying means to ensure repeated trade from preexisting customers by satisfying requirements above of competing companies through a mutually beneficial relationship (Gal, B.T. and Chapman, R.W 1994). There is generally congruence among the different authorities on the conceptual clarification of customer retention as all their ideas and dispositions are built around the relationship marketing.

Mehta (2016) defined customer retention as the ability of a company or product to retain its customer over some specified period of time. He further emphasized that the ability of a company to attract and retain its customers is related not only to its product or services, but also to the way it services its existing customers, the value the customers actually generate as a result of utilizing the solutions and the reputation it creates within and across the market place.

Bernstal, (2005) refers customer retention to the percentage of customer relationship that once established a business is able to maintain on long term basis. He asserted that the use

of behavioral intentions as an indicator of customer retention is based on the premise that intentions are a strong predictor of future behaviors such that customers who express a stronger repurchase intention toward a brand or firm will also exhibit stronger corresponding behaviors.

## **2.4. Theoretical Review**

### **2.4.1 Relationship Marketing Theory**

There are three types of relationship marketing: database marketing, interaction marketing, and network marketing. Database marketing as internal marketing, is the use of IT to increase customer loyalty, profits and customer satisfaction. Interaction marketing as external marketing assets for example, employees used to develop and facilitate relationships. According to Moller & Halinen (2000), there are two basic relationship marketing (RM) theory called market based and network based, where four sources of relationship marketing are identified: marketing channel; business marketing (interaction and networks); services marketing; and database marketing and direct marketing. RM theory is based on exchange characteristics and exchange context.

### **2.4.2 Customer Relationship Management Theory**

According to Westch (2005), Customer Relationship Management (CRM) theory is a combination of relationship marketing and customer centric where justice theory had applied in CRM theory. Justice theory involves the elements of trust, satisfaction, and loyalty where these elements should have in the relationship between customers and organizations. There are three types of justice theory called distributive justice, interactional justice and procedural justice. Distributive justice means the perception an individual holds the fairness of outcome. While interactional justice is perceived fairness of the interpersonal interaction in decision process and procedural justice is a fairness of the process.

#### **2.4.5. Consumer Satisfaction Theory**

The marketing and consumer behavior literature has traditionally suggested that customer satisfaction is a relative concept, and is always measured in relation to a standard (Atila & Fisun, 2008). Consequently, in the course of its development, a number of different competing theories based on various standards have been postulated for explaining customer satisfaction. The theories include the Expectancy-Disconfirmation Paradigm (EDP), the Value-Precept Theory, the Attribution Theory, the Equity Theory, the Comparison Level Theory, the Evaluation Congruity Theory, the Person-Situation-Fit model, the Performance-Importance model, the Dissonance, and the Contrast Theory.

Early researchers drew on the assimilation-contrast theories proposed by Sheriff & Hovland (1961). Later, Oliver (1977), drawing on the adaptation level theory developed the Expectancy-Disconfirmation model for the study of consumer satisfaction, which received the widest acceptance among researchers. These frameworks generally imply conscious comparison between a cognitive state prior to an event and a subsequent cognitive state, usually realized after the event is experienced.

However, to sufficiently clarify the Customer Relationship Management and performance of the Nigerian banking Industry, the Customer satisfaction theory would be adopted for this research. This is because; it helps in analyzing the relationship between Customer satisfaction and performance of the banking industry in the Nigerian context.

#### **2.5. Empirical Framework**

Aulia, Sukati and Sulaiman (2016) conducted a study with an attempt to extend the knowledge of perceived value by providing a review related to the dimensions of perceived value. The review of the literature reveals that the dimension of perceived value in the context of durable product can be categorized into three groups which are product-related value, social-related value, and personal-related value. Furthermore, there are six types of customer needs that need to be considered when measuring perceived value which are the need for product function (need to solve the problem of the customer), the need for

pleasure, the need for acceptance, the need for compliment, the need for being own self, and the need for doing good thing. By understanding value from this perspective, this study may help the organization as well as the researchers in creating or identifying the dimension of consumption value. The study reveals that majority of the study focus on product-related value and social-related value, while only few study included personal-related value into the measurement of perceived value especially in the perspective of product as platform to do a good things in life. Thus future research may be directed to identify and develop the scale of personal related value. It is important to consider personal-related value in measuring perceived value since it does not only have effect on satisfaction, but also has effect on other dimension of value.

Bohyeon King (2014) through his research study proposes the effect of communication on dyadic relationship using eight factors; conflicts, opportunism, unfairness, goal incongruity, cooperation, trust, satisfaction and relational norms. The aim of the study was to investigate the effect word of mouth communication on relationship marketing in the Melli Bank branches of Roodsar in which customer loyalty had the mediation role in their relationship. The study was an applied research adopting a descriptive method. The data was gathered using questionnaire method and the study population consisted of customers of Melli Bank in Roodsar. Following this, 460 questionnaires were distributed among customers using convenient sampling and finally 420 questionnaires were collected for analysis. LISTREL software is employed to analyse the data. Finding reveals that the word of mouth communication had significant positive impact on customer loyalty and also customers loyalty led to increase relationship marketing. Right from his comprehensive literature review, his study was able to provide insightful eight relationship factors which have potential possibility to be consequences of relationship marketing by proposing the effect of communication on dyadic relationship factors. The research study was able to reposition communication from peripheral variable to focal one. In this way, the study provides new perspectives for capturing the role of communication in relationship

marketing. The research work was also able to provide important and helpful insights to academics and practitioners in marketing and business with understanding and making the best use of strategies related to communication relationship marketing.

Poovarlingam, K. and Veerasamy, D. (2007) who also carried out similar research work on “The impact of communication on customer relationship marketing among cellular service providers”. Hence this study investigates the extent to which communication impacts on relationship marketing and whether improved communication can result in sustainable long-term relationships. This was a quantitative cross sectional study where the survey method was employed using a simple random sample. The target population consisted of existing cellular phone users, both contract and prepaid. Structured interviews were used to assist the researcher in the impact of Communication on Customer Relationship Marketing obtaining information from an intended sample of 300 cellular phone users. At the end of six weeks, 251 responses were received reflecting an overall response rate of 83.7%. The finding reveals through the research conducted on a general aspect of relationship marketing that the majority of cellular phone users were satisfied with the communication efforts of their service provider and that the communication tools used by the service providers were effective in promoting relationship marketing. Moreover, the research also show that existing customers indicated that they would become advocates of their service provider, as they did not regret their choice of service provider particularly because service providers tailor make packages for their customers. In addition, through the research study, customers were able to indicate that they would like to be informed of long and medium term plans, new developments and any fundamental changes that are going to take place through effective communication. And if service providers are to maintain sustainable relationships, they need to conduct regular satisfaction survey to get feedback from customers and monitor their attitudes.

Rahim, Ignatius and Adeoti (2012) examined a study with the aim of investigating whether customer satisfaction is an indicator of customer loyalty. The findings of the study supported the assertion that strong relationship exist between customer satisfaction and

loyalty. However, customer satisfaction alone cannot achieve the objective of creating a loyal customer base. Some researchers also argued, that customer satisfaction and loyalty are not directly correlated, particularly in competitive business environments because there is a big difference between satisfaction, which is a passive customer condition, and loyalty, which is an active or proactive relationship with the organization.

Babaleye, Owolabi and Bodunde (2021) conducted a research study titled Integrated Marketing Communication and Customers' Loyalty of Guaranty Trust Bank (GTB) Customers in Ibadan Metropolis, Nigeria. This limitation observed in the conceptual review led to the study, which was primarily designed to examine if customers' awareness of online products and services produced by Guarantee Trust Bank (GTB), Nigeria Plc has impact on the level of loyalty it enjoys from customers. Survey research method was adopted. Questionnaire was administered on three hundred and eighty-four (384) respondents in four Local Government Areas of Ibadan, South-West Nigeria. Furthermore, three hypotheses were tested at 0.005 level of significance through the chi square result ( $\chi^2(16) \geq 2.422, P < 0.000$ ), the level of significance for the three hypotheses were  $< 0.005$ . At the end, the finding revealed that online IMC promotes customers' awareness and customers' patronage of the products and services offered by GTB leads to customers' loyalty. It was also revealed that the combination of IMC strategies with the internet promotes customers' acceptability of GTB. It was recommended that organizations should pay good attention to Online IMC in order to deploy it more meaningfully to gain continuous customers' loyalty.

Adegbola, Binuyo and Afolabi (2020) empirically conducted a study to investigate the effect of IMCs on customer satisfaction of selected private universities in South-West Nigeria. The study adopted cross-sectional survey research design. The population of the study comprised 554 employees of the Institution's Marketing Department and ad-hoc staff of the Registry Department of the universities selected for the study. Total enumeration method was used. The instrument used for the study was a questionnaire. The Cronbach's

alpha reliability coefficients of the constructs ranged from 0.701 to 0.832 while the response rate was 85%. Data for the study were analysed using multiple linear regression. The results revealed that IMCs had positive and significant effect on customer satisfaction (Adj. R<sup>2</sup> = 0.834, F (5, 467) = 475.554,  $p < 0.05$ ). The relative effects of IMCs on customer satisfaction showed that advertising had a positive and significant effect ( $\beta = 0.132$ ,  $t = 3.038$ ,  $p < 0.05$ ), service promotion had a positive and significant effect ( $\beta = 0.195$ ,  $t = 4.502$ ,  $p < 0.05$ ), online marketing had a positive and significant effect ( $\beta = 0.269$ ,  $t = 5.972$ ,  $p < 0.05$ ), public relations also had a positive and significant effect ( $\beta = 0.377$ ,  $t = 7.415$ ,  $p < 0.05$ ). The effect of direct marketing was however insignificant though positive ( $\beta = 0.059$ ,  $t = 1.130$ ,  $p > 0.05$ ). The study concluded that IMCs affect customer satisfaction. The study recommended that private universities should prioritise their promotional efforts on advertising, service promotion, online marketing and public relations rather than direct marketing in their bid to sustain and improve their customer satisfaction record.

Ganiyu (2017) examined "Customer Satisfaction and Loyalty: A Case Study of Interrelationship and Effects in Nigerian Domestic Airline Industry". This study examines the linkages between customer satisfaction and loyalty in Nigeria's domestic airline industry. The study adopted a correlation research design to elicit information via questionnaire from 600 domestic air passengers drawn through a convenience sampling technique. The data obtained from the respondents were analyzed with Pearson correlation analysis, linear regression, and one-way analysis of variance. Based on 383 completed data, the results provide support for the association and influence of customer satisfaction on customer loyalty. The study also found out that the frequent air travelers displayed more loyalty tendency towards airline carriers compared to non-frequent air passengers. Based on the aforementioned findings, the study concludes that customer satisfaction is extremely important in building and enhancing both brand and customer loyalty. Therefore, airline passengers should implement strategies that will guarantee a long-term relationship with

air travelers by offering services quality that will meet and exceeds their expectations and by extension customer satisfaction.

## **2.6. Gap in Literature**

From the assessment and review of the existing literature it was found that the related work have not been able to extensively studied the customer relationship management in banking industry in Ilorin metropolis with the creative variables used in this research study.

# **CHAPTER THREE**

## **METHODOLOGY**

### **3.0 Preamble**

This section will cover the research design, type of research design, the population of study, sample and sampling techniques, research instrument, the validity and reliability of the instrument adopted, method of data collection and the method of data analysis

### **3.1 Research Design**

Research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby ensuring you will effectively address the research problem. It's constitutes the blueprint of the collection, measurement and analysis of data. The research design to be used in this study will be survey with the help of structured questionnaire. Survey research, according to Osuala

(1987), studies both large and small population by selecting and studying samples chosen from the population to discover the relative incidence, distribution and inter-relations of sociological variables. Survey research has advantages. Sobowale (1983), cited in Iroegbu (1999) states that questionnaires are used to standardize the researcher's questions and also ensure that the interviewer asks exactly the same questions in the same way. This guarantees uniformity of answers from the respondents; and facilitate data processing through easy coding.

This method was chosen because the study required drawing information from a sample of the population through the administration of the questionnaire. In addition, the method provided for the opinions of respondents to be taken as their attitudes.

### **3.2 Population of the Study**

A study population is the entire accessible group of persons that is of interest to the research or meets the criteria the research interested in studying (Daymon & Holloway, 2011). The case study of this research work focuses on impact of customer relationship management and performance of Nigeria Banking sector. The population consists of the staff of First bank's branches in Ilorin metropolis totaling 94. For effective administration of this study First bank of Nigeria plc is chosen. This Bank was selected based on their spread and international recognition as one of the global bank and by implication among the best ten (10) in Nigeria. Ilorin was chosen because it is the commercial nerve center of Kwara State which is one the major states in the North Central. The population of the banks (each branches) which is been used as case study is as follow;

### **3.3 Sample and sampling Techniques**

Sampling is the process of selecting a portion of the population to represent the entire population; it is then a subset of the population. This research will adopt random sampling technique. It was used in administering the questionnaire; this study will be obtained from primary data only. The questionnaire will make up the primary data which are served to the staff that works directly to the customer of First Bank Nigeria Limited (FBN). This is

to enable the researcher to make reasonable and justifiable conclusion. According to Francis (2017) sample size is refers to the number of individual pieces of data collected in a survey. In determining the sample size for the population of this research, Taro Yamane's formula was adopted.

Taro Yamane's for sample size determination can be stated as:-

$$n = \frac{N}{1 + Ne^2}$$

Where:

n = sample size to be determined

N = population size

1 = constant

e =margin of error (which is normally chosen) or level of significance which is assumed to be 5% or 0.05. Therefore,  $e^2 = 0.0025$ , error of margin of 0.05 or 5% implies 95% level of confidence. In calculating the sample size the following result is obtained:

$$n = \frac{94}{1 + 94 (0.0025)}$$

$$n = \frac{94}{1.235}$$

$$n = 76$$

Therefore, the sample size of 76 has been chosen. Thus, 76 questionnaires will be used for the study.

### 3.4 Research Instrument

For adequacy and quality of information used for this research, questionnaire was used as a means of obtaining information from the respondents. The questionnaire is structured in nature and includes close-ended questions with mutually inclusive responses, in which the

opinion of the respondents can adequately surface in line with the scope of this research study.

The questionnaire is divided into two sections: section A and B; Section-A borders on the demographic data of the respondents, while section B, contains the research questions.

The five items in Likert Scale questionnaire was used to elicit response in the section B, they are Strongly Agree, Agree, Disagree, Strongly Disagree and Neutral

### **3.6 Methods of data collection**

The necessary data required for this study is primary data. Data will be collected from the staff that works directly to the customer of the selected company [bank]. The data will be collected through the survey method by the administration of questionnaires to the selected respondents (Staff and customers). The researcher collects data by self-administering questionnaires which was given to each respondent one by one, and after being filled, then collected for analysis.

### **3.7 Methods of data analysis**

To analyze the data which were obtained from the study, descriptive and inferential statistics were adopted for analysis. Data were analyzed using percentage; mean and frequency count table and the hypotheses were tested using linear regression analysis to measure the customers and the staff relationships, effects with the aid of Statistical Package for Social Sciences (SPSS)

### **3.8 Model specification**

In specifying the model for this study, the independent variable shall be customers relationship management, while the dependent variable shall be performance of Nigeria banking industry; therefore the model is specified in the form:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + U.$$

Where,

$Y$  = performance of Nigeria banking industry

$\alpha$  = constant or intercept

$\beta_1$  = slope (beta coefficient) for  $X_1$  and  $X_1$ 's customers relationship management

$U$  = error term

With 0.05 level of significance or 95% degree of confidence

Decision rule

The data analysis will be carried out with the aid of statistical package for social sciences (SPSS). Hence, the null hypothesis will be rejected if  $P < 0.05$  and thus the null hypothesis will be accepted if  $P > 0.05$ .

## CHAPTER FOUR

### DATA ANALYSIS, RESULT AND DISCUSSION

#### 4.0 Introduction

The chapter presents the data of the study that were collected through the administered questionnaires. A total of seventy six (76) copies of questionnaire were administered which were duly filled and returned. This connotes that the responses received were factual in accordance to the sampled population.

#### 4.1 Demographic characteristics

**Table 4.1.1: Distribution of the Respondents Gender**

	Frequency	Percent	Valid Percent	Cumulative Percent
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Male	38	50.0	50.0	50.0
Valid Female	38	50.0	50.0	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

The table 4.1.1 above showed the distribution of respondents' Gender. From the questionnaire collected, it was revealed that 50% of the respondents are male, while 50% are female. Hence, this revealed that there is equal female than Males respondents.

**Table 4.1.2: Age Distribution of the Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 20yrs	22	28.9	28.9	28.9
20-30yrs	34	44.7	44.7	73.7
Valid 31-40yrs	17	22.4	22.4	96.1
41-50yrs	3	3.9	3.9	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

Table 4.1.2 showed the distribution of respondents' age. From the questionnaire collected, 28.9% of respondents were less than 20 years of age, 44.7% were at the age range of 20-30 years, 22.4% were at the age range of 31-40 year and 3.9% were 49-50 years. This shows that a higher number of the respondents are of their youthfulness and agility which makes them more active and interested in answering the questionnaire.

**Table 4.1.3: Department Where the Respondent's Work**

	Frequency	Percent	Valid Percent	Cumulative Percent
Marketing	29	38.2	38.2	38.2
Cashier	20	26.3	26.3	64.5
Valid Teller	15	19.7	19.7	84.2
Customer service	12	15.8	15.8	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

Table 4.1.3 showed the distribution of respondents based on the department where the work. From the questionnaire it was reveal that 38.2% of respondents were in the marketing department, 26.3% were cashier, 19.7% were teller and 15.8% of the respondent were customer service. This shows that a higher number of the respondents were marketers, this also shows the important of marketers in banking industry.

**Table 4.1.4 How long have you being working with this bank**

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 1 year	22	28.9	28.9	28.9
1-3 years	22	28.9	28.9	57.9
Valid 4-6 years	27	35.5	35.5	93.4
10 years and above	5	6.6	6.6	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

Table 4.1.4 showed the distribution of respondents' duration. From the questionnaire collected, 28.9% of respondents started working with the bank not up to a year, another 28.9% of respondents have also spent 1-3years working with the bank, 35.5% have spent 4-6years in working with the bank, 6.6% of the respondents have spent not less than 10years in working with the bank. This shows that a smaller number of the respondents have being working with the bank for not less than 10years.

**Table 4.1.5: Level of Education of Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
OND/NCE	15	19.7	19.7	19.7
HND/BSC	35	46.1	46.1	65.8
MSC/ABOVE	26	34.2	34.2	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

The table 4.1.5: above showed the level of education of respondents'. From the questionnaire collected, 19.7% are OND/NCE, 46.1% are HND/BSC, 34.2% are MSC/ABOVE, This revealed that majority of the respondents were HND/BSC graduates.

## 4.2 Data Presentation

This section presents the responses of the respondents on the variables used to address the research objectives and testing the hypotheses.

### 4.2.1 Frequency of Relevant of CRM in Nigeria Banking Industry

**Table 4.2.1.1. CRM is relevant in the Nigeria banking industry**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	1	1.3	1.3	1.3

Disagree	2	2.6	2.6	3.9
Agree	27	35.5	35.5	39.5
Strongly agree	46	60.5	60.5	100.0
Total	76	100.0	100.0	

**Source:** Field work, 2022

From Table above 60.5% strongly agreed, 35.5% agreed, 2.6% disagreed and 1.3% strongly disagreed about the fact that CRM is relevant in the Nigerian banking industry. This implies that CRM is a necessary aspect in Nigerian banking industry.

**Table 4.2.1.2. showing CRM model is well implemented in your bank**

	Frequency	Percent	Valid Percent	Cumulative Percent
Undecided	1	1.3	1.3	1.3
Strongly disagree	1	1.3	1.3	2.6
Disagree	11	14.5	14.5	17.1
Agree	34	44.7	44.7	61.8
Strongly agree	29	38.2	38.2	100.0
Total	76	100.0	100.0	

**Source:** Field work, 2022

From Table above 38.2% strongly agreed, 44.7% agreed, 14.5% disagreed and 1.3% strongly disagreed and 1.3% were Undecided about the fact that CRM model is well implemented in your bank. This implies that CRM model is well implemented in Nigerian banking industry.

**Table 4.2.1.3. showing customers kept in view while managing their relationship with staff of the bank**

	Frequency	Percent	Valid Percent	Cumulative Percent
Undecided	1	1.3	1.3	1.3
Disagree	8	10.5	10.5	11.8
Valid Agree	31	40.8	40.8	52.6
Strongly agree	36	47.4	47.4	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

From Table above 47.4% strongly agreed, 40.8% agreed, 10.5% disagreed and 1.3% were Undecided about the fact that the customers are kept in view while managing their relationship with staff of your bank. This implies customers are kept in view while managing their relationship with staff.

**Table 4.2.1.4. showing CRM helps staff to respond positively to customers**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	2	2.6	2.6	2.6
Disagree	6	7.9	7.9	10.5
Valid Agree	33	43.4	43.4	53.9
Strongly agree	35	46.1	46.1	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

From Table above 46.1% strongly agreed, 43.4% agreed, 7.9% disagreed and 2.6% strongly disagree about the fact that CRM helps staff to respond positively to customers. This implies that CRM helps the staff to respond positively to customers in their banks.

**Table 4.2.1.5. showing CRM helps you to initiate and maintain a good relationship with your customers**

	Frequency	Percent	Valid Percent	Cumulative Percent
Undecided	1	1.3	1.3	1.3
Strongly disagree	1	1.3	1.3	2.6
Disagree	3	3.9	3.9	6.6
Valid Agree	30	39.5	39.5	46.1
Strongly agree	41	53.9	53.9	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

From Table above 53.9% strongly agreed, 39.5% agreed, 3.6% disagreed, 1.3% strongly disagreed, and 1.3% was undecided about the fact that CRM helps you to initiate and maintain a good relationship with your customers. This implies CRM helps to initiate and maintain a good relationship with customers in Nigeria Banking industry

#### **4.2.2 Frequency of respondent on the relationship between the technology and personnel In CRM**

**Table 4.2.2.1. Showing technology has enhanced the effect of CRM in this bank**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Undecided	1	1.3	1.3	1.3

Strongly disagree	1	1.3	1.3	2.6
Disagree	4	5.3	5.3	7.9
Agree	37	48.7	48.7	56.6
Strongly agree	33	43.4	43.4	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

From Table above 43.4% strongly agreed, 48.7% agreed, 5.3% disagreed, 1.3% strongly disagreed and 1.3% were undecided about the fact that Technology has enhance the effect of CRM in this bank. This implies that Technology has enhance the effect CRM in Nigerian banking industry.

**Table 4.2.2.2. Showing Technology has improved the speed and response time customers queries**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	2	2.6	2.6	2.6
Disagree	1	1.3	1.3	3.9
Valid Agree	41	53.9	53.9	57.9
Strongly agree	32	42.1	42.1	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

From Table above 42.1% strongly agreed, 53.9% agreed, 1.3% disagreed, 2.6% strongly disagreed about the fact that Technology has improved the speed and response time of customer queries. This implies that Technology has improved the speed and response time of customer queries in Nigerian banking industry.

**Table 4.2.2.3. Showing technology makes CRM implementation more easier for your bank**

	Frequency	Percent	Valid Percent	Cumulative Percent
Undecided	1	1.3	1.3	1.3
Disagree	2	2.6	2.6	3.9
Valid Agree	44	57.9	57.9	61.8
Strongly agree	29	38.2	38.2	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

From Table above 38.2% strongly agreed, 57.9% agreed, 2.6% disagreed and 1.3% strongly disagreed about the fact that Technology makes CRM implementation more easier in your bank. This implies that Technology makes CRM implementation more easier in Nigerian banking industry.

**Table 4.2.2.4. Showing the performance of the staff of this bank has improved because of technology**

	Frequency	Percent	Valid Percent	Cumulative Percent
Undecided	1	1.3	1.3	1.3
Valid Strongly disagree	1	1.3	1.3	2.6
Disagree	10	13.2	13.2	15.8

Agree	42	55.3	55.3	71.1
Strongly agree	22	28.9	28.9	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

From Table above 28.9% strongly agreed, 55.3% agreed, 13.2% disagreed, 1.3% strongly disagreed and 1.3% were undecided about the fact that the performance of the staff of this bank has improved because of technology. This implies that Technology has improved the performance of the staff in Nigerian banking industry.

**Table 4.2.2.5. Showing that technology and personnel are important in CRM**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	6	7.9	7.9	7.9
Valid Agree	40	52.6	52.6	60.5
Strongly agree	30	39.5	39.5	100.0

Total	76	100.0	100.0	
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*Source: Field work, 2022*

From Table above 39.5% strongly agreed, 52.6% agreed and 7.9% disagreed with the statement that both Technology and personnel are importance in CRM.

#### 4.2.3 CRM gives you a competitive advantage over other banks

**Table 4.2.3.1. Showing CRM gives you a competitive advantage over other banks**

	Frequency	Percent	Valid Percent	Cumulative Percent
Undecided	2	2.6	2.6	2.6
Strongly disagree	2	2.6	2.6	5.3
Disagree	1	1.3	1.3	6.6
Agree	36	47.4	47.4	53.9
Strongly agree	35	46.1	46.1	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

From Table above 46.1% strongly agreed, 47.4% agreed, 1.3% disagreed, 2.6% strongly disagreed and 2.6% were undecided with the notion that the CRM gives you a competitive advantage over other bank

**Table 4.2.3.2. Showing CRM helps you to gain customers more than other banks**

	Frequency	Percent	Valid Percent	Cumulative Percent
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	Strongly disagree	3	3.9	3.9	3.9
	Disagree	4	5.3	5.3	9.2
Valid	Agree	37	48.7	48.7	57.9
	Strongly agree	32	42.1	42.1	100.0
	Total	76	100.0	100.0	

*Source: Field work, 2022*

From Table above 42.1% strongly agreed, 48.7% agreed, 5.3% disagreed and 3.9% strongly disagreed about the fact that helps you to gain customer more than other banks.

**Table 4.2.3.3. Showing there is a consistent improvement in the customer base of this bank compared to other banks in Nigeria**

	Frequency	Percent	Valid Percent	Cumulative Percent
	Undecided	2	2.6	2.6
	Strongly disagree	3	3.9	6.6
	Disagree	6	7.9	14.5
Valid	Agree	35	46.1	60.5
	Strongly agree	30	39.5	100.0
	Total	76	100.0	

*Source: Field work, 2022*

From Table above 39.5% strongly agreed, 46.1% agreed, 7.9% disagreed, 3.9% strongly disagreed and 2.6% were undecided with the notion that there is a consistent improvement in the customer base of this bank compared to other banks in Nigeria

**Table 4.2.3.4. Showing Customers refer other people to your bank of CRM implementation**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	1	1.3	1.3	1.3
Disagree	3	3.9	3.9	5.3
Valid Agree	35	46.1	46.1	51.3
Strongly agree	37	48.7	48.7	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

From Table above 48.7% strongly agreed, 46.1% agreed, 3.9% disagreed and 1.3% strongly disagreed about the fact that customers refer other people to your bank of CRM implementation.

**Table 4.2.2.5. Showing CRM helps in attracting new customers in this bank**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	2	2.6	2.6	2.6
Disagree	3	3.9	3.9	6.6
Valid Agree	34	44.7	44.7	51.3
Strongly agree	37	48.7	48.7	100.0

Total	76	100.0	100.0	
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*Source: Field work, 2022*

From Table above 48.7% strongly agreed, 44.7% agreed, 3.9% disagreed and 2.6% strongly disagreed with the fact that CRM helps in attracting new customers in this bank. This implies that CRM helps in attracting new customers in Nigeria banks.

**Table 4.2.2.6. Showing CRM helps in retaining your customers**

	Frequency	Percent	Valid Percent	Cumulative Percent
Undecided	1	1.3	1.3	1.3
Strongly disagree	1	1.3	1.3	2.6
Disagree	8	10.5	10.5	13.2
Valid Agree	40	52.6	52.6	65.8
Strongly agree	26	34.2	34.2	100.0
Total	76	100.0	100.0	

*Source: Field work, 2022*

From Table above 34.2% strongly agreed, 52.6% agreed, 10.5% disagreed, 1.3% strongly disagreed and 1.3% were undecided with the notion that CRM helps in retaining customers. This implies that CRM helps in retaining customers in Nigeria banks.

**Table 4.2.2.7. Showing CRM build the relationship between you and your customers**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	4	5.3	5.3	5.3

Disagree	3	3.9	3.9	9.2
Agree	39	51.3	51.3	60.5
Strongly agree	30	39.5	39.5	100.0
Total	76	100.0	100.0	

**Source:** Field work, 2022

From Table above 39.5% strongly agreed, 51.3% agreed, 3.9% disagreed and 5.3% strongly disagreed with the notion that CRM build the relationship between you and your customers. This implies that CRM build the relationship between the staff and the customers in Nigeria banks.

**Table 4.2.2.8. Showing CRM helps in gaining the interest of your customer**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	3	3.9	3.9	3.9
Disagree	3	3.9	3.9	7.9
Valid Agree	39	51.3	51.3	59.2
Strongly agree	31	40.8	40.8	100.0
Total	76	100.0	100.0	

**Source:** Field work, 2022

From Table above 40.8% strongly agreed, 51.3% agreed, 3.9% disagreed and 3.9% strongly disagreed with the notion that CRM helps in gaining the interest of your customers. This implies that CRM helps in gaining the interest of the customers in Nigeria banking industry.

### 4.3 Testing of Hypotheses

This section addresses the objectives of the study through the formulated hypotheses using regression analysis;

#### Hypothesis I:

**H<sub>01</sub>: CRM has no significant relationship on Nigeria banking industry**

**Table 4.3.1a Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.794 <sup>a</sup>	.630	.452	.585

*Source: SPSS Output Result, 2022*

a. Predictors: (Constant), CRM helps you to initiate and maintain a good relationship with your customers, The customers are kept in view while managing their relationship with staff of your bank, CRM helps staff to respond positively to customers, CRM model is well implemented in your bank.

Table 4.3.1a presents the model summary, it can be observed that the correlation coefficient  $r$  is 0.794 (i.e.  $r = 0.794$ ) which indicates that there exists a very strong linear relationship between Nigeria banking industry (the variable being predicted) and relevance of CRM (the predictor variables). It's also shows that  $r^2$  which is the coefficient of determination is 0.630 approximately 63%. This implies that the model is only sufficient to explain 63% of the variations.

**Table 4.3.1b ANOVA<sup>a</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	4.463	4	1.116	3.256	.016 <sup>b</sup>

Residual	24.327	71	.343		
Total	28.789	75			

*Source: SPSS Output Result, 2022*

- a. Dependent Variable: CRM is relevant in the Nigeria banking industry
- b. Predictors: (Constant), CRM helps you to initiate and maintain a good relationship with your customers, The customers are kept in view while managing their relationship with staff of your bank, CRM helps staff to respond positively to customers, CRM model is well implemented in your bank

Table 4.3.1b presents the analysis of variance (ANOVA) table. The F-statistic as shown from the table above is significant since the probability value of .016 is less than the alpha level of 0.05, thus, it is concluded that the model is fit. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted, this implies that CRM has a significant relationship on Nigeria banking industry.

**Table 4.3.1c**                      **Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.700	.661		4.083	.000
1 CRM model is well implemented in your bank	.042	.092	.056	.456	.650

The customers are kept in view while managing thier relationship with staff of your bank	.120	.091	.149	1.310	.194
CRM helps staff to respond positively to customers	.280	.093	.333	3.013	.004
CRM helps you to initiate and maintain a good relationship with your customers	-.012	.098	-.014	-.121	.904

*Source: SPSS Output Result, 2020*

a. Dependent Variable: CRM is relevant in the Nigeria banking industry (p-value < 0.05).

Table 4.3.1c represents the coefficient of independent variables – showing the extent to which they are significant. The variable, “CRM is relevant in the Nigeria banking industry” was used to measure the relevant of CRM as dependant against five different being asked with regard to relevant of CRM and the extent of its adoption in Nigeria banking industry. The result showed that, only implementation of CRM model and positive response of the staff to customers has a significant relationship with Nigeria banking industry.

## **Hypothesis II**

**H<sub>0</sub>: there is no significant relationship between the technology and personnel in CRM**

**Table 4.3.2a**

### **Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.531 <sup>a</sup>	.282	.242	.573

*Source: SPSS Output Result, 2022*

a. Predictors: (Constant), The performance of the staff of this bank has improved because of technology, Technology has improved the speed and response time customers queries , Technology makes CRM implementation more easier for your bank , Technology has enhanced the effect of CRM in this bank

Table 4.3.2a presents the model summary, it can be observed that the correlation coefficient  $r$  is 0.531 (i.e.  $r = 0.531$ ) which indicates that there exists a strong linear relationship between performance of personnel in CRM (the variable being predicted) and technology (the predictor variables). Table 4.3.2a also shows that  $r^2$  which is the coefficient of determination is 0.282 approximately 28%. This implies that the model is only sufficient to explain 28% of the variations while any other variations in performance of CRM can be explained considering some other variables.

**Table 4.3.2b** **ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	9.147	4	2.287	6.976	.000 <sup>b</sup>
Residual	23.274	71	.328		
Total	32.421	75			

*Source: SPSS Output Result, 2022*

a. Dependent Variable: Both technology and personnel are important in CRM

b. Predictors: (Constant), The performance of the staff of this bank has improved because of technology, Technology has improved the speed and response time customers queries, Technology makes CRM implementation more easier for your bank, Technology has enhanced the effect of CRM in this bank.

Table 4.3.2b presents the analysis of variance (ANOVA) table. The F-statistic as shown from the table above is significant since the probability value of 0.00 is less than the alpha level of 0.05, thus, it is concluded that the model is fit. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted, this implies there is significant relationship between the technology and personnel in CRM

**Table 4.3.2c** **Coefficients<sup>a</sup>**

Model	Un-standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.504	.622		5.631	.000
Technology has enhanced the effect of CRM in this bank	-.017	.110	-.020	-.151	.881
Technology has improved the speed and response time customers queries	.087	.119	.092	.733	.466

Technology makes CRM implementation more easier for your bank	-.106	.125	-.113	-.846	.400
The performance of the staff of this bank has improved because of technology	.235	.110	.294	2.133	.036

*Source: SPSS Output Result, 2022*

a. Dependent Variable: Both technology and personnel are important in CRM

### Hypothesis III

**H<sub>01</sub>:** CRM does not have a significant effect in building competitive advantage of banks over time

**Table 4.3.3a** **Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.602 <sup>a</sup>	.362	.335	.694

*Source: SPSS Output Result, 2022*

a. Predictors: (Constant), Customers refer other people to your bank of CRM implementation, There is a consistent improvement in the customer base of this bank compared to other banks in Nigeria, and CRM helps you to gain customers more than other banks.

Table 4.3.3a presents the model summary, it can be observed that the correlation coefficient  $r$  is 0.602 (i.e.  $r = 0.602$ ) which indicates that there exists a strong linear relationship between competitive advantage of banks over time (the variable being predicted) and CRM

(the predictor variables). Table 4.3.3a also shows that  $r^2$  which is the coefficient of determination is 0.362 approximately 36.2%. This implies that the model is only sufficient to explain 36.2% of the variations while any other variations in performance of CRM can be explained considering some other variables

**Table 4.3.3b** **ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	19.695	3	6.565	13.612	.000 <sup>b</sup>
Residual	34.726	72	.482		
Total	54.421	75			

**Source:** SPSS Output Result, 2022

- a. Dependent Variable: CRM gives you a competitive advantage over other banks
- b. Predictors: (Constant), Customers refer other people to your bank of CRM implementation, There is a consistent improvement in the customer base of this bank compared to other banks in Nigeria, CRM helps you to gain customers more than other banks

Table 4.3.3b presents the analysis of variance (ANOVA) table. The F-statistic as shown from the table above is significant since the probability value of 0.00 is less than the alpha level of 0.05, thus, it is concluded that the model is fit. Therefore, the null hypothesis was rejected and the alternative hypothesis is accepted, this implies that CRM have a significant effect in building competitive advantage of banks over time.

**Table 4.3.3c**                      **Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.788	.633		2.826	.006
CRM helps you to gain customers more than other banks	.346	.129	.303	2.681	.009

There is a consistent improvement in the customer base of this bank compared to other banks in Nigeria	.387	.102	.420	3.777	.000
Customers refer other people to your bank of CRM implementation	-.128	.136	-.096	-.940	.350

**Source:** SPSS Output Result, 2022

a. Dependent Variable: CRM gives you a competitive advantage over other banks (p-value < 0.05).

Table 4.3.3c represents the coefficient of independent variables – showing the extent to which they are significant. The variable, “CRM gives you a competitive advantage over other banks” was used to measure the competitive advantage of banks as dependent against three different questions being asked with regard to the effect of CRM on the competitive advantage over other banks. The result shows that only the last item of the table (Customers refer other people to your bank of CRM implementation) is not significant.

#### 4.4 Discussion of Findings

The study established that that customer relationship management plays a vital role in the performance of the staff in first bank plc. The first objective of the study was to examine the relevance of CRM in the Nigeria banking industry, the findings shows that majority of the respondents believe that CRM is important in Nigeria banking industry. Furthermore, the null hypothesis “CRM has no significant relationship on Nigeria banking industry” was rejected at 0.05% level of significance, which implies that CRM has significant relationship on Nigeria banking industry. The findings are corroborated with Adewale and Afolabi (2014) who establish the adoption of Customer Relationship Management has a significant

impact on Bank performance, his findings also state that the adoption of Customer Relationship Management has a significant effect in customer's retention, and ensures customers loyalty.

The second objective was to examine the relationship between technology and personnel in CRM, the study revealed that majority of the respondent agreed that technology has a significant relationship with personnel in CRM, a test was further conducted and the null hypothesis was rejected which revealed that there is a relationship between technology and the personnel in CRM.

This study also established that Customers refer other people to your bank because of CRM implementation, There is a consistent improvement in the customer data base, its also helps you to gain customers, which support the findings of Mithias (2005) , they found that CRM applications are associated with a greater improvement in customer knowledge, Their results suggest that the effect of CRM applications on customer satisfaction is mediated by an improvement in firms' customer knowledge

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

This section presents a summary of the study, draws some meaningful conclusions on the bases of the findings and makes some practicable recommendations. The section also presents the limitation to the study and suggested areas for further research.

#### **5.1 Summary**

The overall objective of the study was to examine customer relationship management and the performance of Nigeria banking industry. A study of First bank Plc, Ilorin, Kwara state. A descriptive research design was adopted in this study because it focuses on staff performance to customer. In order to achieve the objectives of the study, three relevant

hypotheses were formulated and they were subsequently tested using some statistical analyses. The target population was 76 respondents comprising four (4) departments namely; marketing, cashier, teller and customer services. However, 76 copies administered, and all were retrieved and the data obtained there from were analyzed through descriptive and inferential statistics. From the analyses, the following findings were obtained;

There is significance relationship between CRM and performance of the staff. CRM implementation in the bank is very essential so as to enhance the staff performances which in return increase the number of customer. There is a significance relationship between technology and personnel in CRM. By implication, bank that make adequate use of technology in the application of CRM will cover more customer satisfaction which enhance the bank reputation and performance level .Additionally, majority of respondents are of the opinion That performance of the staff of this bank has improved because of technology, Technology has improved the speed and response time customers queries, Technology makes CRM implementation more easier for your bank , Technology has enhanced the effect of CRM in this bank. There is a significant relationship between CRM and building competitive advantage of banks over time. Respondent makes it clear that customers refer other people to this bank because of CRM implementation. There is a consistent improvement in the customer base of this bank compared to other banks in Nigeria, CRM helps you to gain customers more than other banks. Therefore CRM is very important and essential in the bank.

## **5.2 Conclusion**

This study has thrown light into customer relationship management as a tool to increase the performance of Nigeria banking industry. The study concludes that generally, CRM has been as the tool to increase the performance of the bank in which its being implemented. Also, bank like first bank Plc make use of CRM to retain existing customers and embrace new ones. Additionally, there is a very positive relationship between CRM

and the staff performance. It is also concluded that CRM can be easily done through the application of technology, which also go a long way in achieving customer loyalty.

### **5.3 Recommendations;**

Precisely and based on the empirical findings, this study recommends the following:

- i) Banks should tailor their CRM implementation to the needs of the target customers when providing services to their customers as CRM brings about long term retention of customers.
- ii) Companies should recognize the benefits of technology in the implementation of CRM and as this helps the bank to keep customer data base.
- iii) Bank like first bank Plc should consider offering trainings for their staff, as this add more value and knowledge to them, which will equally result in speed in response to the customer queries.
- iv) Banks should also know that CRM plays a significant role in attracting new customer while keeping existing one, this implies that CRM serves as advantage bank have over other banks.

According to the research, there is relationship between CRM and building of relationship with the customer. Thus, the success of bank staff performance is dependent on how well CRM is being practice in response to customer complaint.

### **5.4. Suggestion for Further Studies**

Since this study explored Customer Relationship Management and the performance of Nigeria banking industry: the case study of First bank Plc, Ilorin metropolis. The study recommends that a similar study should be done in other city for comparison purpose and its can also be done in all the banks in Nigeria. As suggested by Gong and Maddox (2003), “future research can look into Customer Relationship on an organization performance”.

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## APPENDIX

Department of Business and Entrepreneurship,  
Faculty of Management and Social Sciences,  
Kwara State University Malete,  
Nigeria  
13<sup>th</sup> August, 2023.

Dear Respondent,

I am a final year student of the Department of Business and Entrepreneurship, Kwara State University Malete, Nigeria. The purpose of this questionnaire is to gather information on the **“Customer Relationship Management and The Performance of Nigeria Banking Industry; A Study of First Bank plc”**. This study is part of the requirement to complete the degree of Bachelor of Science (B.Sc.) in the above institution. The information gathered will be used exclusively for the purpose of academic research only and would be treated

with utmost confidentiality. Please kindly fill with appropriate answers. Your cooperation will contribute to the success of this study. To protect your anonymity, please do not indicate your name.

Thanks for your time and cooperation.

Yours sincerely,

Adebisi Temitope.

### SECTION A: Demographic Data

1. Gender: Male ☐ Female ☐

2. Age: Less than 20yrs ☐ 20-30yrs ☐ 31-40yrs ☐ 41-50yrs ☐ 50 & above ☐

3. Department where you work Marketing ☐ Cashier ☐ Teller ☐ Customer service ☐

Other, please specify .....

4. How long have you been working with the bank?

Less than 1 year ☐ 1-3 years ☐ 4-6 years ☐ 10 years & above ☐

5. Educational qualification: OND/NCE ☐ HND/BSC ☐ MSC & above ☐

### SECTION B:

**KEY: Strongly agree: 5, Agree: 4, Disagree: 3, Strongly Disagree: 2, Undecided: 1**

Please, kindly tick as appropriate

S/N	Relevance of CRM in the Nigeria banking industry and the extent of its adoption	SA	A	D	SD	U
1.	CRM is relevant in the Nigeria banking industry					
2.	CRM model is well implemented in your bank					

3.	The customers are kept in view while managing their relationship with staff of your bank					
4.	CRM helps staff to respond positively to customers					
5.	CRM helps you to initiate and maintain a good relationship with your customers					

S/N	Relationship between the technology and personnel in CRM	SA	A	D	SD	U
1.	Technology has enhanced the effect of CRM in this bank					
2.	Technology has improved the speed and response time to customers queries					
3.	Technology makes CRM implementation more easier for your bank					
4.	The performance of the staff of this bank has improved because of technology					
5.	Both technology and personnel are important in CRM					

S/N	Effect of CRM on the competitive advantage of banks	SA	A	D	SD	U
1.	CRM gives you a competitive advantage over other banks					
2.	CRM helps you to gain customers more than other banks					
3.	There is a consistent improvement in the customer base of this bank compared to other banks in Nigeria.					
4.	Customers refer other people to your bank because of CRM implementation					

S/N	Impact of CRM in attracting and retaining customers	SA	A	D	SD	U
1.	CRM helps in attracting new customers in this bank					
2.	CRM helps in retaining your customers					
3.	CRM build the relationship between you and your customers					
4.	CRM helps in gaining the interest of your customers					

