

IMPACT OF CUSTOMER RETENTION STRATEGIES ON ORGANIZATIONAL PERFORMANCE (A STUDY OF NIGERIAN BOTTLING COMPANY PLC)

Ezuma, Kingsley Eze (PhD)

Department of Business Administration, Faculty of Management Sciences, University of Agricultural Science and Environment, Umuago, Imo State Nigeria

E-mail: Ezumaekingsley@yahoo.com

DOI: <https://doi.org/10.5281/zenodo.15728655>

Abstract: *Customer retention strategies was point of discussion among scholars for a long time especially its impact on organizational performance in manufacturing organizations in Nigeria. This paper is set to ascertain the impact of customer retention strategies on organizational performance. Data were sourced from primary source using question as instrument of data collection. The population of the study consists of the staff of Nigerian bottling company Plc and sample size was determine using Krejcie and Morgan (1970) sample size determination. It returned sample size of two hundred (200) respondents. Hence two hundred (200) copies of questionnaires were administered and one hundred and ninety-five (195) were fully completed and returned in time for the analyses.*

Simple percentage was employed were used for the presentation of data used. While Pearson Moment Correlation Statistics was used to test the hypotheses formulated.

It was discovered that effective complain handling impact on organizational performance in Nigerian bottling company Plc, also that customer focus has impact on organizational performance in Nigerian bottling company Plc, and that repeated purchase has impact on organizational performance in Nigerian bottling company Plc.

It was therefore recommended that organization should the focus on providing customers with value for money and to maintain customers' retention, the company's employee must be customer oriented through advertisement and human resources capacity enhancement.

Key words: *customer retention, complain handling, customer focus, repeat purchase, organization performance*

1.1 Introduction

Customers are the backbone of any business; organizations that does not have customers would not be able to sustain performance. It is believed that organizations whose customers are not its primary

concern are destined to have no revenues, no profits and therefore no market value (Reichel & Haber, 2015). Accordingly, managing customers is deemed to be very crucial business agenda in which the key focus has been switched in recent years from attracting new customers while preserving existing ones. It is generally believed that it is cheaper to retain the existing customers than seeking out for new ones. A decent customer retention strategy is believed to be an important contributor towards improvement in the overall firm performance. A glimpse on the existing researches on customer retention highlights that financial sector has been thoroughly investigated which leave a room for a detailed investigation on customer retention within the drink manufacturing industry (Reichheld & Schefter, 2020).

Customer retention is seen as an obligation by a customer to carry out business transactions with a particular firm on a regular basis (Ahmad & Kamal, 2017). This is in line with the findings of Coviello, Brodie, Danaher and Johnston (2020) which ascertained that firms that are able to raise customer retention by five per cent would be able to boost profits by 25 – 95 per cent.

Saturated markets and high levels of competition (Red Ocean) within industries have necessitated the practice of customer retention strategies among firms. Reichheld and Schefter (2020), showed that the strategies pursued that help retain customers include loyalty, change of channels of distribution creative filtering of quality customers, rewarding the sales force, paying for continuity, and designing special programs that attract and hold the most valuable customers.

Customer retention strategies refer to the action companies take to always provide the service customers expect in order to reduce the number of customer defections. The benefits of customer retention are reflected on three crucial business attributes: increased revenue, lower customer acquisition costs and increased referrals. With rising customer acquisition costs, businesses need to get innovative and start taking a proactive role in retaining their clients (Chen & Hitt, 2017).

Customer retention is not given the attention due to it, by most firms especially the drink manufacturing industry. It has been found that customer retention has more impact on profits than market share, economies of scale and other variables that are considered to provide competitive advantage to a firm. Traditionally, marketing management has relied on permutations and combinations of the marketing mix elements (product, price, place and promotion) to achieve market dominance through enhanced market share by acquiring new customers (Coviello, et al., 2020). This approach considers the formation of homogenous segments of relatively heterogeneous customers. It does not take into account the history of association between the customer and the seller and hence does not reveal the actual buying behaviour of the customer. Aggressive branding and promotions are other tactics used by sellers adopting the traditional marketing approach. But brands with the highest market share are not always the most profitable. In some cases, they may even be unprofitable. The relationship marketing approach on the other hand, focuses on customer retention, encouraging increased spending and on long-term relationships with customers. Customer retention strategies

such as effective complain handling, customer focus and repeat purchase rate among others should thus become a part of the strategic marketing planning process of any firm. It is on this note that the researcher investigates the effect of customer retention strategies on organizational performance using Nigerian bottling company Plc as unit of analysis.

1.2 Objectives of the Study

The main objective of the study is to investigate effect of customer retention strategies on organizational performance in Nigerian bottling company Plc. Specific objectives include:

- i. To examine the effect of effective complain handling on organizational performance in Nigerian bottling company Plc.
- ii. To ascertain the effect of customer focus on organizational performance in Nigerian bottling company Plc.
- iii. To examine the effect of repeat purchase rate on organizational performance in Nigerian bottling company Plc.

2.1 Conceptual Framework

2.1.1 Customer Retention Strategies

Customer retention is the marketing goal of preventing customers from going to the competitor. Mostert, (2019), defines customer retention as the way in which organizations focus their efforts on existing customers in an effort to continue doing business with them. Customer retention strategies refer to the actions companies take to always provide the service customers expect in order to reduce the number of customer defections, which makes it relevant for managers in any industry or organization that provides some sort of service to external or internal customers. A strategy or general plan of action might be formulated for broad, long-term, corporate goals and objectives, for more specific business unit goals and objectives, or for a functional unit, even one as small as a cost center. The benefits of customer retention are reflected on three crucial business attributes: increased revenue, lower customer acquisition costs and increased referrals. With rising customer acquisition costs, businesses need to get innovative and start taking a proactive role in retaining their clients (Nickols, 2016).

2.1.2 Measures of Customer Retention

Kotler (2005) had ascertained that the main goal of a firm is to satisfy the customer and at the same time to foster lasting and equally lucrative relationships with customers. Hence, it is perceived that retained customers tend to be committed and loyal to a firm by engaging in repeat purchases. Repeat purchases also indicate that customers are satisfied with the firms' offerings (Hueng & Ngai, 2018). Customers usually spread positive word-of-mouth regarding a particular firm especially when they are delighted with the services received. Customer's attitudes and behaviours are easily affected by positive word-of-mouth which would eventually enhance their withholding towards the firm and

hence, customer satisfaction. Hueng and Ngai (2018) claimed that retained customers seek for value instead of low prices while purchasing and this boost customer retention rates consequently.

Kumar (2017), customer who never complain and spread negative comments regarding a firm's services are known to exhibit non-complaining behaviour. These customers are normally satisfied with the firm's offerings. To some, customers' non-complaining behaviour, price insensitivity, tendency to spread positive word-of-mouth and engagement in repeat purchases are inherently evidenced to augment the firm's customer retention practice.

2.1.3 Factors influencing of Customer Retention

Support from top management plays an important role in retaining customers (Farquhar, 2018). Firms generally need commitment from the top management team to retain and satisfy their customers. Yee, Yeung and Edwin (2020) emphasized on the importance of providing service assurance to customers such as money back guarantee or refunding if the service fails. It is perceived that such assurance is vital to retain a customer

Price is an important tool in retaining customer (Dawes, 2019). Customers are seen as value maximisers who normally perceive that the price of a service signifies value for money and believe in tradeoff between price and quality. Similarly, Polo, Sese and Verhoef (2016) emphasized on the importance of setting reasonable and competitive prices for services offered by firms in order to attract and retain customers in the long run. Satisfaction of retained customers is conditional on the distinguishable value for money as attractive prices mirror the perceived quality of the service by the consumers.

Behaviour of responsive and dependable employees in serving and assisting customers plays a vital role in accelerating firm's retention rate and subsequently the intensity of customer satisfaction. Responsiveness is the enthusiasm to assist consumers and deliver services on time whereas dependability is the ability to deliver services precisely, reliably and consistently to consumers. Helpful, knowledgeable and well-mannered employees are also key contributors towards the customer retention rates.

Moreover, Seo, Ranganathan and Babad (2018) perceived switching cost could be incurred in terms of time loss to source for a new retailer, monetary loss in the searching process and other hidden cost. Customers are also normally reluctant to change service providers due to their concerns over the loss of the membership points. It is wise to conclude that customer retention depends on switching cost to a great extent. Tu (2016), perceived service quality is the gap between the expected customer service and the actual customer service from firm.

Venetis and Ghauri (2018) have emphasized that quality of services rendered affects the future repurchase intention and firms that have demonstrated excellent pre and post customer assistance is able to preserve their customers. Therefore, it is highly plausible to retain customers when they perceive firms to offer good quality of services. Customer retention is highly dependent on customer

relationship management (CRM) (Omar, Musa & Nazri, 2017). Customer relationship management essentially encompasses any efforts by firms to carry out activities focused on relationship building where these activities can be carried out traditionally or by electronic means. Moreover, Customer service is viewed as the customers' opinion of a firm based on certain visible features namely the surroundings, location and the mood inflicted on the customer in comparison with other firms. Customer service is considered an important weapon to retain firm's customers. Voon (2016) has ascertained that customers' decision to stay with a firm is greatly influenced by the physical amenities and surroundings of a firm such as noise, music, lighting, temperature, store layout, arrangement of furniture and equipment, decor and signage.

2.1.4 Concept of Effective Complain Handling

Customer complaints management is defined as a set of systematic activities in a business firm that involve "analyzing, planning, applying and controlling" responses to customer complaints (Vos, 2018). A high-quality complaints management system therefore refers to a highly responsive firm-level mechanism for satisfying customers through determining reasons for dissatisfaction; correcting mistakes pertaining to goods, services, people, and processes; providing satisfactory explanations; and seeking for solutions and improvements.

Quality of a customer complaints management system can be characterized on the basis of three main dimensions, each tapping on a different aspect of the firm's interaction with the complaining customer and each covering specific complainant experiences and specific phases in the process involving the reception and resolution (or rejection and ignorance) of the issue. There are three dimensions of complaint management quality are labeled as (1) interest and transparency, (2) authorization and empowerment, and (3) process standardization.

2.1.5 Concept of Customer Focus

Consumer focus is the process and activity when a person relates to the search, selection, purchase, use, and evaluation of products and services to meet their needs and desires. Consumer focus is the underpinning of consumers to make purchasing decisions. For valuables selling low-involvement decision-making process is done easily, while for valuables high-selling (high-involvement) decision-making process is done with mature consideration.

Consumer focus focuses on how consumers decide what to buy, why to buy, when to buy, where to buy and how often they buy, how frequently they use it, "how they evaluate it after the purchase and the impact of such evaluations on future purchases, and how they dispose it off" (Schiffman & Kanuk, 2018). There are various factors such as social and economic factors which influence the consumer focus but culture is the "fundamental determinant" of consumer focus (Kotler, 2018).

2.1.6 Organizational Performance

Organizational performance comprises the actual results of an organisation as measured against its intended outputs (or goals and objectives). Organisational performance involves analyzing a

company's performance against its objectives and goals. In other words, organizational performance comprises real results or outputs compared with intended outputs. Richard, Devinney, Yip and Johnson (2019) organizational performance encompasses three specific areas of firm outcomes:

Financial performance (profits return on assets, return on investment, etc.); Product market performance (sales, market share, etc.); Shareholder return (total shareholder return, economic value added, etc.). The term organizational effectiveness is broader. Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance, legal, and organizational development. In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as: Financial performance (e.g. shareholder return); Customer service; Social responsibility (e.g. corporate citizenship, community outreach); Employee stewardship; Organizational performance; Performance measurement systems; Performance Improvement and Organizational engineering.

Organization overall performance is defined by the Oxford Advanced Learner's Dictionary [7th Edition] as the act or system of completing a task. The quantity to which man or woman completes an assignment is referred to as overall performance. Organization performance as also been considered as the implementation of a movement by an actor. Performance is normally defined as the extent to which an organizational member contributes to accomplishing the desires of the enterprise.

Firms gain a competitive advantage by being better than their competitors at doing valuable things for their customers (Bateman & Snell, 2004). Competitive advantage has been defined in many different ways. For instance, Porter (1985) asserts that competitive advantage refers to as the comparative positional superiority in the marketplace that leads a firm to outperform its rivals. While Rothaermel (2013) defines competitive advantage as the way that a firm formulates and implements a strategy that leads to superior performance relative to other competitors in the same industry. Thompson (2016) opined that competitive advantage is the ability of an organization to add more value for its customers than its rivals, and thus attain a position of relative advantage. However, to gain competitive advantage, companies can adopt two strategies, either differentiation of their products or cost leadership so as to develop higher quality products and services or by satisfying customer's needs at a lower cost. Strong emphasis on service differentiation has been found to lead to higher quality of service.

2.2 Theoretical Review

2.2.1 Social Exchange Theory

The theory was proposed by Homans (1958) and it posits that all human relationships are formed by the use of cost-benefit analysis and comparisons of alternatives. Homans suggested that when an individual perceives the cost of a relationship outweighs the perceived benefits, then the person will choose to leave the relationship. The theory further states that persons that give much to others try to

get much from them, and persons that get much from others are under pressure to give much to them. The social exchange relationships between two parties develop through a series of mutual exchanges that yield a pattern of reciprocal obligations to each party. Social exchange theory indicates that individuals are willing to maintain relationships because of the expectation that to do so will be rewarding. Individuals voluntarily sacrifice their self- benefits and contribute these benefits to other individuals with the expectation for more future gains. Thibaut and Kelly (1959) propose that whether an individual retains a relationship with another one depends on the comparison of the current relationship, past experience, and potential alternatives.

2.2.2 Customer Bonding Theory

The customer bonding theory was developed by Turnbull and Wilson (1989), which emerged from their work on industrial marketing. They argue for a strategy of protecting existing profitable customer relationships through social and structural bonding. Social bonds are positive interpersonal relationships between representatives of the buyer and seller. Structural bonds are relationships built upon joint investments, which often cannot be retrieved when the relationship ends. Buyers and sellers also form structural bonds through interdependencies founded upon their relative resources. These conceptualize relationships between and amongst firms in terms of active links, resource ties, and actor bonds and in terms of maintaining multi-level bonding. Turnbull and Wilson (1989) claim that structural bonding is stronger than social bonding and is essential for keeping profitable industrial customers. Customer bonding has also been cited by Berry and Parasuraman (1991) as a strategy for retaining service customers. They argue that there are three levels of bonding: financial, social and structural. Financial bonding occurs when the customer is tied to the selling firm primarily through price incentives. Social bonding is introduced on top of the financial bond. At this second level, the selling firm regards the buyer as a client and the marketing mix now goes beyond price to include personal communication. The third and highest level occurs when all financial, social and structural bonds are deployed. At this level, the customer is not only regarded as a client but also as a partner.

2.2.3 Customer Service Theory

Customer service theory is considered practical naturally and is solely about customer retention through loyalty and satisfaction is about retaining customers. A company's lack of understanding of customer service basic principles such as their concerns and comforts, can lead to its failure as it puts off purchasers. Thus, company owners must be fully involved in fulfilling needs of its customers if it has to be successful. A lack of compliance by firms means being unsuccessful which is bad for business. The customer satisfaction process includes five fundamentals one being reliability of firms in service provision e.g., on time delivery and quick to respond to the needs of its buyers i.e., flexibility. Another vital feature is consistency, where entities are constant in needs meeting while taking grasp of the bargain side. Company's service providers must show empathy to its clients and

value building of relationships and friendships with them for retaining. Aspects that physically affect clients must not be left out. Such include the aesthetics of the firm environment in terms of comfortability, brightness and the warmth (Anderson, 2000). Good service to customer means that they become loyal to you. This is achievable through a particular procedure Anderson considers as “equation of fantastic service”. First impression matters, hence, in the first step, greeting of your buyer is essential as it creates the “at home” feeling.

2.2.4 Information Integration Theory

Information integration theory describes the process by which stimuli are combined to form beliefs or attitudes (Anderson 1981). According to information integration theory, attitudes or beliefs are formed and modified as people receive, interpret, evaluate, and then integrate stimulus information with existing beliefs or attitudes. Moreover, the more salient or accessible a brand attitude, the more likely it is that the individual will access that attitude upon observing cues associated with the brand (Fazio, 1989) and will bias information processing in a direction implied by the valence of those attitudes.

Similarly, consumer researchers have long known that judgments of a product or service are influenced by the perceptual or evaluative characteristics of material in close proximity, which are generally referred to as context effects, so that judgments about the brand alliance are likely to be affected by prior attitudes toward each brand, and subsequent judgments about each brand re likely to be affected by the context of the other brand.

2.3 Empirical Review

Radomir, Wilson and Scridon (2020) did examine how service quality dimension relates to satisfaction of customers using territorial units buy banks. It was observed that the greatest effect on satisfaction of customers with units of territorial banks was the human resources essential considerations by bank management to achieve a constant quality service.

Mascareigne (2019) factors that can cause retention of customers include; creation of client satisfaction and trustworthiness, involving of buyers, create barriers to choosing, effective communication. Quality service, proper pricing and developing several options for retaining customers are other factors that need attention especially in sector involving advertisement. From the study, it was found out that entities used highly customized strategies to specific customer retention. The companies lacked guiding basic or standardized procedures for retaining clients. When a client is satisfied, the result is loyalty this means that the firm has a competitive advantage over it rivals and it gets easier to expand. This is because the retained clients will advertise on firm’s behalf, its products. Consumer loyalty is also a great way to improve and maintenance of company economic performance. The Romanian firms research done by Filip and Anghel (2019), focused on level of customer loyalty toward those firms. The firms were considered as retailer banking systems. The study also wanted to know whether there were conditions that affected how customers acted and how they related with

those banks and if they retained. In addition, retention was not only based on satisfaction but also factors such as attitude of the banks towards its clients, trustworthiness of the firm and its staff and customer commitment level. Lack of satisfaction however, highly determined the switch behaviour.

Barlow and Moller (2018) have articulated that complaining customers are a gift since they give organisations another chance to woo them back even after they have disagreed; these customers are letting the organisation know where its weaknesses are and also telling the organisation that if they correct the problem, then they are willing to stay. Organisations spend huge chunks of their marketing budget seeking consumer and market information- if only they would tap into the customer complaints data, they would realise how rich a database they have readily available to them and at no cost.

Raab, Ajami, Gargeya, and Goddard, (2018) asserts that the problem with most organisations is that employees regard customer complaints as a personal attack, therefore taking a defensive stance against the customer, hence discouraging customers who would complain and in turn, loss of customers and revenues. Ideally, organisations, instead of brushing off complaints and the complainants, need to develop a successful complaints management system that captures as much feedback from the clients as is possible, so as to minimise the number of unhappy customers who choose to complain to their social networks, therefore damaging the reputation of the organisation and in turn, cause loss of potential revenues

Gronroos (2018) a complaint must focus on retaining customers is one of the best tips says. A mind that customer complaints and customer testimonials to discover more about the product helps keep right and that should always be considered. The same author, (2018) notes that the event marketing customers to maintain an expensive option, but it says it works. Event, seminars, discussion groups and can be by conference. Customers also active on these events can be invited to participate. Business activities to create a good reputation and people tend to trust well-known organization. Customer Service with a smile is respected and feels comfortable and can control any untoward situation helps.

Bolton (2015) customer loyalty programs to their customers as loyal are going to help the organization to maintain. Some points to reach a common loyalty program or participating hotel to spend a specific number of customers who reward points, discounts and customer subscription includes. Hoteliers use technology related loyalty programs. To help foster loyalty, hotel reservations and other information to access a WAP-enabled device that provides a regular guest. Internet use by hoteliers to develop loyalty online personal web site, e-mail coupons and e-mail marketing allows you to create.

Blattberg, (2015) state that customer retention is taking place when a customer keeps on buying the same market offering over a long period of time. For products with short purchase cycles, they define customer retention as occurring when 'the customer continues to purchase the product or service over a specified time period'. For products with long purchase cycles, they define customer retention as

taking place when the customer indicates the intention to purchase the product or service at the next purchase occasion.

3.1 Research Design

The study investigated effect of customer retention strategies on organizational performance Nigerian Bottling Company Plc collecting data from the employees through structured questionnaire. The total population of the study will be the staff of Nigerian bottling company Plc in Lagos State. As such, data from Nigerian bottling company Plc in their Annual report (2021) revealed that there were 394 staff in Nigerian bottling company Plc, headquarter office in Lagos state. Krejcie and Morgan (1970) sample size determination was used to determine the sample size of two hundred (200) through simple random sampling techniques. Similarly, close ended questionnaire for selected variables was devised to document the responses of target audience based on five-point Likert scale ranging from 1 (strongly agree) to 5 (strongly disagree). 195 questionnaires were fully completed and returned and entered in SPSS for data analysis. Descriptive statistics method was adopted and in testing the three hypotheses formulated and Pearson Moment Correlation Statistics was equally adopted to determine the significant impact of the independent variable on the dependent variable.

H₀₁: There is no significant effect of effective complain handling on organizational performance in Nigerian bottling company Plc.

Correlations

	effective complain	organizational
	handling	performance
effective complain	Pearson Correlation	1
handling	Sig. (2-tailed)	.672**
	N	.002
	195	195
organizational	Pearson Correlation	.672**
performance	Sig. (2-tailed)	1
	N	.002
	195	195

**. Correlation is significant at the 0.05 level (2-tailed).

Interpretation

The interpretation of the hypothesis one tested, evidence from table above shows that there is significant effect of effective complain handling on organizational performance in Nigerian bottling company Plc. This was found out at the significant value of (.002) and Pearson moment correlation value (.672). Hence, the null hypothesis (H₀) was rejected and thereby concludes that there is significant effect of effective complain handling on organizational performance in Nigerian bottling company Plc.

H₀₂: There is no significant effect of customer focus on organizational performance in Nigerian bottling company Plc.

Correlations

		customer focus	organizational performance
customer focus	Pearson Correlation	1	-.654**
	Sig. (2-tailed)		.000
	N	195	195
organizational performance	Pearson Correlation	-.654**	1
	Sig. (2-tailed)	.000	
	N	195	195

**. Correlation is significant at the 0.05 level (2-tailed).

Interpretation

The interpretation of the hypothesis two tested, evidence from table above shows that there is significant effect of customer focus on organizational performance in Nigerian bottling company Plc. This was found out at the significant value of (.000) and Pearson moment correlation value (.654). Hence, the null hypothesis (H₀) was rejected and thereby concludes that there is significant effect of customer focus on organizational performance in Nigerian bottling company Plc.

H₀₃: There is no significant effect of repeat purchase rate on organizational performance in Nigerian bottling company Plc.

Correlations

		repeat purchase rate	organizational performance
repeat purchase rate	Pearson Correlation	1	.514**
	Sig. (2-tailed)		.000
	N	195	195
organizational performance	Pearson Correlation	.514**	1
	Sig. (2-tailed)	.000	
	N	195	195

**. Correlation is significant at the 0.05 level (2-tailed).

Interpretation

The interpretation of the hypothesis four tested, evidence from table above shows that there is significant effect of repeat purchase rate on organizational performance in Nigerian bottling company Plc. This was found out at the significant value of (.000) and Pearson moment correlation value

(.514). Hence, the null hypothesis (H_0) was rejected and thereby concludes that there is significant effect of repeat purchase rate on organizational performance in Nigerian bottling company Plc.

5.1 Conclusion

The area of customer retention strategies is a very vital issue and a necessity for organizations that desire to remain or become more profitable, it means that a company should spend a reasonable amount of its budget on customer retention strategies and strengthening relationships, because the longer a customer becomes loyal and remained to an organization like Nigerian bottling company Plc, the more profitable the organization becomes and then from this simple analogy we can then see that overall performance will definitely increase, holding other performance indicators at a constant. The benefit of customer relationship management is that it reduces organizational cost in form of (advertisement and promotions) as a result of records of transaction history of the customer, which has been kept in the organization's database. It should be noted that much emphasis should be placed on treating customers like king, because customers today are exposed to so much choices, such that customers who are not satisfied are more likely to switch to other manufacturing companies.

Customer retention strategies management suffers when it is poorly understood, improperly applied, and incorrectly measured and managed. This study reveals the combination of investment commitments in human, technological and business capabilities required to create a superior customer retention capability. The exact extent of these capabilities is ex ante indeterminate and should be guided by a strategic emphasis that combines customer intimacy and operational excellence. By integrating two schools of thought—capabilities and strategic emphasis—we build a more managerially relevant theory of customer retention strategies performance that shows why customer retention programs can be successful and what capabilities are required to support success.

5.2 Recommendations

The recommendation for companies is to carry out research that will enhance the current and the expected level of performance, there are lots of customers looking for services above price, the focus should be customer value for money, and how to satisfy them, it is necessary that the company's employee must be customer oriented; also advertisement is necessary to win back lost customers.

Other variables that is responsible for increase in performance has to be harnessed such as employee training, corporate planning and strategy, human resources capacity enhancement, financial performance (e.g. shareholder return), social responsibility (e.g. corporate citizenship, community outreach), employee stewardship, profit maximization and a whole lot of others.

The main component behind customer relationship management/service is the implementation of technology. Computer systems and software can help the customer managers do what they do best and allow the customer's information to be integrated into a single database that can be accessed by other departments.

Product differentiation is difficult and nearly impossible, but it is still possible to be different from other competitors and the only way to achieve this is through customer relationship management quality, this can be attained by knowing what your customers want and actually making sure that they are made available to them.

Lastly, companies should invest money in retention and loyalty programs and not just acquisition. Customer loyalty should be rewarded so as to motivate their efforts, through sponsorship of customers to shows and events, the distribution of souvenirs and scholarship scheme. This will help to improve the performance of the company or organization.

Manufacturing organizations should highly focus on their employees to provide quick and participative services to their customers. Manufacturing organizations should increase no of employees at all interaction points (Call centers, Franchises and service centers) to increase the response rate from employees.

Manufacturing organizations must consider the importance of frequent training and prosperity of their employees. Employees should listen kindheartedly customer queries and solve them immediately with experience and confident way. Individual and personal attention should be given to all customers by customer services representatives of manufacturing organizations.

Last, interaction between employee and customer should be in language which was convenient to customer instead of any specific language. Employees should inform other packages and services offered by company to customers and their benefits to customers also.

REFERENCES

- Adsit, H. (2016). Preiszufriedenheit bei Dienstleistungen. Konzeptualisierung und explorative empirische Befunde. *Die Betriebswirtschaft (DBW)*, 60 (5), 570-587.
- Ahmad, J. and Kamal, N. (2017). Customer satisfaction and retail banking: an assessment of some of the key antecedents of customer satisfaction in retail banking. *International Journal of Bank Marketing*. 20(4): 146-160.
- Ahmad, R. and Buttle, F. (2017). Customer retention management – a reflection of theory and practice: A case study. *Marketing Intelligence and Planning*. 20(3): 149-161.
- Akindamola, S. (2015). Structural equations modeling: Fit Indices, sample size, and advanced topics. *Journal of Consumer Psychology*, 20, 90-98.
- Andreassen, O. and Lindestad, R.E. (2018). Goodness of Fit Criteria in Structural Equations Models. Paper presented at the annual meeting of the American Educational Research Association, San Francisco CA, April, 22-24.

Journal of Current Research in Business and Management Sciences

Volume 13 Issue 2, April-June 2025

ISSN: 2837-3944

Impact Factor: 9.73

Journal Homepage: <https://americaserial.com/Journals/index.php/JCRBMS>

Email: contact@americaserial.com

Official Journal of America Serial Publication

- Ang, L. and Buttle, F. (2016). Customer retention management processes - a quantitative study. *European Journal of Marketing*. 40(1/2): 83-99.
- Arasli, R.W. (2015). The effects of customer service, branding, and price on the perceived value of local telephone service. *Journal of Business Research*, 56, 201-213.
- Armstrong, W. and Seng, H-H. (2015). the effect of relational benefits on perceived value in relation to customer loyalty: An empirical study in the Australian coffee outlets industry. *International Journal of Hospitality Management*, 29, 405-412.
- Asuncion, G.B., Parasuraman, A. and Grewal, D. (2018). The Roles of Price, Performance, and Expectations in Determining Satisfaction in Service Exchanges. *The Journal of Marketing*, 62(4), 46-61.
- Avci, U., Madanoglu, M. and Okumus, F. (2015). Strategic orientation and performance of tourism firms: evidence from a developing country. *Tourism Management*. 1–11.
- Bickert, C. (2017). A framework for comparing customer satisfaction across individuals and product categories. *Journal of Economic Psychology*, 12(2), 267-286.
- Bitner, M. (2010). The role of price perceptions in an integrated model of behavioral intentions. *Journal of Service Research* 3 (3), 232-240.
- Bloemer, F-S. (2010). Experience quality, perceived value, satisfaction and behavioral intentions for heritage tourists. *Tourism Management*, 31, 29-35.
- Bowen & Chen, W.J. (2016). How firms relate to their markets: An empirical examination of contemporary marketing practices. *Journal of Marketing*. 66(3): 33-46.
- Bowen, J. and Chen, S. (2016). The relationship between customer loyalty and customer satisfaction. *International Journal of Contemporary Hospitality Management*, 13(5): 213- 217.
- Buttle, F. (2018). *Customer Relationship Management: Concepts and Tools*. Elsevier: Oxford.
- Carman, D. (2019). A Longitudinal Assessment of Consumer Satisfaction, Dissatisfaction: the Dynamic Aspect of Cognitive Process. *Journal of Marketing Research*, 20, 393-404.
- Carrillat, A. (2019). Satisfaction with mobile services in Canada: An empirical investigation. *Telecommunications Policy*, 30, 314-331.

- Chen, P.Y. and Hitt, L.M. (2017). Measuring switching costs and the determinants of customer retention in internet-enabled businesses: a study of the online brokerage industry. *Information Systems Research*, 13 (3): 255–274.
- Cho, S., Woods, R., Jang, S. and Erdem, M. (2016). Measuring the impact of human resource management practices on hospitality firms' performances. *International Journal of Hospitality Management*, 25 (2): 262-77.
- Coviello, N.E., Brodie, R.J., Danaher, P.J. and Johnston, W.J. (2020). How firms relate to their markets: An empirical examination of contemporary marketing practices. *Journal of Marketing*. 66(3): 33-46.
- Currah and Wrigley, P.L. (2018). How valuable is word of mouth? *Harvard Business Review*, 85(10): 139–146.
- Dawes, V. (2019). Customer metrics and their impact on financial performance. *Marketing Science*, 25(6): 718–739.
- Dawes, W. (2019). Customer perceived value: a substitute for satisfaction in business markets. *Journal of Business and Industrial Marketing*. 17(2/3): 107-18.
- Dean, P.A. (2017). Customer value, overall satisfaction, end-user loyalty, and market performance in detail intensive industries. *Industrial Marketing Management*, 33, 675-687.
- Eggert, A. and Ulaga, W. (2017). Customer perceived value: a substitute for satisfaction in business markets. *Journal of Business and Industrial Marketing*. 17(2/3): 107-18.
- Erdis, F. (2019). Strategic orientation and performance of tourism firms: evidence from a developing country. *Tourism Management*. 1–11.
- Farquhar, S. (2018). The relationship between customer loyalty and customer satisfaction. *International Journal of Contemporary Hospitality Management*, 13(5): 213- 217.
- Fasha, J. (2017). A study of two customer retention measures: the American customer satisfaction index and the conversion model. ANZMAC Conference: Relationship Marketing (Consumer).Cape Town. 5-7 December.
- Fecikova, I. (2018). An index method of customer satisfaction. *TQM Magazine*. 16 (1): 57-66.

- Filip and Anghel, C.D. (2019). Basic concepts in exploratory factor analysis (efa) as a tool to evaluate score validity: A right-brained approach. Annual meeting of the Southwest Educational Research Association. 21-23 January. Austin: 1-11.
- Fornell, C. and Wernerfelt, B. (2017). Defensive marketing strategy by customer complaint management: a theoretical analysis. *Journal of Marketing Research*. 24: 337-46.
- Ghavami, A. and Olyaei, A. (2016). The impact of CRM on customer retention. Master's Thesis. *Lulea University of Technology*.
- Gifford, B. (2017). Dimensions of price satisfaction: a study in the retail banking industry. *International Journal of Bank Marketing*, 24 (4), 216-231.
- Gilaninia, D. (2016). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39–50.
- Gomez, M.I., McLaughlin, E.W., and Wittink, W.R. (2018). Customer satisfaction and retail sales performance: An empirical investigation. *Journal of Retailing*. 80(4): 265-278.
- Gronroos, A. (2017). Customer retention, loyalty, and satisfaction in the German mobile cellular telecommunications market. *Telecommunications Policy*, 25, 249-269.
- Gronroos, W-J. (2019). The relationships among service quality, perceived value, customer satisfaction, and post-purchase intention in mobile value added services. *Computers in Human Behavior*, 25, 887-896.
- Gupta, S. and Zeithaml, V. (2016). Customer metrics and their impact on financial performance. *Marketing Science*, 25(6): 718–739.
- Hennig-Thurau, I. (2018). An index method of customer satisfaction. *TQM Magazine*. 16 (1): 57-66.
- Hueng & Ngai, M. (2018). Measuring the impact of human resource management practices on hospitality firms' performances. *International Journal of Hospitality Management*, 25 (2): 262-77.
- Hueng and Ngai, B. (2018). Defensive marketing strategy by customer complaint management: a theoretical analysis. *Journal of Marketing Research*. 24: 337-46.

- Johnson, A. A. and Fornell, S. A. (2019). Measuring service quality: A reexamination and extension. *Journal of Marketing*, 56(3), 55-68.
- Kaplan, R. S. and Norton, D. P. (2016). Transforming the balanced scorecard from performance measurement to strategic management. Part-1. *Accounting Horizon*. 15(1): 87–104.
- Kumar, V., Andrew, J.P. and Robert, P.L. (2017). How valuable is word of mouth? *Harvard Business Review*, 85(10): 139–146.
- Kumar, W.R. (2017). Customer satisfaction and retail sales performance: An empirical investigation. *Journal of Retailing*. 80(4): 265-278.
- Laitinen, E. (2017). A dynamic performance measurement system: evidence from small Finnish technology companies. *Scandinavian Journal of Management*. 18(1): 65–99.
- Larivie`re, B. and Poel, D. V. D (2015). Predicting customer retention and profitability by using random forests and regression forests techniques. *Expert Systems with Applications*. 29 (2): 472–484.
- Levesque, A. and McDougall, M.H. (2016). Perceived value, satisfaction, and loyalty of TV travel product shopping: Involvement as a moderator. *Tourism Management*, 29, 1166-1171.
- Lopez, J., Hart, L.K. and Rampersad, A. (2017). Ethnicity and customer satisfaction in the financial services sector. *Managing Service Quality*. 17(3): 259-274.
- Mascareigne, S. (2019). Measuring risk-adjusted customer lifetime value and its impact on relationship marketing strategies and shareholder value. *European Journal of Marketing*. 39 (5/6): 456-472.
- Mattson, B.J. (2014). How quality, value, image, and satisfaction create loyalty at a Chinese telecom. *Journal of Business Research*, 62, 980-986.
- Molapo and Mukwada, F. (2016). Customer retention management processes - a quantitative study. *European Journal of Marketing*. 40(1/2): 83-99.
- Mostert, T. (2019). Customer satisfaction and retail banking: an assessment of some of the key antecedents of customer satisfaction in retail banking. *International Journal of Bank Marketing*. 20(4): 146-160.

- Ndubisi, S. and Wah, L. L. (2015). Reassessment of expectations as a comparison in measuring service quality: Implications for further research. *Journal of Marketing*, 58(1), 111-124.
- Nevin, H. (2015). Dimensions of satisfaction in retail settings. In: Avlonitis, G.J., Papavassiliou, N., Papastathopoulou, P. (Eds.), *Sustainable marketing Leadership. A synthesis of Polymorphous Axioms, Strategies and Tactics*, Proceedings of the 35th
- Nickols, F. (2016). Customer retention management – a reflection of theory and practice: A case study. *Marketing Intelligence and Planning*. 20(3): 149-161.
- Othman, Y. ((2013). Understanding the relationships of quality, value, equity, satisfaction, and behavioral intentions among golf travelers. *Tourism Management*, 30, 298-308.
- Parasuraman, W. (2015). *Multivariate data analysis* (5th ed.). Upper Saddle River, New Jersey: Prentice Hall.
- Parasuraman, W. Zeithaml, A. and Berry, Y-S. (2018). an examination of the determinants of customer loyalty in mobile commerce contexts. *Information and Management*, 43, 271-282.
- Peppers, T. & Rogers, P. (2015). *Marketing Management* (10th ed), New Jersey: Prentice-Hall. *Research*, 2(2), 61-73.
- Polo, Sese and Verhoef, J. (2016). Maximizing customer retention a strategic approach to effective churn management. Accenture White Paper. PUBLISHER.
- Radomir, Wilson and Scridon, P. (2020). E-Loyalty: Your secret weapon on the web. *Harvard Business Review*, 78(4): 105-113.
- Reichel, A. and Haber, S. (2015). A three-sector comparison of the business performance of small tourism enterprises: An exploratory study. *Tourism Management*. 26: 681–690.
- Reichheld and Schefter, L.M. (2020). Measuring switching costs and the determinants of customer retention in internet-enabled businesses: a study of the online brokerage industry. *Information Systems Research*, 13 (3): 255–274.
- Reichheld, F.F. and Schefter, P. (2020). E-Loyalty: Your secret weapon on the web. *Harvard Business Review*, 78(4): 105-113.

- Reinartz & Kumar, D. P. (2018). Transforming the balanced scorecard from performance measurement to strategic management. Part-1. *Accounting Horizon*. 15(1): 87–104.
- Richard, C. and Jones, J. E. (2018). Price fairness perceptions and customer loyalty in a retail context. *Journal of Business Research*, 62, 588-593.
- Ryals, L.J. and Knox, S. (2015). Measuring risk-adjusted customer lifetime value and its impact on relationship marketing strategies and shareholder value. *European Journal of Marketing*. 39 (5/6): 456-472.
- Sheth, B. & Parvatiyar, T. (2015). The perceived importance of price as one hotel selection dimension. *Tourism Management*, 26, 529-537.
- Sorshchandar, G.J. (2017). Service quality, customer satisfaction, and behavioral intentions in the service factory, *Journal of Service Marketing*, 20(1), 59-72.
- Spreng, G. and Mackoy, L. L. (2016). A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49(4), 41-50.
- Stafford, W. (2018). *The partial least square approach for structural equation modeling*. In G. A. Marcoulides (Ed.), *Modern methods for business research*. Hillsdale, New Jersey: Lawrence Erlbaum Associates. 72-112
- Sureshchandar, C-K., Chandrasekharan, Y-S. And Anantharaman, S-K. (2018). Investigating the relationships among perceived value, satisfaction, and recommendations: The case of the Korean DMZ. *Tourism Management*, 28, 204-214.
- Swift, N. (2016). Preiszufriedenheit—prospect theory order Kanomodel? In: Hinterhuber, H.H., Matzler, K. (Eds.), *Kundenorientierte Unternehmensführung. Kundenorientierung—Kundenzufriedenheit—Kundenbindung*, 4th ed. Gabler, Wiesbaden, 181-193.
- Vavra, D-H. (2012). The effects of customer satisfaction and switching barrier on customer loyalty in Korean mobile telecommunication service. *Telecommunications Policy*, 28, 145-159.
- Venetis and Ghauri, E. (2018). A dynamic performance measurement system: evidence from small Finnish technology companies. *Scandinavian Journal of Management*. 18(1): 65–99.

Journal of Current Research in Business and Management Sciences

Volume 13 Issue 2, April-June 2025

ISSN: 2837-3944

Impact Factor: 9.73

Journal Homepage: <https://americaserial.com/Journals/index.php/JCRBMS>

Email: contact@americaserial.com

Official Journal of America Serial Publication

- Vesel and Zabkar, S. (2020). A three-sector comparison of the business performance of small tourism enterprises: An exploratory study. *Tourism Management*. 26: 681–690.
- Voon, A. (2016). Ethnicity and customer satisfaction in the financial services sector. *Managing Service Quality*. 17(3): 259-274.
- Yavas, S. and Troshani, I. (2014). A conceptual framework and propositions for the acceptance of mobile service. *Journal of Theoretical and Applied Electronic Commerce*
- Yee, Yeung and Edwin, A. (2020). The impact of CRM on customer retention. Master's Thesis. Lulea University of Technology.
- Yunus, D. V. D (2019). Predicting customer retention and profitability by using random forests and regression forests techniques. *Expert Systems with Applications*. 29 (2): 472–484.
- Zeithaml, P. and Bitner, T. (2018). The determinants of customer loyalty: An analysis of intangible factors in three service industries. *International Journal of Commerce and Management*, 16(3/4), 162-177.