AFRICAN JOURNAL OF ACCOUNTING, FINANCE & MARKETING
UNIVERSITY OF PORT HARCOURT BUSINESS SCHOOL,
UNIVERSITY OF PORT HARCOURT.
VOL. 8 NO. 1 MARCH 2024

CUSTOMER RELATIONSHIP MARKETING AND MARKETING PERFORMANCE OF NEW GENERATION BANKS IN PORT-HARCOURT, RIVERS STATE NIGERIA

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Article history:
Received: January 2024;
Received in revised form:
22 January 2024;
Accepted: 1 February 2024;

Keywords:
Customer relationship marketing, trust, commitment, communication, customer retention

Abstract

The broad objective of the study was to examine the effect of customer relationship marketing on marketing performance of new generation banks in Port-Harcourt, Rivers State Nigeria. The specific objectives are to: ascertain the effect of trust on customer retention in the selected banks; examine the effect of commitment on customer retention in the selected banks, and to determine the effect of regular communication on customer retention of the selected banks. The research design for this cross-sectional study was survey research design. The population of the study comprised both staff and customers of the selected banks in Port-Harcourt, Rivers State. The sample proportion method was used in determining the sample size of 323 for the study. Data gotten from the field were majorly presented in tables for quick and easy understanding. These data were further analyzed using simple regression model with the help of SPSS version 25.0. Findings revealed that trust exerts significant effect on customer retention of new generation banks in Port Harcourt, Rivers State. Commitment was found to exert significant effect on customer retention of new generation banks in Port Harcourt, Rivers State. Similarly, regular communication exerts significant and positive effect on customer retention of new generation banks in

Port Harcourt, Rivers State. The study concluded that customer relationship marketing affects banks performance. Based on the findings of the study, we recommended that Banks in Rivers State need to greatly improve on their practice of Customer Relationship Marketing in order to deliver customer satisfaction in all levels most especially in this era of high competition. The banks' strategic policies and core values should be focused on the elements of Customer Relationship Marketing, rather than on the policy that would yield no result.

Introduction

In today's business environment, organizations are facing intense competition, making it crucial to retain existing customers while attracting new ones (Fiiwe et al., 2023). To achieve this objective, businesses are utilizing various strategies, including customer relationship marketing (CRM), which has emerged as a vital tool for organizations to retain and satisfy their customers. CRM encompasses a set of practices, technologies, and strategies used to manage and analyze customer interactions and data throughout the customer lifecycle with the aim of improving business relationships and customer satisfaction (Aloqool et al., 2022; Naim, 2022). The main goal of CRM is to provide a seamless experience to customers and build long-term relationships with them. CRM can also help organizations better understand their customers' needs and preferences, allowing them to personalize their offerings and improve customer satisfaction (Herman et al., 2021). Furthermore, CRM enables organizations to gather valuable customer data that can be used to make more informed business decisions.

Banks must develop the capacity to understand the demands and needs of their actual and potential consumers. The dynamics and behavior of customers will continue to evolve and the validated way to continue economic transactions is to generate a sustainable link between the purchaser and the supplier (Suarniki and Lukiyanto, 2020). In the service industry, customers are considered a competitiveness-generating asset; loyalty is a significant factor that affects the determination of prices and creates a barrier to entry for competitors (Aaker, 1996). In this line, Banks must develop a good relationship with their customers, to validate the impact on other factors such as satisfaction, profitability, and loyalty (Khoa, 2020).

In recent decades, customer relationship marketing research has gained relevance, focusing on studying the connection between the company and its consumers (Heiens et al., 2019). Deloitte (2017) revealed that 35% of institutions value the experience lived by their customers, considering customer relationship marketing as a fundamental element; however, 26% of companies use these strategies, and, in countries like Nigeria, 74% do not know the importance of loyalty (Peru-retail., 2018). The banking industry in Nigeria according to Agboola (2004) has witnessed tremendous changes linked with the developments in ICT and customer relationship marketing over the years. The quest for survival, global relevance, maintenance of existing market share and sustainable development has made exploitation of the many advantages of ICT through the use of automated devices in order to carry out effective customer relationship marketing imperative in the industry. Banks require better pre-sales and post-sales services to maintain and enhance sales, being the relationship strength a determining factor that guides customer behaviour (Lee and Peng, 2021); that is, Banks need to investigate and validate the impact of different strategies to maintain their relationship and obtain more value from customers in the form of loyalty (Menidjel et al., 2020).

The Nigerian banking industry is facing challenges in developing effective marketing strategies for their customers. They have greater access to information and comparison, making providers seek marketing tactics to impact satisfaction and generate a bond with their customers. Customer profile changes and industry-impacting factors make it more competitive (Alkufahy et al., 2023; Thaipradit & Tantong, 2021). Much of the research in relationship marketing focuses on large wholesale businesses or the tourism sector and its related industries; few focus on retail marketing. In that line, the benefit they can perceive is a little-explored topic. Regarding loyalty, broader marketing theories are focused on, so the process and strategies that strengthen a sustainable customer bond with a retail company continue to be misunderstood (Lee and Peng, 2021).

Kotler and Keller (2012) stated that an organization requires much more investment to attract a new customer than to keep an existing one. Thus, it should focus on building and maintaining lasting customer relationships (Rosa and Rua, 2020). This is in line with the views of Kotler and Keller (2009), who opined that customer relationship marketing, is the process of managing detailed information about individual customers and carefully managing all customer "touch points" to maximize customers' loyalty. A customer touch point is any occasion on which a customer encounters a product or service.

Several studies have shown that CRM has a positive impact on business profitability in various industries (Guerola-Navarro et al., 2021; Rahman et al., 2021). For instance, a study by Abekah-Nkrumah et al., (2021) found that CRM implementation resulted in increased customer satisfaction, leading to higher customer loyalty and improved business profitability. Similarly, a study by Tjizumaue, (2019) found that CRM positively impacted customer satisfaction, leading to an increase in business profitability. However, research on the effect of CRM on marketing performance in banks in Port-Harcourt, Rivers State Nigeria is limited. This study therefore sought to determine the effect of customer relationship marketing on the marketing performance of new generation banks in Port-Harcourt metropolis.

Statement of the Problem

Customer relationship marketing as a concept is an approach focusing on building long-term relationship that benefits both the customer and the organization. Banks and other businesses in their bid to practice customer relationship marketing try to provide consistently excellent customer service, get to know the individuals and anticipate their future needs and offer special perks through loyalty programs for repeat customers. Strong marketing performance is essential for the survival of any bank worldwide. Therefore, a stronger customer relationship management strategy is vital to the 21st century bank that wishes to survive in the today's competitive environment (Wabwile, Uzel, & Wahida, 2019). Offering banking services to customers with no clear strategy of customer relationship management has contributed to this decline in customers which is expected to affect market share and profits negatively (Wabwile, Uzel, & Wahida, 2019).

Even with the practices of customer relationship that are becoming ubiquitous in all businesses, most banks still rely on the ability of non professional marketers to handle customer service functions for them, in order to build and maintain long term mutually benefiting relationships with their customers (Nwehinne, 2013). Nwehinne (2013) further posits that 70% of the customer service staff found in Nigerian banks are non-professional marketers, who have no major degree in marketing. He equally observed that in Nigerian banks, you find people who studied other courses such as accounting, banking and finance, economics, political science and even engineering and other natural science courses handling customer service and other marketing-oriented responsibilities after few weeks of training and orientation. This accounts for why most of the banks' customer service staff tend to be erratic in handling customer complaints which in turn affects customer loyalty and retention.

However, the major problem of the study is the fact that little or nothing is known about the effect of customer relationship marketing variables such as networking, loyalty rewards regular communication, calls and visits, complaints handling etc on bank performance Orovwiroro (2013). This study shall therefore seek to measure the effects of the selected customer relationship marketing strategies and variables on a few performance variables of the selected banks with a view to making relevant recommendations.

1.3 Objectives of the study

The broad objective is to examine the effect of customer relationship marketing on marketing performance of new generation banks in Port-Harcourt, Rivers State Nigeria. The specific objectives are to:

i. ascertain the effect of trust on customer retention in the selected banks.

ii. examine the effect of commitment on customer retention in the selected banks.

iii. determine the effect of regular communication on customer retention of the selected banks

1.4 Statement of Hypotheses

The following null hypotheses were tested in the study.

$H0_1$: There is no significant effect of trust on customer retention in the selected banks.

$H0_2$: There is no significant effect of commitment on customer retention in the selected banks.

$H0_3$: There is no significant effect of regular communication on customer retention of the selected banks

Review of related literature

Conceptual Framework

Customer Relationship Marketing

There has been significant growth in research on Customer Relationship Marketing in recent years, although a commonly established definition is yet to be agreed upon. However, it can be stated that it is a process that includes tactics and strategies that build relationships with the customer at every point of the business interaction (Heiens et al., 2019). Customer relationship marketing is conceptualized as an effort to establish and strengthen relationships with customers, developing strategies for organizations to meet customer expectations, in addition to generating a bidirectional relationship (Suarniki and Lukiyanto, 2020), long-term sustainable relationship (Yang et. al., 2019), this by analyzing the needs of the current customer and their association with marketing decision making in the organization; furthermore, seeking to have a more efficient impact than competitors (Levy et al., 2019).

Several authors stated that customer relationship marketing is an extension of marketing that proposes that decisions about marketing tactics should be oriented to meet the needs of companies (Levy et al., 2019; Rosa and Rua, 2020). In this context, we can define customer relationship marketing as a disruptive marketing strategy seeking a sustainable competitive advantage based on customer knowledge, creating bidirectional communication, and managing solid links (Hidayat and Idrus, 2023). Therefore, customer relationship marketing is essential for developing long-term sustainable customer relationships and is considered a very effective strategy (Cortez et al., 2023). Furthermore, it is based on the information exchange between the customer and the company, where not only the monetary aspect is present but also a continuous communication that seeks a gain through a lasting relationship, employing strategies (Peel, 2002). It arises from questions attributed to transactional marketing influenced by its processes and concepts, where the main motivation is the exchange of products and services but not the market (Baptista and Leon, 2013).

Customer relationship marketing (CRM), incorporates commercial and client-specific strategies through employee training, marketing planning as well as relationship building. The origin of relationship-based approach to a firm’s management emerged from academics and other stakeholders in the field of marketing, strategy formulation as well as supply chain management. Zineldin (2006) opines that CRM is a business process through which client relationships, customer loyalty and brand values are built and enhanced through marketing strategies. The process allows organizations to develop long-term relationships with established as well as new customers to help in streamlining the corporate performance. Four broad partnerships exist in the CRM including: customers’ partnerships, internal partnerships, external partnerships and suppliers partnerships (Godson, 2009). These partnerships operate as a system making CRM more of a process than an activity. According to Jagadish (2002), energy crisis led to the stagflation and competition in industries such as electronics, steel, textiles and chemicals which made the industry to realize the importance of retaining customers. The management of services such as health care, telephones and power to keep record of the customer’s transactions and interactions for the purpose of analyzing the quality of customer service was realized. This has eventually increased the scope to analyze and respond to customer needs and predict the outcome of any action towards the customers.

Customer relationship marketing allows for generating a strategic plan thanks to the information obtained from customers, such as their preferences, to improve the processes within the organization going hand in hand with self-diagnosis (Montoya and Boyero, 2013). In addition to building a business relationship that is maintained over time and that allows achieving a significant increase in the engagement generated in the consumer's mind, through the added value along with the products and services (Cremer, 2015). Relationship marketing has market orientation as an essential pillar since its objective is to maintain solid long-term relationships with its target market through economic and social ties (Valenzuela, 2007; Castillo, 2011).

In the banking sector, adopting the relationship marketing approach proposes that marketers move from focusing exclusively on attracting new customers to caring for and preserving the existing ones by providing them with additional and relational benefits (Heiens et al., 2019). The impact on satisfaction has been validated as one of the benefits for the organization.

Customer relationship Marketing Strategies

Designing and executing an effective customer relationship marketing program requires proper care and a well-planned and crafted strategy. No matter what strategy an organization employs, what matters in the end is the results. www.poerobjects.com has outlined certain strategies that must be adopted for effective CRM program. They are briefly discussed here under.

Trust

This is a vital element in any organization's customer relationships and foundation in building and sustaining long-term relationship as well as a fundamental element of relational commitment of customers. It is a crucial aspect of customer loyalty formation as well as relationship management. Chaudhuri (2002) defined trust as the willingness of the average customer (customer/benefactor) to depend upon its capacity of the brand (business/organization) to carry out its functions. Randall et al., (2011) best describes trust as the overall customers confidence in an organization that they will efficiently and reliably provide satisfactory service in the most appropriate way that is competent, honest, fair, responsible, helpful, and kind.

Another author, Kumra (2004) however stated that trust in authenticity means trust in the openness and honesty of the partner i.e. organization and customers in business communication. In the same vein Chaudhuri (2001) highlights the relevance of trust in explaining loyalty as Lawrence (2010) says more trust between the contracting parties creates more productivity and sustainable longer-term relationships that benefits both parties distinctively. Ball (2004) found credibility trust to be stirring loyalty and contended that in an intensely developed and competitive market environment, lack of trust hinders the formation of customer loyalty. In the banking branch of the financial services industry, for example, clients will trust the bank if they believe the bank will always act in their best interests.

Summarily, it is important to state that loyalty of customers cannot be achieved without first gaining the trust of your customers thus organization must strive to establish transparent relationships when handling business communications and activities. Shainesh (2012) perceived trust as a critical element of customer loyalty and observed it to be a fundamental condition for long-term building and development of sustainable marketing relationships. Ball et al (2004) also observed from previous studies that establishing trust in customer mind is most significant for organization because trust breeds commitment and as such is an important antecedent of loyalty and in sustaining and increasing its levels, organization must have the interest of the customers at heart, show transparency and remain reliable by keeping to its promises.

Commitment

Another very important component in relationship marketing is commitment. It is also a vital component as the first factor we discussed as successful application leads to the overall objective of achieving the loyalty of customers. According to Quester (2003) mutual responsibility between partners and shareholders is consented and in business relationship produces relevant advantages for organizations. Bhagat (2009) explained that commitment in a business relationship can happen over a brief time frame and impact the results of exchange and as such purchasers and dealers should pay attention to each contact as they are essential in building it all up.

Gruen et al, Sweeney and Webb, (2007) highlighted that commitment is the level of the partner's mental or psychological connection to the organization and mentioned that a partner can be submitted in three different ways: i. Psychological fortified to the association/partner based on the apparent costs, ii. Having an individual feeling of good commitment toward the association/partner and, iii. Psychological attached to the association based on how positive it feels about the association/partner. The author Jones (2010) in his opinion examined the dimensionality of commitment as a build and focused on the variable effects of full of feeling, regularizing and duration measurements on a variety of buyer reactions implying loyalty, for example, repurchase expectations, readiness to pay more, constancy, promotion and selflessness. Summing up, the analysis of this factor shows commitment is as vital as trust in relationship marketing as it is linked to the overall objective of sustaining the loyalty of customers.

From the studies of the authors mentioned, you can see that customers stay committed to a brand or a service provider because of the value that it obtains and benefits from the organization which is directly linked to the different levels of relationship bonds that we had earlier discussed. Also, Quester (2003) explains commitment and how it is crucial and fundamental component of relationship marketing. He posits that commitment is indispensable to relationship marketing construct since it is not just signaling continuing steadiness at the conceptual level, However, it also fills the operational and contextual level of long-term relationship as a reliable indicator. Similarly, Frow (2007), observes that a successful application of the component has been found to reduce the likelihood of switching as well ultimately customer loyalty.

Communication

This is also fundamental component of relationship marketing as loyalty can be groomed sustained when organizations provide reliable and timely information to their customers. According to Hutt (2000), communication among personnel with boundaries delivers a mutual understanding of desires and objectives, and a typical of the procedures and duties important to accomplish those objectives which links this component directly with the levels discussed when creating relationship bonds. In fact, when organizations keep timely communication with the customers, it reflects their values, shows and shows they have the customers interest at heart.

Farrelly and Quester (2003) said that by highlighting common interests and shared objectives, cooperative communication can produce volitional consistence among partners and in this way reinforce relationship execution. However, O'Toole (2004) mentioned that the role of communication in setting up and keeping up productive stakeholder connections and engagements is vital, and that communication assumes a significant role in pulling in and holding customers. Summarily, Garbarino (2007) argued that communication is often neglected in marketing relationships especially new relationships are established and it is quite frustrating and could be detrimental in sustaining such relationship.

All other components discussed previously are dependent on effective communication between partners in business relationships. He further explains that communication, particularly timely communication, enhances and sustain customers trust whether it is done before or after purchase or delivering a service or by attempting to resolve conflicts and to produce results, it does enhance mutual value between the contracting parties and thus is linked in achieving the ultimate goal of customer loyalty.

Marketing Performance

To see whether the strategy of a company is achieved or not, an indicator that can be measured is needed. Marketing performance is a measuring tool for companies that are most often used to see the success of the strategies that have been implemented. Nuryakin and Retnawati (2016) state that marketing performance can be measured through several indicators, namely sales growth, increased profits, and additional market share. Meanwhile, Yildiz and Karakas (2012) argue that there are nine indicators to measure marketing performance, namely profit growth, sales growth, market share growth, successful new product launches, return on sales, return on investment, customer satisfaction, customer retention, customer loyalty, good brand image, and excellence.

Customer Retention (CR)

According to Menon and O'Connor (2007) customer retention is define as holding and maintaining customers to maximize customer life time value by creating effective relationship with the firm. There are different variables that can influence companies' relationship marketing and customer retention such as communication, customer information, empowerment, customization, loyalty programs, ethical behaviour and technology of the firm. According to Ang and Buttle, (2006) described that when customers are loyal, the volumes of purchased items will increase and reduces costs of relationship because both organizations and customers know each other better than past, these loyal customers pay higher prices than the new ones, and are not claim for discounts which the organization offer to new customers in order to attract and acquire them.

Therefore, to maximize the share of these customers, all of the necessary conditions for CRM programs should be integrated effectively. However, some organizations perform different activities that can be associated with retaining the customers like the processes for planning, customer satisfaction measurement, complaint handling mechanism and quality assurance processes. Generally, to be successful implementing this program, companies should consider the related issues such as the type of customers to be retained and the nature of product or services provided to them (Ahmad and Buttle, 2002).

Customer Relationship Marketing and Bank Performance

Crosby (2009) expresses that customer relationship is determined by trust and satisfaction. Effective quality communication aids relationship initiation and building, and is brought about through timelines, frequency, accuracy, competences and credibility (Mohr & Soli 1995: Mohr & Spekman 1994). Strobacka, Strandrik and Gronroos (1994) identified five distinct factors which build the customer relationship – service, quality, customer satisfaction, commitments opportunism and social bond. Schaars (1998) has noted an increase in the trend towards more and stronger customer relationship especially among the new generation Banks. He points out that today, an increasing number of economic transactions take place between buyers and sellers who are working together. This could be a consideration that is making banks to depart from single transaction marketing as it may lead the banks to gain access to new customers; reducing the risk associated with the rapidly changing business environment and obtaining needed skills and resources; paying adequate attention to their problems and taking positive steps in providing solutions to those problems.

Richard et al (2009) notes that performance in the area of productivity and expertise should be related to customer relationship marketing blended with sound and latest information and communication technology (ICT) system. Performance is the degree of efficiency and effectiveness with which organizational objectives are achieved.

The framework that will guide this work is as given below -

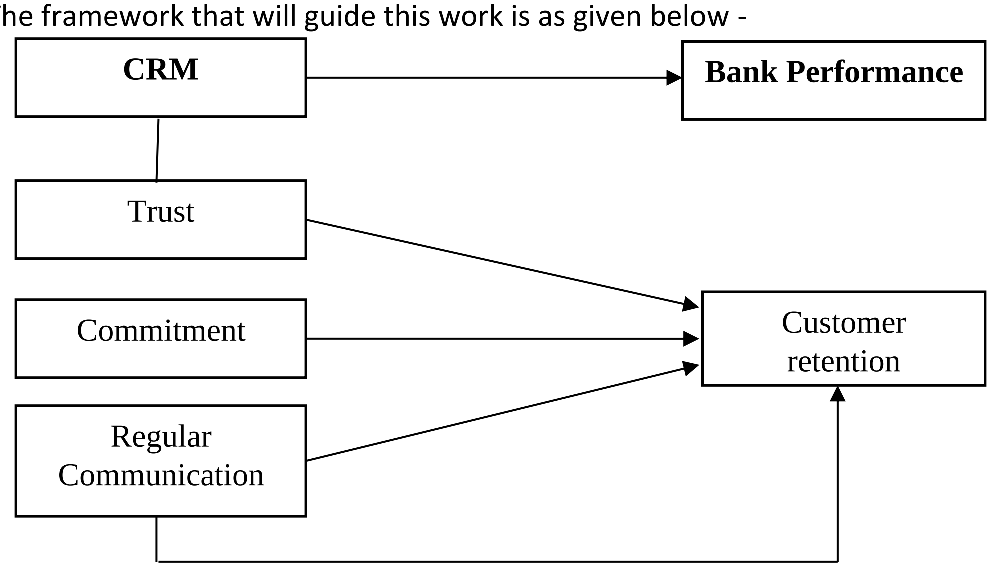

Fig 1.1 Operational Conceptual Framework:
Source-Researchers' concept.

Theoretical Framework
Theory of Relationship Marketing Commitment – Trust

Scholars have identified various virtues that have been theorized in the relationship marketing literature, but trust

(Morgan & Hunt, 1994; Moorman, Deshpandè, & Zaltman, 1993) is central to relationship marketing because it encourages marketers to work to preserve relationship investments by cooperating with exchange partners, resists appealing short-term alternatives in favor of the expected long-term benefits of staying with existing partners, and resist appealing short-term alternatives in favor of the expected long-term benefits of staying with existing partners. As a result, outcomes that encourage efficiency, productivity, and effectiveness are accomplished when both trust and commitment — not just one or the other – are present. In a nutshell, trust and commitment result in cooperative actions that help relationship marketers succeed (Tsai, Cheng, & Chang, 2010). Before they can begin, both parties must acknowledge that there is a relationship.

Relationships are thus a sequence of transactions that, through trust and commitment, create a sense of shared connectedness. Client retention is linked to higher levels of trust and commitment, which leads to increased profitability for the organization (Read, 2009). The other party inspires a widespread sense of trust and security, and trust is concentrated. The parties believe that the other will behave in the best interests of the other, that the other is trustworthy, and that the other has the necessary knowledge (Liang, Chen, & Wang, 2008). Trust is defined as a partner's belief that the other will engage in activities that will result in positive outcomes while avoiding actions that would result in bad ones. Customers' and companies' trusting relationships are linked to overall positive outcomes, and trust in the company should increase the advantage gained from trade with it (Botha & Rensburg, 2010).

Long-term partnerships require commitment in order to succeed (Biedenbach & Marell, 2010). It is based on mutual trust, shared ideals, and the assumption that partners are difficult to replace. Partners who are deeply connected to one another are more inclined to work together to safeguard their related assets. This suggests that a partner prioritizes long-term benefits associated with present partners over short-term options. Customers will only make promises to trustworthy partners since commitment entails vulnerability and makes them subject to exploitation (Read, 2009).

Individuals who believe they gain more value out of a connection are more devoted, therefore highly committed clients are more inclined to reciprocate effort on behalf of an organization based on previous benefits received (Botha & Rensburg, 2010). As a result, commitment in this sense refers to both parties' recognition that they are in this market together for the long haul. Because they are mutually dependent on one another, they are willing to make sacrifices for their spouses in order to reap long-term rewards from their psychological and financial investments (Baran, Galka, & Stunk, 2008). For example, how an organization's employees carry out their jobs can develop trust, which has a significant impact on the customer's commitment and, as a result, customer loyalty (Helkkula & Kelleher, 2010).

A successful relationship necessitates dedication. Continuous investment in activities that are likely to keep the relationship going in the future demonstrates the desire to keep it going. Because reaching a point when a commitment is made can take time, it could signify that the relationship has reached a certain level of maturity (Morgan & Hunt, 1994). High levels of commitment are also associated with future benefits perspectives, relationship identity, a limited desire to seek out alternatives, the amount of effort put into a relationship, the investment made in the partnership, and the individual's presumed position in the relationship (Zaltman, 1983). (Morgan & Hunt, 1994; Ndubisi, Malhotra, & Wah, 2009). The following is how Morgan and Hunt (1994) describe trust and commitment obligation: (Tsai, Cheng, & Chang, 2010; Gummesson, 2004).

Relationship commitment is a big part of CRM. If a company has proven to be trustworthy and has demonstrated its ability to give solutions and successfully support the customer's valuegenerating operations, a customer will be loyal to it (Yan, Jianxun, & Wenxia, 2010). Although commitment and trust are closely intertwined, it is unclear which comes first. Commitment can develop as a result of a partnership's development of trust, or it can develop as a result of the individuals in the relationship agreeing to commit to each other. Furthermore, a breakdown in commitment can be triggered by a breakdown in trust, and vice versa. Bagdare and Jain (Bagdare & Jain, 2013).

The Customer Knowledge Theory

This theory has a successful customer relationship management system, there is a need to know how the association of customer relationship management with improvement in customer satisfaction is rely directly by an improvement in customer knowledge. From the managerial perspective, an understanding of causal mechanisms will shed light on the conditions that facilitate customer relationship management success in terms of customer satisfaction. This customer knowledge subsequently drives customer satisfaction because firms can tailor their offerings to suit their customers' requirements. Previous research provides support for this view. For example, Bharadwaj (2000) notes the advantages of gathering customer knowledge from customer encounters and disseminating this knowledge to employees for crossselling and forecasting product demand.

Bolton, Kannan, and Bramlett (2000) provide empirical evidence that IT-enabled loyalty programs enable firms to gain valuable customer knowledge about customers' purchase behavior. Jayachandran, Hewett, and Kaufman (2004) show that customer knowledge processes enhance the speed and effectiveness of a firm's customer response. Better knowledge of customer behavior enables firms to manage and target customers because of evolving service experiences rather than stable demographic criteria, which increases the perceived value of the firm's offering and decreases the chance of loyal customers defecting to the competition.

Empirical Reviews of the Study

Soltani, Zareie, Milani and Navimipour (2018) examined the customer relationship management impact on the performance of an organisation. Specifically, the study evaluated the use of information technology, customer orientation, organization capability and customer knowledge on the organisation performance. A Descriptive design of research was applied in the enquiry which had a target population of 69 Tehran companies. Analyzed data revealed a significant link between the customer relationship management parameters and organisation performance. An effective and efficient use of information technology, customer orientation, organization capability and customer knowledge leads enhance the organisation performance (Wirtz & Daiser, 2018). Focus is on improve the customer loyalty through enhancement of customer value, thus, assisting in increased sales. Nevertheless, the study lacked an anchoring theory. Knowledge based view theory would be appropriate for the study so as to improve its relevance. Moreover, no recommendation was made by the study.

A study review was carried out on customer employee's customer orientation and public utility sector customer satisfaction with a service quality as a mediator by Wenyuan, Wisdom, Courage and Jewel (2019). The study targeted all the all the commercial SMEs customers of Ghana electricity company in the greater Accra region where 384 SMEs were sampled which had no more than 99 employees. Since the population is unknown the estimated population was 10,000,000 where a confidence level of 95 percent was considered. Convenience and purposive sampling were used in selecting the respondents. Primary data was gathered by utilizing the questionnaires that were self-administered which was issued to the respondents who were managers. The questions were structured into five-point Likert scale. It was exposed that customer orientation had a substantial effect on commercial SMEs customers satisfaction in the electricity consumption.

Jarideh (2016) focused on examining client orientation effect on client satisfaction and loyalty in the hyper star stores. A descriptive survey was adopted. The study target customers in Tehran and Iran Hyperstar who had at least one spending experience in these stores. The population was unlimited hence, the study utilized the Morgan table and considered 384 respondents for the study in collecting data. A 92 percent response rate was witnessed and considered appropriate for conducting further analysis. Correlation analysis results showed that customer orientation positively affected the customer loyalty. Nevertheless, the study was not anchored on any theory and no recommendations were made.

A critical review on the connection between service quality and customer loyalty was conducted by Anabila, Ameyibor, Allan, and Alomenu (2021) in Ghana's hotel industry. Pursuit for quality services in hotels may have gained momentum as service excellence desires continues to increase in the competitive global market. Customer have become unforgiving with high level of defecting and becoming disloyal if the service quality standards decline below their expectations. Using a quantitative survey design the researchers sampled 313 guests from the luxury hotels in Ghana where a questionnaire with five-point Likert scale was utilized in collecting primary data from the respondents. The correlated results revealed that service quality had a positive and significant effect on the loyalty of customers. The study did not show how the sample size was arrived at and the choice of luxury hotels is not justified. Despite, lacking recommendation this study ought not to represent the Ghana's hotel industry.

Priyo, Mohammed, and Adetunji (2019) examined the service quality effect on loyalty of a customer with client satisfaction as a moderator. Quantitative methodology was considered with 182 hotel customers participating in responding to the questionnaire out of the 200 distributed. The structural equation model results revealed that service quality has a positive connection with customer loyalty and customer satisfaction mediating the constructs was present. The study research methodology was not elaborate as the researcher did not indicate how the sample size was selected hence, the study was not scientific.

A review by Fida, Ahmed, & Al-Balushi (2020) on the service quality impact on customer loyalty in the Islamic banks of the Sultanate of Oman. Tangibility, reliability, responsiveness, assurance and empathy were the constructs adopted in the study with a quantitative approach. A 120 customers sample size was selected from the Nizwa, Alizz, Maisarah and Al-Yusr Islamic banks in Oman. Questionnaire was utilized to gather data from the respondents which was examined using descriptive and regression statistics. The results indicated that empathy and responsiveness have a significant effect on customer loyalty while tangibility, reliability and assurance did not show significant effect. The study ignored the sampling design so it is not clear how sample size was calculated and samples selected.

Adewale and Babatunde (2014) carried out an empirical investigation into the effects of customer relationship management on bank performance in Nigeria. This study aimed at providing the results of an in-depth investigation of the link between Customer Relationship Management (CRM) and Bank Performances in the financial services industry. The researchers opine that Customer Relationship Management literature acknowledges the proactive nature of the firm's strategy by building on relationships with customers. According the study relationships help create unique, difficult to imitate knowledge for firms, which seek to understand how advances in relationship marketing enhance our understanding of knowledge required for competitive success, and how advances in relationship knowledge and marketing actually assist the process of advancing bank performance. The research made use of the historical and survey research methods. Data were said to have been collected from both primary sources, using some three Nigerian Commercial Banks (Access Banks, Skye Bank and Wema Banks) and secondary sources. Hypothesis formulated were tested using the chi-square analysis. The study found out that Customer Relationship Management has a positive impact on Banks performances. Customer relationship management is the process of managing detailed information about individual customer and carefully managing all customers touch points to maximize customer loyalty. A customer's touch is any occasion in which a customer encounters the brand and product from actual experience to personal or mass communications to causal observation. Customer relationship management is used by banks and other organization as a business strategy to increase performance through customer satisfaction.

The study therefore recommends amongst others that Banks Staffs should be adequately and continuously trained and equipped on practices in Customer Relationship Management and should be given frequent seminars reminding them on the importance of CRM and to also update their knowledge. And this would ensure inter-personal relationships between the staff and their customers to ensure free flow of information and complaints from the customers.

Samson and Sunday (2013), conducted a study on customer relationship marketing and customer retention: empirical assessment of Nigeria's Banking Industry. The purpose of the study was to draw the attention of the banking industry in

Nigeria to the interrelationships that exist among customer relationship marketing, customer retention and value creation. For this purpose, the researchers have evaluated the relationship that exist between CRM and customer retention and also ascertain if the value creation was in any way extended to the banking populace. The study design was cross-sectional survey design. The study was conducted in Lagos Nigeria and lasted between October 2012 and February 2013. The research was started with literature survey and also employed stratified random sampling technique and thus gathered data through the use of structured questionnaire. The statistical instrument used was simple linear regression. Results showed that customer relationship marketing (CRM) positively influenced customer retention and helps create value for the banking populace**.**

Research methodology

Research Design

The research design for this cross-sectional study was survey research design. The decision of research design can rely upon whether the examination means to test, find or develop hypotheses (Gill & Johnson, 2010). Creswell (2009) has referred to three plans specifically; qualitative, quantitative, and mixed methods. Data were collected with the help of pre-tested and structured questionnaire of five-point Likert scale and analyzed using factor analysis and simple regression model. The use of simple regression analysis is because the study examined the effect of the independent variables on the dependent variables.

Population of the Study

The population of Port-Harcourt metropolis which was the focus of this study cannot be ascertained by the researcher. This is because the last census conducted in Nigeria in 2006 which placed Rivers State population at, 5,185,400 could not specifically show the figure of Port Harcourt metropolis.

Sample Size Determination

As stated earlier, the population of this study comprises of all the staff and customers of the new generation banks in Port-Harcourt which is unknown. Since the population Port-Harcourt metropolis is unknown, the researcher therefore adopted the proportion method in determining the sample size for study. The sample size is therefore determined as follows:

$$n = \frac{Z^z \times P \times Q}{e^2}$$

Were n = sample size

Z = standard Normal Deviation represented by 1.96

P = Proportion of respondents who agreed with the variable of interest during the pilot study (success).

Q = Proportion of respondents who did not agree with the variable of interest during a pilot study.

e = error margin represented by 0.05

Out of 20 respondents studied during the pilot study, 16 agreed with the variables of interest. This represents 80% while 4 disagreed representing 20%

Our P is therefore 0.8 (80%) while Q is 0.2 (20%)

Hence $$n = \frac{Z^z \times P \times Q}{e^2}$$

$$n = \frac{1.9.6^2 \times 0.80 \times 0.\ 20}{0.\ \ 05^2}$$

= 3. 8416 x 0.16

= $\frac{0.806736}{0.0025}$ = 323

0.0025

Sampling technique:

Dividing the sample Size among the three banks under Study according to the number of branches we have:

10 + 12 + 8 = 30

For Guarantee Trust Bank: 10/30 x 323 =

107.6 = 108

For Skye Bank: 12/30 x 323 =

1292.2 = 129

For Unity Bank: 8/30 x 323 =

86.1 = 86

108/10 = 10. 8 =11 customers per branch

129/12 = 10.7 = 11 customers per branch

86/8 = 10. 7 = 11 customers per branch

Hence the structured questionnaire was distributed to eleven customers in each branch of the selected new generation banks. An online investigation by the researcher found that the banks under study (Guarantee Trust Bank, Skye Bank and Unity Bank) have 10, 12 and 8 branches in Port-Harcourt respectively which were visited during the course of the study.

Ten staff comprising of three management staff and seven non-management staff were selected for study from the headquarters of the banks giving a total of thirty respondents on the side of the banks. On the other hand, ten customers were also be selected from each branch of the selected new generation banks for the study. In other words, three hundred and thirty-three respondents were sampled.

Validity of the Instruments

The content validity was adopted to validate the instruments by giving the research instruments to experts and professionals in the field of marketing and finance to verify. Pilot test which required taking out a few numbers of the questionnaire and administering them on a few selected respondents to ascertain whether the instruments meet the purpose of the was equally applied.

Reliability of the Instrument

The issue of reliability was also addressed in the study. Firstly, test-retest was done on the research instrument after which, the Cronbach's coefficient alpha was used to determine the internal reliability of the research instrument. This was done by subjecting the statement items to internal consistency technique to assess their reliability. Collected pre-testing data were entered into SPSS version 25.0 data analysis software to generate instruments internal consistency data. Cronbach's alpha that is greater than 0.7 was considered adequate and reliable for a given data collection instrument, according to Nunnally (1978).

Administration of the Instruments

The instruments used for this work were administered personally by the researcher to the respondents, mostly on face-to-face interaction bases. This further convinced the respondents that the purpose of the research is strictly academic.

Research Instruments

As stated above, primary data were collected using structured questionnaires of five-point Likert scale to grade the responses from the field. The scoring therefore was as follows; Strongly agree (SA) 5 points, agree (A) 4 points, Neutral (N) 3 points, disagree (SD) 2 points, Strongly Disagree (D) 1 point.

These scales were adapted from established existing measures that were applied and validated in previous studies.

Method of Data Analysis

Data gotten from the field were majorly presented in tables for quick and easy understanding. These data were further analyzed using simple regression model with the help of SPSS version 25.0.

Analysis of data

The analysis of data followed the stated objectives of the study and is as follows:

Effect of trust on customer retention of new generation banks in Port-Harcourt, Rivers State Nigeria

Table 1. Simple regression analysis showing the effect of trust on customer retention of new generation banks in Port-Harcourt, Rivers State Nigeria

Model	**B**			**Std. Error**	**t-value**
(Constant)	5.606		0.527		10.639
Trust	0.322		0.117		2.752**
R	0.678				
R^2	0.552				
F-ratio	66.105				

Source: SPSS Output, 2023

Note: ** = Significant at 5% level

In simple regression Table 1 above, trust was found to exert significant effect on the customer retention of new generation banks in Port Harcourt, Rivers State. The coefficient of determination r^2 was 0.552 showing that changes in trust can bring about 55% of the variation observed in customer retention of banks. Similarly, the r value of 0.678 signifies a positive and direct relationship between trust and customer retention of banks in Port Harcourt, Rivers State. This further indicates that the higher the presence of trust in the banks, the higher customer retention. The f-calculated value was 66.105 and significant at the 5% level indicating that the model correctly fits. The estimated regression equation shows that customer retention is a linear function of trust.

Effect of commitment on customer retention of new generation banks in Port-Harcourt, Rivers State Nigeria

Table 2. Simple regression analysis showing the effect of commitment on customer retention of new generation banks in Port-Harcourt, Rivers State Nigeria

Model	**B**	**Std. Error**	**t-value**	
(Constant)	3.512	0.301		11.667
Commitment	0.596	0.201		2.956**
R	0.568			
R^2	0.462			
F-ratio	55.139			

Source: SPSS Output, 2023

Note: ** = Significant at 5% level

In simple regression Table 2 above, commitment was found to exert significant effect on customer retention of new generation banks in Port Harcourt, Rivers State. The f-calculated value was 55.139 and significant at the 5% level indicating that the model correctly fits. The estimated regression equation shows that customer retention in new generation banks in Port Harcourt, State is a linear function of commitment. The coefficient of determination r^2 was 0.462 indicating that changes in commitment can bring about 46% of the variation observed in customer retention in the studied banks. This indicates that the higher the commitment in the studied banks in Port Harcourt, Rivers State, the higher they achieve customer retention. This further conforms to *a priori* expectation and shows that banks that are committed to their customers' needs are bound to experience increased customer retention. This assertion is at the 95% confidence level.

Effect regular communication on customer retention of new generation banks in Port-Harcourt, Rivers State Nigeria

Table 3. Simple regression analysis showing the effect regular communication on customer retention of new generation banks in Port-Harcourt, Rivers State Nigeria

Model	**B**	**Std. Error**	**t-value**	
(Constant)	5.107	0.259		19.754
Communication	0.698	0.221		3.158**
R	0.873			
R^2	0.761			
F-ratio	45.413			

Source: SPSS Output, 2023

Note: ** = Significant at 5% level

Simple regression Table 3 above shows that regular communication exerts significant and positive effect on customer retention of new generation banks in Port Harcourt, Rivers State. The f-calculated value was 45.413 and significant at the 5% level indicating that the model correctly fits. The estimated regression equation shows that customer retention of banks in Port Harcourt, Rivers State is a linear function of regular communication programs applied. The coefficient of determination r^2 was 0.761 indicating that changes in use of regular communication can bring about 76% of the variation observed in customer retention of the studied banks. This further indicates that the higher the application of constant communication by the studied banks in Port Harcourt, Rivers State, the higher they achieve increased customer retention. This further conforms to *a priori* expectation and shows that banks that engage in regular communication with their customers can experience positive shift in customer retention within the banking industry. This assertion is at the 95% confidence level.

Discussion of Result

The influence of networking on customer retention was the first objective the study analyzed. Result showed a positive and direct relationship between trust and customer retention of banks in Port Harcourt, Rivers State. It is obvious that organizations need to build the high level of trust among its customers and staff to achieve the high level of customer retention (Zeithaml & Bitner, 2001). Trust plays a crucial role in business operations through the benefits it brings to the business. Many researchers have illustrated that trust has a strong relationship with customer retention. Trust helps organizations to retain their customers through the provision of channels of communication between the business and its wide range of stakeholders (Hennig-Thurau & Hansen, 2000). Therefore, the organizations need to understand the role of trust in customer retention.

The study has also revealed that commitment offered to customers by the studied banks in Port Harcourt, Rivers State of Nigeria can have a positive impact on customer retention. This finding is consistent with previous findings as Gronroos (1994) which strongly emphasized that commitment is vital for the strong relationship with customers when organizations pursue customer retention. According to Gronroos (2000), an organization generally builds customer retention by being committed to its customers. However, if the organization breaches the commitment, that will badly affect the development and maintenance of evolving relationship and the building of strong customer retention. Commitment has significant contribution to providing high level customer relationship which will eventually bring loyal customers to the organization and ensure profitability.

Regular communication has been found in this study to have an effect on customer retention of the banks studied. It is in agreement with the findings of Morgan and Hunt (1994) and Ndubisi (2007). Morgan and Hunt (1994) explored that regular communication is generally considered a key antecedent or drive of customer relationship. Ndubisi (2007) said that communication is so important in building awareness and understanding customer preference, and can motivate a large population of people to think positively about a particular product or service on offer. According to Ndubisi (2007), when communication is carried out with the right frequency and reach, there is every possibility of more customers coming to do business with the company thereby increasing customer retention. To make meaning to customers and achieve desired result, the communication must be devoid of noise and other form of obstructions so that the receivers will understand the message content of the organization the way and manner the organization wants itself to be perceived (Ndubisi, 2007).

Conclusion and recommendations

This study shows the importance of effectiveness in customer relationship marketing on the performance of new generation banks in Port-Harcourt, Rivers State Nigeria. The study established that customer relationship marketing affects banks performance. The findings revealed further that trust, commitment, and communication are significant determinants of bank performance. Therefore, the appropriate way for new generation banks in Port Harcourt, Rivers State to create effective customer relationship is to deliver high customer satisfaction by way of provision of high-quality service delivery through building customer trust, staff commitment and communication calls. These intimately help banks in Rivers State and Nigeria in general to create and build trust among the customers.

Based on the findings of the study, the following recommendations are made:

1. Banks in Rivers State need to greatly improve on their practice of Customer Relationship Marketing in order to deliver customer satisfaction in all levels most especially in this era of high competition. The banks' strategic policies and core values should be focused on the elements of Customer Relationship Marketing, rather than on the policy that would yield no result. They should also ensure that well trained and experienced professionals should be in charge of communicating with customers.

2. The adoption of customer relationship marketing requires the involvement of everyone in the bank. From the security personnel, to the cleaners, the customer service officers, the tellers, even up to the top management staff, all should be part of those involved in establishing cordial relationship with customers of the bank.

3. Banks should also ensure that their customer waiting line is effectively managed by reducing the number of hours spent in attending to customers' issues. Also, the information relayed to customers through advertisements, newsletters, amongst other channels should be clearly communicated so that such information cannot be misconstrued by the customers. This is one of the ways of winning their patronage and loyalty.

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