



THE EFFECT OF CUSTOMER RELATIONSHIP MARKETING ON CUSTOMER RETENTION – A CASE STUDY OF GUARANTY TRUST BANK PLC. BENIN-CITY

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Abstract: The research focuses on the effect of customer relationship marketing on customer retention with special reference to Guaranty Trust Bank Plc, Nigeria. The main objective of this research is to examine the effects of customer relationship marketing on customer retention. The factors that were discussed in the literature review include; concept of marketing, concept of relationship marketing, types of relationship marketing, goals and strategies of relationship marketing, approaches to relationship marketing, relationship marketing and customer relationship management, extent to which Effective CRM can lead to customer retention, the Effect of CRM on customer loyalty, competition in commercial banking. The previous study by other researchers helped to develop the hypotheses in this research project. With a sample size of 140, the respondents were randomly selected. The self-administered questionnaire was designed and distributed through some assistants. The data was analyzed using percentage, bar chart and pie chart, while the hypotheses were tested using chi-square goodness of fit. The results shows that at the role of customer relationship management process in customer retention, ascertain effective customer relationship management strategies and determine the extent to which C.R.M can lead to customer retention in G.T.B

Keywords: customer relationship marketing, customer retention

I Introduction

In the highly competitive world of this 21st century, businesses particularly the banking industry follow different marketing strategies to survive by identifying, acquiring and retaining most important and economically viable customers as well as developing on-going and long-lasting relationship with them. Hence, in today's global competitive market where customers are empowered and brand loyalty erosion is increasing, any business that wants to succeed will have to adopt customer relationship management systems. Relationship marketing is a core strategy used by firms to establish, maintain and enhance profitable relationships with clients, while ensuring

benefits for both the firm and its clients (Grönroos, 2017). Walsh, Gilmore and Carson (2014) define relationship marketing as the activities implemented by banks in order to attract, interact with, and retain more profitable clients. Customer retention refers to a firm's 'zero defections' of profitable consumers or no switches from profitable consumers to competitors (Reichheld, 2016). Menon and O'Connor (2017) define customer retention as the longevity of a consumer's relationship with a firm. Based on the literature, the variables that can possibly influence banks' relationship marketing and customer retention include communication, knowledge ability, empowerment, personalisation, fees, ethical behaviour and



technology. Kotler (2013) posits that relationship marketing evolved from direct response marketing in the 1960s and emerged in the 1980s when companies began to place emphasis on building long-term relationship with their customers in the belief and understanding that it is more profitable to keep and improve relationships with current customers than acquiring new ones. Thus, at the core of Relationship Marketing is the notion of customer attraction and customer retention (Smith & Cross, 2014). Early studies on long-term relationships between some companies and customers have shown that the cost of retaining existing customers is far below what it takes to attract new ones.

Banking industries worldwide are very competitive, and it is difficult for retail banks to provide unique banking services as required by clients. To overcome this challenge, banks, which can be classified as service firms, can benefit from superior relationship marketing, because clients focus on the service aspect and interaction with the service provider when evaluating a service firm. Firm–client relationships in service industries are important as they influence the satisfaction, support and retention of banking clients. Moreover, previous studies have shown that there is a significant positive relationship between the client relationships and level of service quality of banks (Rootman 2016). Both banks and their clients can thus benefit from relationship marketing. Proper relationship marketing may result in lower marketing costs, enhanced customer satisfaction, customer loyalty and possibly increased customer retention levels for banks (Bergeron, Roy & Fallu 2008; Eid 2007). If their banks focus on relationship marketing, clients may receive benefits, customized offerings, empathy, appreciation, friendliness, communality, decreased prices as well as experiencing feelings of trust in the firm and customer satisfaction (Info-Electronics Systems 2014). Proper relationship marketing can therefore ultimately ensure the survival of banks, but banks need to be aware of the variables that influence their relationship marketing activities. This would assist these

institutions in adapting the required variables to ensure sufficient and beneficial relationship marketing.

II Literature Review

2.1 Marketing deals with identifying and meeting human and social needs. Several definitions of marketing have been given by various marketing institutions and authors and each defines it to reflect his or his view point. One of the shortest definitions of marketing is “meeting consumer’s needs profitably through distribution and exchange (Harold, 2015). The American Marketing Association (2013) defined marketing as the performance of business activities that direct the flow of goods and services from producers to customers. In other words, all activities that are undertaken to facilitate the flow of goods and services come under marketing. The different activities that are relevant here may differ from firm to firm and for various reasons. That is, marketing as an organizational function and a set of processes for creating, communicating and delivering value to customer and for managing customer relationships in ways that benefit the organization and its stakeholders. The British Institute of Marketing (2013) defines marketing as the management process responsible for identifying, anticipating and satisfying customers’ requirement profitably. This definition brings in a distinguish ion between a social and managerial definition of marketing as observed by some authors.

According to Hankel (2013), a social definition shows the role marketing plays in a society. In this regard, it has been defined as a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others. For a managerial definition, marketing has been described as “the art of selling products” but people are surprised when they hear that the most important part of marketing is not selling. Selling is only the tip of the marketing iceberg. The aim of marketing is to make selling super flows by knowing and understanding the customer so well that the product or service fit or suit



him and sell itself. Ideally, marketing should end with a customer who is ready to buy. McCarthy (2013) defines marketing much in the same way as did the American Marketing Association but adds that it is to satisfy customers and accomplish the firm's objectives. Also Bell (2015) sees marketing as the management task of strategically planning, directing and controlling and controlling the application of enterprise effort to profit-making programs which will provide customer satisfaction- a task which involves the integration of all business activities into a unified system of action.

Cundiff (2013) defines marketing as a process through which transfers of ownership are affected. Here, the emphasis is on "marketing" between production and consumption since marketers can only market products that can be produced and so should only produce those that can be marketed. Nwosu (2014) modifies the definition by the British Institute of Marketing and defines it as the function of management which has to do with planning and systematically identifying, anticipating and satisfying consumers' wants and needs "profitably". This definition shows that the emphasis of modern marketing is not just on what the customer needs but on what he wants.

According to Ifezue (2015), marketing is a process which identifies, anticipates and satisfies consumers' needs and wants through conception, distribution of economic goods and services. This definition contains both a concept and a set of techniques or tools. The concept known as marketing concept places consumers or consumer satisfaction as the central purpose of a rational business while the tools permit the concept to be successfully, efficient and profitably implemented. Onyeke and Nebo (2015) define marketing as the performance of a set of systematically coordinated activities or functions aimed at need and want identification and satisfaction at a profit through the exchange process.

2.1.1 Concept of Relationship Marketing

Jackson (2011) defines relationship marketing as oriented towards strong, lasting relationships with customers. Berry

(2013) defines relationship marketing as attracting, maintaining and, in multi-service organizations, enhancing customer relationships. This definition provides a platform for analyzing consumer relationships as well as that of business-to business. Customer bonding, which is another term for relationship marketing is defined by Smith and Cross (2013) as a systematic way of maximizing customer loyalty that makes the most of mass media to create awareness and brand identity and of data base-driven marketing to build customer relationships.

This definition clearly moves the concept of relationship marketing closer to the everyday concerns of consumer marketers. It also unlocks the notion of bonds- the ties that cement the relationship between a product and its customers. Ugbaja (2016) sees relationship marketing as involving methods and tactics to develop long-term relationship with customers in order to retain them. This implies that an organization adopting relationship marketing philosophy must exceed customer satisfaction in order to retain them and develop a healthy relationship with their customers.

Lacobucci (2012) analyzed two different approaches to defining marketing as a way of defining relationship:

1. Relationship is what occurs when a company actually cares about people or;
2. A relationship occurs when a company employs a set of practices designed to facilitate repurchase. Some may observe that relationship marketing is nothing new but an old way of doing business. Lacobucci (2012) states that relationships are created through repeated experiences based on customer's accumulated knowledge of products, brands and companies.

Mckenna (2013) suggests that rather than battling against skeptical, critical and uninformed publishers, companies should learn from them. Accordingly, companies should develop mechanism to elicit feedback from customers, and then adjust their products and strategies to better meet these needs. According to Odion (2013), relationship marketing is the use of the wide- range of marketing, sales,



communication and customer-care techniques and processes to identify named individual customers, create a long-lasting relationship between them and the company. Morgan and Hunt (2014) define relationship marketing as all marketing activities directed towards establishing developing and maintaining successful relational exchanges. In his work, McCarthy (2014) expresses that relationship marketing involves cultivating the right kind of relationships with the right constituent groups. Accordingly, marketing must not do customer relationship management (CRM) but also partner relationship management (PRM).

McCarthy (2014) observe that the four key constituents for marketing are customers, employees, marketing partners (channels, suppliers, distributors, dealers and agencies) and the financial communities (shareholders, investors and analysts). AS a result the key organizational task is to attract and retain customers. Customers are attracted through competitively superior offerings and retained through satisfaction. This is the essence of relationship marketing. Relationship Marketing emphasizes building long-term relationships with customers rather than on individual transaction and involves understanding the customers' needs as they go through the life cycle. It emphasizes provision of a range of products or services to existing customers as the need arises (Odion, 2013). Kotler (2003) states that relationship marketing is a form of marketing that developed from direct response marketing in the 1960s and emerged in the 1980s in which emphasize is placed on building long-term relationship with customers.

2.1.2 Types of Relationship Marketing

Morgan and Hunt (2014) distinguish two types of relationship marketing-Business marketing Relationship (BMR) and Interpersonal Commercial Relationship (ICR).

Business Marketing Relationship (BMR)

These are those types of relationship marketing typified by long-term, close and intense interactions between relatively symmetrical partners. Business marketing

relationships have had the longest history of study by marketers which has resulted in theories to describe them. Morgan and Hunt (2014) emphasise the importance of commitment, trust and independency in understanding business marketing relationships. These factors help to cement the relationship between business partners and customers.

Interpersonal Commercial Relationships (ICR)

These are types of relationship between service firms and the ultimate customers. Interpersonal Commercial Relationships include business-to business (B2B) relationships (such as those between an advertising agency and its client) and retail transactions between a sales agent and a customer (Morgan and Hunt, 2014).

Researchers on service quality have studied interpersonal commercial relationships and propounded theories around them. Such interpersonal commercial relationships as those between attorneys and their clients or advertising agents and their clients occur between two symmetrical partners. These relationships are very close and long-term in nature and may also include a social component. Odion (2013) states that the outcome of these relationships is satisfaction, profitability, positive evaluation, of service provider intention to generate referrals and the ability to compromise or bargain fairly. Payne (2014) distinguishes ten forms of relationships and almost all are typical of the relationships that firms have with their suppliers, strategic partners, employees and among functional units within a firm. Only two of these relationships involve customers or clients. These are the relationships between service-providers such as advertising agencies and their clients and the long-term relationships between service firms and their ultimate customers.

2.1.3 Goals and Strategies of Relationship Marketing

According to Shimp (2016), the primary goal of relationship marketing is to build and maintain a base of committed customers who are profitable for the organization. Relationship marketing seeks to identify, maintain and increase the yield from best customers



through long-term, interactive, value-added relationship. It has two primary objectives, viz;

- i) Improving customer retention and
- ii) Improving the share of customers (Payne, 2014).

The objectives of relationship marketing vary with marketing situation and product life cycle. For a new product, the objective, of course is to establish the relationship. For a mature product, i.e. a product leader or follower, different sets of objectives are needed to maintain a relationship. Mckenna (2013) explains the orientation of a market leader as follows;

When you own the market, you do different things differently, as do your suppliers and your customers. When you own the market, you develop your products to serve that market specifically, you define the standard in the market, you bring into your camp third parties who want to develop their own compatible products or offer you new features to augment your product; you get the first look at new ideas that others are testing in that market; you attract the most talented people because of your acknowledged leadership position. In other words, the value-added objectives of market leaders focus on defining and extending the standards, extending the lines, finding product co-marketing opportunities testing innovations and searching for ways to customize the product. According to Onwuka (2013), relationship marketing involves using methods and tactics to develop long-term relationships with customers in order to retain them.

The strategies of relationship marketing include;

- i.) Creating and maintaining relationships.
- ii) Creating customer satisfaction. This involves offering superior quality products and services and;
- iii) Building brand equity i.e. the sum of intangible benefits of a brand. These include name, awareness, perceived quality, and brand loyalty, the association the consumer towards the brand, trademarks, packaging and marketing channel present. (Gale and Chapman, 2012).

Today, greater commitments are being made to retain customers. Two ways to achieve this is to build brand

equity (for industrial product). Gale and Chapman (2012) observe that brand equity uses mass media advertising, corporate citizenship and public events sponsorship to build a brand image. Brand is the promise of an experience. Accordingly, decisions made by individuals and organizations relating to purchase behavior, investing and even career choice are all strongly influenced by their anticipation of that experience. Mckenna (2013) asserts that powerful brand enhances awareness, differentiates the organization, and commands a premium in a highly competitive market place. Brand identity includes the definition of a brands core positioning and personality so that these characteristics can be communicated most effectively. The goal of a brand strategy then is to ensure that all elements of a brand are aligned with one another (consistent) and with the brand or corporate vision.

According to Nelson (2012), while brand can be the most powerful communicator of value, it is also the one the marketer can least control because a brands image is the sum of activities of the past, in other words, a bundle of experience.

2.2.1 Statement of the problem

The argument for customer retention is relatively straightforward. It is more economical to keep customers than to acquire new ones (Cohen, et al. 2017). Retail banks around the world are struggling to sustain their competitiveness in the face of severe external challenges. Massive debt loads are threatening the global economy, while stringent regulations put in place as a result of the financial crisis of 2008 are hindering traditional income streams (Lassignardie & Desmarès, 2015). The PWC (2013) Banking Survey reported that local bank CEOs agreed that their third most pressing issue is customer retention, and a relentless focus on customer retention is required. Essentially banks' operating costs are high and their income stream is hindered as they struggle to retain customers, which threatens their competitiveness. Hence, the formulated problem statement of this article is that banks do not have an enhanced understanding of customer



retention strategies to prevent customers switching banks for the competitor.

2.2.2 Objectives of the Study

The main objective of this study is to determine the effect of customer relationship marketing on customer retention in Guaranty Trust Bank Plc. While the specific objectives are:

- i. Discuss the role of customer relationship marketing process in customer retention.
- ii. Ascertain effective customer relationship marketing strategies in achieving the main objectives.

2.2.3 Hypotheses Testing

The study is premised on the following hypotheses:

2.3 Hypothesis Development

In examining the effect of customer relationship marketing in achieving customer retention in Guaranty Trust Bank Benin-City, Edo State, Nigeria, it is necessary to look at how customer relationship marketing impact on customer retention. Similarly it is also necessary to ascertain the effective customer relationship marketing strategies in achieving customer retention in GTB, Benin-City.

H₀₁: There is no significant relationship between customer relationship marketing process and customer retention in GTB, Benin-City;

H₀₂: There is no significant relationship between effective customer relationship marketing and customer retention in GTB in Benin-City, Edo State, Nigeria.

III Research Methodology

This research started with a general literature review with an aim to define the research objectives and questions. Cross sectional design method was adopted in order to elicit data from respondents through the administration of a well-structured questionnaire which tries to gather data that aided in analyzing them in relations to the identified variables. In parallel, a more focused literature review was carried out to develop a survey instrument. Afterwards, the survey validity was conducted while the instrument shows a positive reliability and validity. The questionnaire templates were randomly distributed among the customers

of the bank using convenience sampling methods in Benin-City, Edo state, Nigeria. The questionnaire was divided into two sections of demographic characteristics and variables being analyzed. Each variable elicited questions that are related to capturing or measuring the said variable. The population of this study is customers of the selected bank in Benin-City, however sample size of 100 was obtained by convenience sampling methods. A minimum of Cronbach alpha value of 0.7 was obtained from the pilot study conducted showing the reliability of the instrument, while the instrument was subjected to content validity, which is expert opinion validity as used in (Osugwu, 2004). The analysis of the study was conducted using descriptive and inferential statistics done through correlation and regression analysis. Specifically; Pearson Product Moment Correlation was used to measure the relationship between the study variables.

IV Analysis, Results and Discussion of Findings

4.2.1 Role of customer relationship marketing process in customer retention.

Table 7: Do you agree that this bank values you and welcomes your complaints readily?

Variable	Frequency	Percentage (%)
Yes	94	67%
No	46	33%
Total	140	100

Source: Researcher’s computation, 2021

Table 7 suggests that customers agreed that the bank values and welcomes their complaints readily. Analysis of the responses of the respondents indicated that 94(67%) agreed while 46(33%) disagreed. This suggest that majority of the respondents agreed that the bank values and welcomes their complaints readily.

Table 8: Do you agree that management shows by its actions that everything begins and ends with customers?



Variable	Frequency	Percentage (%)
Strongly agree	63	45.0
Agree	39	27.9
Undecided	3	2.1
Disagree	25	17.9
Strongly disagree	10	7.1
Total	140	100

Source: Researcher’s computation, 2021

Table 8 suggests that management shows by its actions that everything begins and ends with customers. Analysis of the responses of the respondents indicated that 63(45.0%) strongly agree, 39(27.9%) agree, 3(2.1%) are not sure, 25(17.9%) disagree while 10(7.1%) strongly disagree. This suggest that majority of the respondents agree that management shows by its actions that everything begins and ends with customers.

Table 9: Do you agree that the bank has formal complaints system which covers both written and oral complaints?

Variable	Frequency	Percentage (%)
Strongly agree	51	36.4
Agree	46	32.9
Undecided	8	5.7
Disagree	28	20.0
Strongly disagree	7	5.0
Total	140	100

Source: Researcher’s computation, 2021

Table 9 suggests that the bank has formal complaints system which covers both written and oral complaints. Analysis of the responses of the respondents indicated that 51(36.4%) strongly agree, 46(32.9%) agree, 8(5.7%) are not sure, 28(20.0%) disagree while 7(5.0%) strongly disagree. This suggest that majority of the respondents

agree that the bank has formal complaints system which covers both written and oral complaints.

Table 10: Do you agree that customers are given opportunity to let the management know certain pieces of information regarding what they deem to be improper in the system?

Variable	Frequency	Percentage (%)
Strongly agree	44	31.4
Agree	36	25.7
Undecided	18	12.9
Disagree	22	15.7
Strongly disagree	20	14.3
Total	140	100

Source: Author’s computation, 2021

Table 10 suggests that customers are given opportunity to let the management know certain pieces of information regarding what they deem to be improper in the system. Analysis of the responses of the respondents indicated that 44(31.4%) strongly agree, 36(25.7%) agree, 18(12.9%) are not sure, 22(15.7%) disagree while 20(14.3%) strongly disagree. This suggest that majority of the respondents agree that customers are given opportunity to let the management know certain pieces of information regarding what they deem to be improper in the system.

Table 11: Do you agree that you talk freely with management about the quality, quantity and many other issues about their products/ and or the bank?

Variable	Frequency	Percentage (%)
Strongly agree	51	36.4
Agree	48	34.3
Undecided	3	2.1
Disagree	22	15.7
Strongly disagree	16	11.5
Total	140	100

Source: Researcher’s computation, 2021



Table 11 suggests that customers talk freely with management about the quality, quantity and many other issues about their products/ and or the bank. Analysis of the responses of the respondents indicated that 51(36.4%) strongly agree, 48(34.3%) agree, 3(2.1%) are not sure, 22(15.7%) disagree while 16(11.5%) strongly disagree. This suggest that majority of the respondents agree that customers talk freely with management about the quality, quantity and many other issues about their products/ and or the bank.

Table 12: Do you agree that you receive birthday wishes and other good will messages from your bank regularly?

Variable	Frequency	Percentage (%)
Strongly agree	83	59.3
Agree	36	25.7
Undecided	0	0
Disagree	12	8.6
Strongly disagree	9	6.4
Total	140	100

Source: Researcher’s computation, 2021

Table 12 suggests that customers receive birthday wishes and other good will messages from their bank regularly. Analysis of the responses of the respondents indicated that 83(59.3%) strongly agree, 36(25.7%) agree, 12(8.6%) disagree while 9(6.4%) strongly disagree. This suggest that majority of the respondents agree that they receive birthday wishes and other good will messages from their bank regularly.

Table 13: Do you agree that your bank collected your profile when you first started business with them?

Variable	Frequency	Percentage (%)
Strongly agree	140	100
Agree	0	0
Undecided	0	0
Disagree	0	0

Strongly disagree	0	0
Total	140	100

Source: Researcher’s computation, 2021

Table 13 suggests that customers’ bank collected their profile when they first started business with them. Analysis of the responses of the respondents indicated that all of the respondents agree that the bank collected their profile when they first started business with them.

Table 14: Do you agree that you receive one or more extra package(s) as bonus and other free gifts depending on your bank transaction quantity?

Variable	Frequency	Percentage (%)
Strongly agree	31	22.2
Agree	22	15.7
Undecided	16	11.4
Disagree	43	30.7
Strongly disagree	28	20.0
Total	140	100

Source: Researcher’s computation, 2021

Table 14 suggests that customers receive one or more extra package(s) as bonus and other free gifts depending on their bank transaction quantity. Analysis of the responses of the respondents indicated that 31(22.2%) strongly agree, 22(15.7%) agree, 16(11.4%) were not sure, 43(30.7%) disagree while 28(20.0%) strongly disagree. This suggest that majority of the respondents do not agree that customers receive one or more extra package(s) as bonus and other free gifts depending on their bank transaction quantity.

Table 15: Do you agree that the incentive(s) always entice you to come back for repeat patronage?

Variable	Frequency	Percentage (%)
Strongly agree	31	22.2
Agree	22	15.7
Undecided	16	11.4
Disagree	43	30.7



Strongly disagree	28	20.0
Total	140	100

Source: Researcher’s computation, 2021

Table 15 suggests that the incentive(s) always entice customers to come back for repeat patronage. Analysis of the responses of the respondents indicated that 31(22.2%) strongly agree, 22(15.7%) agree, 16(11.4%) were not sure, 43(30.7%) disagree while 28(20.0%) strongly disagree. This suggest that majority of the respondents do not agree that the incentive(s) always entice customers to come back for repeat patronage.

Table 16: Do you agree that the few problems you encounter with banks are handled quickly?

Variable	Frequency	Percentage (%)
Strongly agree	61	43.6
Agree	46	32.9
Undecided	8	5.7
Disagree	15	10.7
Strongly disagree	10	7.1
Total	140	100

Source: Researcher’s computation, 2021

Table 16 suggests that the few problems customers encounter with banks are handled quickly. Analysis of the responses of the respondents indicated that 61(43.6%) strongly agree, 46(32.9%) agree, 8(5.7%) are not sure, 15(10.7%) disagree while 10(7.1%) strongly disagree. This suggest that majority of the respondents agree that the few problems customers encounter with banks are handled quickly.

Table 17: Do you agree that you get good and trusted products from this bank?

Variable	Frequency	Percentage (%)
Strongly agree	56	40.0
Agree	49	35.0
Undecided	2	1.4
Disagree	18	12.9

Strongly disagree	15	10.7
Total	140	100

Source: Researcher’s computation, 2021

Table 17 suggests that customers get good and trusted products from this bank. Analysis of the responses of the respondents indicated that 56(40.0%) strongly agree, 49(35.0%) agree, 2(1.4%) are not sure, 18(12.9%) disagree while 15(10.7%) strongly disagree. This suggest that majority of the respondents agree that customers get good and trusted products from this bank.

Table 18: Do you agree that availability of the bank’s products enhances their selling power and customer retention?

Variable	Frequency	Percentage (%)
Strongly agree	59	42.1
Agree	56	40.0
Undecided	2	1.4
Disagree	13	9.4
Strongly disagree	10	7.1
Total	140	100

Source: Researcher’s computation, 2021

Table 18 suggests that availability of the products enhances their selling power and customer retention. Analysis of the responses of the respondents indicated that 59(42.1%) strongly agree, 56(40.0%) agree, 2(1.4%) are not sure, 13(9.4%) disagree while 10(7.1%) strongly disagree. This suggest that majority of the respondents agree that availability of the products enhances their selling power and customer retention.

Table 19: Do you agree that prompt attention is given to customers always?

Variable	Frequency	Percentage (%)
Strongly agree	66	47.1
Agree	45	32.1
Undecided	3	2.1
Disagree	17	12.1



Strongly disagree	9	6.6
Total	140	100

Source: Researcher’s computation, 2021

Table 19 suggests that prompt attention is given to customers always. Analysis of the responses of the respondents indicated that 66(47.1%) strongly agree, 45(32.1%) agree, 3(2.1%) are not sure, 17(12.1%) disagree while 9(6.6%) strongly disagree. This suggest that majority of the respondents agree that prompt attention is given to customers always.

4.2.2 Identified Effective CRM Strategies

Table 20: Do you agree that the bank updates customer profile often?

Variable	Frequency	Percentage (%)
Strongly agree	66	47.1
Agree	45	32.1
Undecided	3	2.1
Disagree	16	11.4
Strongly disagree	10	7.1
Total	140	100

Source: Researcher’s computation, 2021

Table 20 suggests that the bank updates customer profile often. Analysis of the responses of the respondents indicated that 66(47.1%) strongly agree, 45(32.1%) agree, 3(2.1%) are not sure, 16(11.4%) disagree while 10(7.1%) strongly disagree. This suggest that majority of the respondents agree that the bank updates customer profile often.

Table 21: Do you agree that the approaches customers with a mix of innovative products and service opportunities?

Variable	Frequency	Percentage (%)
Strongly agree	63	45.0
Agree	48	34.3
Undecided	6	4.3
Disagree	13	9.3

Strongly disagree	10	7.1
Total	140	100

Source: Researcher’s computation, 2021

Table 21 suggests that the approaches customers with a mix of innovative products and service opportunities. Analysis of the responses of the respondents indicated that 63(45.0%) strongly agree, 48(34.3%) agree, 6(4.3%) were not sure, 13(9.3%) disagree while 10(7.1%) strongly disagree. This suggest that majority of the respondents agree that the approaches customers with a mix of innovative products and service opportunities.

Table 22: Do you agree that the bank chooses from the target customer for the first wave of CRM?

Variable	Frequency	Percentage (%)
Strongly agree	66	47.1
Agree	43	30.7
Undecided	6	4.3
Disagree	18	12.9
Strongly disagree	7	5.0
Total	140	100

Source: Researcher’s computation, 2021

Table 22 suggests that the bank chooses from the target customer for the first wave of CRM. Analysis of the responses of the respondents indicated that 66(47.1%) strongly agree, 43(30.7%) agree, 6(4.3%) were not sure, 18(12.9%) disagree while 7(5.0%) strongly disagree. This suggest that majority of the respondents agree that the bank chooses from the target customer for the first wave of CRM.

Table 23: Do you agree that the bank keeps track of customer behavior and needs over time?

Variable	Frequency	Percentage (%)
Strongly agree	59	42.1
Agree	56	40.0
Undecided	2	1.4
Disagree	13	9.3



Strongly disagree	10	7.1
Total	140	100

Source: Researcher’s computation, 2021

Table 23 suggests that the bank keeps track of customer behavior and needs over time. Analysis of the responses of the respondents indicated that 59(42.1%) strongly agree, 56(40.0%) agree, 2(1.4%) are not sure, 13(9.3%) disagree while 10(7.1%) strongly disagree. This suggest that majority of the respondents agree that the bank keeps track of customer behavior and needs over time.

Table 24: Do you agree that the bank treats each customer differently and uniquely?

Variable	Frequency	Percentage (%)
Strongly agree	68	48.6
Agree	46	32.9
Undecided	2	1.4
Disagree	15	10.7
Strongly disagree	9	6.4
Total	140	100

Source: Researcher’s computation, 2021

Table 24 suggests that the bank treats each customer differently and uniquely. Analysis of the responses of the respondents indicated that 68(48.6%) strongly agree, 46(32.9%) agree, 2(1.4%) are not sure, 15(10.7%) disagree while 9(6.4%) strongly disagree. This suggest that majority of the respondents agree that the bank treats each customer differently and uniquely.

Table 25: Do you agree that the bank values its customers and welcomes complaint?

Variable	Frequency	Percentage (%)
Strongly agree	47	33.6
Agree	31	22.1
Undecided	8	5.7
Disagree	32	22.9
Strongly disagree	22	15.7
Total	140	100

Source: Researcher’s computation, 2021

Table 25 suggests that the bank values its customers and welcomes complaint. Analysis of the responses of the respondents indicated that 47(33.6%) strongly agree, 31(22.1%) agree, 8(5.7%) are not sure, 32(22.9%) disagree while 10(7.1%) strongly disagree. This suggest that majority of the respondents agree that the bank keeps track of customer behavior and needs over time.

Table 26: Do you agree that management shows that everything starts and ends with the customer?

Variable	Frequency	Percentage (%)
Strongly agree	62	44.3
Agree	60	42.9
Undecided	3	2.1
Disagree	9	6.4
Strongly disagree	6	4.3
Total	140	100

Source: Researcher’s computation, 2021

Table 26 suggests that management shows that everything starts and ends with the customer. Analysis of the responses of the respondents indicated that 62(44.3%) strongly agree, 60(42.9%) agree, 3(2.1%) are not sure, 9(6.4%) disagree while 6(4.3%) strongly disagree. This suggest that majority of the respondents agree that management shows that everything starts and ends with the customer.

Table 27: Do you agree that the bank rewards customers and gives concession since they are continuously patronising the bank?

Variable	Frequency	Percentage (%)
Strongly agree	59	42.1
Agree	56	40.0
Undecided	2	1.4
Disagree	13	9.3
Strongly disagree	10	7.1
Total	140	100



Source: Researcher’s computation, 2020

Table 27 suggests that the bank rewards customers and gives concession since they are continuously patronising the bank. Analysis of the responses of the respondents indicated that 59(42.1%) strongly agree, 56(40.0%) agree, 2(1.4%) are not sure, 13(9.3%) disagree while 10(7.1%) strongly disagree. This suggest that majority of the respondents agree that the bank rewards customers and gives concession since they are continuously patronizing the bank.

Table 28: Do you agree that customer expectations are met by all standards?

Variable	Frequency	Percentage (%)
Strongly agree	56	40.0
Agree	49	35.0
Undecided	2	1.4
Disagree	18	12.9
Strongly disagree	15	10.7
Total	140	100

Source: Researcher’s computation, 2021

Table 28 suggests that customer expectations are met by all standards. Analysis of the responses of the respondents indicated that 56(40.0%) strongly agree, 49(35.0%) agree, 2(1.4%) are not sure, 18(12.9%) disagree while 15(10.7%) strongly disagree. This suggest that majority of the respondents agree that customer expectations are met by all standards.

Hypothesis I

H₀₁: There is no significant relationship between customer relationship marketing process and customer retention in GTB, Benin-City;

In analyzing hypothesis one, some questions from the questionnaire was used.

Options	fo	fe	fo – fe	(fo-fe) ²	$\frac{(fo-fe)^2}{fe}$
Strongly Agree	90	28	62	3,844	137.28
Agree	15	28	-13	169	6.03
Undecided	5	28	-23	529	18.89
Strongly Disagree	20	28	-8	64	2.28
Disagree	10	28	-18	324	11.57
Calculated chi-square (χ^2) =					176.05

Critical table value = 9.488 (from chi-square distribution table)

To get frequency expected (fe) for this study is shown below:

$$fe = \frac{\text{Total number of respondents}}{\text{Total number of options}} = \frac{140}{5} = 28$$

$$\chi^2_{\text{computed}} = 176.05$$

$$\text{Degree of freedom (df)} = (R - 1) (C - 1)$$

Where:

$$R = \text{Row}$$

$$C = \text{Column}$$

$$\therefore df = (5-1)(2 - 1)$$

$$= (4)(1)$$

$$= 4$$

Level of significance = 5% = 0.05

Critical χ^2 value for 4 degree of freedom under 95% level of confidence and 5% level of significance from chi-square distribution table is 9.488 shall be used in all the hypotheses stated in the study.

Decision: Since the calculated chi-square value is greater than the critical/table value, we reject the null hypothesis and accept the alternative hypothesis (i.e. 176.05> 9.488).

Conclusion: In view of the result of this analysis, it shows that the hypothesis was valid. Therefore, this implies that customer relationship marketing process has significant role in customer retention.

Hypothesis 2



In analyzing hypothesis two, some questions in section B in the questionnaire was used.

Options	Fo	fe	fo – fe	(fo–fe) ²	$\frac{(fo-fe)^2}{fe}$
Strongly Agree	80	28	52	2,704	96.57
Agree	10	28	-18	324	11.57
Undecided	15	28	-13	169	28,561
Strongly Disagree	30	28	2	4	16
Disagree	5	28	-23	529	501
Calculated chi-square (X²) =					28,669

Critical table value = 9.488 (from chi-square distribution table)

To get frequency expected (fe) for this study is shown below:

$$fe = \frac{\text{Total number of respondents}}{\text{Total number of options}} = \frac{140}{5} = 28$$

$$\chi^2_{\text{computed}} = 28,669$$

Using the same value of 4 degree of freedom under 95% level of confidence and 5% level of significance from chi-square distribution table is 9.488 was used in hypothesis two.

Decision: Since the calculated chi-square value is greater than the critical/table value, we reject the null hypothesis and accept the alternative hypothesis (i.e. 28,669 > 9.488).

Conclusion: In view of the result of this analysis, it shows that the hypothesis was valid. Therefore, this implies that Effective CRM significantly leads to customer retention in GTB.

V Conclusion and Recommendation/

5.1 Conclusion

This study explored the effect of customer relationship marketing on customer retention by Guaranty Trust Bank Plc, Nigeria. It emphasizes on how the customers are treated and whether such treatment fosters their long term commitment in patronizing the bank that is customer retention. The rationale of customer relationship management is to offer what the customer requires, not what the bank can make or has to offer. It has come to a

strategic stage everyone in banks should place customers at the leading position of their minds. In the face of the competitive marketplace of today, customer retention presents increased profitability and sustainable protection against competitive inroads. To achieve this goal means considerable effort of banks. Management has to make strong commitment to the process, setting the right environment and focus on navigating the dynamic environment of customer needs, expectations and competitive choices. Although banks may have challenges in implementing an effective customer relationship management like cost of going into it, the results of the analysis in this work indicate that customer relationship management is a key variable that would affect customer retention with its essentiality for the survival of banking in the study area. Therefore, this implies the need for proper planning for effective utilization of required resources to use effective CRM strategies to ensure retention of customers by banks.

5.2 Recommendation

In a turbulent business environment, retaining customers becomes a priority and there are convincing arguments for service managers to carefully consider the factors that would increase customer retention rates, the fact that a good customer relationship management leads to increase in the number of customers retained by a firm, this study therefore recommends that banks should work hard on their relationship with their customers as this is a more reliable and sustainable way of retaining most of their customers if not all.

Banks should train its staff members to be more optimistic particularly on interpersonal and business relationship such as complaint handling, devoting enough time to help and understand the dynamic individual customer needs and extend customer life time.

Banks must work effectively on business relationship and understanding the actions and reactions of customers as it is the key for a long term business relationship, also banks should go into innovations that will help them to always



give their customers surprises as this will help them retain their customers over time because customers are the reason and purpose of what they do and rather than customers depending on them, they (banks) should very much depend on customers.

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