

THE IMPACT OF CUSTOMER RELATIONSHIP MARKETING ON CUSTOMER RETENTION (A CASE STUDY OF GTB OF NIGERIA PLC,)

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ABSTRACT

This study examined the impact of customer relationship marketing on customer retention. This study focus on the banking industry in Asaba, but specifically on GTBANK primary data were gotten through the administration of structured questionnaire to both the staff and customer of GT BANK. A sample of 100 respondents was distributed but 70 questionnaire were eventually used. The sample percentage & chi-square statistical tool was employed to carefully analysis and test the hypothesis the findings revealed that promise. Fulfillment, trust and bonding have an impact on customer patronage, customer life-time the findings that customer relationship marketing has a positive effect on customer retention. It was recommended that, if the bank engage in customer relationship marketing strategies it will help to increase the number of customer retained.

Keywords: Customer Relationship, Trust, Bonding, Employees, Gt Bank, Customer Retention

INTRODUCTION

In today competitive business environment, especially the banking industry, acquiring and building relationship with new customers takes time. Globally, the use of relationship marketing as a key driver in the sustenance and growth of customer base in the banking industry has never been in doubt (Kincaid, 2003; Bauer at all 2002; Danciu and Danciu, 1996). Relationship marketing, according to Zathami and Bitnar (2000), is a corporate philosophy and a strategic orientation that focuses on retaining and enhancing present clients, rather than acquiring new customer this philosophy assumes that consumers prefers to have an ongoing relationship with one organization than to switch constantly among service providers looking for the best deal.

There is keen competition among first Nigeria banks. In this business warfare, most of the banks have adopted and deployed various strategies to have competitive advantage. One of such strategy is customer relationship marketing and customer retention strategies.

Objectives of the study

The objectives of the study are as follows:

1. To determine how trust in relationship marketing affect customer revisit intention.
2. To determine the role of bonding on customer life time-value.

HYPOTHESIS

The following hypothesis were proposed for this study:

Ho₁: Trust in relationship marketing has no statistical significance effect on customer revisit intention.

Ho₂: Bonding has no statistical significance relationship with improve customer life-time value.

REVIEW OF LITERATURE

THE CONCEPT OF CUSTOMER RELATIONSHIP MARKETING (C-R-M).

Customer relationship marketing is a business process in which client relationship customer loyalty and brand value are built through marketing strategies and activities (Corry 2010). Customer

relationship marketing allows to develop long-term relationship marketing, allows business to customers while helping streamline corporate performance. Relationship marketing is an important strategy and is one of the important aspects of marketing in these few decades. The first researcher who defined the terms relationship marketing. Marketing as "all marketing activities directed towards establishing, developing and maintaining successful relationship" were Morgan and Hunt (Morgan & Hunt, 1994). This relationship can exist between the organization and other organization and stakeholder.

According, customer relationship marketing is a business process in which client relationship, customer loyalty and brand value are built through marketing strategies and activities (Cory 2010). In other word, customer relationship marketing refers to the carrying out of marketing activities that seek to build long-term relationship with customers. The essence of it principles is on building lasting relationship that is both beneficial to the customer and the firm. As Morgan and Hunt (1994) have defined it, relationship marketing includes all marketing activities directed towards establishing developing and maintaining successful relationship.

Most researchers have concord to the fact that relationship marketing is not only based on looking at individual transactions (O'malley 2000). While transactional marketing is now viewed as intergraded into relationship marketing (Tyler & Stanley, 1999), relational exchange is a long-term and complex relationship between service provider and customers, not simply or only a series of transaction. Relationship are most likely to depend less on contract law and more on issues such as tarts, equity, responsibility and commitment (Gundlach & Murphy, 1993).

According to Heffeman, O'Neil, Travaglione and Dcouler(2008), many factors including product, quality, price, exchange, rate, and demand all have a major influence on sales. However, relationship marketing issues such as rapid customer turnover and the effect of discontinued customer relationship have increasingly become critical for many businesses.

Grow competition. Coupled with industry maturity and recessionary pressures means that organizations cannot totally depends on new customers to take the place of lost customers (Zeithaml, Bitner & Gremler, 2006). As the business environment changes and customers become more demanding, firms must practice relationship marketing to complete effectively (O'Malley tynan, 2000).

A Paradigm Shift from Transactional Marketing to Relationship Marketing Approach.

Yau me fetridge, chew, lee, Sin and Tse (2000) compared a relationship marketing orientation with a traditional market orientation (transactional marketing) in terms of its relative impact on the business performance of firms in retails, wholesale, and manufacturing industries the findings of their paper suggested that while relationship marketing is relevant to every industry, it has particular importance to the service industry and business industry, customer attraction, customer retention and brand loyalty are at the heart of transactional marketing exchange with develop, sell and deliver product by means of short-term, discrete, economic transaction relationship marketing on the other hand is considered to represents for beginning of a paradigm shift in marketing (Gronroos, 2000, O'Malley & Tynan, 2000) Kotler (1992) argues that transactional marketing is more useful than relationship marketing when the customer has a short-time horizon and can easily switch from one supplier to another without spending more. Relationship marketing can pay off if customers have a long-term perspective and there will be high cost for switching supplier. For sure, what relationship marketing, the aims is to acquire new customer. In an attempt to show how much relationship marketing is important is services context, Bejou (1997) maintained that it will be very difficult to apply traditional marketing to service. Bennelt (1996) also argued that relationship marketing seek to create long-term committed, trusting and cooperative characterized by openness, genuine customer suggestion, fair dealing and a willingness to sacrifice short-term advantage for long-term advantage. This view become clear when we compare the distinctive features of transactional marketing versus relationship marketing as follows;

In terms of the assessment horizon, transactional marketing has more of a short-term character while relationship marketing is primarily long-term oriented.

Transactional marketing focus on the short-term initiation of the product sales, relationship marketing focus on the creation of long-term customer relations.

With respect to the purpose of marketing activities, the seller's products and service are at the focal point of transactional marketing measures, whereas, relationship marketing focus on the creation of term customer relationship. With respect to the purpose of marketing activities, the seller's products and service are at the focal point of transactional marketing focus on the creation of long-term customer relationship. The 4ps of marketing, segmentation and branding are more important to the transactional marketing whereas in customer relationship marketing, the key concept is interaction, relationship and networks.

In references to marketing goals, transactional marketing activities are aimed at solely acquiring new customer, in contrast to relationship marketing that concentrates not only one acquiring customers but also on their retention and recovery.

Some Basic Principles Upon Which Customer Relationship Marketing Is Based:

According to ling (2013), a basic fundamental principle upon which customer relationship marketing approach is build on is maximizing the customer lifetime value. According to Lina (2013), marketing is too important to be left only to the marketing department this is call to bring marketing out its functional silo and distribute some functions and tasks to other department.

Gley (2006) proposed the following as basic principal functions of relationship marketing.

Show your Expertise: The majority of business people, never completely and clearly their knowledge to potential customer.

Follow-Up: Dialog leads to follow-up. Hook your customer with your follow-up message series the main purpose of follow-up is to remain visible to your subscribe so, when the need arises and your prospect want to make a purchase your product will be the first one to think of.

Firstly company need to identify their potential customers before setting up a business. Company need to build trust with their customer the trust of customer is not easy amid by a company.

Finally, companies needs to offer good customer services as to have a good relationship with their customer.

METHODOLOGY

The design method adopted for this research takes the forms of survey study. The population of the study consists of bank customers in Nigeria. The sample of the study which is the estimated number of units/element of the population to be included in the sample are One hundred (100) GTB bank customers conveniently selected from five GTb branches in Benin city, Edo state, Nigeria.

The statistical tool used for this study is simple parentage and an inferential statistics of chi-square. The frequency table was use to present the response while the simple percentage was used to describe the pattern of the response. The test statistics of chi-square was to test the hypothesis formulated for this study.

FINDINGS AND DISCUSSION OF FINDINGS

How does trust in relationship marketing increased customer revisit intention?

Table 4.1

S / N	STATEMENT	AS NO	%	A NO	%	U NO	%	D NO	%	S D NO	%
1	Past business relationship and expenses increase my trust for the service provider.	17	24.29	41	58.57	8	11.43	2	2.86	2	2.85
2	I trust the service provider and the service they offer.	7	10	36	51.43	14	20	10	14.29	3	4.28
3	I trust the relationship I build with the staff of the bank.	19	27.14	30	42.86	13	18.57	6	8.57	2	2.86
4	I trust the bank on their service delivery.	11	15.72	38	54.29	12	17.14	7	10	2	2.85

Source: Field Survey, 2022.

Table 4.2.2 is the analysis of trust in relationship marketing increased customer revisit intention. In STATEMENT 1; 58 (82.86%) agreed that past business relationship and expense. My trust for the service provider, 8 (11.43%) were undecided and 4 (5.71%) disagreed.

STATEMENT 2; shows that trust in service provider and the service they provide. 43 (61.43%) agreed with this only 14 (20%) were undecided and 13 (18.57%) disagreed.

STATEMENT 3; it was agreed by 49 (70%) that trust in relationship build the staff of the bank, although 13 (18.57 %) were undecided while 8 (11.43%) was respondent disagreed. STATEMENT 4; posits that trust in the bank service delivery as seconded by 48 (70.01%) of agreed with this only 12 (17.14%) were undecided and 9 (12.85%) disagreed.

RESEARCH QUESTION THREE: To what extent do bounding determine customer life time value.

Table 4.2

S/N	STATEMENT	AS NO	%	A NO	%	U NO	%	D NO	%	SD NO	%
1	Having a good report with your customer create satisfaction with the service provider.	27	38.57	39	55.72	3	4.28	1	1.34	0	0
2	Special treatment benefit positively influence customer commitment to the bank.	24	34.29	36	51.43	4	5.71	4	5.71	2	2.86
3	Marketing customer to be confidence about the bank service have positive impact on satisfaction.	20	28.57	30	42.86	12	17.15	4	5.71	4	5.71

4	Being to tolerance of customer attitude reduce uncertainly and vulnerability.	14	20	36	51.43	10	14.28	6	8.57	4	5.72
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Source: field survey, 2022.

Table 4.2.3 above is the determination of having a good report, STATEMENT 1; 66 (94.29%) showed a high agreed that customer create satisfaction with the service provider, 1 (1.43%) disagreed and 3(4.28%) were undecided.

STATEMENT 2; unfolds that special treatment benefits positivity influence customer commitment to the bank 60 (85.72%) agreed with this 4 (5.71%) were undecided and 6 (8.57%) disagreed.

STATEMENT 3; it was stated that marketing customer to be confidence about the bank service have positive impact on satisfaction 50 (71.43%) agreed to this, 12 (17.15%) were undecided and 8 (11.42%) disagreed.

STATEMENT 4; the agreement due to tolerance of customers attitude reduce uncertainty and vulnerability is 50 (71.43%) only 10 (14.28%) were undecided and 10 (14.29%) disagreed.

RESEARCH QUESTION FOUR: How does empathy increase customer retention?

Table 4.3

S/N	STATEMENT	NO	%	NO	%	U NO	%	D NO	%	SD NO	%
1	The bank always see things from the point of view of the customer.	17	24.29	29	41.43	9	12.86	12	17.14	3	4.28
2	The bank always give opportunity for customers to provider their opinion as regard bank service .	11	15.72	32	45.72	15	21.42	8	11.43	4	5.71
3	Customer repurchase intention when the bank offer personalized attention to customer.	17	24.29	39	55.72	4	5.71	6	8.57	4	5.71
4	Employee understand the specific need of their customer.	20	28.57	33	47.14	8	11.43	7	10	2	2.86

Source: Field Survey, 2022.

Table 4.3 above determine the extent to which banks always see things from the point of view of the customer. STATEMENT 1; indicates a high rate of agreement of 49 (65.72%), 15 (21.42%) respondents disagreed and 9 (12.86%) were undecided.

STATEMENT 2; shows that the bank always give opportunity for customer to provide their opinion as regard bank service 43 (61.44%) agreed to this, 12 (17.14%) disagreed and 15 (21.42%) were undecided.

STATEMENT 3; it was agreed by 56 (80.01%) that customer repurchase intention increase when the bank offer personalized attention to customer although 10 (14.29%) disagreed and 4 (5.71%) were undecided.

STATEMENT 4; recorded a high agreement rate that 55 (75.715) respondents that employee understand the specific needs of their customer although 9 (12.86%) disagreed and 8 (11.43%) were undecided.

HYPOTHESIS ONE

H_{01} : Trust in relationship marketing has no statistical significance effect in customer revisit intention.

TABLE 4.4 OBSERVED FREQUENCY

Statement	SA	A	U	D	SD	Grand Total
1	17	41	8	2	2	70
2	7	36	14	10	3	70
3	19	30	13	6	2	70
4	11	38	12	7	2	70
Total	54	145	47	25	9	280

Source: Field survey, 2022.

TABLE 4.5 EXPECTED FREQUENCY

Demographic variables	Frequency
SA	13.5
A	36.25
U	11.75
D	6.25
SD	2.25
TOTAL	70

Source: Field Survey, 2022.

TABLE 4.6

Statement	Demography variable	Fo	Fe	Fo-Fe	(Fo-Fe) ²	$\frac{(Fo-Fe)^2}{Fe}$
1	SA	17	13.5	3.5	12.25	0.9
	A	41	36.25	4.75	22.6	0.6
	D	2	11.75	-9.75	95.1	8.1
	SD	2	6.25	-4.25	18.1	2.9
	U	8	2.25	5.75	33.1	14.7
		70	70			
2	SA	7	13.5	-6.5	42.25	3.2
	A	36	36.25	-0.25	0.1	2.8
	D	10	11.75	-1.75	3.1	0.3
	SD	3	6.25	-3.25	10.6	1.7
	U	14	2.25	11.75	138.1	61.4
		70	70			
3	SA	19	13.5	5.5	30.25	2.3
	A	30	36.25	-6.25	39.1	1.1
	D	6	11.75	-5.75	33.1	2.8
	SD	2	6.25	-4.25	18.1	2.9
	U	13	2.25	10.75	115.6	51.4
		70	70			

4	SA	11	13.5	-2.5	6.25	0.46
	A	38	36.25	1.75	3.1	0.1
	D	7	11.75	-4.75	22.6	1.93
	SD	2	6.25	-4.25	18.1	2.9
	U	12	2.25	9.73	94.7	41.7
		70	70			
TOTAL	Calculated					203.29

Source: Field Survey, 2022.

Decision

Degree of freedom = 12

Tabulated = 21.026

At 95% confidence level, 0.25 level of significance and degree of freedom of 12, the critical chi-square or tabulated value, that is $203.29 > 21.026$, the decision applicable therefore we reject the null hypothesis (H_0) that "Trust in relationship marketing has no statistical significance effect in customer revisit intention.

HYPOTHESIS TWO

H_{02} Bonding has no statistical significance relationship with improve customer life-time value.

TABLE 4.7 OBSERVED FREQUENCY

Statement	SA	A	U	D	SD	Grand Total
1	27	39	3	1	0	70
2	24	36	4	4	2	70
3	20	30	12	4	4	70
4	14	36	10	6	4	70
Total	85	141	29	15	10	280

Source: Field survey, 2022.

TABLE 4.8 EXPECTED FREQUENCY

Demographic variables	Frequency
SA	21.25
A	35.25
U	7.25
D	3.75
SD	2.5
TOTAL	70

Source: Field survey, 2022

TABLE 4.9

Statement	Demography variable	Fo	Fe	Fo-Fe	(Fo-Fe) ²	$\frac{(Fo-Fe)^2}{Fe}$
1	SA	27	21.25	5.75	33.1	1.6
	A	39	35.25	3.75	14.1	198.8
	D	1	7.25	-6.25	39.1	5.4
	SD	0	3.75	-3.75	14.1	3.76
	U	3	2.5	0.5	0.25	0.1
		70	70			0.4
2	SA	24	21.25	2.75	2.75	0.1
	A	36	35.25	0.75	0.75	0.1
	D	4	7.25	-3.25	10.6	1.5
	SD	2	3.75	-1.75	3.1	0.8
	U	4	2.5	1.5	2.25	0.9

		70	70			
3	SA	20	21.25	-1.25	1.6	0.1
	A	30	35.25	-5.25	27.6	0.8
	D	4	7.25	-3.25	10.6	1.5
	SD	4	3.75	0.25	0.1	0.1
	U	12	2.5	9.5	90.3	36.12
		70	70			
4	SA	14	21.25	-7.25	52.6	2.47
	A	36	35.25	0.75	0.6	0.1
	D	6	7.25	-1.25	1.6	0.3
	SD	4	3.75	0.25	0.1	0.1
	U	10	2.5	7.5	56.25	22.5
		70	70			
TOTAL	Calculated					277.46

Source: Field Survey, 2022.

Decision

Degree of freedom = 12

Tabulated = 21.026

At 95% confidence level, 0.25 level of significance and degree of freedom of 12, the critical chi-square or tabulated value, that is $277.46 > 21.026$, the decision applicable therefore we reject the null hypothesis (H_0) that states that "Bonding has no statistical significance relationship with improve customer life-time value.

CONCLUSIONS

In most studies conducted, it has shown that relationship marketing is a factor in customer satisfaction and retention. This study does not show otherwise. From the analysis it can be seen that factors like customers relationship with the bank keeping in touch with customers, keeping close cooperation with customers, building a long term relationship, providing services on time, flexible working hours, customer trust in employees sincere and detail information about all terms and conditions, willingness of employees to help where necessary all contributed with customer retention in GT BANK. Also, it can be concluded that through promises fulfillment customer patronage will be increase, building trust with/ and customers will lead to customer developing revisit intention and also by establishing strong bonding relationship, the bank will be able to predict the life-time value of their customer similarly it is concluded that through empathy (i.e placing oneself In other person position) will increase customer relationship marketing had an effect on customer retention in GT BANK, Nigeria limited.

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