

The Impact of Customer Relationship Management on Organizational Survival of Telecommunication Firms in River State, Nigeria

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Abstract: This study ascertained the impact of customer relationship management on organizational survival of telecommunication firms in River State, Nigeria. Companies are moving closer to their customers, expanding more effort in finding new ways to create value for their customers and transforming the customer relationship into one of solution finding and partnering rather than one of selling and order taking. The specific objectives were: to ascertain the relationship between customer relationship management and diversification of telecommunication firms in River State, Nigeria, to determine the relationship between customer relationship management and corporate size of telecommunication firms in River State, Nigeria and, to evaluate the relationship between customer relationship management and sales volume of telecommunication firms in River State, Nigeria. This study was to premise on Role Theory. This research, therefore, utilized a correlational research design. The population of the study is made up of MTN, Globacom, Airtel and 9mobile telecommunication firms within the context of the Rivers State Nigeria. This study adopted the census sampling technique. Since the population of the study was small, the study utilized the census sampling technique to select all one hundred and forty (140) respondents as sample for the study. In order to achieve the objectives of the study, the data that was generated by the researcher was analysed using the Spearman's Rank Correlation as well as the Partial Correlation Coefficient Technique. In conclusion, the degree to which the customer relationship is managed and the level of satisfaction that customers have with the quality of service they receive will influence the organization's continued survival. The study recommends that, in order to diversify and help the company survive the unstable, cutthroat business climate, managers need to think beyond the box.

Keywords: Customer relationship management, Organizational survival, Diversification, Sales volume, Corporate size.

INTRODUCTION

All businesses must navigate the current business climate to stay afloat. Organizational survival refers to a company's capacity to keep functioning despite challenges, obstacles, or threats. Due to the ever-evolving corporate environment, this demands resilience, adaptability, and perseverance. For a business to succeed, goal-setting and decision-making must involve its workforce. This highlights that maintaining a competitive advantage in today's business world is now a shared responsibility between the employees and the management of the organization (Oke & Olughor, 2014).

The primary objective of every organization is to ensure its existence, as stated by Adewale, Joachim, and Obamiro (2011). The goal of organizational survival is crucial in this time of political unrest, technical advancements, and economic upheaval. To this end, customer relationship

management is required. These days, businesses such as telecom companies operate in a customer-focused atmosphere where the consumer truly rules the market. They are being forced by this pressing problem to view customers as assets that need to be managed (Ghalandari, 2012). Because of this, businesses in today's cutthroat market are beginning to see how important it is to put the needs of their customers first and are implementing Customer Relationship Management (CRM) as a fundamental business strategy. Because it emphasizes understanding consumers as people rather than as members of a group, customer relationship management is becoming an increasingly effective technique for managing customers. Understanding the various needs of customers at different phases is essential to a productive partnership between telecom companies and their clients. Customers feel more valued as unique individuals rather than as just a part of a big customer base when telecom companies are able to adapt to their needs (Lambert, 2010). In an attempt to increase profitability through long-term connections with customers, market share, sales volume, and client acquisition, companies are discovering that customer relationship management plays an increasingly important role. Due to this circumstance, companies have been compelled to make significant investments in information technology assets in order to improve the management of their customer engagements before, during, and following acquisition (Bohling, Lavalley, Mittal, Narayandas, Ramani, & Varadarajan, 2006). Customer relationship management (CRM) is predicated on the idea that building relationships with customers is the best method to win their loyalty and that loyal customers generate more revenue than disloyal ones, according to Dowling (2002). The main objectives are to locate, draw in, and acquire new customers; cultivate and hold onto existing ones; entice departing customers to come back; and minimize marketing and customer service expenses. But it appears that low productivity—a byproduct of little to no demand for their products or services—is making it extremely difficult for some telecom companies to survive. Rivers State's telecom companies aren't operating at full capacity since they can't offer their clients fair and accurate services. It's probable that this is the reason why they don't have great relationships with their clients. Smith's (2017) research findings support the claim that numerous Nigerian businesses face challenges in increasing profitability, saving customers' time, and expanding their market share. The researcher's observations and experiences indicate that telecommunication companies in Port Harcourt exhibit minimal profitability, unnecessary delays in addressing customer needs, and limited market share due to inadequate digital customer relationship management. Additionally, the study arose from the notable absence of empirical research on the link between CRM and the organizational survival of telecommunications companies in Rivers State (Nouman, Ahmad, Abbas & Hussain, 2015; Baiyewu, 2022; Shabir, 2016; Leton, 2023; Omotayo, Joachim & John, 2011). None of these studies were conducted in Rivers State or focused on telecommunications companies. This underscores the significant need for research on customer relationship management and the organizational survival of telecommunication companies in Rivers State. Consequently, there is substantial work required to advance research in this area. Hence, the objective of this study is to address the aforementioned knowledge gap.

Statement of the Problem

Even though every company wants its enterprises to survive, the concept of business survival is still unclear because there isn't a clear methodology or set of reliable indications of business survival yet. As a result, research on business survival in the Nigerian setting will be fruitful (Majama & Magang, 2017). Almost all company sectors now view effective customer relationship management as a strategic necessity. Businesses are becoming more intimate with their clientele, investing more time and energy in discovering fresh approaches to add value, and changing the

focus of customer relationship management from order taking and sales to problem solving and collaboration (Plakoyiannaki, & Tzokas, 2002). By presenting empirical data on the connection between organizational survival and customer relationship management for telecommunications companies in River State, Nigeria, this study seeks to close the aforementioned gap.

Objectives of the Study

The aim of this study was to evaluate the impact of customer relationship management on organizational survival of telecommunication firms in River State, Nigeria. While the specific objectives were:

1. To ascertain the relationship between customer relationship management and diversification of telecommunication firms in River State, Nigeria
2. To determine the relationship between customer relationship management and corporate size of telecommunication firms in River State, Nigeria.
3. To evaluate the relationship between customer relationship management and sales volume of telecommunication firms in River State, Nigeria.

Hypotheses

Based on the study objectives, the research hypotheses were formulated;

Ho₁: There is no significant relationship between customer relationship management and diversification of telecommunication firms in River State, Nigeria

Ho₂: There is no significant relationship between customer relationship management and corporate size of telecommunication firms in River State, Nigeria.

Ho₃: There is no significant relationship between customer relationship management and sales volume of telecommunication firms in River State, Nigeria.

REVIEW OF RELATED LITERATURE

Theoretical Foundation

This study was premised on Role Theory

Role Theory

The degree of relationship intensity and the connections between relationship quality, trust-building, and customer retention that are implicit in these approaches are now being used to frame models and explanations of client-service provider interfaces in service encounters. This represents a strong behavioral perspective. Reichheld (2003). These views on interactive marketing exchanges can be strengthened in service provider-client relationships through the application of role theory. Firstly, role theory is based on a behavioral viewpoint and focuses on explaining social interaction in terms of behaviors connected to particular social roles (Riddle, 1979).

According to role theory, a crucial factor in determining the limits of social trade as well as its potential in the future is how people act out certain behaviors during social interactions. The premise that service provision success would depend on the mastery of such role behaviors is one that underlies the adoption of a role theoretical framework for service interactions. Good service experience would be considered to require actual mutual understanding of role expectations at the organizational level as well as at the client contact..

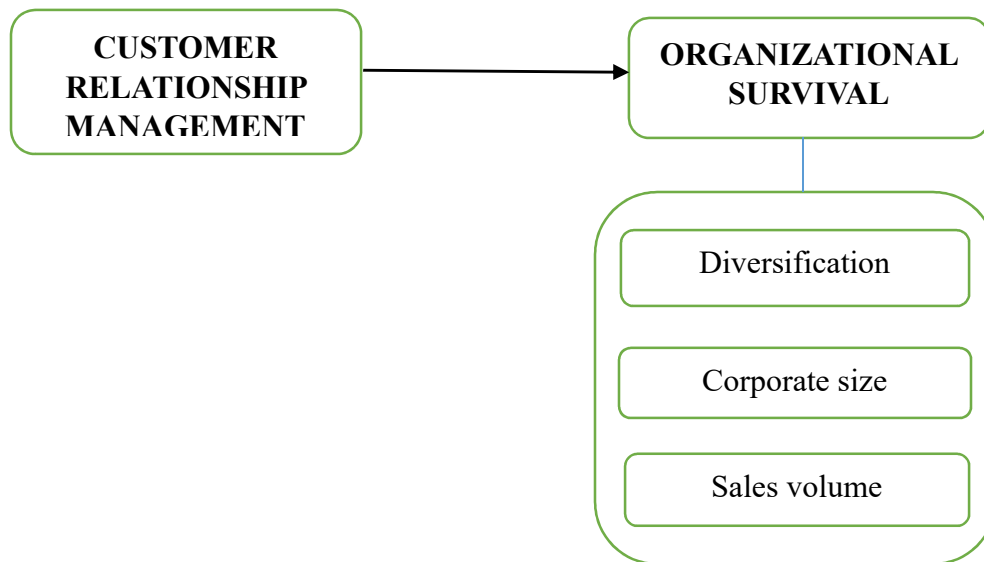
Empirical Review

Agulanna and Awujo (2015) conducted research on the influence of succession planning on the sustainability of organizations in Nigeria, focusing on Covenant University. They employed both case study and cross-sectional research methodologies. The participants in the study were individuals in middle and upper management at Covenant University. Data were collected through face-to-face interviews and questionnaires. The hypotheses were tested using the Pearson correlation coefficient. The findings revealed that succession planning had a substantial impact on organizational sustainability in Nigeria. The study confirmed that Covenant University's organizational longevity was significantly improved through the internal promotion of key professionals as part of their succession planning strategy.

Al-Azzam (2016) conducted a study to assess the relationship between CRM dimensions and hotel performance in the Jordanian market. The study utilized a survey-based research design. Questionnaires were distributed to hotel managers to collect primary data. After testing and analyzing the data, the results indicated a strong and positive correlation between customer orientation and hotel performance.

Conceptual Framework

This study was guided by the concepts below:



Researcher's conceptualization, 2024

METHODOLOGY

Thus, the framework for data collection and analysis based on the researcher's priorities is provided by study design (Bryman, 2011). A correlational research design was employed for this study, as it aims to assess the relationship between customer relationship management (CRM) and organizational survival. In this study, CRM serves as the independent variable, while organizational survival is the dependent variable. The research population comprises four

telecommunication companies operating in Rivers State, Nigeria. Because of this, the main focus of this study is on four telecommunication companies in Rivers State, as determined by their national and international licenses. These four telecom companies—MTN, Globacom, Airtel, and 9mobile—serve as the study's population because the study focuses on the organizational level; nonetheless, representative data was obtained from the management teams of these telecom companies. The census sample technique was used in this investigation. The study employed the census sampling technique to pick a sample of one hundred and forty (140) respondents due to the small size of the study population. Using a 5-point Likert scale, the researcher created the instruments based on previously published research and empirical investigations. Strongly Agree (SA) = 5, Agree (A) = 4, Undecided (U) = 3, Disagree (D) = 2, and Strongly Disagree (SD) = 1 are the instrument designs. The researcher used the Partial Correlation Coefficient Technique (for the test of the multivariate relationship between the variables) and Spearman's Rank Correlation (for the test of the bivariate relationship between the variables) to analyze the data in order to meet the study's objectives. The purpose of the Spearman is to determine the degree and strength of association between two variables.

4.1 DATA PRESENTATION

Table 4.1: Questionnaire Response Pattern

Pattern focused	Number administered	Number returned	Number used	Percentage used
Respondents	140	132	132	94.3%

Source: Field Data, 2024

A total of one hundred and forty (140) questionnaires were administered to the respondents, out of which, a total of one hundred and thirty-two (132) copies were completed and returned in analyzable form representing 94.3%, while the other 8 representing 5.7% were wrongly filled and hence could not be used for analysis.

4.2 Analysis and Results

Table 4.2 Relationship between customer relationship management and the measures of organizational survival

		CRM	Diversification	Corporate Size	Sales Volume	
Spearman's rho	CRM	Correlation Coefficient	1.000	.295**	.595**	.210**
		Sig. (2-tailed)	.	.000	.000	.000
		N	132	132	132	132
Spearman's rho	Diversification	Correlation Coefficient	.295**	1.000	.360**	.359**
		Sig. (2-tailed)	.000	.	.000	.000
		N	132	132	132	132
Spearman's rho	Corporate Size	Correlation Coefficient	.595**	.360**	1.000	.308**
		Sig. (2-tailed)	.000	.000	.	.000

	N	132	132	132	132
	Correlation Coefficient	.210**	.359**	.308**	1.000
Sales Volume	Sig. (2-tailed)	.000	.000	.000	.
	N	132	132	132	132

Source: Field Data, 2024.

Table 4.2 above describes the relationship between customer relationship management and the measures of organizational survival – diversification, corporate size and sales volume. The result on the relationship demonstrates the role of customer relationship management as significant to outcomes of organizational survival. The test shows as follows: customer relationship management has a significant relationship with diversification where rho = 0.295 and P = 0.000; customer relationship management has a significant relationship with corporate size where rho = 0.595 and P = 0.000; and customer relationship management has a significant relationship with sales volume where rho = 0.210 and P = 0.000.

The results affirm to the significance of customer relationship management as a predictor of organizational survival. Not only are these relationships significant, they are also positive, and by that indicate that increased activities concerned with customer relationship management would invariably impact and lead to increased levels of diversification, corporate size and sales volume by the organization.

Findings

- i. Customer relationship management has a weak effect on diversification of telecommunication firms in Rivers State
- ii. Customer relationship management has a strong effect on corporate size of telecommunication firms in Rivers State
- iii. Customer relationship management has a weak effect on sales volume of telecommunication firms in Rivers State

Conclusion

Customer relationship management (CRM) is crucial for organizational survival in today's climate of economic volatility, political unpredictability, and rapid technological advancements due to its positive impact on an organization's sustainability. The effectiveness of managing customer relationships and the level of customer satisfaction with service quality directly affect the organization's continued existence. Implementing information technology has significantly influenced the performance and procedures within the company. The integration of CRM technologies and the staff's technological proficiency are vital factors in predicting the company's survival. Therefore, the study concludes that effectively utilizing CRM to develop an organization enhances its chances of survival, as demonstrated by the company's growth, diversity, and sales volume. Companies that recognize the advantages of CRM and take appropriate actions, such as telecommunication firms and other service and product providers, will ultimately see positive outcomes.

Limitations

- * Only the state of CRM at a specific point in time is reflected in the study's conclusions.
- * The primary limits on the study's resources and time were the time-consuming aspects.
- * Only one CRM system-using organization and a small sample size of managers served as responders for the study. As such, it may not be possible to apply the study's findings to all other businesses that offer goods and services.

Direction for Future Research

- * To determine the generalizability of the current study's findings, more research on the variables—customer relationship management and organizational survival—might be conducted in other Nigerian contexts and industries, such as the manufacturing, public, and oil and gas sectors.
- * Future research can look at the components of customer relationship management and additional organizational survival metrics.

Recommendations

The study recommends the following;

1. In order to diversify and help the company survive the unstable, cutthroat business climate, managers need to think beyond the box.
2. If businesses want to participate in large-scale services and mass sales in enlarged business areas, they should have a tendency to grow in size.
3. Organizations must determine that they can consistently generate sales from regular business operations in order to satisfy all requirements for advances on favorable terms.

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