

GHANA INSTITUTE OF JOURNALISM
EXAMINING CUSTOMER RELATIONS MANAGEMENT, CUSTOMER
SATISFACTION AND RETENTION: A STUDY OF ECG

MARTINA SENA ACKAH

MAPR20113

DISSERTATION SUBMITTED TO GHANA INSTITUTE OF JOURNALISM
SCHOOL OF GRADUATE STUDIES AND RESEARCH IN PARTIAL
FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF MASTER OF
ARTS IN PUBLIC RELATIONS

NOVEMBER, 2021

DECLARATION

I declare here that this dissertation is the result of my painstaking research undertaken by myself, and that except for specific references which are duly acknowledged, towards the award of a Master's Degree Programme in Public Relations and it has not been submitted either in part or whole for any other degree elsewhere.

	13.12.21
Martina Sena Ackah (MAPR20113)	Date

CERTIFICATION

I hereby certify that the preparation of this dissertation was supervised by me in accordance with the guidelines of supervision of dissertation laid down by Ghana Institute of Journalism.



A photograph of a certification form. On the left, there is a handwritten signature in blue ink above a dotted line. Below the signature, the text reads "Dr. Ebo Afful (Supervisor)". On the right, the date "13. 12. 21" is handwritten above another dotted line. Below the date, the word "Date" is printed.

Dr. Ebo Afful
(Supervisor)

13. 12. 21
Date

DEDICATION

For the immense support, encouragement and concern for my academic growth, I dedicate this to my parents, Mr and Mrs Ackah.

ACKNOWLEDGEMENTS

I wish to acknowledge the immeasurable assistance and co-operation that I received from the following people without whom this work would not have been successful.

I acknowledge the guidance of my parents Mr. and Mrs Felix Ackah, Mad. Grace Ackah and Pastor Enoch Boama for instilling a sense of discipline and dedication my academic progress.

To my supervisor, Dr. Ebo Afful, who mirrored his knowledge and insight on my work from the beginning to the end. Your assistance and cooperation towards the production of a finished work was above par and I say thank you and God richly bless you for your time and concern.

To God, who gives me wisdom to be the best of myself, your will is my desire and to live in you is my delight.

ABSTRACT

The study sought to examine Customer Relationship Management and Customer Satisfaction and Retention in ECG. The research examines the underpinnings of Customer Relations Management and how it impacts on customer satisfaction and retention. A total of 150 questionnaires were distributed out of which 145 provided responses that confirmed the hypothesis that ECG has poor customer relations with customers which has resulted in Customer. Findings from the research revealed that ECG has poor customer relations with its customers and the issues identified wear good customer relations, promptness in complaint redress, communication, empathy and rewards for customer loyalty. Following from the study, it is recommended that Electricity Company of Ghana should deepen their relationship with their customers as well as facilitate measures to minimize customer relations by prioritizing Customer Relations Management activities like service quality, promptness in complain redress, show of empathy, customer loyalty rewards and responsiveness.

TABLE OF CONTENT

Contents

DECLARATION	i
CERTIFICATION	ii
DEDICATION	iii
ACKNOWLEDGEMENTS	iv
ABSTRACT	v
CHAPTER ONE	1
INTRODUCTION	1
1.0 Background	1
1.2 Research Problem	2
1.7 Significance	3
1.8 Expectations	3
1.9 Delimitations (Scope)	3
1.10 Organization of the study	3
1.11 Limitations	4
CHAPTER TWO	5
LITERATURE REVIEW	5
2.1 Introduction	5
2.2 Concept of Customer Relationship Management (CRM)	5
2.3 Customer Relations Management (CRM) and Customer Satisfaction (CS)	8
2.4 CRM impact on Customer Retention	10
2.5. Theoretical Framework	11
2.6 Review of Related Literature	15
1. Case study of Hotel Taj in the context of CRM and Customer Retention Aradhana Chadha	15
2. Customer Relationship Management (CRM) and Customer Retention in Nigeria Banking Industry: A Strategic Standpoint	16
Olufemi Atanda Akintunde & Godbless Onoriode Akaiqhe	16
3. Impact of CRM Factors on Customer Satisfaction and Loyalty Authors: Choi Sang Long , Raha Khalafinezhad , Wan Khairuzzaman Wan Ismail & Siti Zaleha Abd Rasid	18
2.7 Research Objectives	19
2.8 Conclusion	20
CHAPTER THREE	20
RESEARCH METHODOLOGY	20

3.1 Introduction.....	20
3.2 Research design of the Study	21
3.3 Research Purpose.....	22
3.4. Population, Sampling and Data Collection.....	23
3.5 Development of Instrumentation.....	24
3.6 Data Editing and Coding.....	25
3.7 Data Analysis Plan	26
3.8 Conclusion	26
CHAPTER FOUR.....	26
DATA ANALYSIS AND DISCUSSIONS.....	26
4.0. Introduction.....	26
4.1 ANALYSIS OF CUSTOMER RESPONSES.....	27
4.2Discussion of Major findings:	45
4.3 Conclusion	47
CHAPTER FIVE	48
SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	48
5.0. INTRODUCTION.....	48
5.2 Summary of Findings.....	48
5.3 Recommendations	50
5.4 Conclusion	51
APPENDIX A	52
REFERENCES.....	52
APPENDIX B	56
QUESTIONNAIRES	56

CHAPTER ONE

INTRODUCTION

1.0 Background

Developing relationship with customers is one of the effective ways to boost customer acquisition and retention. Customers are increasingly looking for organizations that serve their needs and are responsive to their inquiries. Service quality and customer satisfaction continues to be one of the primary goals of every organization. To achieve this goal of satisfying customers, organizations strive to develop strategies for understanding how customers think and what informs their choice. In a business climate where it cost high to acquire new customers, businesses are strategies that brings customer satisfaction. (Siadat, 2008, cited Van Rie, Lijander and Jurriens 2001). Customer Relationship Management (CRM) has been considered by many scholars to deliver satisfaction to customers. Wu, 2008 argues that, “As more and more enterprises realize the importance of becoming customer centric in today’s competitive economy, they embrace Customer Relationship Management (CRM) as core business strategy”

According to Gronoos (1990), and Parasuraman A., Zeithaml, V. A., & Berry, L. L. (1988), the success of any business is critically affected by the quality of service provided and customer satisfaction. Organizations that understand that, its customer relations activities can have an impact on productivity does so with the recognition that; to remain competitive, customer relation activities must be tailored to bring value to the customer and the organization (Ryu et al., 2012). However, organizations like the utility providers that enjoy natural monopoly have had their customer service questioned over the years, for remaining adamant to customer complaint and many have attributed this to the absence of competition.

The Electricity sets as its mission “to provide quality, reliable and safe electricity services to support the economic growth and development of Ghana”. The company has a customer service category on their website; www.ecggh.com that has columns for complaint redress,

information circulars and how to access service/product, all geared towards Customer satisfaction. However, the current service provided by ECG in cannot be describe as one that brings satisfaction.

This research seeks to examine the customer relationship management provided by ECG to know if it meets customer expectations and whether customers are satisfied and also understand from customer responses, which of the strategy needs improvement. To this, there is the need to understand customer experience of CRM activities in ECG in order to identify the considerations for satisfaction and retention. Therefore, this current study takes up the challenge of examining customer relations management and customer satisfaction and retention in ECG.

1.2 Research Problem

Varied Scholars have advanced stimulating research on the subject of customer relations management and its impact on satisfaction and retention. A study conducted by Pricka et, al. (2015) found that among the many expectations of customers on the organization, service delivery, knowledgeable staff and responsiveness to complain were the most significant. The study also revealed that, in spite of these requirements from customers, service quality is still below expectation. The key recommendations from the study suggested ECG improves customer support service, complaint redress and conduct effective customer relationship management training for employees. Ideally if there was an alternative, most customers would switch to other competing service providers to experience something different. Therefore, there is the need to understand the role customer relations can play in addressing the issues of service quality and customer satisfaction.

Therefore, customers perception of an organisation is vital for the reasons stated above. Unfortunately, not many studies have focused on this aspect of service delivery in the utility

sector. This study thus seeks to contribute to filling this gap using Electricity Company of Ghana as a case study.

1.7 Significance

In competing firms, after every consideration, customer relations are what differentiates one business from another. How an organization manages its relations with the customers it serves have a major impact on the flow of the business. This research is significant because it opens up natural monopoly companies to the realities of how poor customer relations can have adverse effect on customer satisfaction and retention. The study is significant also to get the management of Electricity Company of Ghana (ECG) first-hand knowledge of what informs the satisfaction and retention of customers. This will help ECG address weaknesses revealed by the customer. The study will also serve as a reference point for scholars in the area of organisational customer relations especially for monopoly companies.

1.8 Expectations

It is expected that the study will inform management of Electricity Company of Ghana (ECG) on the constraints poor customer relations poses to service quality and customer satisfaction.

1.9 Delimitations (Scope)

The research will focus on the consumers of Electricity of Ghana within the greater Accra Region who are either prepaid or post-paid customers. The study will target 150 respondents evenly sampled.

1.10 Organization of the study

The study is made up of five chapters that are interrelated. Chapter one discusses the background, research problem, scope of study, significance, and objectives for undertaking this

research project. The second Chapter investigates existing literature related to the study to gain an in-depth insight into the research topic. Chapter Three will present the research methodology that the researcher will use to undertake the study. Chapter Four will explain the findings of the study and set the issues for discussion. The last section, Chapter five will summarize the findings of the study and also make recommendations that would contribute to solving the problem raised, as well as a recommendation for further study.

1.11 Limitations

The limitations of this study include geographical location for data collection and the sample size of the study. Accra will constitute the geographical location of this study and the sample size. Though ECG served the southern enclave of Ghana which comprises of many regions, the cosmopolitan nature of Accra, provides a good scope for the study. Future research could encompass a wider sample size and even make comparison between ECG which is the energy distributor for the Southern belt and NEDco which is for the Northern belt.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter discusses and examines information or scholarly literature that relates to the study. The purpose of literature review is to convey knowledge and ideas that have been established on the topic (Dominick, 1997). Additionally, it delivers a background understanding, broadening the knowledge base of the study for academic conceptualisation and contextualisation. In this regard, the chapter reviews aspects of related research work in journals, articles and books. The chapter also leveraged on the review of relevant theories, concepts as well as related empirical studies of related research works published.

2.2 Concept of Customer Relationship Management (CRM)

Customers have over the years been described as key in the success of various organisation's operations. It is therefore important that the customers are studied and better understood in order to manage the customer relationship. According to Gronoos (1990) and Parasuraman et al. (1988), the success of any business is critically affected by the quality of service provided and customer satisfaction. Organizations that understand that, its customer relations activities can have an impact on productivity does so with the recognition that; to remain competitive, customer relation activities must be tailored to bring value to the customer and the organization (Ryu et al., 2012).

The acronym CRM denotes, Customer Relationship Management. The term was introduced as part of business approach to managing the engagement an organization has with its customers and potential customers. Consequently, several scholars have conceptualized the approach to reflect its use in modern times. However, it still remains that the approach irrespective of the definition propounded, anchors on relationship and value creation for both the customer and the company (Chatterjee, 2000; Shahin & Nikneshan, 2008).

In underscoring Customer Relationship Management, Swift (2001) defines, CRM as a creative approach to understanding and influencing customer behaviour through purposeful communications that seeks to improve customer acquisition, customer retention, customer loyalty, and customer profitability. Kotler (2003) also adds that, CRM is “a concept that is based on the philosophy of using a combination of customers and marketing for relationship building. Kincaid (2003) also posits CRM as a strategic component that allows the organization to address their customers’ relationship issues using information, processes and technology that can inter-relate with various departments within the organization such as sales, service, marketing and support department.

Dowling (2002) argues that, customer relations management is essential to building customer loyalty/ In effect, “the confidence that the company is reliable enough to establishing relationships and deliver on its promises” (Donio’ J., Massari, P., & Passiante, G. (2006)). The loyalty when complimented with a CRM strategy allows an organization to acquire, spot, nurture profit and retain their customers by maintaining and building long run relationships (Sin et al, 2005).

From the above definitions of CRM and the opportunities it offers for an organization, some scholars emphasize CRM as the summation of information and processes through relationship building and it is mediated by marketing and sales to create value for the customer and reap customer attraction, satisfaction and retention, while others see it as a strategy adopted by companies to focus on the needs of their customers. Reinartz et al. (2004) states that conceptualization of CRM from the perspective of the customer, which focuses on customer relationship initiation, maintenance and value maximization, provides proper context for the explanation of the concept of CRM.

When organizations are focused on their relationship with customers, they do so with the purpose of creating value for the customer. In a study conducted by Kim et al (2003), customer

information management was suggested to be an integral consideration for attracting and retaining successful relationships with customers. The study emphasizes that, when organizations prioritize their association with customers, their interest in the organization is retained and thus generating value for the organization. While Kim et al (2003) emphasizes these considerations in relation to CRM approach to customers, Chan (2005) & Payne et al. (2005) reference business processes, technology and organizational strategies as significant in the implementation of CRM. The combination of the knowledge espoused by the various approaches underlines CRM to identify and achieve customer satisfaction.

Various scholars (Blut et al, 2015; Zhao et al, 2012) consider customer satisfaction, a crucial factor for business survival and development. More so, the term has become one of the main elements for improving quality in the global competitive marketplace (Ryu et al., 2012). The objective of this is, the more satisfied the customer is with the product and service, the more the attraction to the business. Customer satisfaction can be seen either as a goal or a measurement tool. It affects customer retention and, therefore, profitability and competitiveness (Shi et al., 2014). According to Beatson et al., (2008) and Schneider and Bowen (1985), human interaction makes employee behaviour a significant determinant of customer satisfaction. Organizations through customer interactions develop mutual relationships with customers leading to the production of services that are proportional to customer expectation (Shaw and Ivens, 2002).

According to Phelp (2001), businesses have come to understand that, customers have a peculiar development cycle known as the Customer Lifecycle. The cycle develops first from customer identification, where companies reach out to customers, they wish to provide service for. Then it proceeds further to acquisition where the aim is to obtain valuable information necessary to provide services to retain the customer. The cycle moves to the retention phase where firms

create long term commitment and loyal customers; and lastly the loyalty phase where goal is to try to establish and identify life time value of their customers.

2.3 Customer Relations Management (CRM) and Customer Satisfaction (CS)

Customer satisfaction is considered a crucial factor for business survival and development (Blut et al., 2015; Zhao et al., 2012. Rust and Oliver (1994) define satisfaction as the “customer fulfilment response,” which is as a result of customers evaluation or response to service quality. Service quality is defined as a measure of how well the service level that is delivered by an organisation satisfies the overall expectations of its customers (Parasuraman et al., 1985). Channoi (2014) in his study acknowledges that Service quality, corporate image and customer perceived value are three signifiers of customer satisfaction. Jamal and Naser (2003), found that if customers are satisfied with the services of the firm, they are more likely to express their satisfaction by engaging in repeated purchases. Service quality is the most important determinant of customer satisfaction leading to customer loyalty (Naik, C.N. K. et al ,2010). Athanassopoulos et al (2001) examines Customer Satisfaction (CS) impact on customer behavioural responses. The research highlighted three variables; retention of service provider, customer – organization engagement and intention to switch service providers as the impact of customer satisfaction on customers’ behavioural responses. Again, Appiah et al (2011) also conducted a study on the role of the service quality variables in enhancing customer satisfaction. The result established that service quality indicators such as responsiveness and empathy have substantial impact on customer satisfaction. Other researchers like Niveen et al (2013) have also established studies that speak to factors affecting customer satisfaction on service quality. The discoveries revealed that customer satisfaction have significant effect on Reliability, Empathy, Assurance and Responsiveness, however, there are no tangibles but can positively influence customer attitudes in terms of service quality dimensions critical for customer satisfaction.

2.2.1 CRM and Customer Retention (CR)

In an increasing volatile business environment where competition is key among businesses, periodically businesses are engaged in programmes and activities that are targeted at attracting new customers and more importantly retain existing ones. Morgan & Hunt (1994) define Customer Retention as the tendency of a client to be retained by an organization. Keiningham et al. (2007, p 364), also defines customer retention as “customers” stated continuation of a business relationship with the firm. For a Product and service-oriented firm like the Electricity Company of Ghana, customer retention is the continuous choice to maintain the company as a service provider.

Knowing customer’s needs and problems helps the company to acquire and retain them easily and with less cost (Dimitriades & Stevens, 2008). Today companies have come to understand that retaining new customers holds value to acquiring new ones (Rosenberg & Czepiel, 1984; Vandermerwe, 1996). To this, organizations strive to build better relationships to increase customer satisfaction and build loyalty (Ang & Buttle, 2006). Winer (2001) argues that firms practicing CRM programmes considers customer retention as an end goal. He adds that if companies want to deliver the service customers expect, a comprehensive set of relationship programme based on customization, customer service, reward programs, community building and loyalty programs are necessary to achieve retention.

Following this revelation by Winer (2001), some researchers have developed interest in unearthing strategies for attracting and sustaining good relationships with customers that are easily accessible (Duncan & Moriarty, 1998; González et al., 2004). One of those is Finn (2005) who suggests that, the quality of relationship between a company and customers plays an important role in sustaining long lasting relationship. (Crosby et al., 1990; Kumar et al., 1995 adds that relationship quality from customer’s perspective relies on information sharing to achieve relationship quality.

2.4 CRM impact on Customer Retention

Increase competition among companies have presented an array of choices for the customer in the market environment. Owing to this/ organizations are progressively adjusting their marketing strategy, borne out of the recognition of the customer. Today, customers have been identified as the most significant factor in business management because of their purchasing abilities. Having clarity on how organization can tailor its strategies to achieve the desired customer relationship management to impact customer retention is a sort out end goal

Ghahfarokhi & Zakaria, 2009 explains that to best understand CRM's impact of customer retention companies must be deep neck to understand customers and leverage on the knowledge to bring to them what they desire. Hobby, 1999 agrees that, CRM enables organization to identify, attract, and increase retention of profitable customers by managing relationship with them. One of the understandings, is the value relationship of CRM by both the company and the customer that can impact Customer retention. Customers are the buyers and promoters of a company's product or service.

While their purchase of the product or service creates value and increases profit, their referrals add to expand the market shares of the company because they find satisfaction in the service. When customers are satisfied with the services or product received from the company, their interest in the company increases and ultimately leads to retention. Researchers like Dwyer et al., 1987; Becker et al., 2009 have argued that, improved relationships with customers impacts on customer satisfaction and thereby increased profits.

Nonetheless, this satisfaction is not achieved by a fluke. Winer (2001) outlines several retention programmes that have the tendency to stimulate customer satisfaction and ultimately Customer retention like "customization, good customer service, customer rewards, community building etc. Customer information is vital to the value creation and customer satisfaction. knowing what the customer needs, their taste and preferences in the marketplace is vital to aligning their

behaviours with the organizations goal. This information of the customer improves customer profitability and customer satisfaction (Couldwell 1999).

Although Technological software for CRM has been popularized lately as a form of CRM database to analyse, customer interactions and address customer relationship issues, it is said to be of little impact or in some cases alter the firm's goals in different ways (Becker et al. (2009). Adding that, without a synchronization with the organizational and human resources, the investments made in Technological CRM will have little or no effect on focusing activities that achieves customer retention.

2.5. Theoretical Framework

Towards an understanding of how customer relationship management (CRM) can be achieved by organizations, several theoretical approaches have been suggested by varied scholars. One of such approach is Relationship Marketing (RM).

Relationship Marketing focuses on utilizing tools of traditional marketing in creating long term value for the customer. The theory from the perspective of Berry (1983), recommends that, the more organizations deliver value for customer the more the relationship is strengthened there by increasing retention. In the eyes of Berry (1983), relationship marketing is a strategy to attract, maintain and enhance customer relationships.

Xu & Walton (2005), illustrates that, "the motivating factors for companies moving toward CRM technology are to improve customer satisfaction level, to retain existing customers, to improve customer lifetime value, to provide strategic information from the CRM system and to attract new customers" (Zavareh, 2008).

In recent decades, many organizations have come to realize the need to become more customer focused to survive in the business competitive environment as a result Customer relationship

management has found space in many organizations marketing strategy (Gherardi & Masiero, 1990; Juttner & Wehrli, 1994; Bull, 2003).

The evolution of relationship marketing has been one of the most significant developments in marketing since the 1990' (Chattananon et al., 2008). According to (Chakravorti 2006) the term emerged as a popular new paradigm in the 1980s, as a result of a shift in focus from customer acquisition to customer retention. The Relationship Marketing (RM) Theory proposed by Gummesson 1994 argues that as the company delivers value to the customer, the strength of its relationship with the customer improves and thereby increasing customer retention. Gummesson (1994) emphasises that Relationship Marketing (RM) involves, relationships, networks and interaction. The theory, also defined by Berry and Parasuraman, (1991) attributes the term as an essential factor to attracting, developing and retaining customer relations. Morgan and Hunt (1994) defines it as all “marketing activities directed at establishing, developing and maintaining successful relational exchanges. Notwithstanding the various definition, Relationship marketing looks at creating an approach and strategy that generates customer retention by way of one-on-one marketing as opposed to transactional marketing that focuses on increasing the number of individual sales. The definition has roots in Peppers, Rogers and Dorf (1999) description of relationship marketing as “one-on-on marketing”.

Marketing studies have identified a number of key underpinnings of relationship marketing. Morgan and Hunt, 1994; Ndubisi *et al.*, 2004 identify trust; the shared believe that both the customer and the business can rely on each other to transact business. Gundlach and Murphy, 1993; Ndubisi, 2004 consider equity as a consideration for relation Relationship marking. (Ndubisi *et al.*, 2004) identifies Conflict handling as a basis for Relationship Marketing and communication of information is what (Crosby, L. A., Evans, K. R. and Cowles, D. (1990); Morgan and Hunt, 1994; Ndubisi *et al.*, 2004) identifies as a fundamental of Relationship marketing.

Peppers, Rogers and Dorf (1999) proposed four models by which Relationship Marketing (one-on-one marketing) as a CRM approach can be used to achieve Customer retention. The suggestion mentions, customer identification, customer differentiation, Customer interaction and customization of product and service to meet customer needs as the four (4) models.

1. Customer Identification

Identifying who your customers are is a valuable consideration in any business setup. This is because the more a company is able to identify which customers are valuable to them, the better they are able to maximize their efforts in ensuring that the customers remain a valued asset at all times. An identification of the valuable customer follows a process of segmentation where they are classified based on certain indicators (Wanjau, 2011). Buttle (2009) identifies a value chain model to be used by organizations as a guideline to create customer value. The model according to Buttle (2009) consists of two levels; the primary level and the secondary level. The primary level consists of customer portfolio analysis where a company identifies the customers that are more desirable and tries to source out information about them in order to make strategic decisions that fit. The information generated allows companies to provide the sort of products or services that target their customers for value creation. Customer identification looks at recognizing your customers and providing products and services that are tailor-made to their needs. It is important for relationship marketers to know their customers and offer the required products that meet their needs.

2. Customer Differentiation

To meet customer expectations, it is important to differentiate the customer base into value and need (Peppers & Rogers, 1995). The differentiation is purposed to give an insight into customer preferences and implement strategies that meet company goals and customer expectations. Differentiation based on value allows organizations to identify customers that are loyal and need attention because of their loyalty. Interactions with these 'value' customers generate

feedbacks for feedback can be valuable for product line extension, increased efficacy, and performance, as well as revenue generation (Srivastava, 2013).

On the other aspect of differentiation; differentiation based on need is described by (Charantimath, 2011) to help strategize promotions. The needs assessment is important because apart from analysing the customers who add value to the company's brand image, it is trite to apply effective customer service to address customer needs individually.

3. Customer Interaction

Conversations with customers are key to understanding a variety of issues that aids different sectors of business management; marketing, sales, advertising etc. Eko, 2014 holds the view that, Customer interactions help to understand customer expectations and how they relate to business products and services. The interaction, based on customer value and needs, provides a chance to collect feedback, opinions and wants. This has helped them develop customer-oriented products.

4. Customization of Product and Service

Customization is the satisfaction to be able to choose a product from a list of order by a customer (Winer, 2001; Ahmad & Buttle, 2002; Farquhar, 2004). The approach transcends communicating with customers to creation of tailor-made products for individuals. Scholars also describe customization as. The point that should be noticed is that versioning is easier to do for services and intangible products than for physical products; however, companies can use the additional information gained from customers to tailor at least the appearance of products (Winer, 2001; Farquhar, 2004; Smith, 2006).

The theory has come as a value creation model for organizations and customers leading to long term asserts creation for the company, foster long mutual relationship and impact on trust and loyalty.

2.6 Review of Related Literature

1. Case study of Hotel Taj in the context of CRM and Customer Retention Aradhana

Chadha

The study aims to investigate the impact of customer relationship management on customer's satisfaction, trust, retention in HOTEL TAJ in India, in addition to the following; to know the customers trust to Hotel Taj due to CRM, to find whether customers are satisfied due to CRM in Hotel Taj, to identify customer retention in Hotel Taj due to CRM, to find whether customers are satisfied due to CRM in Hotel Taj and to identify customer retention in Hotel Taj due to CRM.

In this study, descriptive statistics was used to summarize respondent's characteristics, including demographic information on gender, age and also questions relating to participating company's profile, such as the numbers of Customer. Additionally, inferential statistics was used to test hypotheses to determine the relationship between variables. The research made use of two types of data; primary and secondary data. The Primary data focused on the answers received from the customers of Hotel Taj. Secondary data relied on annual reports and accounts of Hotel of India, Books, Journals, Periodicals and computer database. All customers' department officials in state hotel of India were deemed as the research population.

The research made use of the variable analysis tool, analysis of variance (ANOVA), to determine the impact of customer relationship management in Taj Hotel, New Delhi on the level of customer's trust, retention, satisfaction, and management activities.

The findings shows that the Customer Relationship Management has moderate influence on the level of client's satisfaction, confidence and the retaining of the clients of the Taj Hotel, New Delhi. It also concluded that Hotel Taj employees have good skills and trustworthy. The information customers get from the hotel is accurate and the hotel always exert good efforts to fulfil its promises.

The findings concluded also that, managerial and hotel service activities in Hotel Taj were flexible. The management commit itself to the personal needs of customers, and provides information that is trustworthy to allow access to its services and products. Their attention to detail and problem-solving skills were found as critical to building very close relationship with customers and improving service quality.

2. Customer Relationship Management (CRM) and Customer Retention in Nigeria

Banking Industry: A Strategic Standpoint

Olufemi Atanda Akintunde & Godbless Onoriode Akaighe

The study investigates CRM and Customer retention in the Nigerian banking industry. Five (5) research objectives and hypotheses were developed for the study. Quantitative research method was adopted and sample size of 420 relationship management personnel and marketers were surveyed using stratified random sampling technique. The result establishes a positive significant relationship between CRM and customer retention.

The study seeks to establish if there is a significant relationship between bonding and customer retention, ascertain if there is a significant relationship between empathy and customer retention, investigate the significant relationship between reciprocity and customer retention, ascertain if there is a significant relationship between trust and customer retention and investigate if there is a significant relationship between communication and customer retention.

The quantitative research method was used in arriving at the findings of the study. The information collected by researchers was used to either confirm or reject hypotheses and resolve issue adopted for this study. As Gill & Johnson, (2010) agrees, deductive approach can be computed numerical and calculated. The deductive research approach focused on how to reach a particular conclusion in line with the philosophy of positivism which includes hypotheses and to prove the assumptions.

In analysing the data obtained from the field survey, the Pearson correlation analysis was employed and presented in hierarchy correlation matrices, showing the mean, standard deviation and inter-correlations of the variables, with the aid of statistical package for social sciences (SPSS 21.0). 500 questionnaires were distributed to the respondents but 420 representing 84% were duly filled, successfully retrieved and adjudged usable for the analyses.

The research found that;

1. There is significant relationship between bonding and customer retention. It also establishes that mutual understanding of the desire of the customer and goal of the seller by way of connecting the customer to the organization through quality services and good relationship management skills, increases patronage and retains customers in the organization This finding sides with Jobber & Fahy (2006); Dixon-Ogbechi, Haran and Aiyeku (2009) stance that stronger bonds increase party's commitment to business relationship and retains customers.
2. The findings also establishes that there is significant relationship between empathy and customer retention. Adding that empathy adopted in relationship management by an organization towards customers, increases patronage and retention. This finding sides with a related study by Ferguson (1990) that underscores empathy as fundamental consideration in ensuring a long-lasting relationship between a seller and customer resulting in customer retention and future exchanges.
3. Furthermore, the study found that there is a significant relationship between reciprocity and customer retention. The conclusion therefore means when organizations make use of reciprocity through favours, mutual beneficial exchanges and good quality of services, the customer is retained. The conclusion is grounded in Smith and Johnson (1993) description of reciprocity as providing favours to customers as an appropriate

dimension of relationship marketing to enhance the chance of customer providing similar favours in patronage from to the organization at a future date.

4. The study again reveals that there is a significant relationship between trust and customer retention. The implication is that, the more customers can rely on the promise made by the organization that it will be fulfilled, the more the customers will be retained in the organization. This conclusion relies on Lombard (2011).
5. Last of the finding established that there is a significant relationship between communication and customer retention. The more regular the interaction with customers in a cordial manner, the greater chance that customers are retained in the subsequent transactions. This finding aligns with the study of Olotu, Maclayton and Opara (2010) that points out the need for Nigerian banks to efficiently and effectively practice to improve the level of customer retention.

3. Impact of CRM Factors on Customer Satisfaction and Loyalty Authors: Choi Sang Long , Raha Khalafinezhad , Wan Khairuzzaman Wan Ismail & Siti Zaleha Abd Rasid

This article examined the impact of customer relationship management (CRM) elements on customer satisfaction and loyalty. Four critical CRM elements were measured in this study; behaviour of the employees, quality of customer services, relationship development and interaction management. The study was undertaken at a departmental store in Tehran, Iran employed quantitative approach with 300 respondents.

The Multiple regression analysis was used to examine the relationship of the variables. The finding showed that behaviour of employees significantly relates and contributes to customer satisfaction and loyalty. In the study, quantitative research was selected Questionnaires were distributed and the data collected was analysed statistically using the SPSS software package. Inferential statistical analysis was also used to conclude on the objectives of the study.

The findings concluded that CRM does have a positive relationship with the dependent variables (customer satisfaction and loyalty). However, it also noted that not all the elements had significant impact on the dependent variables. Employee behaviour and relationship development were found to be the most contributing element to customer satisfaction. This result confirms the findings of previous studies (Coulter, 2002; Brown & Gulycz, 2002; Hanley, 2008).

The findings settled that store employees who foster good relation with customer tend to increase customer satisfaction. Adding that the behaviour of the employees also affects customer loyalty. (Hanley, 2008; Szczepańska & Gawron, 2011) was used to support the findings.

Two elements behaviour of employees and relationship development were emphasized as important considerations for organizations. Showing politeness and courtesy towards their customers is not enough, but most importantly, employees must have the product knowledge and communication skills that can create sustainable relationships with the customers. As stated by Hanley (2008) and Coulter (2002), positive employee behaviour is vital to sustaining customers' loyalty. The requisite training must be giving to employees in other to be able to articulate and respond to customers' needs in real time.

2.7 Research Objectives

The study generally examines Customer Relations Management and Customer satisfaction and Retention, a study of ECG. Specifically, the study seeks to;

1. Examine the strategies ECG employs to manage their customer relations
2. Explore what customers, consider as customer relations activities.
3. Determine customer satisfaction and Retention.

2.8 Conclusion

The review of literature focused on an understanding the impact of CRM on customer satisfaction and retention. The chapter begun with a conceptual definition of CRM by various scholars and an understanding of what informed the definition and how it has evolved stating relevant and available information It further stated previous research that offered a wide range of research findings on CRM and its impact on customer retention and the factors that influences customers to be retained. Among the issues reviewed are the 4-dimensional approaches to customer relationship management; Customer satisfaction, customer attraction, customer retention and customer loyalty.

The Chapter further reviewed Relationship Marketing theory as the theoretical framework backing the study. Apart from articles, journals, books and many others that were reviewed, out of the lot, three studies were selected, compared and analysed under the review of related studies. These studies aided the researcher to identify gaps the study attempts to solve.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Hussy & Hussey (1997) and Crotty (1998) cited in Kripanont (2007) argues that, the researcher chooses the most appropriate methodology for research based on the objective of the study. This Chapter of the research concerns itself with the types and sources of data that will be collected for this study. It describes the methods used, the study location, the measure variables as well as the sampling procedures. It also presents the instruments used to collect data and the tools that were used to analyse the data.

3.2 Research design of the Study

(Creswell & Plano Clark 2007) defines research design as the ‘procedure for collecting and analysing, interpreting and reporting data in research. (Saunders *et al.*, 2007), also define the techniques as the general plan by which research questions are answered to its fullest realization. The procedure is to enable the researcher to cover a relatively larger population for the purpose of making generalization and to delimit the inference of subjectivity in the interpretation of data. Robson (2002) argues that, there are three possible forms of research design: exploratory, descriptive and explanatory. The use of any of the forms of research design is premised on the objective of the design.

A research can be qualitative or quantitative (Creswell, 1994). Quantitative model is also named traditional, positivist, experimental, or empiricist model. Apuke, 2017 establishes that quantitative research is conducted by quantifying and analysing variables in order to get results. The analysis requires numeric information in the form of variables and largely involves gathering and measuring numerical data in order to answer the probing questions of the research to. Quantitative research method aims at generalising results from their samples over the target population. It also allows the researcher to independently conduct and verify the results of his research based on the data collected. However, this method has some restrictions in terms of gaining a deeper understanding of studying but it still remains the most appropriate method used because it makes it possible for large amount of data to be collected from a larger group.

This research is quantitative and applies the survey approach in collecting the data aided by the use of a questionnaire. The approach is founded on the strong academic tradition that places considerable trust in numbers that represent opinions or concepts (Newton *et al.*, 2002). The research applied quantitative methods of data collection because this method has stood the test

of time in evaluating emotion, making assumption or understanding the actions of people in a particular way to quantify data and apply statistical analysis (Tull & Hawkins, 1990).

The approach also makes it possible for samples to reliably represent a large population of study while giving an accurate account of the distinctiveness of particular individuals, situations, or groups. However, the disadvantage is that, information created may not be sufficient for generalization (Yin, 1994).

(Malhotra & Birks, 2007) defines a survey as a means of collecting information about the characteristics, actions, or opinions of a population. This study makes use of the survey method with questionnaires as the key driver of data collection.

3.3 Research Purpose

Available Literature (Robson, 2002) holds that, the three main purposes under which any investigation is made are: descriptive, exploratory and explanatory purposes. Descriptive study is conducted for the purposes of narrating or accounting for an event or problem and show how things are related to each other (Blumberg, Cooper and Schinder, 2005) However (Punch, 2005) explains that it cannot be clarify why an event has occurred and so it is more suited for relatively new areas. Exploratory study is conducted when enough information is known about an occurrence or a problem that has been clearly identified (Saunders et al., 2007). Here, the study merely explores the top, providing varying levels of in-depth. The last of the three, explanatory research provides explanation to descriptive information. Whereas descriptive study addresses the question of “What”, the explanatory study addresses questions on the “Why. Yin (2003) explains descriptive study as one in which information is collected without changing the environment. In this particular research, descriptive study is used since we are not very sure of the answers, and explanatory will be used partly to determine the impact of Customer Relationship Management on customer satisfaction and retention.

3.4. Population, Sampling and Data Collection

3.4.1 Population and Sample size

Study population is described by Bryman et al (2003) as the whole group that the research focuses on. The research focused on all prepaid and post-paid customers of Electricity of Ghana. The study will target 150 respondents evenly sampled from the Greater Accra. The study targets customers of the ECG who have come into contact with the customer relations of the company. The Electricity Company of Ghana is the leading power distribution company in Ghana serving the southern sector of Ghana. Questionnaires were distributed to the population to derive responses on the study.

3.4.2 Sampling Techniques

According to (Bryman and Bell, 2003), a sample is the segment of the population that is selected for investigation. Also, Sidhu (2003) as cited in Tettey (2009:26), defines sampling as the procedure of selecting a representative unit from a population. Cohen and Manion (1994) adds that in sampling, the researcher strives to collect information from the subset of the population in such a way that the knowledge gained can be used to infer as the general response of the total population under study. This study makes use of the Simple random sampling method. The simple random sample means that every case of the population holds and equal chance of being included in the sample (Ghauri and Gronhaug, 2005). The reason for the selection of this technique is because ECG serves 9 regions; Central, Greater Accra, Ashanti, Western North, Western, Volta, Oti and Eastern Regions of Ghana. This population makes it difficult to capture these customers as respondents in the study. Therefore, a fraction of the population known as sample is taken and their response are used to make generalization.

3.4.3 Data Collection

Primarily, the data collection used in the survey was aided by questionnaires. The researcher depended mainly on surveys through questionnaires in collecting primary data for this study. The researcher finds reason with Fraenkel and Wallen (2000) as cited in Tettey (2009:27) on the need to settle on a particular tool for data collection premised on cost, available resources and the essence of time. It is in the light of these that questionnaires were found to be purposeful for this research. Additionally, content analysis of related articles was used to examine the of CRM on customer satisfaction and retention.

3.5 Development of Instrumentation

Fraenkel and Wallen (2000) as cited in Tettey (2009) describes Instrumentation essentially as the process adopted by a researcher in collecting data for a study. The approach involves both the selection and design of the instruments and the predominant conditions in the administration of the instruments. Fraenkel and Wallen further asserts that, the choice on the type of data collection instruments depends on factors such as cost, available resources and time. Questionnaires, interviews and observations are the most commonly used instruments in a research.

3.5.1 Preliminary information gathering

Collection of data was from different sources, published articles inclusive. Questionnaires formed the basis of primary data for this study and it was used to collect empirical data in order to investigate the impact of Customer Relationship management on customer satisfaction and retention. Questions were in closed-ended and open-ended types.

3.5.2 Questionnaire Design

Questionnaire as described by McMillan and Schumacher (1993) and cited in Tettey, (2009) is an instrument presented by researchers for soliciting reactions and responses and attitudes. It

functions as a way of observing data beyond the physical reach of the observer and may be completed in the presence of the researcher or maybe done anonymously, Leedy, (1995) in Tettey (2009).

In this study, the researcher designed only one set of questionnaires for the sampled population. The questionnaire formulation structure Sekaran (2003) as cited in Kripanont (2007) was used in designing the questionnaire. The structure followed three thematic procedures; the wording of the questions, planning of the issues of categorizing variables and the general appearance of the questionnaires. The due diligence in this is to ensure that the research need to achieve the objective set out which, According to Kripanont (2007), is a basic criterion for relevance and precision.

3.5.3 Pre-testing of the questionnaires

A total of 10 questionnaires were distributed to respondents identified to have come into contact with ECG. Upon the completion of the pre-test questionnaire, it became clear after the exercise that there was the need for improvement on the questions asked to eliminate ambiguity. The questionnaires were therefore reviewed in terms of phrasing and sequencing of questions. Additionally, some questions were eliminated to ensure that the general objectives of the study were met.

3.6 Data Editing and Coding

To ensure that the data collected are well represented and coded to make possible analysis, the researcher used the SPSS software to code the collected data. This made it possible to check for, errors, omissions in collected data in order to ensure consistency and completeness. These results were further represented in a 'frequency distribution' table in SPSS. The collected data was entered into the SPSS software in a coded numeric form with each representing a particular variable such as age, sex etc.

3.7 Data Analysis Plan

Statistical elements such as bar and pie charts were used in representing the analysis done on the data collected where appropriate. Attached to the statistically elements are descriptive analysis and interpretation added to the diagrams to make the findings clearer. Findings of the analysis of this study are published in Chapter 4.

3.8 Conclusion

The chapter focuses on the study the researcher employed in making meaning out of the topic. It also highlights the type of data sort for and means by which the data will be received from the respondent and analyzed. In addition, the chapter provides insight into how the data collected will be presented in the next chapter to answer the questions posed in the research

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSIONS

4.0. Introduction

This chapter gives presentation, analysis of data collected from the administrated questionnaires, and interpretation of the findings. Data collected from respondents are represented in tables and graphical charts. The questions were administered to (150) respondents who are customers of the Electricity company of Ghana. Only 145 questions were return and answered correctly.

In all, the Analyses are presented as it was answered by the respondents without any influence from researcher.

4.1 ANALYSIS OF CUSTOMER RESPONSES

Table 4.1: How long customers have patronized the services of Electricity Company of Ghana?

Duration	Frequency	Percentage
10 - 20	58	48%
21 - 30	42	26%
31 - 40	37	18%
41 and above	8	8%

Table 4.1 shows responses on how long customers have used the Electricity Company of Ghana service. 48% of the respondents appear to be loyal to purchase the service of ECG the longest. This is because they have used the service for 10 to 20 years. 26% of the respondents have used the service for 21 – 30 years, 18% have used the service 30-40 and 40 and above years occupied 8% of the data.

The data indicates that ECG commands a high rate of retention among its customers. This means that about 60% of the respondents have stayed a minimum of 10 years purchasing the service of ECG. It shows that majority of the respondents have experience dealing with ECG and for that matter have a significant experience with their service delivery quality. This could be attributed to the nature of the service ECG provides. For monopoly businesses that have no competition, especially for essential services like utility, people are likely to stay because there are no alternatives to choose from and not necessarily because the business may be doing something good to attract satisfaction and retention. According to Bowen (1986) and Surprenant and Solomon (1987), intangible services depend largely on human interaction and

are difficult to control. To this, Beatson et al., 2008; Schneider and Bowen, 1985 argues that employee behaviour is a significant determinant of customer satisfaction and retention. Social Media today has enabled even monopoly companies to rethink their customer service approach. Even when there are no competing businesses to switch to, people are quick to express their resentment about the quality of service and that has been the case of ECG. Even though customers are not happy with service quality and have to invariable stay for lack of an alternative, they express their satisfaction through varied means. This is because, the data actually confirms a higher percentage of retention of ECG Customers. It cannot be concluded on the face on the data whether the high retention is as a result of good customer relations. The situation could also be due to the monopoly it enjoys and a lack of an alternative and therefore the retention.

Figure 1: Pie chart of number of years of continuous service

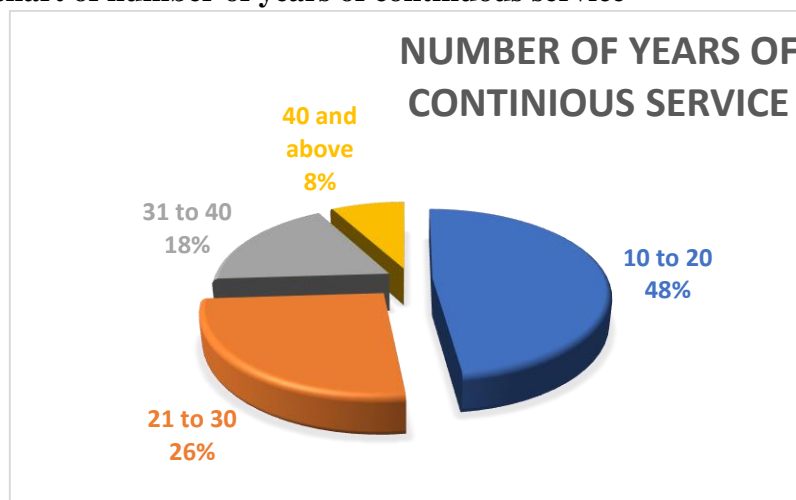


Table 4.2. Answers to the question: Customer Relations management is any activity undertaken to promote customer satisfaction and retention.

Response	Frequency	Percentage
Strongly Agree	117	81%
Agree	27	19%
Neutral	0	0%
Disagree	0	0%
Strongly Disagree	0	0%

Table 4.5 reveals a great understanding of CRM by respondents. 81% of the respondents strongly agree to the definition of Customer Relations Management. 19% agree also to the definition. Unanimously no respondent refuted the definition of CRM. The across board understanding of CRM helps in unravelling the objectives set out in the study. In the Literature review it was established that several scholars have suggested varied definitions of CRM. Rababah et al (2011) contends that the absence of a unified definition of CRM makes it difficult for the successful implementation of CRM. The data from the study sets the tone for finding answers to the objective; to explore what customers, consider as customer relations activities. The appreciation of the definition provides good educational background for understanding what customers consider as CRM activities

Figure 4.2 Pie chart on number of years customers have used the services of ECG

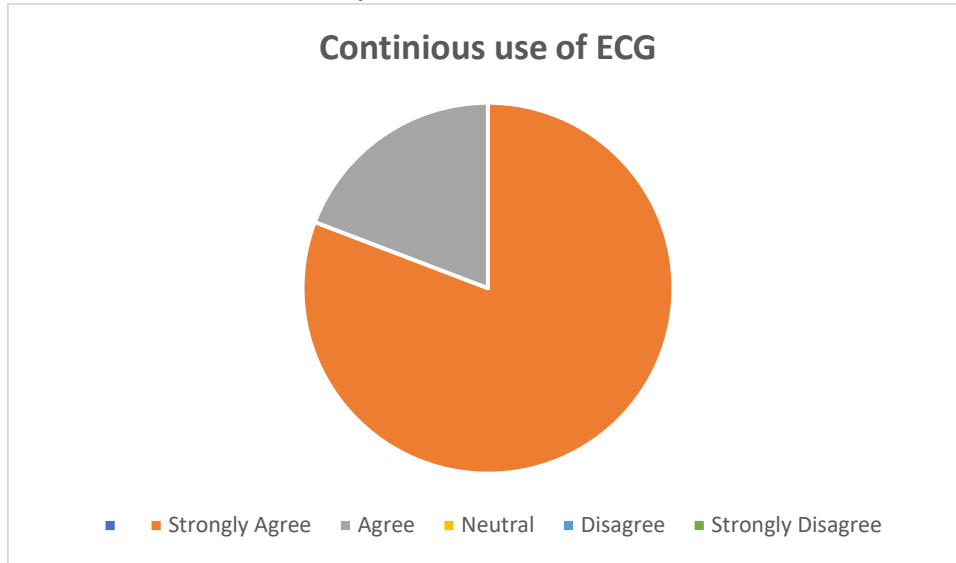


Table 4.3 provides responses to the question; Customer Relations involves prompt feedback, consistency in communication, service quality, customer rewards, going the extra mile to help customers, swift resolution to customer complaint etc.

Table 4.3

Response	Frequency	Percentage
Strongly Agree	75	52%
Agree	51	35%
Neutral	11	8%
Disagree	6	4%
Strongly Disagree	2	1%

Table 4.3 provides the data on respondents understanding of CRM activities. The data reveals that 40% representing 72 respondents strongly agree to the above as CRM activities. 51 representing with a percentage of 35% agree to the activities stated as examples of CRM. 11 of the respondents representing 8% were indifferent about the activities of CRM. 6 representing 4% disagreed and 2 representing 1% strongly disagree. The data from this question reflects a

high percentage of what respondents consider as CRM activities. The responses also underline a certain level of agreement by the respondents that, for CRM to achieve customer satisfaction and retention, it must involve the activities defined. This confirms similar studies in the literature review by Appiah et al (2011) which establishes that responsiveness to customer concerns, feedbacks and service quality have substantial impact on service quality.

Figure 4.4: Pie chart on CRM activities

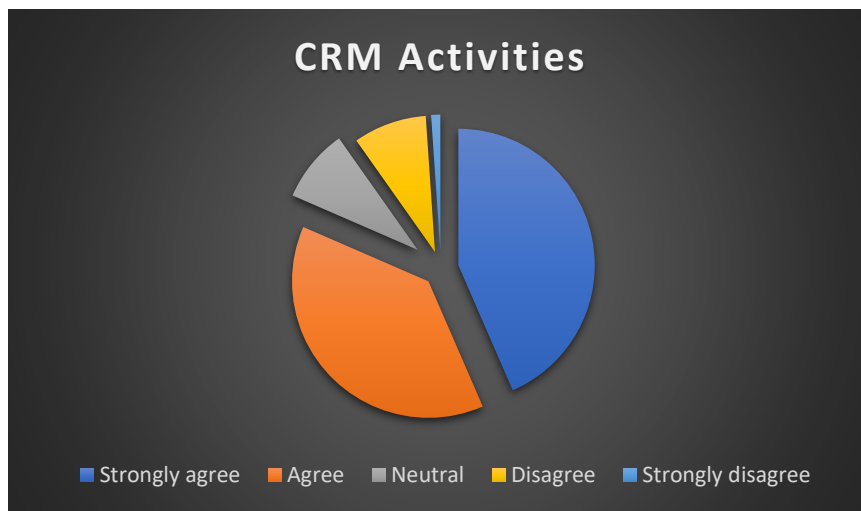


Table 4.5 provides responses on the Question: Customer Relationship Management Impacts Customer Satisfaction and Retention.

Response	Frequency	Percentage
Strongly Agree	128	88%
Agree	12	8%
Neutral	5	4%
Disagree	0	0%
Strongly Disagree	0	0%

The study establishes that the respondents, 88% of them strongly agree that Customer Relations has an impact on customer satisfaction and retention. This acceptance of the impact of CRM is emphasized by Ryu et al., 2012 who argue that CRM activities when well-tailored can bring value to the customer and the organization. Winer (2001) in another study further adds that the

end goal for organizations who practice CRM is to achieve retention. This view collaborates the findings as customers also share the view that the CRM brings satisfaction to them and encourages retention.

Figure 4.5 Pie chart on impact of CRM on customer satisfaction and retention

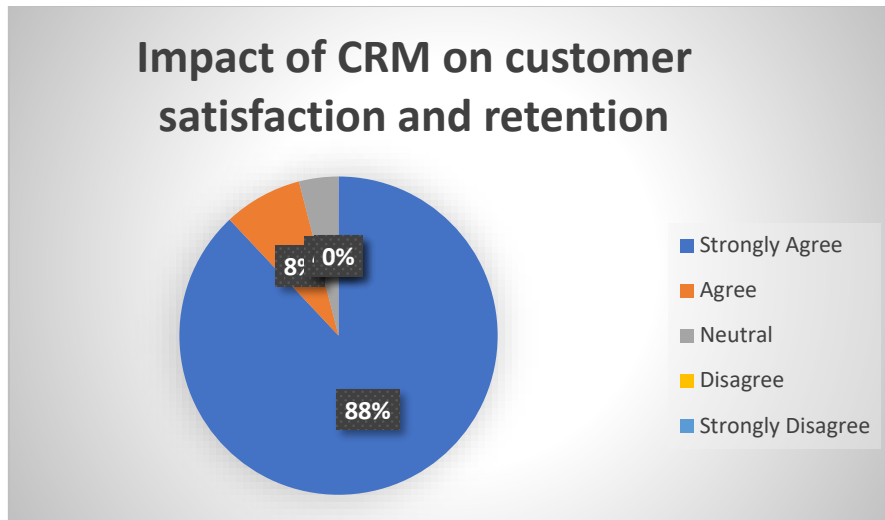


Table 4.6 gives data on the statement: ECG has good customer relations

Response	Frequency	Percentage
Strongly Agree	12	8%
Agree	26	18%
Neutral	9	6%
Disagree	74	51%
Strongly Disagree	24	17%

From the Data in Table 4.8, 8% of the population sampled strongly agree to the suggestion that ECG has good customer relations. 18% agreed to the suggestion while 9 representing 6% were neutral about their responses. However, 74 people representing 51% of the responded disagree with the suggestion and 24 representing 17% strongly disagree to the statement. In earlier response to the question on the number of years respondents have used the service of ECG, it

was revealed that over 60% have used the service for a minimum of 10 years. That did not provide enough basis to conclude the retention is as a result of good customer relations. Here the specific question of whether ECG has good customer relations is answered.

The results revealed that more than half of the respondents disagree with the statement that ECG has good customer relations. This negative appraisal has a dire implication on the competitiveness of the business since Reichheld & Sasser, 1990 posits that quality of customer service is related to customer loyalty, customer retention, and increased organisational profits.

Figure 4.6: Pie chart on ECG’s relationship with customers

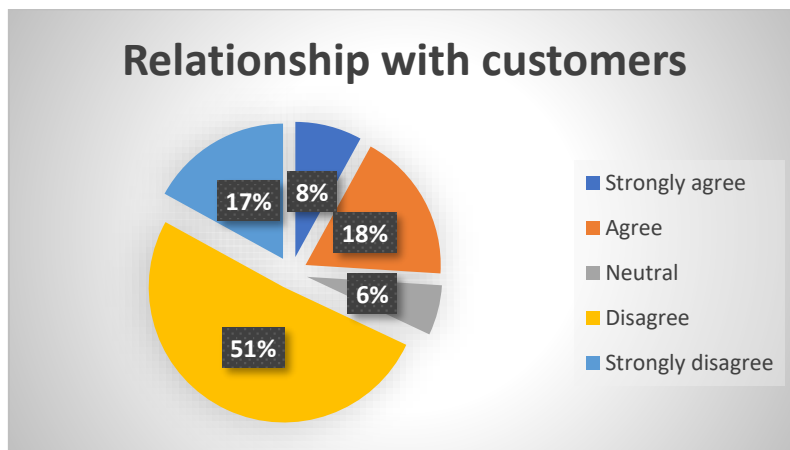


Table 4.7 provides responses of respondents on the statement; the company regularly communicates with customers to assess business impact.

Response	Frequency	Percentage
Strongly Agree	23	15%
Agree	29	20%
Neutral	0	0%
Disagree	51	35%
Strongly Disagree	42	30%

Table 4.7 show result on the question; ECG regularly communicates regularly with its customers. The findings show 8% strongly agree to the statement and 20% agree to the statement. 51 respondents occupying 35% of respondents disagree and 30% strongly disagree.

Communication, feedback, and promptness of response have been identified as good CRM practices that organizations must employ if they wish to bring satisfaction to customers and retain their patronage. As expressed in the literature, Finn (2005) suggests that, the quality of relationship between a company and customers plays an important role in sustaining long lasting relationship. Crosby et al., 1990; Kumar et al., 1995 reveals that customers rely on information sharing to achieve relationship quality. This information sharing requires communication and feedback generation. The data from the study establishes that ECG does not regularly communicate with its customers. This irregular communication has an impact on CRM and service quality.

Figure: 4.7

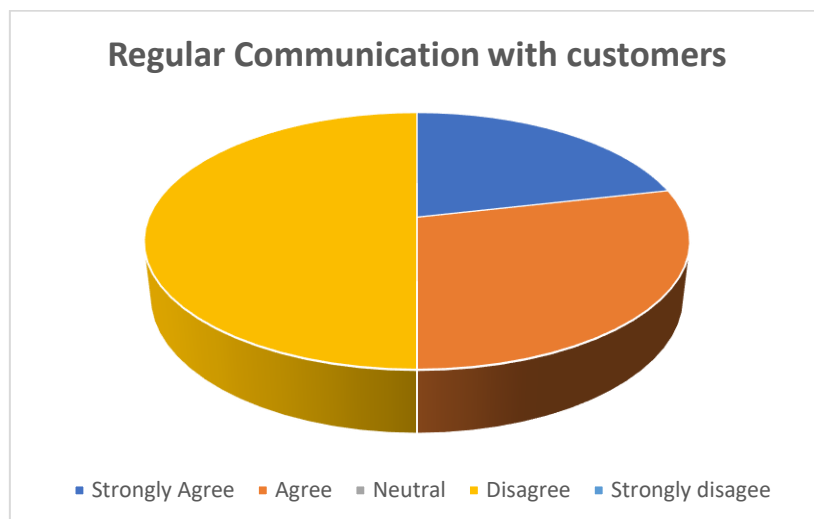


Table 4.8 Timely and trustworthy information

Response	Frequency	Percentage
Strongly Agree	49	34%
Agree	41	28%
Neutral	1	1%
Disagree	31	21%

Strongly Disagree	23	16%
-------------------	----	-----

Table 4.8 indicates whether communications from ECG are timely and can be relied upon. The majority making up 34% strongly agree that ECG communicates timely and trustworthy information while 33% of the respondents agree to the statement. Also 21% disagree with the statement and 16% strongly disagree. 1 respondent representing 1% was indifferent to the statement. Results from the data indicates that respondents reject the statement that ECG provides timely and trustworthy information to customers. There is significant relationship between communicating timely and trustworthy information and customer satisfaction. This position is emphasized by Yi, 1991; Anderson & Sullivan, 1993; Boulding et al., 1993.

Figure 4.8 Pie chart on responses on Timely and Trust worthy Information

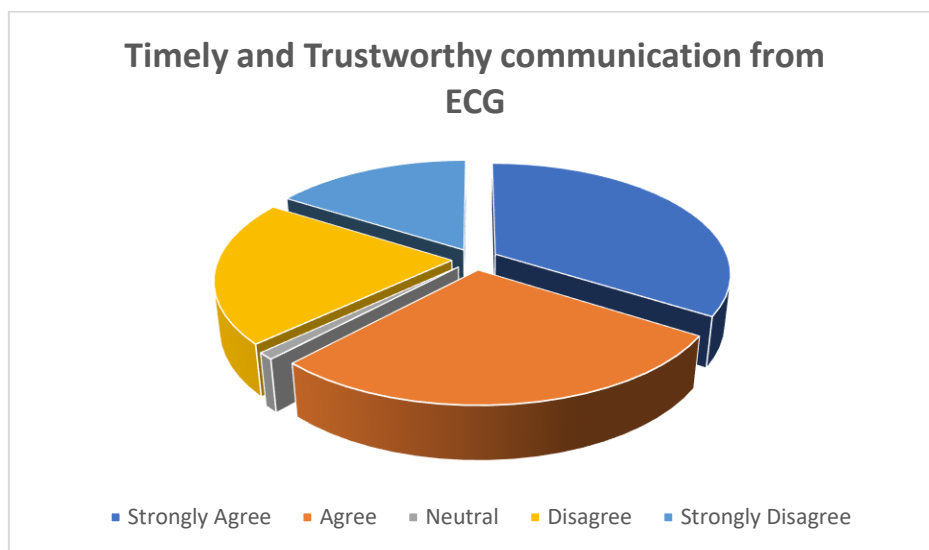


Table 4.9: Customer complaint are addressed promptly by ECG

Response	Frequency	Percentage
Strongly Agree	5	3%
Agree	8	6%
Neutral	0	0%
Disagree	92	63%

Strongly Disagree	40	28%
-------------------	----	-----

Table 4.9 above shows that majority (63%) disagree that ECG does addresses complaint promptly. Another 28% of the respondents showed strong disagreement to the statement. Also 3% strongly agree ECG addresses complaint promptly and 6% agree also to the suggestion. One of the important considerations for customer satisfaction is complaint management. How organizations show attitude towards complaint from customers determines their satisfaction. From the survey it can be inferred the complaints from customers to ECG are not addressed within the shortest possible time and this has great impact on satisfaction. Lee, 2009, argues that If customer complaints are less, then it means customers are more satisfied. However, Nyer (2000) investigation on Customer complaint and Customer Satisfaction finds that encouraging customers to complain increases satisfaction, especially for dissatisfied customers.

Figure 4.9 is a pie chat of the responses of respondents on how fast ECG addresses complaint promptly.

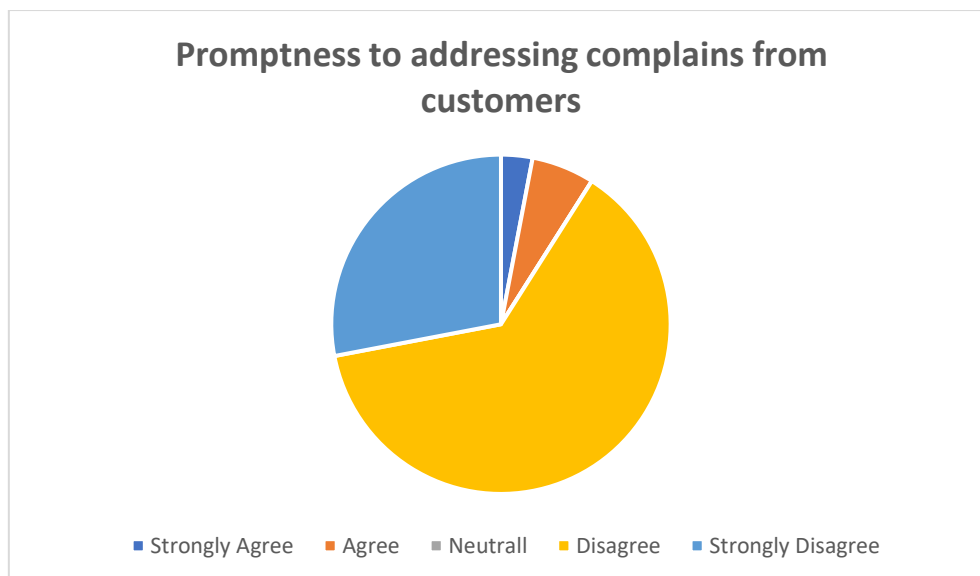


Table 4.10. Answers to: I am satisfied with the customer relation activities ECG

Response	Frequency	Percentage
Strongly Agree	14	10%
Agree	13	9%
Neutral	2	1%
Disagree	93	64%
Strongly Disagree	23	16%

Table 4.11 illustrates whether customers are satisfied with the customer relations of ECG. The results show 64% of the respondent disagree with the statement and 16% strongly disagree as well. Only 10% and 9% Strongly agree and agree to the statement respectively. 1 respondent remained indifferent to the statement. According to Hansemark and Albinsson (2004), “satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfilment of some need, goal or desire”. Satisfaction with respect to how organizations relate to customers has great implication on retention. The success or failure of a business depends on how satisfied customers are or not,

Figure 4.11 Pie chart on the responses on whether customers are satisfied with ECG customer relations

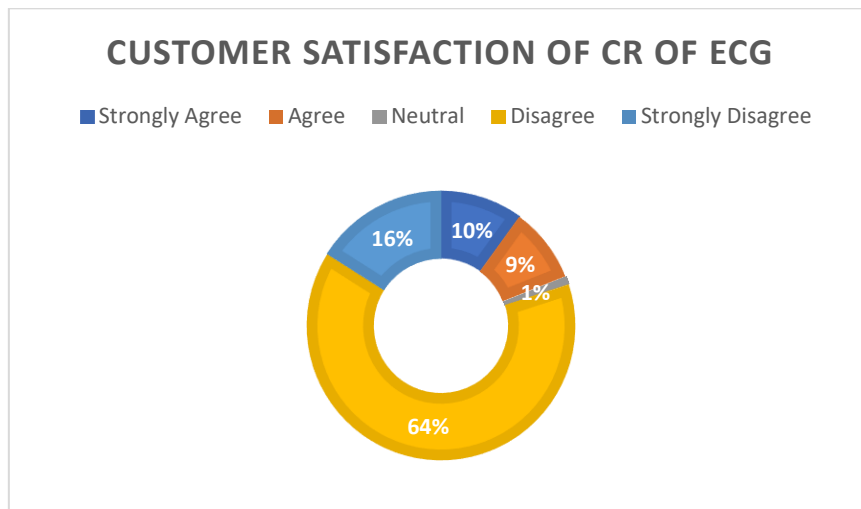


Table 4.11 Good Customer relations brings customer satisfaction and retention.

Response	Frequency	Percentage
Strongly Agree	125	86%
Agree	15	10%
Neutral	0	0%
Disagree	5	4%
Strongly Disagree	0	0%

Table 4.12 provides the responses to the question above. The results from the survey shows 86% strongly agree and 10% agree respectively that, good customer relations bring satisfaction and retains customers. Only 4% disagree with statement. The data means that the respondents consider customer relations a good CRM activity that provides customer satisfaction and

retention. As reviewed in the literature by Ang & Buttle, 2006, building better customers relations increases satisfaction and loyalty. The scholars agree that if organizations want to achieve customer satisfaction, one of the key drivers is to have customer relations-based programmes. The findings from the research agrees with the postulations of the scholars.

Figure 4.12 Pie chart on the responses on whether CR brings customer satisfaction and retention

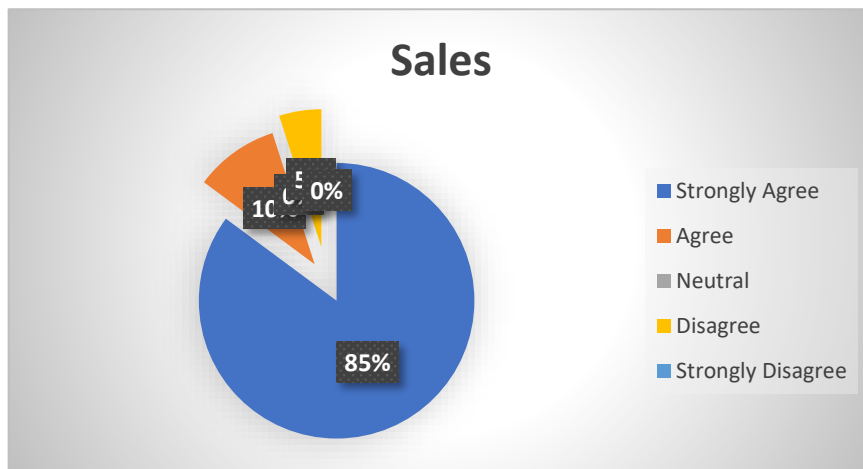


Table 4.13. Answers to the statement: Promptness in addressing complains brings satisfaction and retains customers.

Response	Frequency	Percentage
Strongly Agree	112	77%
Agree	30	20%
Neutral	2	1%
Disagree	3	2%
Strongly Disagree	0	0%

Table 4.13 shows responses on whether promptness in addressing complains brings satisfaction and customer retention. The results show 77% strongly agree, 20% agree, 1% Neutral and 2% disagree. Promptness in addressing complain does not only benefit the customer but the

organization as well. For organizations, it projects an impression about their customer relations and reveals their expression of empathy and commitment towards bringing solutions to people. C.N. K. et al (2010) examined some of the factors that impacts customer satisfaction. In their study, promptness of responses and speed of service were identified to have significant effect on Customer satisfaction and retention. The current study supports the finding of Tax et al. (1998) who stress that an effective complaint handling process can have dramatically satisfactory impact on customer retention rates.

Figure 4.14 Pie chart on promptness in addressing complain

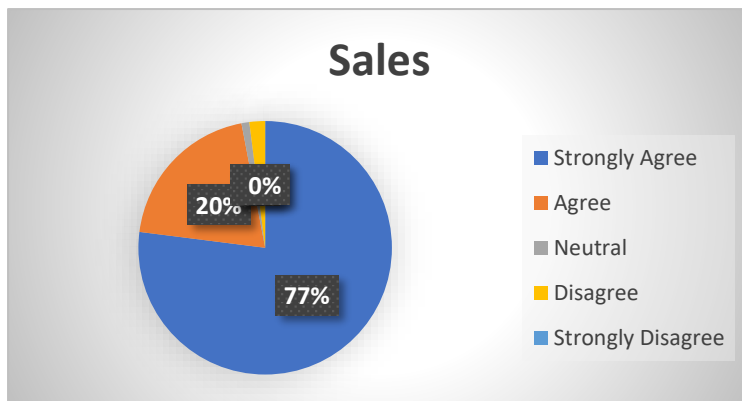


Table 4.14. Responses to the statement: Reliability of service brings satisfaction and retains customers.

Response	Frequency	Percentage
Strongly Agree	89	61%
Agree	56	39%
Neutral	0	0%
Disagree	0	0%
Strongly Disagree	0	0%

Table 4.14 provided responses on the impact of Reliability of Service as a determination of Satisfaction and Retention. The responses revealed 61% and 39% strongly agree and agree respectively to the impact of Reliability of service on Satisfaction and Retention. The assurance that customers are certain to receive the service as it is, speaks about reliability. Zeithaml *et*

al., 2006 defines reliability as “the ability to perform the promised service dependably and accurately” or “delivering on its promises”. The data from the study highlights the findings of Parasuraman et al., 1985 where it was expressed that service quality is enhance when organizations provide services as promised.

Figure 4.15 Pie chart on the responses on reliability of service on Customer satisfaction and retention.

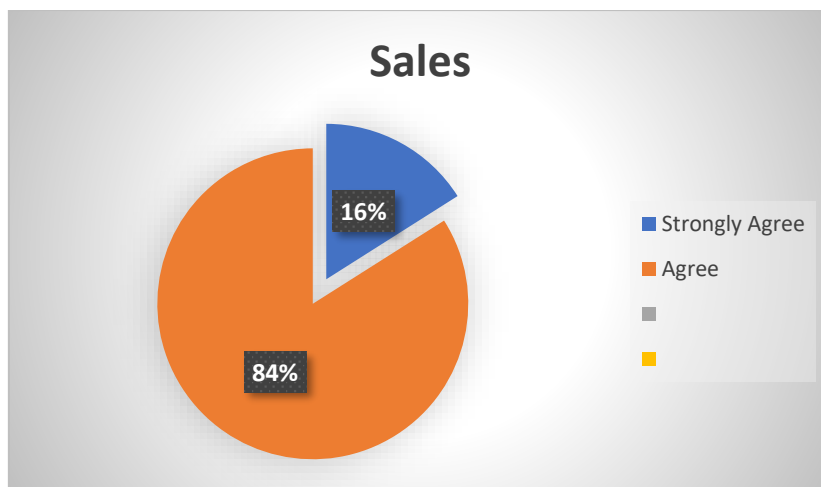


Table 4.16 Rewards to loyal customers brings satisfaction

Response	Frequency	Percentage
Strongly Agree	126	87%
Agree	19	13%
Neutral	0	0%
Disagree	0	0%
Strongly Disagree	0	0%

The responses on the statement; Rewards to loyal accounts bring satisfaction and retention had 126 respondents representing 87% of the total sample position strongly agree to the statement and 13% also agree to the statement. Essential all respondents believe rewards bring

satisfaction and customer retention. The current survey identifies customer rewards as an activity the brings satisfaction and retention.

Figure 4.16 Pie chart on the responses on if customer reward brings satisfaction and retention

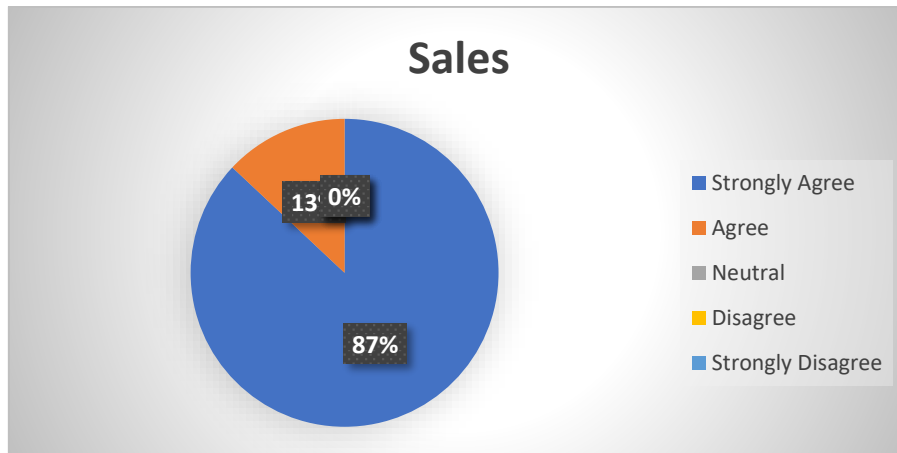


Table 4.17. I am satisfied when Staff of ECG show empathy towards my complain.

Response	Frequency	Percentage
Strongly Agree	89	61%
Agree	56	39%
Neutral	0	0%
Disagree	0	0%
Strongly Disagree	0	0%

Table 4.17 indicates the responses to the statement; I am satisfied when staff of ECG show empathy towards my complain. The results show 89 respondents Strongly agree to the statement while 56 agree to the statement. The details explains that customers who complain about issues to ECG expect the staff to show Empathy. Good complaint management makes customers satisfied. It is an assurance that the organization shares in your challenge and

understand it's impact on the sustainability of the business, product and service development, price and good relations contribute to satisfaction

Table 4.18 Age demography of Customers of ECG

Age	Frequency	Percentage
18 – 30	38	26%
31 – 50	96	66%
51 - 70	11	8%

Table 4.18 shows the age category of the respondents of the research. The data reveals that 26% of the respondents are aged 18 – 30, 66% are within the ages of 31 to 50 years and 51 to 71 years constituting 8%. It can be inferred from the responses that the highest respondents are adults.

Figure 4.18: Age demography of Customers of ECG

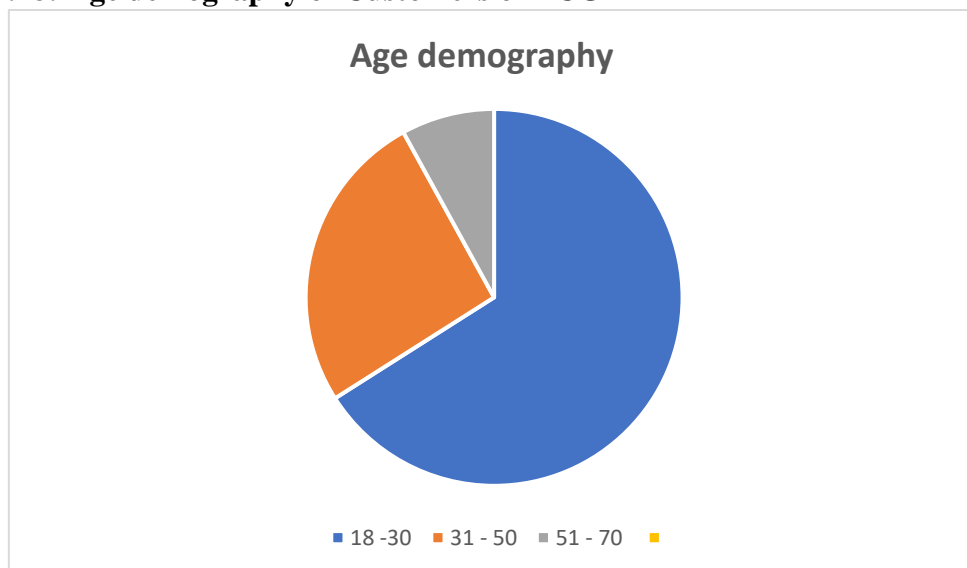


Table 4.19 Gender Demography

Gender	Frequency	Percentage
Male	63	43%
Female	82	57%

Table 4.2 provides data on the gender of the respondents. It can be observed that females were the highest respondents of the survey occupying 57% of the total number. The number of males who responded to the questionnaires were 63 constituting 43%. The data from the gender demographics reveals that the respondents sampled, females are the highest respondents.

Figure 4.19: Gender demographics of Respondents

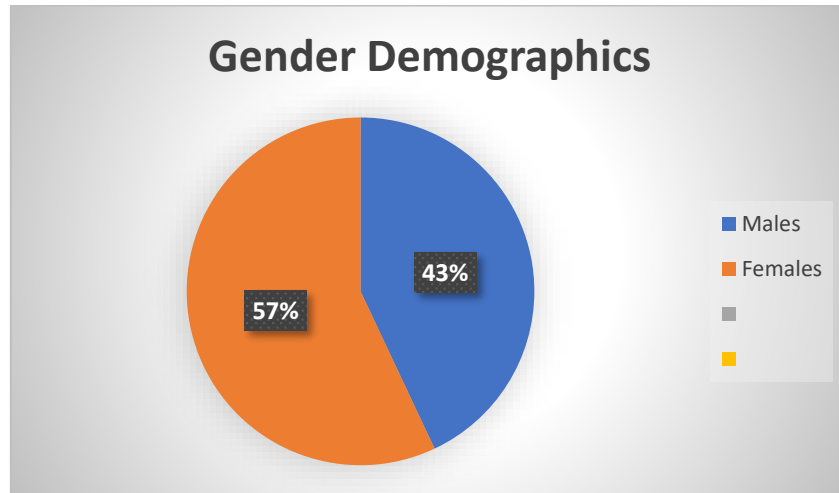


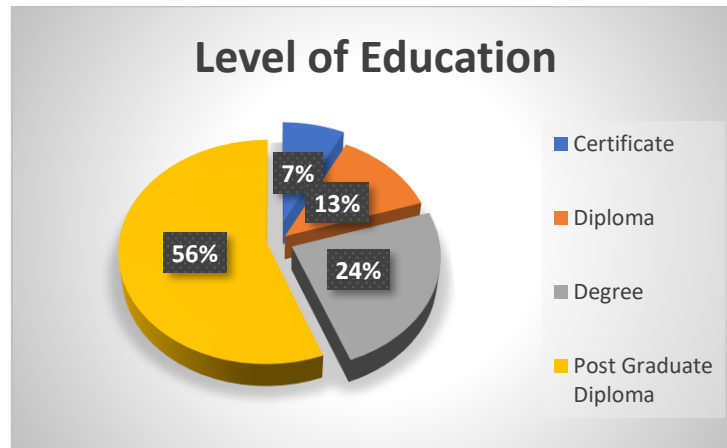
Table 4.20 Level of Education

Level of Education	Frequency	Percentage
Certificate	23	16%
Diploma	39	27%
Degree	76	52%
Post Graduate Degree	7	5%

Examining the responses from respondents it came to light that Degree holders had the highest response to the survey. They occupy 52% of the today responses received. The next highest respondents are diploma holders. They make up 27% of the responses received. The others were certificate holders representing 16% and post graduate degree holders 5%. The data indicates that the respondents of the questionnaires have received at aa point in their lives, some formal education. The category of respondents underscores the argument that the people

sampled per their level of education have an understanding of what Customer Relations Management means.

Figure 4.20: Pie chart of educational level of Respondents



4.2 Discussion of Major findings:

This section discusses findings from the analysis relative to the stated objectives of the study.

4.2.1 Objective one: To examine the strategies ECG employs to manage their customer relations

The study considered a number of factors in examining the strategies employed by ECG to manage customer relations. First was an understanding what ECG consider as customer relations and the response from respondents on the activity. On the ECG website (<https://www.ecggh.com>) a column has been created for customer service activities. In the column has an information section for communication, an enquiry and complaint section and a column that allows customers to access its services. These accessible options of customer service means that ECG acknowledges that providing customer information through communication, enquiry and complain management and delivery of service are essential to its customer service operations. Data from respondents show an agreement that these customer service considerations from ECG are what they also identify as CRM activities. In table 4.3 more than half of the respondents agree that good customer relations emanating from good

service quality, promptness in addressing complaint, regular communication, empathy, responsiveness and rewards for customers underlines the essence of CRM. Examining these activities, data from Table 4.7 reveals communication from ECG has not been regular. A sum percentage of 66 agree that the company does not communicate regularly with customers to assess the impact of their service. On timeliness and trustworthiness of information from ECG, the respondents result from Table 4.8 shows that more than 60% say they trust information from ECG and can rely on the information provided. On complaint management and redress, it was observed from the study that only 13 respondents agree that ECG addresses complaints promptly. The rest show disapproval in the promptness of ECG in addressing complaints.

4.2.2 Objective two: To explore what customers consider as customer relations activities.

Findings to this objective by respondents were presented in Table 4.3. The results establish that in excess of 120 respondents agree that customers consider prompt feedback, consistency in communication, service quality, customer rewards, going the extra mile to help customers, swift resolution to customer problems as customer relations activities. These are considered

4.2.3 Objective three: to determine customer satisfaction and Retention

According to Zeithaml et al, (2006), satisfaction or dissatisfaction is a measure or evaluation of a product or service's ability to meet a customer's need or expectations. To determine objective three respondents were asked series of questions to understand what brings satisfaction and retention. The findings revealed that, reliability of service, empathy towards customer concerns, promptness in addressing customer complaints, customer rewards, good customer relations and trustworthy communication were found to be the determinant of satisfaction and retention. Of the 145 respondents sampled, 51% expressed dissatisfaction at the customer relations of ECG. What determines their satisfaction is premised on reliability of Service, empathy towards customer concerns, promptness in addressing customer complaints, service quality, customer rewards, good customer relations and trustworthy.

The research again revealed that, even though more than half of the respondent rate low the customer relations of ECG, more than half of the respondents have retained the service of ECG for more than 10 years. Literature explains that for monopoly companies where one company controls the market, the retention cannot be seen as an indication of the business doing good.

To conclude, the study found that, there is significant relationship between CRM and customer satisfaction and retention and this can be established following the discussions from the analysis made on the impact of CRM activities on Customer satisfaction and Retention.

4.3 Conclusion

This chapter illustrates some interesting findings on the researched topic. The responses were structured in tables, graphs and diagrams to make for easy interpretation and discussion. A total number of twenty (20) frequency distribution tables and twenty (20) diagrams were derived, analysed and discussed and responses from the questionnaires were presented in pie charts. The tables and diagrams were examined with detailed description to explain the phenomenon observed.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0. INTRODUCTION

This chapter presents a summary of the findings to the study. The chapter also includes a general conclusion drawn from the various discussions and analysis; as well as recommendations to address weaknesses identified. Findings concluded in the research are reviewed against what other related studies have identified and the plausible justifications for the differences that emerge in these findings.

The major goal of this study was to examine CRM and Customer Satisfaction and Retention in ECG and specifically explores the impact of CRM strategies by ECG on customer satisfaction and retention.

A survey methodology, which made use of questionnaires formed the major data collection instrument. In all, out of the 150 respondents that received the questionnaires, 145 were surveyed and collated for final analysis.

5.2 Summary of Findings

The findings are discussed in relation to the objectives and reveals the following;

5.2.1 Demographic Characteristics of Respondents

The study found that the female respondents constituted about 57% of the respondents. It was established that, ECG has its customer base made up of female as compared to males. The study again found that about 60% of the respondents had a minimum experience of 10 years of dealing directly with ECG. On the level of education of the respondents, the results showed

that customers dealing directly with ECG are spread across the educational ladder from certificate, to diploma to degree and post graduate degree.

5.2.2 Customer Relationship Management Strategy of ECG.

The research, based on available information on the ECG website (<https://www.ecggh.com>) found that ECG's customer relations strategy is hinged on complaint management, communication of planned action or information and provision of service quality. However, results from the study revealed that, Reliability of Service, empathy towards customer concerns, promptness in addressing customer complaints, customer rewards, good customer relations and trustworthy communication were found to be the considerations for satisfaction and retention by ECG customers. The result of this findings is consistent with the position by Winer (2001) who argues that companies practicing CRM must develop a comprehensive set of relationship with customers that considers customer relations, customer rewards and loyalty programmes.

5.2.3 What customers, consider as customer relations activities.

Of the 145 respondents sampled, 51% expressed dissatisfaction at the customer relations of ECG. Their assessment of customer relations is premised on reliability of Service, empathy towards customer concerns, promptness in addressing customer complaints, customer rewards, good customer relations and trustworthy. This is so because, Relationship marketing from the view point of various scholars have been identified to poses the same framework in relation to CRM activities. The framework proposes communication, complaint management, trust and relational bonds as practices of Relationship marketing. These frameworks when applied in business develops relational bonds between customers and the business and that creates satisfaction and eventually makes customers loyal.

5.2.4 Customer satisfaction and Retention.

The research again revealed that, even though more than half of the respondent rate low the customer relations of ECG, more than half of the respondents have retained the service of ECG for more than 10 years. Literature explains that for monopoly companies where one company controls the market, the retention cannot be seen as an indication of the business doing good. To conclude, the study found that, there is significant relationship between CRM and customer satisfaction and retention and this can be established following the discussions from the analysis made on the impact of CRM activities on Customer satisfaction and Retention.

5.3 Recommendations

Customer service is very important issue as far as service delivery in today's industry is concerned. More so when competition is so great in the banking sector of Ghana. To stay in competition, service providers must set goals alright which is in the form of promise to customers. But to be ahead of competitors or to remain in competition service providers must give more than the expectation of customers so as to delight them.

Based on the various findings and discussions, the following are recommended:

1. There is the need for improved customer support service by ECG. This is based on the finding that most customers found this aspect of their service delivery to be very low. On the specific question on whether customers are satisfied with the customer relations of ECG, majority of the respondents revealed that the organization has poor customer service.
2. Again ECG should improve on its response rate to customer enquiries and complaints. This aspect of their service delivery was also perceived to be very low. On the ECG website the section for complaint reporting has not been functional for some time now. The company must revive the platform to offer prompt responses to customer complaints.
3. The population of the research is only centred in the Greater Accra Region. It is recommended that future research should focus on other Regions and examine how customers

within that region assess the customer relations management of ECG to bring satisfaction and retention.

5.4 Conclusion

This research has shown clearly that Customer relations management of ECG have a significant influence on customer satisfaction and retention. The conclusion leads to the affirmation that, businesses aiming to build long term relationship with customers on the premise of customer relations management must pay heed to providing regular communication, showing empathy and responsiveness, address complains in a swift manner and develop relational programmes like customer loyalty rewards.

Overall, this study provides a useful and practical model that can be used by managers to develop CRM strategies aimed at not only satisfying customers but also gaining customer loyalty within the utility industry.

APPENDIX A

REFERENCES

1. Anderson, E.W. and Sullivan, M. (1993), "*The Antecedents and consequences of consumer satisfaction for firms*" Marketing Science, Vol. 12, spring, pp. 125-143.
2. Appiah-Gyimah, R. et al (2011). Customer Satisfaction in the Outdoor Advertising Industry: A Case of Alliance Media Ghana Limited. International Journal of Marketing Studies Vol. 3
3. Berry, L. L. (1983). Relationship marketing. In L. L. Berry, G. L. Shostack & G. D. Upah (Eds.), *Emerging Perspectives on Services Marketing* (pp. 25-38). Chicago: American Marketing Association.
4. Berry, L. L. (1995). Relationship marketing of services-growing interest, emerging
5. Berry, L. L., & Parasuraman, A. (1991). *Marketing Services: Competing Through Quality*. New York: The Free Press
6. Crosby, L. A., Evans, K. R. and Cowles, D. (1990) "Relationship quality in services
7. Donio' J., Massari, P., & Passiante, G. (2006). Customer satisfaction and Loyalty in a digital environment: An empirical test. *Journal of Consumer Marketing*, 23(70), 445-457.
8. Dowling, G. R., & Uncles, M. (1997). Do customer loyalty programs really work? *Sloan Management Review*, Vol. 38, No.4, pp. 71-82.
9. Farquahar, J.D. (2004), "*Customer retention in retail financial services: an employee perspective*", *The International Journal of bank Marketing*, Vol. 22, No 2, pp86.
10. Grönroos C, 1983, "Strategic management and marketing in the service sector", Boston: Marketing Science Institute, Chapter 4
11. Gronroos, C. (1982). A service quality model and its marketing implications, *European Journal of Marketing*, Vol.18, Number 4, p.36-44. 261

12. Grönroos, C. (1990). Relationship Approach to the Marketing Function in Service Contexts: The Marketing and Organization Behaviour Interface, *Journal of Business Research*, 20 (1), 3-11.
13. Grönroos, C. (1994). Quo Vadis, Marketing? Toward a Relationship Marketing Paradigm. *Journal of Marketing Management*, 10, 347-360.
14. Grönroos, C., 2007, "Service Management and Marketing: Customer Management in Service Competition", 3rd Edition, John Wiley & Sons Ltd., England, P. 483
15. Gummesson, E. (1999), *Total Relationship Marketing. Rethinking Marketing Management: From 4 Ps to 30 Rs*, Butterworth- Heinemann, Oxford.
16. Gundlach, G. and Murphy, P. (1993), "Ethical and legal foundations of relational marketing exchanges", *Journal of Marketing*, Vol. 57 No. 4, pp. 35-46.
17. Jun Wu (2008) "Customer Relationship Management in Practice: A case study of Hi-tech company from China", *Service Systems and Service Management*, International Conference, Sch. of Econ. & Manage. Beijing Univ. of Posts & Telecommunication., Beijing.
18. Ndubisi, N. O. (2004), "Understanding the salience of cultural dimensions on relationship marketing, its underpinning and aftermaths", *Cross cultural management*, vol. 11 No. 3, pp. 70-89. New York, NY.
19. Niveen, S. et al (2013). *Service Quality Dimensions and Customers' Satisfactions of Banks in Egypt*. *International Business Research Conference*.22(1). Pp. 1-13.
20. Parasuraman, A. et al. (1991). Refinement and Reassessment of the SERVQUAL Scale. *Journal of Retailing*. Volume 67 Number 4. Pp. 420-450.
21. Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality, *Journal of Retailing*, Vol. 64, Number 1, p.12-40.

22. Parasuraman, A., Zeithaml, V. A., & Berry, L.L. (1985). A conceptual model of service quality and its implications for future research, *Journal of Marketing*, Vol. 49, p.41-50.
23. Peppers D., Roger, M., (1999), *The one-to-one Manager: Real-World Lesson in Customer Relationship Management*, Doubleday, New York, NJ.
24. Peppers, D. and Rogers, M. (2000), "Build a one-to-one learning relationship with your customers", *Interactive Marketing*, Vol. 1 No. 3, pp. 243-50.
perspectives. *Journal of the Academy of marketing Science*, Vol. 23, No.4, pp 236-245
25. Reicheld, F.F. and Sasser, W.E. (1990), "Zero Defections: Quality comes to services", *Harvard Business Review*, School Press, Boston MA.
26. Reinartz, W.J. and Kumar, V. (2002), "The mismanagement of customer loyalty", *Harvard Business Review*, Vol. 80 No. 7, pp. 4-12.
27. Rosenberg, L.J. and Czepiel, J.A. (1984), "A marketing approach for customer retention", *Journal of Consumer Marketing*, Vol. 1 No. 2, pp. 45-51.
28. Rust, R.T. and Oliver, R.L. (1994) *Service Quality: Insights and Managerial Implications from the Frontier*. In: Rust, R.T. and Oliver, R.L., Eds., *Service Quality: New Directions in Theory and Practice*, Sage Publications, Thousand Oaks, 1-19.
selling: An interpersonal influence perspective, *Journal of Marketing*, Vol. 54 No 3, pp.68-81.
29. Shaw, C. and Ivens, J. (2002) *Building Great Customer-Experiences*. Palgrave Macmillan, New York, 48-66.
30. Siadat, S. H. (2008), "*Measuring Service Quality Using Servqual Model: A Case Study of E-Retailing in Iran*."
31. Zeithaml, V. A., Berry, L.L. and Parasuraman, A. (1988), "*Communication and Control Processes in the Delivery of Service Quality*", *Journal of marketing*, Vol.52, April, pp35-48.

32. Zeithaml, V.A., Bitner, M., Gremler, D.D. (2006), *Services marketing; integrating customer focus across the firm*. Singapore: Mc-Graw hill. 4th edition.

APPENDIX B

QUESTIONNAIRES

GHANA INSTITUTE OF JOURNALISM

SCHOOL OF GRADUATE STUDIES AND RESEARCH

QUESTIONNAIRE

Dear Respondent,

My name is Martina Sena Ackah from the Ghana Institute of Journalism, pursuing a Master’s Degree in Public Relations. This questionnaire is meant to collect data for academic study at Ghana Institute of Journalism. This study is to examine Customer Relationship Management and customer satisfaction and retention, a study of Electricity Company of Ghana. Your response to this questionnaire would be highly appreciated and information given will be treated confidential. The response has in parts questions that requires a tick and others arranged in a five (5) scale ranging from 1 to 5 corresponding to 'strongly agree,' 'agree,' 'neutral,' 'disagree,' or 'strongly disagree' respectively. Please tick only one response appropriately in the box. Thank you.

INSTRUCTIONS: TICK APPROPRIATE ANSWERS AND FILL IN THE BLANKS

Demographic Information

1. Age category

- a. Under 20 years b. 21 – 30 years c. 31 - 40 years d. 41 - 50 years

2. Gender

- a. Male b. Female

3. Level of Education

- a. Certificate b. Diploma c. Degree d. Post Graduate Degree

4. How many years have you used the product/service offered by ECG?

- a. 10 – 20 years b. 21 - 30 years c. 31 - 40 years d. Others.....

To what extent do you agree with the following;

Customer Relationship management	Strongly	Agree	Neutral	Disagree	Strongly
	Agree				Disagree

5.	Customer Relations management is any activity undertaken to promote customer satisfaction and retention.					
6.	Customer Relations involves prompt feedback, consistency in communication, service quality, customer rewards, going the extra mile to help customers, swift resolution to customer problems etc.					
7.	Customer Relationship Management Impacts Customer Satisfaction and Retention					

To what extent do you agree with the following;

	Customer Experience	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
9.	ECG has good customer relations with customers					
10.	ECG communicates regularly with customers.					
11.	ECG communicates timely and trustworthy information.					
12.	Customer complaint are addressed promptly by ECG					

	Customer Satisfaction & Retention	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
14.	I am satisfied with the customer relation activities ECG					
15.	Good Customer relations brings customer satisfaction and retention.					

16.	Promptness in addressing complains brings satisfaction and retains customers					
17.	Reliability of service brings satisfaction and retains customers.					
18	Rewards to loyal customers brings satisfaction					
19.	I am satisfied when Staff of ECG show empathy towards my complain.					