

**CUSTOMER RELATIONSHIP MANAGEMENT AND MARKET PERFORMANCE OF
SMALL AND MEDIUM SCALE ENTERPRISE IN IKEJA LOCAL GOVERNMENT
AREA, LAGOS STATE, NIGERIA**

BY

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B.Sc. (kwara)

**BEING A DISSERTATION SUBMITTED AND PRESENTED TO THE DEPARTMENT
OF BUSINESS ADMINISTRATION, FACULTY OF MANAGEMENT AND SOCIAL
SCIENCES, THOMAS ADEWUMI UNIVERSITY, KWARA STATE, NIGERIA.**

**IN PARTIAL FULFILMENT FOR THE REQUIREMENT FOR THE AWARD OF
BACHELOR IN SCIENCE (B.SC. HONS) DEGREE IN BUSINESS ADMINISTRATION.**

AUGUST, 2024

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CERTIFICATION

This research work by SALAU, Mariam Olamide (20/15BAA003) has been read and approved as meeting the requirements for the Bachelor's degree in Business Administration by the Department of Business Administration, Faculty of Management and Social Sciences, Thomas Adewumi University, Oko, Kwara State, Nigeria.

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DECLARATION

I, SALAU, Mariam Olamide (20/15BAA003), hereby declare that the dissertation “customer relationship management and market performance of small and medium scale enterprise in Ikeja, local government area, Lagos state, Nigeria”, is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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DATE

DEDICATION

This project is dedicated to my Parents, Mr. & Mrs. Salau for your unwavering support and care throughout the course of my life journey.

ACKNOWLEDGEMENT

With regard gratitude to Almighty God, the most gracious and the most merciful for enable us to undergo this course successfully.

I will like to seize this opportunity to give thanks to my supervisor DR. E. A. Adeyemi who has make the success of this project possible. I will like to thank him for his advice, guidance, patience and constructive critiques throughout the process of completing this study. I appreciate his academic prowess, knowledge of the subject matter, research skills and kind manner which made the completion of this study possible. Thank you sir for your invaluable support.

I also say a big thank you to our able dean of faculty DR J.A. ISHOLA and the entire staff of Business Administration Department. Mr. .A. K. Afolayan, Dr. P. Adeshola, Dr. Omokanmi, J., Miss Adeoti B., and others I might fail to mentioned. The team of non-teaching staff of the Business Administration Department are also appreciated for their administrative contribution in the course of presentation of the thesis.

I wish to express my sincere gratitude to my mum and dad, for their financial, moral and emotional support towards my education. It's their prayer that has seen us to our present level in education today. My appreciation will be incomplete without expressing my thanks to siblings, friends, roommates and to all others who has participated in the course of struggle worked to see the success of this project.

SALAU, Mariam Olamide

AUGUST, 2024

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ABSTRACT

Customer relationship management, as a customer-focused business strategy, aims to enhance customer loyalty and satisfaction through personalized services. However, the specific effects of knowledge management on customer satisfaction require further exploration, as existing research offers mixed results. Therefore, this study examine the effect of customer relationship management on market performance of small and medium scale enterprises in Ikeja Local Government Area, Lagos State, Nigeria, with specific objectives of determining the effect of knowledge management on customer satisfaction; investigate the relationship between relationship marketing and customer purchase intention; and to examine the extent to which customer focus influence customer retention. Data for the study were collected through questionnaire administration to a sample of 400 Customers of SMEs in Ikeja Local Government Area, Lagos State, Nigeria. A 5-point Likert scale was designed to capture and measure variables relating to customer relationship management and market performance. The data were presented and analysed using frequency distribution analysis. The hypotheses were tested using multiple regression analysis. Findings revealed that knowledge management has significant positive effect on customer satisfaction; relationship marketing have positive significant relationship with customer purchase intention; and customer focus has significant influence on customer retention. The study concluded that dimensions of customer relationship management significantly influence market performance of small and medium scale enterprises in Ikeja Local Government Area, Lagos State, Nigeria. The study recommended that SMEs should prioritize the development and implementation of relationship marketing strategies within their CRM systems.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The success or failure of organizational trading capability is based on the potential relationship established with the existing and potential customers. Organizations act in the dynamic and composite environments, the competition among organizations has increased, products life-cycle are reduced and life-cycle of organizations decline quickly (Alabar; Agema, 2019). In many cases, products with similar qualities are produced by producers and this is the customer which decides to buy (Adeola; Adebisi, 2021).

Attitude of companies toward increasing the satisfaction of customer and high profit due to expansion and increase in the competitive space. With transition from traditional economy and intensifying competition in new dimensions, customer is the main axis of activities of organization such that from competitive view, survival of organizations depends on identifying and attracting new customers and maintains existing customers (Alabar et al. research 2019). Shows that costs of attracting new customers is five times of maintaining existing customers. This means that instead of distinguishing products, organizations should identify their customers and shift toward emphasis on the increasing the share of customer.

In recent years, by increasing the expectations of customers, customer relationship management (CRM) is considered as an inevitable necessity for success of business. There is great dependence between seller and buyer that customers expect to have their products and companies need technology by which they can create new innovations for improving and attracting customers. This research studies the effects of CRM on the performance of SMEs that attention to it improves the

performance of industries. By developing enterprises and increasing communications, companies consider CRM as undeniable necessity. Therefore, in this research, we try to answer this question that what is the effect of CRM on the performance of SMEs in export.

In addition, CRM is the business strategy focused on the customer that increases the loyalty and satisfaction of customer by presenting him the personalized services and some know it as a managerial approach which includes identifying, attracting, developing and maintaining the successful relationship with customer in order to increase profitability. Research showed that 5% increase in preserving the customer will lead to 95% increase in the value for organization (Adebisi; Adeola, 2021). CRM is a strategic necessity for all organizations because its effective implementation increases the satisfaction of customer, loyalty and attraction and more sale and buy. General process of developing and maintain the profitable communication with customer is by delivery or presenting a higher value to customer and achieving his satisfaction ((Alabar; Agema, 2019). considers CRM as a necessary rule for those organizations that need development and growth that in this regard, identifying the key dimensions of CRM is very important (Payne & Frow, 2020).

Customer Relationship Management (CRM) has emerged as a critical strategy for businesses, especially Small and Medium Scale Enterprises (SMEs), to build and maintain long-term relationships with customers.

SMEs play a vital role in driving economic growth and job creation. However, the market environment for these enterprises is often characterized by intense competition, changing consumer preferences, and limited resources, making effective CRM strategies essential for their survival and success.

In the context of Ikeja Local Government Area, Lagos State, Nigeria, a peculiar local government located in Lagos State, Nigeria, is home to a diverse array of SMEs spanning various industries such as retail, manufacturing, services, and agriculture. These enterprises contribute significantly to the local economy, providing employment opportunities and essential goods and services to the community. However, they face numerous challenges, including the effect of knowledge management on customer satisfaction, relationship marketing on customer purchase intention, and customer on customer retention.

In the highly competitive business environment of Ikeja Local Government Area, SMEs must prioritize building strong relationships with their customers. CRM encompasses strategies, processes, and technologies aimed at managing interactions with current and potential customers to enhance customer satisfaction, loyalty, and ultimately, business performance. By understanding customers' needs, preferences, and behaviors, SMEs can tailor their products, services, and marketing efforts to meet their expectations effectively.

Despite the potential benefits, SMEs in Ikeja Local Government Area may encounter various challenges in implementing effective CRM practices. These challenges include limited financial resources for investing in CRM technologies, insufficient expertise in CRM strategy development and implementation, and cultural barriers to adopting customer-centric approaches. However, there are also opportunities for SMEs to leverage affordable CRM solutions, such as cloud-based software and mobile applications, to streamline customer interactions and improve service delivery.

Research suggests that effective CRM can positively impact SMEs' market performance in several ways. By fostering customer loyalty and repeat business, SMEs can achieve higher sales revenues and profitability. Moreover, satisfied customers are more likely to recommend the business to

others through word-of-mouth, thereby enhancing brand reputation and attracting new customers. CRM will enable SMEs to gather valuable insights into market trends, customer preferences, and competitors' activities, enabling them to make informed business decisions and stay ahead of the competition.

Additionally, in the context of customer satisfaction, knowledge management (KM) plays a crucial role in enabling businesses to better understand their customers' needs, preferences, and feedback. Knowledge management (KM) involves the systematic management of information and expertise within an organization to enhance efficiency, innovation, and decision-making. Thus, by effectively capturing, sharing, and leveraging knowledge about customers, products, and markets, organizations can improve the quality of their products and services, tailor offerings to meet specific customer requirements, and provide more personalized and timely support. Research suggests that organizations that excel in knowledge management are better positioned to anticipate and address customer needs, leading to higher levels of customer satisfaction, loyalty, and advocacy.

Furthermore, relationship marketing focuses on building long-term, mutually beneficial relationships with customers through personalized interactions, trust-building initiatives, and ongoing communication. Unlike traditional transactional approaches, relationship marketing emphasizes customer retention and lifetime value over one-time sales. By fostering strong emotional connections and loyalty among customers, relationship marketing strategies aim to increase customer satisfaction, enhance brand loyalty, and ultimately, drive repeat purchases and referrals. Studies have shown that businesses that invest in relationship marketing initiatives, such as loyalty programs, customer engagement campaigns, and personalized communication channels, are more likely to influence customers' purchase intentions positively (Ayozie, 2020). Customers

who perceive a strong relationship with a brand are more inclined to make repeat purchases, try new products or services, and recommend the brand to others.

Customer-centric organizations prioritize customer satisfaction, loyalty, and retention as key drivers of business success. Customer focus refers to an organization's commitment to understanding and fulfilling the needs and preferences of its customers (Ibok; Ikoh, 2021). Customer retention, in particular, is a critical metric for measuring the effectiveness of customer-focused strategies. Research indicates that retaining existing customers is often more cost-effective than acquiring new ones and can lead to higher profitability and long-term sustainability (Rhoum; Zaccour, 2018). Organizations that demonstrate strong customer focus invest in initiatives such as personalized customer service, proactive problem-solving, product innovation based on customer feedback, and continuous improvement of the customer experience. By prioritizing the retention of satisfied customers and addressing their evolving needs over time, businesses can build a loyal customer base that serves as a foundation for sustainable growth and competitive advantage.

1.2 Statement of the Problem

In today's competitive business environment, SMEs play a crucial role in driving economic growth, and their ability to effectively manage knowledge and customer relationships can significantly impact their market performance. Despite the growing recognition of the importance of KM and CRM in enhancing SME performance, there is a lack of comprehensive research addressing their combined effects, particularly within the specific geographical context of Ikeja Local Government Area. Therefore, this study seeks to address basic research questions related to customer relationship management and its relative effect on performance of SMEs. Therefore, the study aims to contribute to the existing body of knowledge by providing insights into the interplay between knowledge management, customer relationship management, customer satisfaction, and

market performance within the specific context of SMEs in Ikeja Local Government Area, Lagos State, Nigeria. The findings of this study could inform SMEs, policymakers, and other stakeholders about the importance of effective KM and CRM strategies in driving business success and economic development at the local level.

A key objective of this study is to investigate the effect of knowledge management on customer satisfaction. This is essential because in today's competitive business environment, companies are increasingly recognizing the importance of effectively managing their knowledge resources to gain a competitive edge and enhance customer satisfaction. Knowledge management involves the processes of creating, capturing, sharing, and leveraging knowledge within an organization to improve decision-making and performance. However, the specific impact of knowledge management practices on customer satisfaction remains an area that requires further exploration. While some research suggests a positive relationship between knowledge management initiatives and customer satisfaction, other studies indicate mixed or inconclusive results (Akinyele; Fasogbon, 2020).

1.3 Objectives of the Study

The main objective of this study is to examine the effect of customer relationship management on market performance of small and medium scale enterprises in Ikeja Local Government Area, Lagos State, Nigeria. Therefore, the specific objectives include, to:

- i. determine the effect of knowledge management on customer satisfaction;
 - ii. investigate the relationship between relationship marketing and customer purchase intention;
- and to
- iii. examine the extent to which customer focus influence customer retention.

1.4 Research Questions

The following questions were raised for proper conduct of the study:

- i. What is the effect of knowledge management on customer satisfaction?
- ii. Does relationship marketing significantly related to customer purchase intention?
- iii. To what extent does customer focus influences customer retention?

1.5 Study Hypotheses

H₀₁: Knowledge management has no significant effect on customer satisfaction.

H₀₂: There is no significant relationship between relationship marketing and customer purchase intention.

H₀₃: Customer focus has no significant influence on customer retention.

1.6 Scope of the Study

The primary focus of this study is to examine effect of customer relationship management on market performance of small and medium scale enterprises in Ikeja Local Government Area, Lagos State, Nigeria. Therefore, the study attempts to examine nexus between the constructs of what constitute customer relationship management and their relative effect on sales performance of small and medium scale enterprises. It is noteworthy that general constructs of customer relationship management include knowledge management, relationship marketing, and customer focus. These variables were examined against sales performance metrics which include customer satisfaction, customer purchase intention and customer retention. These performance metrics have

been found in extant literature to have significant effect on organizational financial and non-financial performance (Olatokun; Kebonye, 2020).

The geographical coverage of the study was limited Ikeja Local Government Area, Lagos State, Nigeria. Therefore, the data that were collected was limited to registered small and medium scale enterprises located in Ikeja Local Government Area, Lagos State. Olatokun, W. M., & Kebonye, M. N. (2020).

1.7 Significance of the Study

The primary objective of this study is to examine the effect of customer relationship management (CRM) on market performance of SMEs in Ikeja Local Government Area, Lagos State, Nigeria. The completion of the study is essential as it would be of great significance to SMEs operators, policymakers and local government authorities, customers and general publics as well as academic institutions

The findings of this study would provide valuable insights for SMEs operating in Ikeja Local Government Area by highlighting the importance of effective CRM strategies in enhancing market performance. Thus, by understanding how CRM practices contribute to improved customer satisfaction, loyalty, and ultimately, business success, SMEs can better allocate resources and prioritize initiatives to strengthen their customer relationships and competitiveness.

Policymakers and local government authorities can use the study's findings to develop targeted support programs and policies aimed at promoting the adoption and implementation of CRM practices among SMEs in the region, thereby fostering economic growth and job creation.

Furthermore, the study's findings would benefit organizations across various industries by highlighting the significant role of knowledge management in enhancing customer satisfaction.

Businesses can use insights from the study to develop and implement effective knowledge management strategies that facilitate better understanding of customer needs, preferences, and feedback, leading to improved product and service offerings. By leveraging knowledge management practices to enhance customer satisfaction, organizations can strengthen customer loyalty, increase repeat purchases, and generate positive word-of-mouth referrals, ultimately contributing to sustainable business growth and profitability. More so, Understanding the relationship between relationship marketing and customer purchase intention can provide businesses with actionable insights to design and implement effective marketing strategies. Businesses can utilize findings from the study to tailor relationship marketing initiatives, such as loyalty programs, personalized communication, and customer engagement campaigns, to influence customer purchase intentions positively. By fostering strong emotional connections and trust with customers through relationship marketing, businesses can increase customer loyalty, drive repeat purchases, and ultimately, improve overall sales performance and revenue generation.

The study equally serves as a tool of reporting the performance operational efficiency of the small and medium scale enterprises with respect to CRM and recommendations proffered by this study would contribute to improving the level of activity of these enterprises toward viable development. Students in related course of study, potential researchers and academic institutions would equally benefit from the study as it contribute to empirical knowledge by providing a critical investigation into determining the impact of CRM market performance and overall growth of small scale enterprises, thereby, making the study a reference for further research studies.

CHAPTER TWO

LITERATURE REVIEW

2.0 Preamble

This chapter reviewed and evaluated the contributions of other writers, theorists and researchers on the subject of CRM and its effect on market performance of small and medium scale enterprises. The focus of the chapter is to establish conceptual clarifications, theoretical approaches and empirical perspectives as to identify research gaps for the study.

2.1 Conceptual Clarifications

2.1.1 Concept of Customer Relationship Management (CRM)

Customer Relationship Management (CRM) refers to the strategies, practices, and technologies used by businesses to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving customer retention, loyalty, and ultimately, driving sales and profitability (Anuoluwapo; Folorunsho, 2022). CRM encompasses strategies, processes, and technologies that businesses use to manage interactions and relationships with customers. The concept of CRM is crucial for understanding its impact on the market performance of small and medium-scale enterprises (SMEs) (Abiola,;Omotosho, 2020).

The benefits of CRM are immense for SMEs. It could help SMEs build strong relationships with their existing customers by understanding their needs, preferences, and purchasing behavior. According to (Ibrahim; Akinlo, 2021) by providing personalized services and experiences, SMEs can increase

customer satisfaction and loyalty, leading to higher retention rates. CRM tools and techniques enable SMEs to identify potential customers, target them with relevant marketing campaigns, and convert leads into paying customers more efficiently. By effectively managing leads and prospects, SMEs can expand their customer base and increase market share (Akinyemi; Usman, 2020).

Good customer service is essential for SMEs to compete effectively in the market. (Alabi, 2019).assert that CRM systems streamline customer service processes, allowing SMEs to respond promptly to inquiries, resolve issues, and provide support across various channels. Positive customer experiences can enhance brand reputation and attract new customers through word-of-mouth referrals.

Additionally, CRM systems collect and analyze customer data, including demographics, purchase history, and interaction details (Adesola; Oyekunle, 2020). By leveraging this information, SMEs can gain valuable insights into customer preferences, market trends, and competitive dynamics. Data-driven decision-making enables SMEs to tailor their products, services, and marketing efforts to meet the evolving needs of their target market. Implementing CRM solutions can lead to cost savings for SMEs by optimizing resource allocation, streamlining processes, and reducing manual tasks (Alabi; Ojo 2021). Automation of routine activities such as data entry, email communication, and lead management can improve operational efficiency and productivity, allowing SMEs to allocate resources more effectively to core business activities.

Overall, the effective implementation of CRM can significantly impact the market performance of SMEs in Ikeja Local Government Area, Lagos State, Nigeria, by fostering stronger customer relationships, increasing sales revenue, and enhancing competitiveness in the marketplace.

2.1.2 Market Performance of SME'S

The concept of market performance refers to the effectiveness with which a business operates within its target market to achieve its strategic objectives and financial goals. Market performance encompasses various indicators of a business's success, including but not limited to:

a) Market Share: Market performance also encompasses the SME's share of the market relative to its competitors. A well-executed CRM strategy can help SMEs capture a larger share of the market by attracting new customers, retaining existing ones, and differentiating themselves based on superior customer service and personalized experiences.

b) Customer Retention: The ability to retain customers over the long term is a key aspect of market performance. CRM practices such as personalized communication, proactive customer support, and targeted marketing campaigns can help reduce customer churn and increase customer retention rates, thereby contributing to overall market performance.

c) Customer Satisfaction: Market performance is closely linked to customer satisfaction and loyalty. Satisfied and loyal customers are more likely to make repeat purchases, recommend the SME to others, and contribute positively to its reputation. CRM enables SMEs to better understand customer needs, personalize interactions, and deliver exceptional service, leading to higher levels of satisfaction and loyalty.

d) Brand Perception and Reputation: The perception of the SME's brand and its reputation within the market are important determinants of market performance. CRM practices that focus on building strong customer relationships, addressing customer concerns promptly, and delivering consistent experiences can help enhance brand perception and reputation, ultimately driving business success.

e) Operational Efficiency and Cost Effectiveness: Market performance also involves the efficient allocation of resources and the ability to achieve operational excellence. CRM systems streamline

processes such as sales, marketing, and customer support, leading to cost savings, improved productivity, and better resource utilization, which ultimately contribute to overall market performance.

f) Market Expansion and Growth Opportunities: Market performance encompasses the ability of an SME to identify and capitalize on growth opportunities within its target market. CRM practices that enable SMEs to analyze customer data, identify emerging trends, and adapt quickly to changing market conditions can help unlock new growth opportunities and expand the business's market presence.

g) Purchase Intention: Purchase intention refers to an individual's willingness or likelihood to buy a product or service from a particular business within a specified period.

2.1.3 Constructs of Customer Relationship Management (CRM) and their Relative effect on Market Performance of SME'S

2.1.3.1 Knowledge Management as a Construct of CRM and its effect on Customer Satisfaction

The term KM has been defined in a number of ways in the literature, but we have adopted the definition of Wang and Ahmed (2016), "KM orientation is defined here as an organization's distinctive capability of managing organizational memory, knowledge sharing, and creating a learning culture". KM seems to be fragmented due to lack of underlying procedures and methods to measure knowledge. The nature of the relationship between KM and value creation has received considerable attention in the academic literature. Organizations failed to develop improved measures due to lack of consensus on the measurement of KM. Developing and maintaining KM is vital to firm's long-term survival and success (Jennex & Croasdell, 2018; Lin, 2015; Markus 2019).

Fundamentally, knowledge management (KM) refers to the process of capturing, organizing, sharing, and utilizing knowledge and information within an organization to achieve its objectives more effectively (Cao & Hill, 2021; Hislop, Bosua, & Helms, 2018; Moteleb & Woodman, 2019; Prusak &

Davenport, 2020). Knowledge is increasingly recognized as a critical resource that can be managed to enhance competitive position and financial performance of a firm (Darroch, 2015; Serenko, Bontis, & Hull, 2016). Researchers emphasize the importance of developing unique knowledge within firms to deliver new products and services and to distinguish it from competitors for achieving advantage (Birasnav, 2017). This study perceived KM as a higher-order construct with learning orientation, knowledge sharing, organizational memory, and knowledge re-use as its dimensions (Edvardsson & Durst, 2019; Grant, 2020). Learning orientation stands for the tendency towards a strong commitment to learning, shared vision, and open-mindedness. Learning orientation is one of the important aspects of KM which focuses on how firms respond to rapidly changing environments. Learning occurs when the knowledge workers interact in different communities of practices. A learning orientation is organized in such a way that it scans for information in its environment, creates information by itself, and encourages individuals to transfer knowledge between the individuals in the team (Grant, 2020). The knowledge learned is often shared within or outside the organization to improve performance. Knowledge sharing is the ability of an organization to convert tacit knowledge into explicit knowledge (Markus, 2019; Nonaka & Takeuchi, 2019)

CRM systems are repositories of valuable customer data and insights (Jasimuddin, Klein, & Connell, 2015). Knowledge management principles can be applied to ensure that this data is effectively collected, organized, and analyzed. By leveraging knowledge management techniques, SMEs can derive actionable insights from customer data, such as identifying market trends, understanding customer preferences, and anticipating future demand (Jennex & Croasdell, 2018; Markus 2019; Ode & Ayavoo, 2019).

Knowledge management emphasizes the importance of sharing knowledge and best practices among employees within an organization (Kianto, Vanhala, & Heilmann, 2016). In the context of CRM, this

means facilitating collaboration among sales, marketing, and customer service teams to ensure a unified approach to customer engagement (Ode & Ayavoo, 2019). By sharing customer insights and feedback across departments, SMEs can align their efforts more effectively to meet customer needs and enhance market performance. Essentially, knowledge management fosters a culture of learning and continuous improvement within organizations (Alavi & Leidner, 2016; Nonaka & Takeuchi, 2019; Wang & Wang, 2016). In the context of CRM, this involves leveraging customer feedback and performance metrics to identify areas for improvement in products, services, and customer interactions. By applying knowledge management principles to CRM processes, SMEs can iterate on their strategies, refine their approaches, and ultimately enhance their market performance over time.

Moreover, knowledge management encourages organizations to leverage internal and external knowledge sources to drive innovation and adapt to changing market conditions (Durst & Edvardsson, 2015; Inkinen, Kianto, & Vanhala, 2015). In the context of CRM, this may involve integrating customer feedback into product development processes, proactively addressing customer needs and pain points, and staying agile in response to market dynamics (Donate & de Pablo, 2015; Nonaka, Toyama, & Hirata, 2018). By effectively managing knowledge related to customer relationships, SMEs can innovate their offerings, stay ahead of competitors, and improve their market performance.

Knowledge management also involves preserving institutional knowledge and facilitating knowledge transfer across generations of employees (Nonaka *et al.*, 2018). In the context of CRM, this means documenting successful customer engagement strategies, capturing insights gained from customer interactions, and ensuring that valuable knowledge about customer relationships is retained within the organization (Moteleb & Woodman, 2019). By preserving and transferring knowledge related to CRM practices, SMEs can maintain continuity in customer relationships, even as personnel changes occur, and sustain their market performance over the long term. Fundamentally, the concept of knowledge

management plays a critical role in maximizing the impact of CRM on the market performance of SMEs. This is because by applying knowledge management principles to CRM processes, SMEs can effectively harness customer insights, foster collaboration and innovation, and drive continuous improvement in their market performance.

2.1.3.2 Relationship marketing as a Construct of CRM its effect on Customer Purchase

Intention

Relationship Marketing (RM) is defined as a strategic approach focused on creating, maintaining, and enhancing long-term relationships with customers and other stakeholders. It emphasizes customer retention, satisfaction, and lifetime value over short-term transactional gains (Gummesson, 2017). According to Hennig-Thurau and Hansen (2015), RM involves all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges." These activities usually extend beyond mere transactions to foster deeper, more meaningful connections with customers. RM is a long-term strategy that focuses on building and nurturing strong relationships with customers, enhancing their overall experience with a brand. It goes beyond the traditional transactional approach by emphasizing customer retention, mutual value creation, and engagement (Verhoef & Lemon, 2024). Palmatier, Kumar and Harmeling (2018) describe RM as "strategies and practices to develop, maintain, and enhance successful relational exchanges." This focuses on creating and nurturing connections that provide mutual value. Kotler and Keller (2016) define RM as "the process of creating, maintaining, and enhancing strong, value-laden relationships with customers and other stakeholders." This definition emphasizes the value-driven nature of the relationships being built.

Furthermore, Berry (2015) describes RM as "attracting, maintaining, and enhancing customer relationships." This perspective stresses the ongoing process of engagement and enhancement of the

customer relationship. Hollensen (2020) refers to it as "establishing, developing, and maintaining successful relational exchanges with customers and other stakeholders over the long term." This definition focuses on the longevity and success of these relationships. Baines, Fill and Rosengren (2017) define it as "an approach to marketing with the goal of developing and managing long-term, trusting relationships with customers, distributors, suppliers, or other parties in the marketing environment." This definition includes the trust aspect as a critical element of relationship marketing.

The concept of customer purchase intention refers to the likelihood that a consumer will buy a product or service and is influenced by various factors, including brand perception, price, quality, and external motivations. Customer purchase intention is a critical indicator for businesses to predict future sales and guide marketing strategies. It encapsulates consumer attitudes towards a product before an actual purchase (Alalwan, *et al.*, 2017; Hernández-Ortega, 2016; Kumar, *et al.*, 2024; Mpinganjira, 2017; Wang & Geng, 2018).

For SMEs, RM involves activities such as identifying potential customers, understanding their needs, providing personalized services, and fostering long-term relationships (Gómez, Arranz, & Cillán, 2019; Homburg & Giering, 2023; Nguyen & Mutum, 2015). Thus, because RM focuses on developing long-term, mutually beneficial relationships with customers rather than solely focusing on individual transactions. Nurturing strong and enduring relationships with customers can lead to increased loyalty, repeat business, and positive word-of-mouth referrals (Grönroos, 2017; Nguyen & Mutum, 2015). RM emphasizes understanding customers' needs, preferences, and behaviors to tailor products, services, and marketing efforts accordingly. By adopting a customer-centric approach, SMEs can better meet the diverse needs of their target market in Ikeja Local Government Area, leading to higher customer satisfaction and retention (Palmatier *et al.*, 2018; Oliver, 2015). Invariably, it will enable SMEs to personalize interactions and offerings based on individual customer profiles, purchase history, and

preferences. By delivering personalized experiences, SMEs can enhance customer engagement, loyalty, and lifetime value, ultimately driving market performance (Reinartz, Wiegand, & Imschloß, 2019; Sheth & Parvatiyar, 2020).

Since CRM systems enable SMEs to gather and analyze data about their customers, including their preferences, behaviors, and purchase history, leveraging CRM data, SMEs can gain insights into customer preferences and buying patterns, allowing them to tailor their products and services to better meet customer needs and increase purchase intention (Chatzipanagiotou & Vassallo, 2020; Kumar & Pansari, 2022; Payne & Frow, 2021). By leveraging CRM tools and practices to understand customer preferences, target marketing efforts, build trust and credibility, enhance customer engagement, and provide personalized experiences, SMEs can increase purchase intention and ultimately drive sales and revenue growth in the marketplace (Malthouse & Li, 2017; Wang & Tucker, 2020).

Furthermore, RM encourages open and continuous communication between SMEs and customers, fostering trust, transparency, and engagement (Gatignon & Following, 2022; Payne & Frow, 2021). By soliciting feedback, addressing inquiries, and actively listening to customer needs, SMEs can build stronger relationships and adapt their offerings to better serve the market in which they operate. RM helps SMEs to differentiate themselves in the market by providing additional benefits such as excellent customer service, loyalty programs, educational content, or community engagement initiatives, thereby increasing customer satisfaction and loyalty (Reinartz & Kumar, 2019). Likewise, by investing in building and maintaining customer relationships, SMEs can achieve long-term profitability and sustainable growth. Loyal customers tend to be more profitable over time, as they are likely to make repeat purchases, spend more per transaction, and act as brand advocates, contributing to SMEs' overall market performance

2.1.3.3 Customer Focus as a Construct of CRM its effect on Customer Retention

The concept of customer focus has evolved significantly over the years, emphasizing the importance of understanding and meeting customer needs to drive business success. Customer focus refers to the principle of placing the customer at the center of an organizations strategies and operations. This approach is essential for enhancing customer satisfaction, loyalty, and overall business performance (Pansari & Kumar, 2017) Customer focus refers to the orientation of a business towards understanding, meeting, and exceeding the needs and expectations of its customers (Kumar & Reinartz, 2016; Lemon, & Verhoef, 2016). Being customer focus would enable SMEs to gather, store, and analyze vast amounts of data about their customers, including their preferences, purchasing behaviors, and feedback. By leveraging on this data, SMEs can gain deeper insights into their customers' needs and preferences, allowing them to tailor their products, services, and marketing efforts to better meet those needs.

Customer retention refers to the ability of a business to retain its existing customers over time and encourage repeat purchases or engagements (Eshghi, 2018). Customer retention is the activity a company undertakes to prevent customers from defecting to alternative companies (Choudhury & Harrigan, 2020; Marzuki & Al-Ansi, 2022; Gupta & McLaughlin, 2023). Successful customer retention starts with the first contact and continues throughout the entire lifetime of the relationship (Homburg & Giering, 2015; Kumar & Reinartz, 2016; Liu & Wang, 2019). Len (2015) argued that bringing in new customers is hard, but losing them is easy (and costly).

According to Albrecht and Bick (2023); Foroudi and Salehi (2024), a key aspect of customer focus is the ability to deliver personalized experiences to individual customers. CRM systems facilitate personalized customer interactions by providing a centralized platform for storing customer data and tracking interactions across multiple channels (e.g., email, phone, social media). This allows SMEs to deliver targeted marketing messages, personalized recommendations, and tailored customer service

interactions, thereby enhancing customer satisfaction and loyalty (Aydin & Ozer, 2015; Kim & Kim, 2021).

CRM systems enable SMEs to build and maintain strong relationships with their customers by storing detailed information about each customer's preferences, purchase history, and interactions with the business (Choudhury & Miri, 2024; Lemon & Verhoef, 2016). By leveraging CRM data, SMEs can personalize their interactions with customers, provide tailored recommendations, and address their individual needs and concerns, thereby fostering loyalty and increasing the likelihood of customer retention (Choudhury & Miri, 2024). CRM facilitates proactive communication with customers by providing tools for automated email campaigns, targeted messaging, and follow-up reminders (Olatunji; Hassan 2023). By staying in touch with customers and keeping them informed about new products, promotions, and updates, SMEs can strengthen their relationship with customers and encourage repeat purchases. Likewise, CRM enables SMEs to provide personalized customer service experiences by equipping customer service representatives with access to customer information and interaction history (olatunji et al 2023) This allows representatives to address customer inquiries or issues promptly and effectively, thereby enhancing customer satisfaction and loyalty, and increasing the likelihood of retention.

Additionally, customer focus emphasizes the importance of building strong, long-lasting relationships with customers. CRM systems would enable SMEs to manage and nurture customer relationships more effectively by providing tools for tracking customer interactions, managing follow-up activities, and identifying opportunities for upselling or cross-selling. By cultivating deeper relationships with their customers, SMEs can increase customer loyalty, reduce churn, and ultimately improve their market performance (Oluwole; Adamu, 2021). Customer focus involves being proactive in engaging with customers and addressing their needs before they even arise (Okafor; Akinbode, 2019). CRM systems

support proactive customer engagement by providing tools for automating follow-up communications, scheduling reminders for important events (e.g., birthdays, anniversaries), and monitoring customer satisfaction levels in real-time. By staying proactive in their customer interactions, SMEs can demonstrate their commitment to customer satisfaction and differentiate themselves from competitors (Adeyemi; Lawal, 2019).

According to (Oyetola; Adebisi, 2023), a customer-focused approach involves continuously seeking feedback from customers and using that feedback to drive improvements in products, services, and processes. CRM systems facilitate continuous improvement by providing mechanisms for capturing and analyzing customer feedback, tracking customer satisfaction metrics, and identifying areas for enhancement. By incorporating customer feedback into their decision-making processes, SMEs can ensure that they remain responsive to evolving customer needs and preferences, thereby maintaining their competitive edge in the market (Ogundele; Adegboye, 2021).

Many authors affirmed that the concept of customer focus is closely aligned with the objectives of CRM (Olaniyi; Uche, 2022), and together, they can have a significant impact on the market performance of SMEs. By adopting a customer-focused approach and leveraging CRM tools and techniques, SMEs can better understand their customers, deliver personalized experiences, build stronger relationships, and drive continuous improvement, ultimately leading to enhanced market performance and sustainable business growth. By leveraging CRM tools and practices to build strong relationships, facilitate proactive communication, provide personalized experiences, implement loyalty programs, and continuously improve the customer experience, SMEs can increase customer retention rates, drive revenue growth, and achieve sustainable success in the marketplace.

2.1.4 Concept of SMEs in Nigeria

In Nigeria, the definition of micro and small scale enterprises has been based on different criteria such as investment in machinery and equipment, working capital, capital cost, turnover, and values of installed fixed cost (Osotimehin, Jegede, Akinlabi & Olajide, 2019). The National Council on Industry (1991) defined micro enterprises as an industry whose total project cost excluding cost of land but including working capital is not more than five hundred thousand naira (₦500,000) while small scale enterprises are those industries whose total project cost excluding cost of land and including working capital does not exceed five million naira (₦5,000,000).

Furthermore, the Third National Development plan (1975-1980) defines a small business as a manufacturing or service organization whose employee is not more than 100. A study by the Federal Office of Statistics (2001) showed that 97% of all businesses in Nigeria employ less than 100 employees. Going by this definition of SMEs, an umbrella term for firms with less than 250 employees; it means that 97% of all businesses in Nigeria are termed “small business”. National Council on Industry (1996) after a review defined micro enterprises as an industry whose total cost including working capital but excluding cost of land is not more than one million naira (₦1,000,000) with a labour size of not more than ten workers while small scale enterprise is an industry whose total cost including working capital but excluding cost of land is over one million naira (₦1,000,000) but not more than forty million naira with a laboursize of between eleven and thirty-five workers. As at 2001, this value was reviewed to one million five hundred thousand naira (₦1,500,000) with a labour size of ten workers for micro enterprises and between one million five hundred thousand naira (₦1,500,000) and fifty million naira (₦50,000,000) with a workforce of eleven to hundred workers for small scale enterprises (Udechukwu, 2019). Since the Nigerian definition is based on capital, there is need to review it from time to time due

to consistent devaluation of the national currency and high inflation rate in the economy (Ebeiyamba, 2014).

A more conventional definition is that proposed by the Enterprise Promotion Decree of 1989 as amended in 1994, cited in Osotimehin, Jegede, Akinlabi and Olajide (2012) which defines small scale business as any enterprise set up to make the owner self-employed and self-reliant. These include; food vendors, low scale farmers, fishermen, organized mechanics, supermarkets, allied artisans etc. By this definition, emphasis is not laid on the amount of capital or number of employees but on creating employment for the owner. Hence there is no need to review the definition over time (Ebeiyamba, 2014). Udechukwu (2003) and Olorunshola (2003) identified some characteristic features of the Micro and Small scale businesses. These include, limited access to long-term financial capital, simple management structure resulting from the fusion of ownership and management by one person or very few individuals in partnership. They tend to strongly revolve around the owner-managers, rather than as a separate corporate entity. There is often greater subjectivity in decision making, and prevalence of largely informal employer - employee relationships, with a centralized management pattern. As a result of their greater use of local resources, they are widely dispersed throughout the country. They are also closely attached to the products that launched them; many are labour intensive although recently, some of them are increasingly employing reasonably high technology. In line with the view of Udechukwu (2003) and definition of National Council on Industry (1996) as reviewed in 2001, this study defined small scale enterprise as businesses whose net cost, including working capital but excluding cost of land is not more than fifty million naira (₦50,000,000) with a labour size of not more than one hundred workers, excluding the owner(s).

2.2 Theoretical Approaches

2.2.1 Social Capital Theory

Social capital theory posits that networks of relationships constitute a valuable resource for individuals and organizations. In the context of CRM and market performance, social capital derived from collaboration networks can provide access to information, financial resources, and opportunities for innovation (Adler & Kwon, 2020).

2.2.2 Resource-Based View (RBV)

The RBV emphasizes the importance of resources and capabilities in achieving competitive advantage. Collaboration networks will enable SMEs operators to access external resources that may not be available internally, thus enhancing their competitive position (Barney, 2020). Posits that an organization's ability to effectively manage its knowledge resources can lead to a sustainable competitive advantage (Grant, 2020).

2.2.3 Dynamic Capabilities Theory

Dynamic capabilities theory suggests that firms need to adapt and reconfigure their resources and capabilities to achieve sustainable competitive advantage. The theory further affirmed that the ability to integrate, build, and reconfigure internal and external competencies is crucial for organizational success (Teece, 2017). Effective CRM would enable SMEs to dynamically integrate and reconfigure their capabilities in response to changing environments (Teece, Pisano, & Shuen, 2017).

2.3 Empirical Review

The study of Akinyemi (2019) examined the impact of customer relationship management (CRM) practices on the market performance of SMEs in Ikeja, Lagos. The study employed a quantitative

research design, utilizing surveys distributed to 120 SME owners and managers in Ikeja. The data were analyzed using regression analysis. The study found that effective CRM practices, including personalized communication and customer feedback systems, significantly improve customer retention rates, which in turn positively impacts market performance.

Balogun (2020) investigated the role of technology-enabled CRM systems on the competitive advantage of SMEs in Ikeja. A mixed-method approach was used, combining qualitative interviews with 15 SME managers and quantitative surveys with 150 customers. Data were analyzed using thematic analysis and structural equation modeling. The study concluded that technology-enabled CRM systems, such as CRM software and social media engagement, enhance customer satisfaction and loyalty, leading to a measurable increase in market share.

Eze (2021) explored the relationship between CRM strategies and sales growth in SMEs within Ikeja Local Government Area. The research employed a case study approach with three SMEs, involving in-depth interviews with business owners and secondary data analysis of sales records over a five-year period. The findings revealed that SMEs that adopted proactive CRM strategies, including regular customer follow-ups and loyalty programs, experienced higher sales growth compared to those that did not.

Ogunleye (2022) assessed the effect of customer relationship management on the market expansion of small and medium enterprises in Ikeja, Lagos. The study utilized a survey research design, distributing questionnaires to 200 SME operators in the area. The data were analyzed using descriptive statistics and multiple regression analysis. The research found that CRM practices such as personalized service and effective customer support are significant predictors of market expansion for SMEs, with a direct impact on both customer base growth and revenue.

Adewale (2023) determine the influence of customer relationship management on customer loyalty and business sustainability in SMEs located in Ikeja. The study employed a longitudinal survey design, collecting data from 100 SMEs over three years. The analysis was conducted using panel data regression techniques. The study concluded that consistent CRM efforts, especially those focused on building long-term relationships with customers, significantly contribute to sustained business growth and customer loyalty in the competitive market of Ikeja.

Alabi (2024) evaluate the effectiveness of CRM tools on the profitability of SMEs in Ikeja, Lagos State. The study adopted a cross-sectional research design, collecting data from 150 SMEs using structured questionnaires. The analysis was done using correlation and regression analysis. The findings indicated that the use of CRM tools such as automated email marketing and customer feedback platforms leads to improved customer satisfaction and higher profitability for SMEs in Ikeja.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Preamble

This chapter focused on the methodology for collecting, classifying, summarizing, coding and analyzing the required data as well as the methods that were employed to achieve the stated specific objectives of the study. The chapter include the following sub-headings: research philosophy, research design, population of the study, sample size and sampling procedure, method of data collection, validity and reliability of instrument, method of data analysis and statement of ethical consideration.

3.1 Research Philosophy

The five major philosophies in business and management are positivism, critical realism, interpretivism, postmodernism, and pragmatism. This study adopts the positivist research philosophy. The researcher prefers the positivist view primarily because it seeks to quantify qualitative data. The data collected from the customers of SMEs in Ikeja Local Government Area, Lagos State, Nigeria were done using closed-ended questionnaires.

Additionally, the study equally embraced epistemology and adopt a positivist research philosophy. Epistemology is relevant because the study aims to understand how knowledge is acquired (Crotty, 1998; Daniel, 2016). Specifically, the researcher would develop knowledge on the dimensions of CRM and their relative effect on market performance metrics of SMEs in Ikeja Local Government Area, Lagos State in Nigeria. The positivist research approach typically employs both surveys and

quantitative techniques of statistical analysis (Williams, 2007), which this study will use to explore the relationship between independent and dependent variables.

This study follows the positivist paradigm as it is empirical in nature, focusing on observable and measurable phenomena. It is based on testable hypotheses and deductive reasoning. However, it also incorporates elements of the post-positivist paradigm, recognizing that all observations are fallible and subject to error, and all theories are subject to revision. While it acknowledges that it is challenging to know reality with certainty, the goal is to approximate reality as closely as possible through scientific inquiry. Epistemologically, the study adopts a qualitative research methodology where the researcher remains detached and unbiased, aiming for objectivity in studying the phenomena.

3.2 Research Design

The study adopts the survey research method as the research design. A survey method for this study is quite appropriate in the measurement of respondents' opinions and attitudes towards dimensions of CRM practices and their relative effect on market performance metrics of SMEs in Ikeja Local Government Area, Lagos State in Nigeria.

3.3 Data Specification

Primary and secondary sources of data were used to source for information from the study area. The primary data that were obtained to include the bio-data of the respondents and data related to dimensions of CRM and their relative effect on market performance metrics of SMEs. The bio-data of the respondents covered items such as gender, age group, marital status, and education qualifications. The data sourced through secondary medium were mainly used for literature review in chapter two.

3.4. Population for the Study

The population for the study is restricted to customers of small and medium scale enterprise (SMEs) domiciled in Ikeja Local Government Area, Lagos State in Nigeria. The actual figure of the population of the study could not be ascertained because it is considered a moving population thus it is infinite (Hair *et al.*, 2016). This made the study to adopt a hypothetical sample in line with the views of Attwell and Rule (1991) which postulates that theoretical samples may be used for an unknown or indefinite population.

3.5 Sampling Techniques and Sample Size

Since the population is considered infinite because it could not be determine, Cochran (1977) developed a formula for calculating a representative sample for proportions of infinite population. Therefore, in the determination of the sample size of customers for this study, the researcher adopts statistical formula of Cochran (1977). Babalola (1998) corroborated the usefulness of this formula in asserting that the formula can be used to calculate the minimum sample size when the population is infinite. The formula is given as follows:

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where:

Z= the selected critical value of desired confidence level (1.96)

p= the estimated proportion of an attribute that is present in the population (0.5)

q= 1– p and e is the desired level of precision (0.5)

e= Degree of accuracy desired (0.5)

Therefore,

$$n_0 = \frac{Z^2 pq}{0.05^2} = \frac{(1.96)^2 (0.5)(1-0.5)}{0.05^2}$$

$n_0 = 384$ Respondents

However, in the determination of the sample size, the calculated sample size of 384 was increase to 400 respondents for replacement of likely non-response or missing responses as well as to increase the adequacy of the sample as submitted by Aliyu (2014). Therefore, four hundred samples was considered as the total number of customers that were to be selected.

Sampling Procedure

Purposive sampling technique was employed for the study. Given the unavailability of sampling frame coupled with the fact that it would have been impossible to build a reliable sample frame for the customers; a convenient sampling technique was adopted for selecting the customers. Thus, the researcher was guided by certain characteristics of the population that were necessary in choosing the sample elements that most likely provide the required data for investigation. As the study was to be conducted on a sample of customers small and medium scale enterprise (SMEs) domiciled in Ikeja Local Government Area, Lagos State in Nigeria, it is therefore not difficult to obtain respondents among customers of these SMEs. The questionnaire were therefore administered the SMEs business unit for the sake of convenience. Also, the respondents were selected from customers who were willing to complete questionnaires while spending time in the retail stores and markets.

Therefore, four hundred (400) copies of questionnaires were administered to various customers of selected SMEs. This sample figure is in accordance with the views of Hill, Brierley and MacDougall (2003) who reported that a sample size of 100 and above is sufficient to present good

concise research findings and also to provide good representation of the population or organization or any subject being investigated.

3.6 Method of Data Collection

The collection of primary data required the use of questionnaire administration. The questionnaire was structured into two main parts. The first part focused on the demographic characteristics of the respondents which include such items as gender, age group, marital status and education qualifications of the respondents. The second part focused on questions related to dimensions of CRM and their relative effect on market performance metrics of SMEs. These were formulated as to provide basic answers to the research objectives.

Likert Rating Scale of five points was employed for sampling, measuring and recording the respondents' opinions as expressed in the questionnaire. This enables the researcher to rate the respondents' responses on the scale ranging from strongly agreed (5 point) to strongly disagree (1 point). Saunders, Lewis and Thornhill (2020) asserted that Likert-style rating method of questionnaire design enables researcher to ask respondents on how they agree or disagree with a series of statements. It also has the advantage of enabling numerical value to be assigned to cases for easy quantitative analysis (Zinberg, Revelle & McDonald, 2006).

3.7 Reliability and Validity of the Instrument

One important way of ensuring that studies use the right instruments and have taken correct measurement is to ensure that the research outcome is in consonance with the two major criteria for measuring quality which are validity and reliability (Aliyu, 2014). Thus, reliability and validity tests are the two major means of ensuring that a research instrument is capable of measuring the intended features in a population that the research objective is set to achieve. Cronbach's alpha was used to measure the reliability of the instrument because it is the most commonly used test of

instrument's internal reliability (Bryman & Bell, 2017). Thus, Cronbach's Alpha is used to examine how well one item's score is internally consistent with composite scores from all other items that remain. Cronbach's alpha reliability coefficient ranges between 0 and 1. The closer the coefficient is to 1.0, the greater is the internal consistency of the items (variables) in the scale. Thus, in line with social sciences standard, an instrument with a coefficient of 0.60 is regarded to have an average reliability; whereas a coefficient of 0.70 and above shows that the instrument has a high level of reliability. This provides appropriate threshold for the study. Cronbach's Alpha was calculated for each construct. A reliability index of 0.747 indicated a high degree of consistency and reliability for all constructs in this study.

Table 3:1 Cronbach's Alpha Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items	N
.758	.747	24	357

Source: Author's Computation, 2024

Research instrument validity refers to the extent to which a research instrument actually measures what it is design to measure (Mugenda & Mugenda, 2018). Thus, the instrument was further subjected to both face and content validity to be done through the help of the supervisor and three other professionals in the field of management. Their observations, corrections and suggestions were incorporated into the final draft of the instrument.

3.8 Method of Data Analysis

Descriptive and inferential statistical analyses were used in presenting and analysing the data that were collected from the field of study, with the aid of IBM Statistical Package for Social Sciences (IBM SPSS version 27.0). The responses from the questionnaire were coded and entered into SPSS and used to analyse the data. Descriptive statistics were further applied to summarize and illustrate the primary features of the data. This involved calculating measures such as mean, and standard

deviation to provide a comprehensive overview of the respondents' demographic characteristics and their responses to the questionnaire items.

In order to determine the relationship between the dependent and independent variables under study, the hypotheses were analyzed and tested with the use of regression analysis and correlation analysis. The data obtained from the field were presented using descriptive statistics of simple bar charts while regression and correlation analysis were used to test the hypotheses formulated for the study. The rationale for using regression analysis was because it is a statistical tool that does not only explores the relationship between two or more variables (dependent variable and independent variables) but also indicates the direction (whether positive or negative relationship) and magnitude (the degree of variability changes in the level of dependent variable as a result of factors related to independent variable) of the effect of one variable (independent) on another variable (dependent variable). The significant value helped to determine the significance of the relationship between the independent variables and the dependent variable, while the coefficient of determination (R^2) revealed how well each independent variable can predict the dependent variable. This provided the basis of generalization of the findings on the effect of change management on organizational performance in hospitality industry. The hypotheses were tested at 0.05% level of significance and 95% confidence level.

Table 3.1: Relationship Matrix (i.e Research Objective, Research Hypotheses and Method of Data Analysis Techniques Matrix)

S/N	Objectives	Hypotheses (H_0)	Statistical Tech.
1	To determine the effect of knowledge management on customer satisfaction	Knowledge management has no significant effect on customer satisfaction.	Regression Analysis

2	To investigate the relationship between relationship marketing and customer purchase intention.	There is no significant relationship between relationship marketing and customer purchase intention.	Correlation Analysis
3	To examine the extent to which customer focus influence customer retention.	Customer focus has no significant influence on customer retention.	Regression Analysis

3.9 Ethical Consideration

The study abided by laid down ethical standards of research and information provided by the respondents was treated with utmost confidentiality. This was stated at the introductory part of the questionnaire that the study will respect confidentiality and as such the identities of the respondents will not be disclosed; also that the information supplied were solely for academic purposes. In addition, the study ensured that all the sources of literature were acknowledged through citations and referencing.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETAION

4.0 Preamble

The main emphasis of any empirical study is on the analysis of data for the achievement of research objectives. This chapter presented and analyzed the data collected from the field of study. The data were presented and analyzed using descriptive statistical tools and frequency distribution analysis (percentage count) while the hypotheses formulated for the study were tested using regression analysis and correlation analysis. The chapter is divided into three main sections. The first section used a cross-tabulation to analyze and described the socio-demographic characteristics of the respondents as well as the descriptive analysis of the items. The second section portrayed the test of hypotheses, while the last section focused on the discussion of findings coupled with managerial implications.

4.1 Analysis of Response Rate of Administered Questionnaire

Table 4.1 **Response Rate**

	Frequency	Percent
Returned	357	89.25
Non-returned	43	10.75
Total	400	100.0

Source: Field Survey, 2024

The responses to the questionnaires administered as depicted in table 4.1.1 revealed that a total of four hundred (400) copies of questionnaire were administered, three hundred and fifty-seven (357) copies of the questionnaire representing 89.25% were returned and considered suitable for the study. This implies that majority of the respondents positively responded to the questionnaire, making it relevant for the study.

4.2 Analysis of Respondents Demographic Data

This section summarizes the frequency distribution of respondents on different demographic items as shown in tables and bar graphs below. Scholars had averred that customers' demographic characteristics influence their buying behavior, particularly in respect to satisfaction (DeVane & Sandy, 2003). Therefore, the analysis of employees' demographic characteristics were presented below:

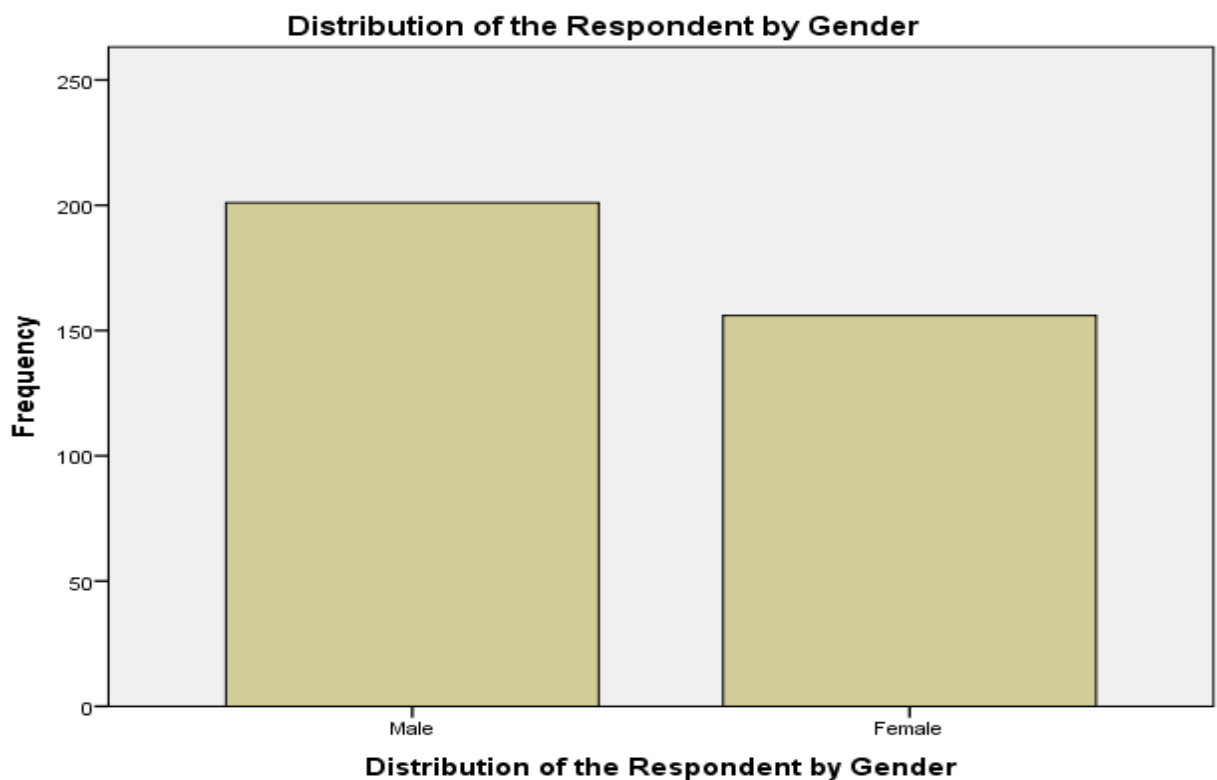


Figure 4.1: Distribution of the Respondent by Gender

Source: Field Survey, 2024

Table 4.2.1 Distribution of the Respondent by Gender

		Frequency	Percent
Valid	Male	156	43.7
	Female	201	56.3
	Total	357	100.0

Source: Field Survey, 2024

Table 4.2.1 and figure 1 revealed the distribution of respondents by gender which indicates that majority were females with 56.3% (201) of the total percentage while males constitute 43.7% (156) of the total

respondents. This connotes that the SMEs in Nigeria have more female customers than males and they should therefore focus more of their customer satisfaction programs on male so as to ensure that most of their customers are satisfied.

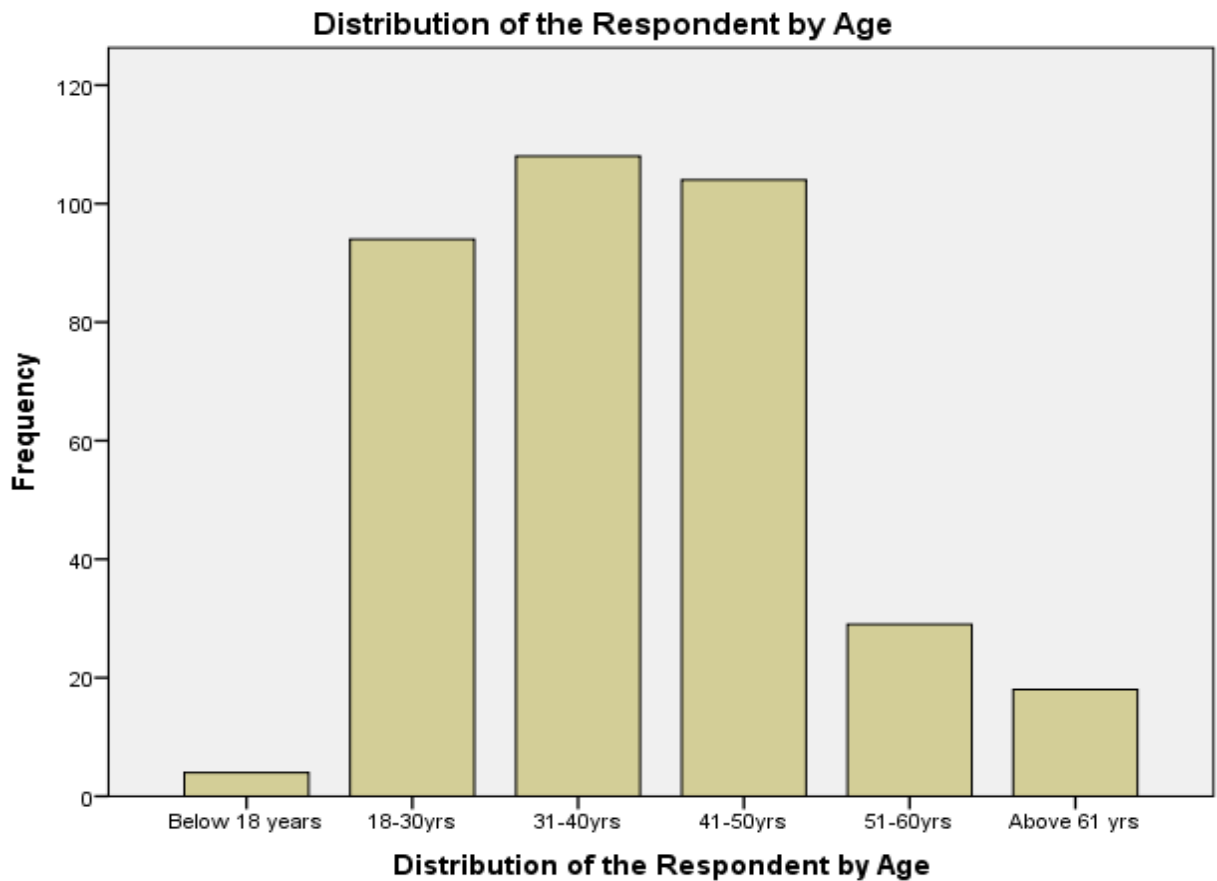


Figure 2: Distribution of the Respondent by Age

Source: Field Survey, 2024

Table 4.2.2 Distribution of the Respondent by Age

		Frequency	Percent
Valid	Below 18 years	4	1.1
	18-30yrs	94	26.3
	31-40yrs	108	30.3
	41-50yrs	104	29.1
	51-60yrs	29	8.1
	Above 60 yrs.	18	5.0
	Total	357	100.0

Source: Field Survey, 2024

The age distribution in table 4.2.2 and figure 2 indicate that 1.1% (04) were below 18 years; 26.3% (94) were within the age range of 18-30 years of age; 30.3% (108) were 31 to 40 years; 8.1% (29) were 51-60 years; while 5.0% (18) of the respondents were 60 and above years of age. This implies that majority of the respondents were young and mature adults and they were economically active, which implies that the customers would actually understand and appreciate the value of customer satisfaction as a core performance concept underpinning this study.

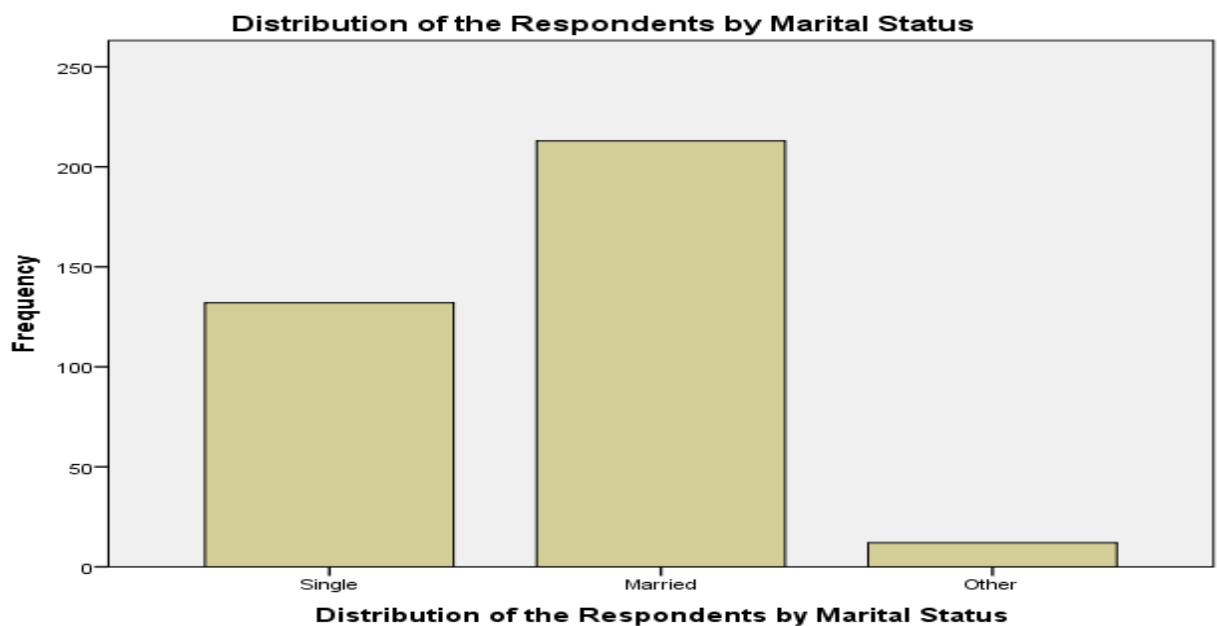


Figure 3: Distribution of the Respondents by Marital Status
Source: Field Survey, 2024

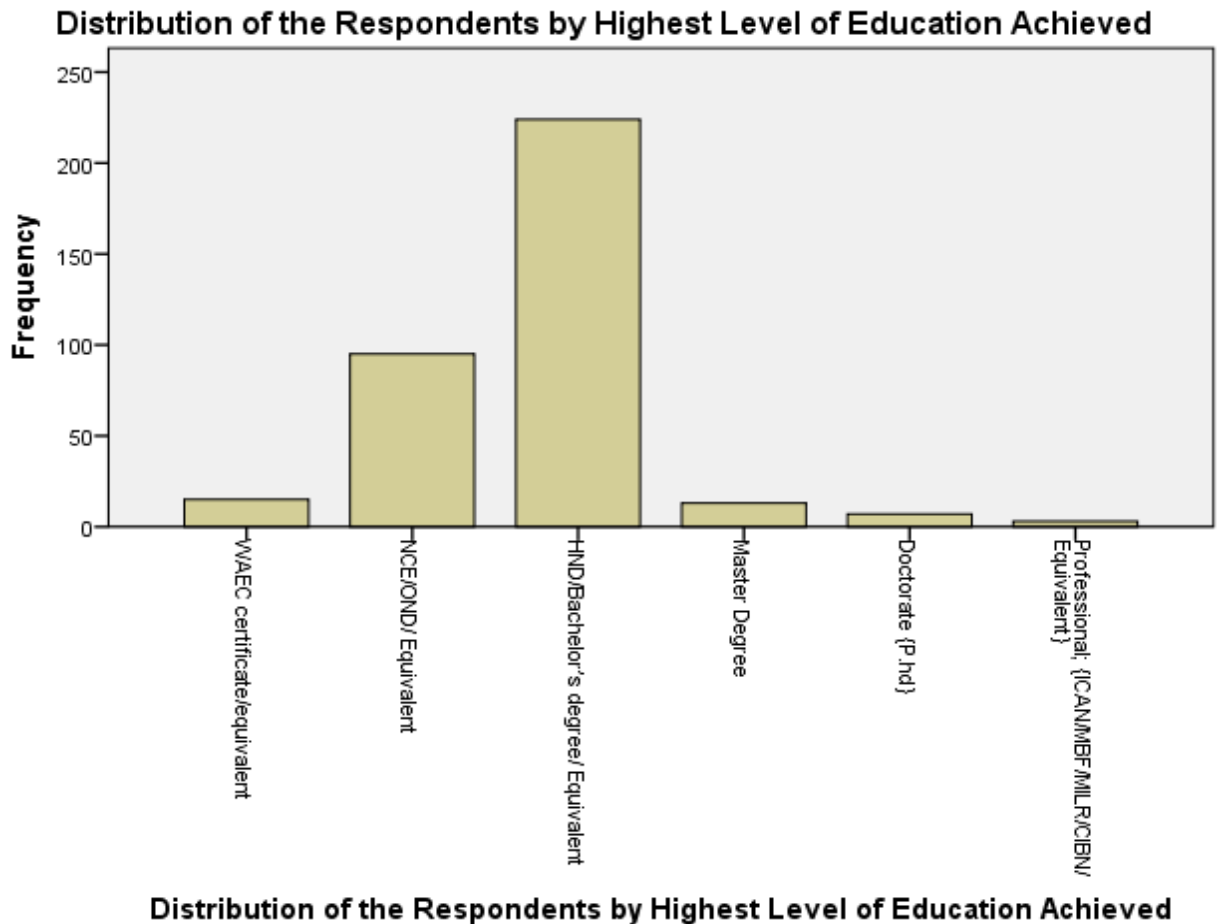
Table 4.2.3 Distribution of the Respondents by Marital Status

		Frequency	Percent
Valid	Single	132	37.0
	Married	213	59.7
	Other	12	3.4
	Total	357	100.0

Source: Field Survey, 2024

Distribution by marital status as shown in table 4.2.3 and figure 3 revealed that 37.0% (132) were singles; 59.7% (213) which made up the majority were married; 3.4% (12) of the respondents belong

to other categories not specified. This implies that majority of the SMEs customers were married and they would react more proportional to level of satisfaction derived in their transactions.



Source: Field Survey, 2024

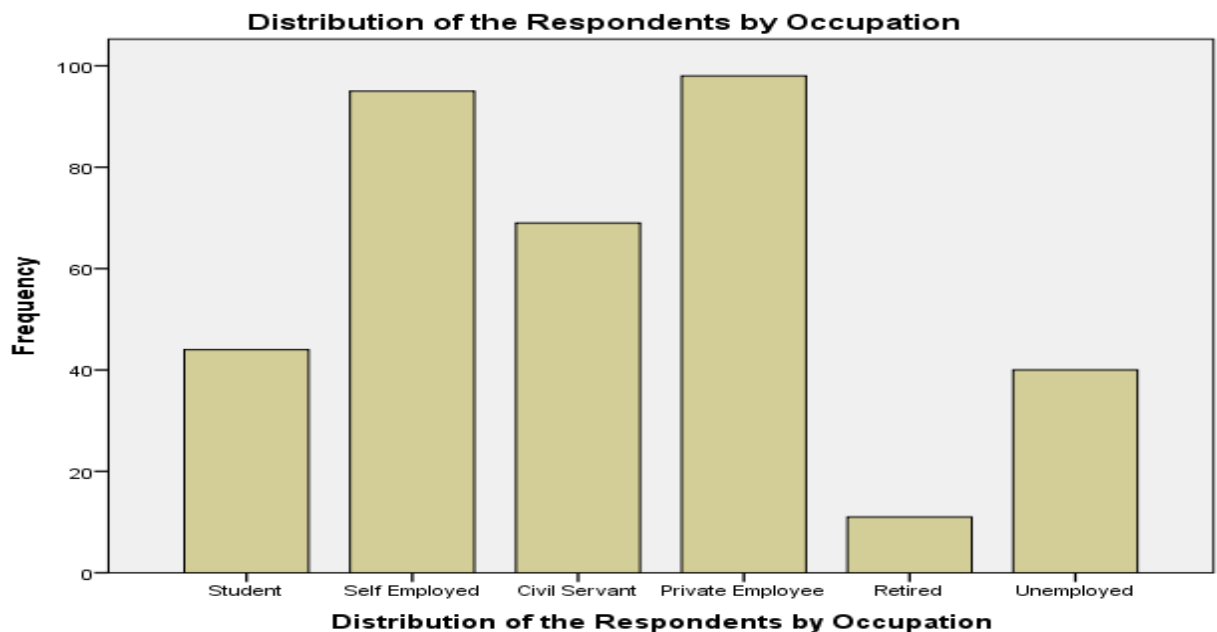
Figure 4: Distribution of the Respondents by Highest Level of Education Achieved

Table 4.2.4 Distribution of the Respondents by Highest Level of Education Achieved

		Frequency	Percent
Valid	WAEC certificate/equivalent	15	4.2
	NCE/OND/ Equivalent	95	26.6
	HND/Bachelor's degree/ Equivalent	224	62.7
	Master Degree	13	3.6
	Doctorate {P.hd}	7	2.0
	Professional; {ICAN/MBF/MILR/CIBN/ Equivalent}	3	.8
	Total	357	100.0

Source: Field Survey, 2024

The distribution by level of educational qualification shows that 4.2% (15) had secondary school certificate or its equivalent; 26.6% (95) had National Diploma/NCE or its equivalent; 62.7% (224) which constitutes majority of the respondents had HND/Bachelor's degree or its equivalent; 3.6% (129) had Masters certificate or its equivalent; 2.0% (7) had Ph.D certificates; and 0.8% (3) had other qualifications not specified in the instrument. This implies that majority of the respondents were educated and appropriately qualified to respond to the questions related to issues relating to under discourse.



Source: Field Survey, 2024

Figure 5: Distribution of the Respondents by Occupation

Table 4.2.5 Distribution of the Respondents by Occupation

		Frequency	Percent
Valid	Student	44	12.3
	Self Employed	95	26.6
	Civil Servant	69	19.3
	Private Employee	98	27.5
	Retired	11	3.1
	Unemployed	40	11.2
	Total	357	100.0

Source: Field Survey, 2024

Career status distribution posits that 12.3% (44) of the respondents were students; 26.6% (95) were self-employed or having their personal business; 19.3% (69) were civil servants; 27.5% (98) of the respondents were private employees; 3.1% (26) were retirees, while 11.2% (40) were unemployed. This implies that the respondents cut across various social status of the country, which would help the study gain heterogeneous opinions on issues relating to CRM towards enhancing performance of SMEs in Nigeria.

The inference from the demographic characteristics of the respondents is that they cut across various age bracket, gender, marital and social status of the country, which helped the study gain heterogeneous perspectives on issues bordering on CRM towards enhancing performance of SMEs in Nigeria. The SMEs must therefore clearly perceive and understand the unique needs of these diverse customers and must tailor their satisfaction programs so as to ensure customer loyalty. This is because their level of educational awareness could lead them to shift their demand to other service providers if they are not well satisfied.

4.3 Descriptive Statistical Analysis of Items on Customer Relationship Management (CRM) Dimensions and SMEs' Market Performance Criteria.

The goal of the descriptive statistics measurement, such as the mean value, standard variation, Skewness and Kurtosis, etc is to determine the statistical significance of the items on the instrument (questionnaire). The Likert scale, often known as the five-point interval scale, was used to assess items in the questionnaire. The instrument was constructed using five interval scale constructs on the scale of 1 to 5, representing strongly disagree to strongly agree; with 1 indicating Strongly Disagree (SA), 2 indicating Disagree (D), 3 indicating Neutral (N), 4 indicating Agree (A), and 5 indicating Strongly Agree (SA). The current study sought to assess information related to customer relationship management dimensions and SMEs' market performance criteria in Nigeria. Table 4.3.1 gives

highlights of the trend of the participants' responses. Notably, the most commonly descriptive statistics measurement in management and social sciences are measures of central tendency, measures of variability around the mean, measures of deviation from normality, and information concerning the spread of the distribution (Wiedermann, Hagmann & von Eye, 2015; George & Mallery, 2010).

The commonest used measure of central tendency is the mean, which is the measure of the average value of the data set (Sekaran & Bougie, 2010), while the most commonly measure of deviation is the standard deviation, derived from the square root of the variance, which is a measure of dispersion that offers an indicator of variability in the data collection. Thus, the mean and standard deviation are two of the most important descriptive statistics for data. Accordingly, a score of less than 2.33 is considered low for mean, 2.33 to 3.67 is considered moderate, and 3.67 and above is considered high (George & Mallery, 2010; James, 2021). Moreover, skewness and kurtosis are the commonest means of testing for data normality. Skewness is perceived as a representation of the extent to which a given distribution varies from a normal distribution (James, 2021), depicting the degree of asymmetry observed in a probability distribution. Thus, the general rule is that if either of these values for skewness are less than ± 1 to ± 2 , then the skewness for the distribution is not outside the range of normality, so the distribution can be considered normal; if the values are greater than ± 1 to ± 2 , then the skewness or kurtosis for the distribution is outside the range of normality, so the distribution cannot be considered normal (George & Mallery, 2010). On the other hand, Kurtosis, which is a measure of the "peakedness" or "flatness" of a distribution, assumes that a kurtosis value near zero indicates a shape close to normal; a negative value indicates a distribution which is more peaked than normal, and a positive kurtosis indicates a shape flatter than normal. Thus, a kurtosis value of ± 1 or ± 2 is considered very appropriate for the study (George & Mallery, 2010; Streiner & Norman, 1995)

Table 4.3.1**Descriptive Statistics**

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
KnMgt	357	2.78	1.190	.159	.129	-1.250	.257
RelMkt	357	4.73	.506	-1.650	.129	1.851	.257
CusFoc	357	2.36	1.215	.831	.129	-.350	.257
CuSat	357	2.68	1.320	.720	.129	-.853	.257
CuPuIn	357	2.80	1.459	.562	.129	-1.286	.257
CuRet	357	2.68	1.388	.774	.129	-.893	.257
Valid N (listwise)	357						

Field Study, 2024

Table 4.3.1 depicts the summary of descriptive statistics in respect to customer relationship management dimensions and SMEs' market performance criteria in Nigeria as independent and dependent variables included in the study. The table depict that the Mean and Standard Deviation values for the six items (KnMgt, RelMkt, CusFoc, CuSat, CuPuIn, and CuRet) representing knowledge management, relationship marketing, customer focus, customer satisfaction, customer purchase intention, and customer retention criterion were within the statistical acceptable range. The mean and standard deviation for the items knowledge management (KnMgt); relationship marketing (RelMkt), customer focus (CusFoc), customer satisfaction (CuSat), customer purchase intention (CuPuIn), and customer retention (CuRet) were 2.78 & 1.990; 4.73 & 0.506; 2.36 & 1.215; 2.68 & 1.320; 2.80 & 1.459; and 2.68 & 1.388 respectively. This posits that the means for all items were greater than the standard deviation thereby they were within the statistically acceptable benchmark. Moreover, the reported Skewness and Kurtosis for knowledge management (KnMgt); relationship marketing (RelMkt), customer focus (CusFoc), customer satisfaction (CuSat), customer purchase intention (CuPuIn), and customer retention (CuRet) were 0.159 & -1.250; -1.650 & 1.851; 0.831 & -0.350; 0.720 & -0.853; 0.562 & -1.286; and 0.774 & -0.893 respectively. These posit that Skewness

and Kurtosis for the values were not outside the range of normality, so the distribution of the values was considered to be statistically appropriate for the study.

4.4 Test of Hypotheses

The three hypotheses formulated were tested using regression and correlation analysis to examine the relative relationship and effect of independent variable(s) on the dependent variable.

4.4.1 Test of Hypothesis One

H₀₁: Knowledge management has no significant effect on customer satisfaction.

Regression analysis was the instrument used to test this hypothesis as shown in table 4.4.1-4.4.3.

Table 4.4.1 Regression Model Summary of Effect of Knowledge Management on Customer Satisfaction.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.725 ^a	.525	.524	.910

a. Predictors: (Constant), KnMgt

Source: Author's Computation, SPSS 27.0, 2024

The model summary as shown in table 4.4.1 posits that knowledge management as a construct of customer relationship management is a positive and significant predictor of customer satisfaction among SMEs in Nigeria. The correlation coefficient (R) value of 0.725 (72.5%) signifies that there is positive significant relationship between knowledge management (KnMgt) as a construct of customer relationship management and customer satisfaction (CuSat) among SMEs. The table equally demonstrated that the coefficient of determination, R-square value of 0.525 (52.5%) implies that knowledge management (KnMgt) accounted for 52.5% when determining customer satisfaction (CuSat) of SMEs in Nigeria, while the remaining 37.5% was accounted for by exogenous variables not included in the model. It also depicts that 52.5% variability change in customer satisfaction (CuSat) is explained by a unit change in knowledge management (KnMgt), while other factors which accounted for the remaining 37.5% were not captured in the model specification of the study.

Furthermore, the adjusted R^2 value of 0.524 (52.4%) established that knowledge management (KnMgt) as a construct of customer relationship management actually contribute to variation in the level of customer satisfaction (CuSat). This is good enough in determining the goodness of fit for the model and for making predictions.

Table 4.4.2 Analysis of Variance (ANOVAa) of Mean, F-statistics and Significant Value

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	325.769	1	325.769	393.111	.000 ^b
	Residual	294.187	355	.829		
	Total	619.955	356			

a. Dependent Variable: CuSat

b. Predictors: (Constant), KnMgt

Source: Author's Computation, SPSS 27.0, 2024

Table 4.4.2 described the overall diagnostic test of significant using Analysis of Variance (ANOVA) between knowledge management (KnMgt) as a construct of customer relationship management and customer satisfaction. The ANOVA results for regression coefficients indicate that the significant value of the F-statistics at $F=393.111 > F\text{-table}=3.84$ at a degree of freedom of (1, 355) with $p\text{-value} < 0.05$. This posits knowledge management (KnMgt) as a construct of customer relationship management significantly influence customer satisfaction (CuSat) and therefore represent a good fit for the model. Thus, the F-statistics value of 393.111 with the probability value of 0.000 posits that the independent variable (explorative) of knowledge management explained the variations in the dependent variable in term of customer satisfaction at 95% confidence level.

Table 4.4.3 Regression Coefficientsa of Beta and t-test statistics

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.446	.122		3.645	.000
	KnMgt	.804	.041	.725	19.827	.000

a. Dependent Variable: CuSat

Source: Author's Computation, SPSS 27.0, 2024

Table 4.4.3 reveals that the coefficient value for knowledge management (KnMgt) as a construct of customer relationship management positively and significantly influences customer satisfaction (CuSat). As shown in the table, customer satisfaction (CuSat) among the customers of SMEs in Nigeria would be equal to 0.446 when all other variables were constant. It would increase by 0.804 when there is a unit increase in knowledge management (KnMgt) as a construct of customer relationship management. Furthermore, the table depicts that the beta coefficient in respect to knowledge management (KnMgt) as a construct of customer relationship management was 0.804 with t-test value of 19.827 and $p < 0.005$ at 5% level of significance. This posits that knowledge management (KnMgt) as a construct of customer relationship management is a positive and significant predictor of customer satisfaction (CuSat). Thus, it therefore becomes obvious that knowledge management (KnMgt) as a construct of customer relationship management has significant and positive impact on customer satisfaction (CuSat). This is because the coefficient of trend analysis were $\beta_1 = 0.804$ and t-test 19.827 was significant at 5%. This portrays that knowledge management (KnMgt) as a construct of customer relationship management has positive and significant impact on customer satisfaction with $p\text{-values} = 0.00 < 0.05$. Therefore, the study rejected the null hypothesis and accepted the alternative hypothesis which established that knowledge management has significant effect on customer satisfaction at 95% level of confidence.

4.5.2 Test of Hypothesis Two

H₀₂: There is no significant relationship between relationship marketing and customer purchase intention.

The hypothesis was tested using Pearson moment correlation analysis as shown in table 4.4.19 below

Table 4.4.4 Correlations Statistics Showing Relationship Between Relationship Marketing and Customer Purchase Intention.

		CuPuIn	RelMkt
CuPuIn	Pearson Correlation	1	.541**
	Sig. (2-tailed)		.000
	N	357	357
RelMkt	Pearson Correlation	.541**	1
	Sig. (2-tailed)	.000	
	N	357	357

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Author's Computation, SPSS 27.0, 2024

Table 4.4.4 depicts the result of the correlation statistical analysis table. The table indicates that there is positive and significant relationship between relationship marketing (RelMkt) as a construct of customer relationship management and customer purchase intention (CuPuIn). It further pointed out that there is direct and significant relationship between relationship marketing (RelMkt) as a construct of customer relationship management and customer purchase intention (CuPuIn) (i.e $r=0.541$; $n=357$, $p<0.01$). The positive correlation coefficient posits that relationship marketing (RelMkt) as a construct of customer relationship management is significantly related in influencing customer purchase intention (CuPuIn) among SMEs in Nigeria. Therefore, the null hypotheses was rejected while the alternative hypothesis which establishes that there is significant relationship between relationship marketing and customer purchase intention is accepted.

4.4.3 Test of Hypothesis Three

H03: Customer focus has no significant influence on customer retention.

The regression analysis was the instrument used to test this hypothesis as shown in table 4.4.4-4.4.7.

Table 4.4.7 Regression Model Summary of Influence of Customer Focus on Customer Retention

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.558 ^a	.311	.310	1.154

a. Predictors: (Constant), CusFoc

Source: Author's Computation, SPSS 27.0, 2024

The summary of the regression model as depicted in table 4.4.7 depicts that customer focus (CusFoc) as a construct of customer relationship management is positive and significant predictor of customer retention (CuRet). The correlation coefficient (R) value of 0.558 (55.8%) describes that there is significant relationship between customer focus (CusFoc) as a construct of customer relationship management and customer retention (CuRet). The table similarly portrayed that the coefficient of determination, R-square value of 0.311 (31.1%) indicates that customer focus (CusFoc) as a construct of customer relationship management accounted for 31.1% when determining customer retention (CuRet) among the SMEs in Nigeria, while the remaining 68.9% was accounted for by exogenous variables not included in the model. This implies that 31.1% variability changes in customer retention could be explained by a unit change in customer focus (CusFoc) as a construct of customer relationship management, while other factors which accounted for the remaining 68.9% were not captured in the model specification of the study.

In addition, the adjusted R^2 value of 0.310 (31.0%) posits that customer focus (CusFoc) as a construct of customer relationship management definitely contributed to variation in the level of changes in customer retention (CuRet). This is good enough in determining the goodness of fit for the model and for making predictions.

Table 4.4.8 Analysis of Variance (ANOVAa) of Mean, F-statistics and Significant Value

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	213.767	1	213.767	160.595	.000 ^b
	Residual	472.541	355	1.331		
	Total	686.308	356			

a. Dependent Variable: CuRet

b. Predictors: (Constant), CusFoc

Source: Author's Computation, SPSS 27.0, 2024

Table 4.4.8 illustrated the overall diagnostic test of significant using Analysis of Variance (ANOVA) between customer focus (CusFoc) as a construct of customer relationship management and customer

retention (CuRet). The results pointed out that the significant value of the F-statistics at $F=160.595 > F\text{-table}=3.84$ at a degree of freedom of (1, 355) with $p\text{-value}=0.00$ which is less than 0.05 or 5% error term. This established that customer focus (CusFoc) as a construct of customer relationship management is a significant and positive predictor of customer retention (CuRet) and therefore represent a good fit for the model. Thus, the F-statistics value of 160.595 with the probability value of 0.000 posits that the independent variable of customer focus (CusFoc) as a construct of customer relationship management has significant effect on the dependent variable of customer retention (CuRet) at 95% confidence level.

Table 4.4.9 Regression Coefficientsa of Beta and t-test statistics

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.173	.133		8.798	.000
CusFoc	.638	.050	.558	12.673	.000

a. Dependent Variable: CuRet

Source: Author's Computation, SPSS 27.0, 2024

Table 4.4.9 describes that the coefficient value for customer focus (CusFoc) as a construct of customer relationship management has significant effect on customer retention (CuRet). As shown in the table, customer retention (CuRet) would be equal to 1.173 when all other variables were held to zero. However, it would increase by 0.38 when there is a unit increase in customer focus (CusFoc). Moreover, the table demonstrated that the beta coefficient in respect to customer focus (CusFoc) as a construct of customer relationship management was 0.638, with t-test value of 12.673 and $p < 0.005$ at 5% level of significance. This shows that customer focus (CusFoc) as a construct of customer relationship management is a positive and significant predictor of customer retention (CuRet). Thus, customer focus (CusFoc) as a construct of customer relationship management has significant influence on customer retention (CuRet) since the coefficient of trend analysis were $\beta_1 = 0.638$, at 5% significant level. The t-statistics associated with the regression parameters $t_1 = 12.673$

is greater than ± 1.645 at a degree of freedom of 356. This demonstrated that customer focus (CusFoc) as a construct of customer relationship management has positive and significant influence on customer retention (CuRet) with $p\text{-values}=0.000<0.05$. Thus, the study rejected the null hypothesis and accepted the alternative hypothesis which posits that customer focus (CusFoc) as a construct of customer relationship management has significant influence on customer retention (CuRet)

4.5 Discussion of the Findings

This study examines the effect of customer relationship management on market performance of small and medium scale enterprises in Ikeja Local Government Area, Lagos State, Nigeria. Three hypotheses were formulated in line with the study specific objectives, which were analysed using regression analysis and correlation analysis in order to arrive at conclusive findings for the study. This helped to portray the significance of the results of the analyses in the light of what was already known about the research problems being investigated and to further explain any new understanding that emerged as an implication of the study findings.

Findings from test of hypothesis one indicate that there is a robust relationship between knowledge management (KnTr) and customer satisfaction, as evidenced by the beta coefficient (β_1)=0.804 and t-test 19.827, at a significance level of $p < 0.005$. This result supports the hypothesis that knowledge management, as a dimension of customer relationship management (CRM), significantly influences customer satisfaction, which is a critical metric of SMEs performance. The positive beta coefficient ($\beta=0.8043$) suggests a moderate to strong positive relationship between knowledge management and customer satisfaction. This aligns with the understanding that effective knowledge management practices within CRM systems can enhance customer satisfaction by ensuring that relevant information is efficiently utilized to meet customer needs and

expectations. According to Wang and Wang (2012), effective knowledge management allows for better understanding of customer preferences and behaviors, leading to improved service delivery and customer satisfaction.

Additionally, the high t-test value of 9.852 and the significance level ($p < 0.005$) confirm that the observed relationship is statistically significant. This result indicates that knowledge management has a substantial and positive effect on customer satisfaction. In practice, this suggests that SMEs that invest in knowledge management systems are likely to see improvements in customer satisfaction, which is crucial for maintaining competitive advantage and achieving business success. The acceptance of the hypothesis underlines the importance of integrating knowledge management strategies into CRM systems. For SMEs, this means prioritizing the development of systems that facilitate the collection, dissemination, and application of customer-related knowledge. This could involve investing in technologies that enhance data analytics capabilities, fostering a culture of knowledge sharing, and implementing training programs aimed at improving employees' ability to leverage customer information effectively.

The findings are consistent with the theoretical framework of dynamic capabilities theory that positions knowledge management as a critical component of CRM. Knowledge management helps organizations harness and utilize customer information to drive better decision-making and enhance service quality (Alavi & Leidner, 2001). Empirical studies also support this view, demonstrating that organizations with strong knowledge management practices tend to achieve higher levels of customer satisfaction (Kumar & Reinartz, 2016).

Findings from test of hypothesis two depict that a significant positive relationship between relationship marketing (RelMkt) and customer purchase intention, with $r=0.541$; $n=357$, $p<0.01$. This statistical evidence supports the hypothesis that relationship marketing, as a dimension of

customer relationship management (CRM) is positively related with customer purchase intention, which is a crucial metric of SME performance. The positive ($r=0.541$) indicates a moderate yet notable positive influence of relationship marketing on customer purchase intention. This result suggests that effective relationship marketing strategies enhance customers' willingness to make purchases, reflecting their increased trust and satisfaction with the brand. According to Morgan and Hunt (1994), relationship marketing is integral to fostering strong customer relationships, which in turn drive customer loyalty and purchase behavior. By building and maintaining these relationships, SMEs can effectively influence customers' purchasing decisions.

The high r-test of 0.541 and the significance level of $p < 0.005$ confirm that the relationship between relationship marketing and customer purchase intention is statistically significant. This underscores the robustness of the relationship marketing strategies in impacting customer purchase decisions. Practically, this result suggests that SMEs that focus on developing and nurturing relationships with their customers are likely to see higher purchase intentions, which is crucial for driving sales and achieving sustainable growth. The acceptance of the hypothesis highlights the importance of relationship marketing within CRM frameworks. SMEs should prioritize strategies that enhance customer engagement and satisfaction, such as personalized communication, loyalty programs, and customer service excellence. These strategies not only improve customer experiences but also encourage repeat purchases and positive word-of-mouth, further supporting the business's performance.

The findings align with theoretical perspectives on relationship marketing and its impact on customer behavior. The RBV theory posits that long-term relationships with customers lead to increased customer commitment and higher purchase intentions (Berry, 1983). Empirical research

further supports this view, showing that effective relationship marketing strategies positively affect customers' purchase decisions and overall loyalty (Reinartz & Kumar, 2003).

Findings from the third hypothesis testing indicate a significant positive relationship between customer focus (CuFos) and customer retention, with a beta coefficient (β) of $\beta_1 = 0.638$, a t-test value of 12.673, and a significance level of $p < 0.005$. This evidence supports the hypothesis that customer focus, as a dimension of customer relationship management (CRM), positively influences customer retention, which is a vital metric of SMEs performance.

The positive beta coefficient ($\beta = 0.638$) indicates that a higher degree of customer focus within CRM systems is associated with improved customer retention. This suggests that when SMEs prioritize customer needs and preferences, they are more likely to retain their customers over time. According to Zeithaml, Berry, and Parasuraman (1996), customer focus involves understanding and addressing customer expectations, which leads to enhanced satisfaction and loyalty. This alignment with customer needs fosters a stronger relationship, increasing the likelihood of repeat business and long-term retention.

The high t-test value of 12.673 and the significance level ($p < 0.005$) underscore the robustness of the relationship between customer focus and customer retention. This statistical significance confirms that the observed relationship is not due to random chance, thereby validating the influence of customer focus on retention. For SMEs, this result implies that implementing strategies to enhance customer focus, such as personalized service, responsive support, and tailored communication, can significantly improve customer retention rates. This is crucial for sustaining a competitive edge and achieving growth.

The acceptance of the hypothesis highlights the critical role of customer focus within CRM strategies. SMEs should invest in understanding and addressing customer needs through systematic approaches, such as customer feedback mechanisms and targeted marketing initiatives. These practices are likely to result in higher customer satisfaction, loyalty, and retention, thereby positively impacting business performance.

The findings are consistent with theoretical perspectives on customer focus and its impact on retention. The service-dominant logic of marketing suggests that customer-centric approaches enhance relationship quality and retention (Vargo & Lusch, 2004). Empirical studies also support this, demonstrating that firms with strong customer focus strategies experience higher levels of customer retention and loyalty (Heskett et al., 1994).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Preamble

This chapter is concerned with the summary of findings, conclusion and recommendations drawn from the inferences of the findings of the study. Subsequently, contributions of the study to knowledge and suggestions for further study were also offered.

5.1 Conclusion

Given the findings reported in the study, it is concluded that dimensions of customer relationship management have significant effect on market performance of small and medium scale enterprises in Ikeja Local Government Area, Lagos State, Nigeria. Specifically, the study established that:

i) Knowledge management is a significant and positive predictor of customer satisfaction in SMEs.

The statistical evidence supports the hypothesis that effective knowledge management within CRM systems contributes to improved customer satisfaction, validating its role as a crucial element in enhancing SME performance.

ii) Relationship marketing is a significant and positive predictor of customer purchase intention.

The statistical evidence supports the hypothesis that effective relationship marketing within CRM systems enhances customers' intent to purchase, validating its role as a key driver of SME performance.

iii) Customer focus is a significant and positive predictor of customer retention. The statistical evidence supports the hypothesis that effective customer focus within CRM frameworks enhances customer retention, validating its importance as a key driver of SME performance.

5.2 Recommendations

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

- i) Promotion of a culture of knowledge sharing within the organization should be encouraged. Encourage employees to share insights and information about customer preferences and experiences, which can lead to more personalized and effective customer service. This can be achieved by developing and providing training programs focused on improving employees' skills in utilizing knowledge management systems. Training should cover how to leverage customer data to address needs, anticipate issues, and enhance overall service delivery.
- ii) SMEs should prioritize the development and implementation of relationship marketing strategies within their CRM systems. This includes creating personalized marketing campaigns, establishing loyalty programs, and maintaining consistent and meaningful communication with customers. More so, they should further invest in strategies that foster strong customer engagement. Utilize tools such as targeted content, interactive platforms, and personalized offers to build deeper connections with customers and increase their purchase intention.
- iii) SMEs should integrate customer focus into their core CRM strategies. This involves developing practices that put the customer at the center of business operations, such as personalized service, tailored marketing efforts, and responsive customer support. Equally, they should foster open and effective communication channels with customers. Regularly solicit feedback, address concerns promptly, and engage in proactive communication to build stronger relationships and improve retention.

5.3 Contributions to Knowledge

This study contributes to the understanding of the role of customer relationship management in enhancing marketing performance within SMEs in Nigeria: Specifically, the study has been able to:

- i) Provides empirical evidence that effective knowledge management practices are positively associated with higher levels of customer satisfaction. This strengthens the theoretical understanding of the impact of knowledge management on customer outcomes.
- ii) By demonstrating the benefits of knowledge management in improving customer satisfaction, this study offers practical insights for SMEs seeking to enhance their performance and competitive advantage through better customer relationship management.
- iii) The research provides empirical evidence that relationship marketing significantly influences customer purchase intention. This validates theoretical models that position relationship marketing as a crucial factor in driving consumer behavior.
- iv) The study offers actionable insights for SMEs on how to enhance customer purchase intention through relationship marketing. This contributes to practical knowledge on improving business performance through targeted marketing efforts.
- v) The study provides actionable insights for SMEs on how to implement and leverage customer focus strategies to boost customer retention. This practical knowledge helps SMEs enhance their performance through improved customer relationship management.

5.4 Suggestions for Future Research

Future research could build on this study by exploring:

1. Investigate how different dimensions of knowledge management (e.g., knowledge creation, sharing, and application) specifically influence various aspects of customer satisfaction. This could provide a more nuanced understanding of which elements of knowledge management are most effective.
2. Examine the long-term effects of customer relationship management practices on overall SME performance, including metrics such as customer loyalty, retention, and financial performance. This could reveal whether the benefits of customer relationship management are sustained over time.
3. Study how knowledge management influences different dimensions of customer experience, such as emotional satisfaction, service convenience, and problem resolution. Understanding these dimensions could help SMEs tailor their customer relationship management strategies more effectively.
4. Conduct studies across different industries to determine if the influence of relationship marketing on purchase intention varies by industry. This can help identify industry-specific best practices and strategies.
5. Explore how emerging technologies (e.g., artificial intelligence, machine learning) enhance relationship marketing efforts and influence customer purchase intentions. Investigating technological advancements can provide new ways to leverage relationship marketing effectively.
6. Study how customer focus affects various dimensions of customer experience, such as emotional connection, service quality, and trust. This can offer a comprehensive view of how customer focus influences overall customer perceptions and retention.

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Appendix: Questionnaire

Cover Letter

**Department of Business Administration,
Faculty of Management and Social Sciences,
Thomas Adewumi University,
Kwara State.**

Dear Respondent,

I am an undergraduate student of the above named Department, Faculty and University and I am currently conducting an academic research on *“Customer Relationship Management on Market Performance of Small and Medium Scale Enterprises in Ikeja Local Government Area, Lagos State, Nigeria”*. I would appreciate your kindness in giving credible answers to this survey and I assure you that your responses will be treated as confidential and will be used by the researcher for the purposes of research only. There is no right or wrong answers. Please answer all questions to the best of your knowledge.

Thanks for your sincere cooperation.

SALAU, Mariam Olamide.

(Matric Number: 20/15BAA003)

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SUB-SECTION A: DEMOGRAPHIC DATA

INSTRUCTION: Please tick (✓) against the option suitable to your appropriate option below:

1. Gender: Male ☐ Female ☐
2. Age: Below 18 years ☐ 18-30yrs ☐ 31-40yrs ☐ 41-50yrs ☐ 51-60yrs ☐ Above 61 yrs ☐
3. Marital Status: Single ☐ Married ☐ Other(s) ☐
4. Highest Level of Education Achieved: WAEC certificate/equivalent ☐ NCE/OND/ Equivalent ☐ HND/Bachelor's degree/ Equivalent ☐ Master Degree ☐ Doctorate {P.hd} ☐ Professional; {ICAN/MBF/MILR/CIBN/ Equivalent} ☐
5. Occupation: Student ☐ Self Employed ☐ Civil Servant ☐ Private Employee ☐ Retired ☐ Unemployed ☐

SUB-SECTION B: QUESTIONS RELATING TO EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT ON MARKET PERFORMANCE OF SMALL AND MEDIUM SCALE ENTERPRISES IN IKEJA LOCAL GOVERNMENT AREA, LAGOS STATE, NIGERIA.

Please be assured that your responses and identities will be treated with utmost confidentiality and all the information required is solely for academic purposes.

Please tick the response code that correctly approximates your view (every option you mark is correct and will meet the need of this research). **Guide: Strongly Disagree (SD), Disagree (D), Neutral (N), Agree (A), Strongly Agree (SA)**

	Constructs of Customer Relationship Management	SD	D	N	A	SA
KnMgt	Knowledge Management					
KnMgt₁	The enterprise seeks for valuable customer feedbacks and insights regarding its products/service					
KnMgt₂	I appreciate the ways by which the enterprise update their customers about the current trend in the market					
KnMgt₃	The enterprise have succeeded in sharing information that enhances customers happiness					
KnMgt₄	SMEs can derive actionable insights from customer data, such as identifying market trends					
RelMkt	Relationship Marketing					
RelMkt₁	The activities of the enterprise is customer centric					
RelMkt₂	The enterprise promotes marketing activities that provides personalized services to customers					
RelMkt₃	The enterprise business approach revolves around pursuing creation and maintenance of long-term relationships with customers					

RelMkt₄	The enterprise strives to creating and nurturing connections with customers that provide mutual value.					
CusFoc	Customer Focus					
CusFoc₁	The enterprise operate with the principle of placing the customer at the center of its strategies and operations.					
CusFoc₂	The enterprise tends to understand, meeting, and exceeding the expectations of its customers					
CusFoc₃	The enterprise must tends to gain deeper insights into their customers' needs and preferences thereby serving them better					
CusFoc₄	The enterprise engages in proactive communication with customers that focus on engaging with customers and addressing their needs before they even arise					
	PERFORMANACE METRICS	SD	D	N	A	SA
CuSat	Customer Satisfaction					
CuSat₁	I am satisfied with the overall value representation of the enterprise					
CuSat₂	I will have no hesitation in recommending the product of the enterprise					
CuSat₃	The performance of the enterprise's product exceeded my expectation					
CuSat₄	I am happy with the way the enterprise manages customers' feedback					
CuPuIn	Customer Purchase Intention	SD	D	N	A	SA
CuPuIn₁	I am willing to buy a product or service from a particular enterprise that offer value for my money within a specified period					
CuPuIn₂	Customer purchase intention is a critical indicator for businesses to predict future sales and guide marketing strategies					
CuPuIn₃	The enterprise drives towards continuously improving the customer experience thereby ensuring repeat purchases					
CuPuIn₄	I am willing to strongly stand to represent a company I believe has good brand's value					
CuRet	Customer Retention	SD	D	N	A	SA
CuRet₁	Regardless of cost, if given a chance, I would like to purchase the same product all over again from same enterprise that is customer focused					
CuRet₂	I feel secure buying goods from the stable of the company with mindset of customer centered.					
CuRet₃	I have no intention to switch over to other brands regarding my future purchase.					
CuRet₄	The way and manner I perceived a company influence the level of my patronage of such company's product.					

Thank you for your time and cooperation in completing this questionnaire!

