Customer Relationship Management Impact on Performance of Food and Beverages Industries: A Case Study of Rite Food Limited, Lagos, Nigeria

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Abstract:- **The study focused on relationship between CRM and performance of food and beverages industries in Nigeria. the study adopted descriptive survey design. Population was all employees of Rite Foods Limited, Lagos State. 300 employees were selected as sample. Validated questionnaire was utilized as data collection instrument. Mean, standard deviation and Pearson Product Moment Correlation were used for analyzing data. Result from showed significant relationships among Customer Knowledge Management Capability (CKMC), Customer Interaction Management Capability (CIMC), Customer Win-back Capability (CWC) and organisation performance of Rite Foods Limited. The researchers recommended that food and beverage industry need to improve on customer relationship as it influences performance and that customer satisfaction and non profit maximization should be the key target of food and beverage companies.**

Keyboards:- *Customers, Relationship Management, Food and Beverage, Industries.*

I.   INTRODUCTION

Customers are important to any industry irrespective of the nature of the business. Customers need to be placed at the center of all organizations. In recent times, consumers' needs and expectations have changed. In order for organisation to meet their customers' needs and expectation, they apply different marketing strategies aimed at satisfying customer needs. Organizations are also trying to devising different means of ensuring customer loyalty by satisfying customer needs.

Today, the goals of most industries are gradually changing towards attracting customers through enhanced service. Companies are also focused on building lasting relationships with their customers. This is achieved through enhanced supply and distribution system. Customer Relationship Management (CRM) is among the marketing strategies used by companies to create and manage relationships between industries and customers. Elaheh, *et. al.* (2013) noted that customer relationship management is key focus for most organizations in recent time. This is

because industries are aiming at retaining customers and not just attracting customers through enhanced practices of CRM. Waskito (2018) reported that CRM entails identifying needs of customers, understanding and influencing customer behaviour through improved communication system.

Activities involved in CRM management entails thorough understanding and appreciation of the fundamental sources of value derived by businesses from customers and what the customers on the other hand gives to the organization. CRM is more than simply managing customers and monitoring their behaviour or attitude. According to Muhammad, Naveed, Haider & Alamdar (2015), CRM can change a customer's relationship with a company and increase business revenues. CRM enable organizations to provide enhanced customer services. Organisations therefore, need to investigate customer needs, build relationships with both existing and potential customers, and will have to satisfy their customers" needs (Muhammad, *et al,* 2015).

CRM in food and beverages industry is seen as how industries offer the best services for customer and to retain relationships. According to Levine (2014), CRM is the utilisation of customer related information or knowledge to deliver relevant products or services to customers. CRM is important in food and beverages industries in order to make better customer information and effective management communicate between organization and customer. The capability aspect of CRM is a multifaceted package containing skills and learning abilities that is practiced through the processes in the organization (Amoako, Arthur, Bandol & Katah, 2012). According to Amoako, *et. al.* (2012), organisation capabilities are activities or processes that reveal the skills or abilities of a firm with the purpose of constantly creating, sustaining and advancing purposeful relationships with clients. Technology is one of the key factors in implementing CRM process in recent time. Peppard (2014) suggests that technological advances are currently influencing CRM and business growth.

Every organization has its own culture and this affects the organization's performance. According to Muhammad, *et. al.* (2015), CRM requires changes to an organizational

culture and structure. According to Fahmi and Ahmad (2018) CRM can be categorized into four dimensions/ These included: Customer Knowledge Management Capability (CKMC), Customer Interaction Management Capability (CIMC), Customer Relationship Upgrading Capability (CRUC), and Customer Win-back Capability (CWC). CKMC relates to all the actions and processes meant to get and analyze the information of customers, coming up with and dispersing indepth knowledge of customer in order to create and maintain a portfolio of customer relationships with the aim of ensuring greater profitability (Wang, 2012). CIMC is the ability of a firm to recognize, secure, keep, and partner with existing customers and prospective customers who are likely to be profitable. The skill required in CIMC entails recognizing, securing, keeping and partner with profitable clients is a major and critical success factor for every organization (Wang, 2012). Customer Win Back (CWC) on the other hand has to do with the process of re-establishing relationship with customers who are lost or not active. A firm losing customers frequently will experience negative outcomes in performance.

Organisation performance is the ability of an organization to produce results. Abang and Maw (2016) attributed organisation performance as bottom line profit, doing better than competitors, maximum organization effectiveness and achieving specific organization objectives. Since the main goal of an organization is to satisfy the needs of customers which will lead to increased organizational performance. This indicates that without the existence of customers, business activities will be futile. Business owners often concentrate on the improvement of their products, this is one of the basic features of the production concept. Often they ignore their customer care and relationship; as a result, many of their customers move their purchasing interests to organizations who can serve them better. It is against this backdrop that this study wants to examine the impact customer relationship management on organizational performance.

Study Objective
The study aimed to:
1. examine the impact of Customer Knowledge Management Capability (CKMC) on organisation performance of Rite Foods Limited
2. determine the impact of Customer Interaction Management Capability (CIMC) on organisation performance of Rite Foods Limited
3. ascertain the impact of Customer Win-back Capability (CWC) on organisation performance of Rite Foods Limited

Study Hypotheses
$H0_1$. Customer Knowledge Management Capability (CKMC) has no significant relationship on organisation performance of Rite Foods Limited
$H0_2$. Customer Interaction Management Capability (CIMC) has no significant relationship on organisation performance of Rite Foods Limited.
$H0_3$. Customer Win-back Capability (CWC) has no significant relationship on organisation performance of Rite Foods Limited

II. METHODOLOGY

Descriptive design was adopted. Population comprised all employees of Rite Foods Limited, Lagos state. Sample size of 300 employees was drawn using stratified random sampling technique. Validated questionnaire was used for data collection. Data was analyxed using mean and standard deviation for the research question and Pearson Product Moment Correlation to test the hypotheses at 0.05 level of significance.

III. RESULTS

Table 1: Customer Knowledge Management Capability

S/N	Items	Mean	STD. DEV	Remark
1.	We have formal system for identifying potential customers	2.10	1.08	Disagreed
2.	In product introduction, customer information is usually applied	2.75	1.15	Agreed
3.	My organization consider customers needs and expectations for introduction of new products	3.32	0.87	Agreed
4.	My organization often use customers to test and evaluate new products	3.24	0.81	Agreed
5.	My organization have means of identifying potential and valuable customers	2.20	0.99	Disagreed
	Grand Mean	**2.72**		

Table 1 revealed that the respondents agreed to all items except item 1(2.10, 1.08) and 5(2.20, 0.99). Standard Deviation ranged from 0.81 to 1.15 implying that the mean responses were not far from each other. With the grand mean score 2.72 exceeding the statistical benchmark 2.50 set, It can be concluded that Customer Knowledge Management Capability (CKMC) has great impact on organisation performance of Rite Foods Limited.

Table 2: Customer Interaction Management Capability

S/N	Items	Mean	STD. DEV	Remark
1.	My company regularly develop strategies that can be used to determine customers needs for new products.	2.43	1.08	Disagreed
2.	My organisation has means of developing excellent relationships with important customers	3.56	0.79	Agreed
3.	My organisation creates an avenue for effective communication with customers	3.17	0.72	Agreed
4.	My organization has a formal avenue for continuous dialogue aimed at improving customer relationship	2.32	1.01	Disagreed
5.	My organization has a strategy for maintaining relationship with important customers	2.87	0.97	Agreed
	Grand Mean	**2.87**		

Table 2 revealed that the respondents agree to all items except item 1(2.43, 1.08) and 4(2.32, 1.01). Standard Deviation ranged from 0.72 to 1.08 indicating that the mean responses were not far from each other. Also, with the grand mean score 2.87 exceeding the statistical benchmark 2.50 set. It can be deduced that Customer Interaction Management Capability (CIMC) is of great impact on organisation performance of Rite Foods Limited

Table 3: Customer win-back Capability

S/N	Items	Mean	STD. DEV	Remark
1.	My organization usually pay customers for compensation for inconveniences	3.19	0.82	Agreed
2.	My organization have a systematic process/approach that can be used to establish relationships with valued customers	3.07	0.62	Agreed
3.	My organization takes corrective actions when customers are unhappy with the appropriateness of our products or service.	3.25	0.97	Agreed
4.	My organization maintain positive relationships with migrating or unattractive customer on regular basis	2.28	1.06	Disagreed
5.	We provide current customers with incentive for acquiring new potentials	2.92	0.75	Agreed
	Grand Mean	**2.94**		

Table 3 showed that the respondents agreed to all items except item 4(2.28, 1.06). Standard Deviation ranged from 0.62 to 1. 06 indicating that the mean responses were not far from each other. Grand mean score 2.94 exceeded the statistical benchmark 2.50 set. It can therefore be concluded that Customer Win-back Capability (CWC) will have great impact on organisation performance of Rite Foods Limited.

Table 4:
Relationship between Customer Knowledge Management Capability (CKMC) and organisation performance

Variables	Mean	SD	N	df	r-cal.	r-tab.	P-value	Decision
CKMC	11.59	1.82						
			300	298	0.197	0.113	0 .002	Rejected
Organisation Performance	12.13	2.47						

P<0.05

Table 4 reveals that the calculated 'r' value (r-cal. = 0.1.97) is greater than the 'r' tabulated (r-tab. = 0.113) given at 298 degrees of freedom and 0.05 level of significance, hence, the null hypothesis which says that Customer Knowledge Management Capability (CKMC) has no significant relationship on organisation performance of Rite Foods Limited is rejected. It then means that, Customer Knowledge Management Capability (CKMC) and organisation performance of Rite Foods Limited has significant relationship.

Table 5: Customer Interaction Management Capability (CIMC) has no significant relationship on organisation performance of Rite Foods Limited.

Variables	Mean	SD	N	df	r-cal.	r-tab.	P-value	Decision
CIMC	18.56	2.68						
			300	298	0.29	0.113	0.003	Rejected
Organisation Performance	12.13	2.47						

P<0.05

Table 5 shows that the calculated 'r' value (r-cal. = 0.29) is greater than the 'r' tabulated (r-tab. = 0.113) given at 298 degrees of freedom and 0.05 level of significance, hence, the null hypothesis which says that there is no significant relationship between Customer Interaction Management Capability (CIMC) and organisation performance is rejected. It then means that, Customer Interaction Management Capability (CIMC) and organisation performance has significant relationship.

Table 6:
Customer Win-back Capability (CWC) has no significant relationship on organisation performance of Rite Foods Limited

Variables	Mean	SD	N	df	r-cal.	r-tab.	P-value	Decision
CWC	9.93	2.72						
			300	298	0.35	0.113	0.003	Rejected
Organisation Performance	12.13	2.47						

P<0.05

Table 6 reveals that the calculated 'r' value (r-cal. = 0.35) is greater than the 'r' tabulated (r-tab. = 0.113) given at 298 degrees of freedom and 0.05 level of significance, hence, the null hypothesis which says that there is no significant relationship between Customer Win-back Capability (CWC) and organisation performance of Rite Foods Limited is rejected. It then means that, Customer Win-back Capability (CWC) and organisation performance of Rite Foods Limited has significant relationship..

IV. DISCUSSION OF FINDING

Result of hypothesis one shows that Customer Knowledge Management Capability (CKMC) and organisation performance of Rite Foods Limited has significant relationship. The r-calculated 0.197 is greater than r-critical 0.113 at 0.05 level of significance. This implies that gathering and analyzing customers information and coming up with indepth knowledge have great influence on organisation performance. This is in consonance with Katarzyna and Anna (2019) submission that customer knowledge management capabilities and business performance had the positive relationship with each other. The finding is also in tandem with Muhammad, Naveed, Haider and Alamdar (2015) that that if customer knowledge management capabilities is increased then organizational performance will increase automatically in positive manner.

Result of second hypothesis revealed that Customer Interaction Management Capability (CIMC) and organisation performance has significant relationship. The r-calculated 0.29 is greater than r-critical 0.113 at 0.05 level of significance. This implies that the ways and manner organisation recognize, secure, keep and relates existing customers and prospective customers play crucial roles in organisation development or profit maximization. This agreed with Mack (2015) who concluded that to enhance organizational performance, a firm need to recognize, secure, keep and partner with existing and prospective customers.

Result of third hypothesis tested showed that Customer Win-back Capability (CWC) and organisation performance of Rite Foods Limited has significant relationship. The r-calculated 0.35 is greater than r-critical 0.113 at 0.05 level of significance. This implies that re-establishing good relationship with customers who are lost or not active will go a long way in improving the growth and survival of an organisation. This is in consonance with Yun and Good (2017) who studied the impact of CRM on organization performance using a hierarchical construct model in which their results revealed a positive and significant path between a superior customer win- back capability and firm performance.

V. CONCLUSION

This paper has empirically investigated customer relationship management impact on performance of food and beverages industry. Finding has empirically showed that effective and proactive CRM plays a pivotal role in performance of Rite Food Limited. The study showed that for Rite Foods Limited to effectively improve on CRM, they need to device means of identifying and satisfying needs and

expectations of existing customers as well as prospective customers.

RECOMMENDATIONS

Based on the conclusion above, the following recommendations were proffered:
1. Food and beverage industry need to improve on customer relationship as it influences performance.
2. Customer satisfaction and non profit maximization should be the key target of food and beverage companies.
3. Food and beverage companies need to focus on meeting and satisfying customer needs.
4. Food and beverage companies need to organize training on effective communication skills for its staff.

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