

Customer Relationship Management and Marketing Performance: The Study of Food and Beverages Firms in Nigeria

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ABSTRACT

This study focused on Customer Relationship Management (CRM) and Marketing Performance (MP), with a particular reference to food and beverages firms in Nigeria. The challenge that inspired this study is the observed non-implementation of effective and efficient CRM by some food and beverages firms in Nigeria. The study was designed as a correlation investigation to determine the significant relationships between five popular determinants of CRM and three dimensions of MP adopted by this study. The sample unit consisted of the staff of food and beverages firms in Nigeria who provided relevant information through structured questionnaire and personal interview. Eleven viable companies were selected out of the seventeen firms quoted in the 2013/2014 edition of the Stock Exchange Gazette. Fifteen (15) research questions and hypotheses were formulated and tested using Pearson Correlation Coefficient. The statistical evidence shows different degrees of relationships with the different related dimensions. Information sharing with customers and sales growth showed the strongest relationship of 0.743. However, the least related variables are technology based CRM and Market Share with correlation coefficient of 0.350. Generally, the study shows a moderate relationship between CRM and MP. Organizations and practitioners have a base for planning with the result of this study. Business firms in the food and beverages industry should evaluate their performance effectiveness and efficiency through a thorough understanding of the moderating variables. There is also need to encourage a high level of marketing integration and control across all the major marketing functions; train and motivate all staff towards a goal oriented CRM.

Introduction

It is observable that a number of organizations are excellent at appearing or pretending to care for their customers. Some companies only pay “lip service” to their customer satisfaction. Others are remote from their customers and do not listen to them, while still some other companies believe that because they have a customer service department or a customer service manager, they automatically have become customer-driven. The employees on their part behave in such a way that suggests that they are not empowered to satisfy the customers in terms of rendering excellent customer service.

Some food and beverages firms in Nigeria could be traced under some or all of these conditions. It is, therefore, suspected that most of them have not efficiently and effectively adopted CRM which may have resulted in their unsatisfactory marketing performance. In the Nigerian Bottling Company Plc, Nwokah and Maclayton (2006) observed that the company in introducing new products such as Fanta Chapman and Black Current, which suddenly failed in the market place was not customer centric but competitive centric resulting to the failure of these products in the Market place at the test marketing stage of product development process. Nwokah (2008) further noted that these products as cited from their bulletin were subsequently replaced with Fanta Pineapple and Lemon.

Again the 50cl Cola drink of 7up Bottling Company, Pepsi and Nigerian Bottling Company Plc which appears to be a waste of money to some customers and to some others adjudged as low quality and unhealthy (Nwokah, 2006). These companies, it is assumed, did not consider the feelings of the customers upfront before this production. This trend of behavior is observable and it will definitely impact negatively on performance. This assertion is in line with Porter's (1985) argument that, failure to take cognizance of the influence of customers can have disastrous consequences on business performance. Nwokah and Ahiauzu (2010) also stated that failure to develop effective CRM may adversely affect business performance.

In Nigeria, some food and beverages companies seem to have embraced CRM and its capabilities because of the greater competition in the industry. Large sums of money may have been invested in the promise of this CRM. Despite the fanfare and large expenditures, CRM may not have fulfilled its promise. While some executives view CRM as a technological solution, they often even focus myopically on installing the latest computer system

and overlook critical business issues. According to Nwabuko (2004), companies that view CRM as a technological “silver bullet” fail to develop a comprehensive strategy while neglecting to build a business case for CRM. In the food and beverages industry, the technology or some other variables may have produced little operational improvements and so the dimensions of their marketing performance over the years seem not to be significant (Nwokah, 2009). When an investment fails to meet expected return, it may probably not be because the resources failed to perform as specified but because the customer’s need may not have been defined upfront and the wrong decisions and plans chosen. Smith (2007) declared that many firms have failed to create value from CRM and dissatisfaction is growing. Customers are the most important factors for the success of any business but less attention has been given by many organizations in this regard. This paper aims to evaluate the effects of CRM on business performance in the context of food and beverages firms in Nigeria.

Theoretical Foundations

The history of Customer Relationship Management (CRM) could be traced through the Relationship Marketing (RM). Relationship Marketing dates back to the point in the evolution of marketing philosophy, when organization began to realize the need of being customer centric and focusing on customers’ needs and wants (Nwokah and Maclayton, 2006; Nwokah, 2008; Kotler and Armstrong, 2010) rather than putting much emphasis on quantity, quality and promotional techniques of products and service creations and delivery. It was observed that the origin of RM emerged from academics and practitioners in the fields of strategy, marketing, supply chain management. Brodie, Coviello, Brookes and Little (1997), argued that relationship marketing has emerged from six streams of research. These include in a chronological order:

An assessment of marketing in the service context; a focus on inter-organizational exchange relationship; the development of effective and efficient channel relationships; role of relationships in value chain; and strategic impact of what information technology has on the relationships within and between organizations. This interaction is a function of relationship marketing. Relationship Marketing (RM) is defined as the activities which aim to establish, maintain and enhance relationship with customers and other parties at a profit through exchange and fulfillment of promises so as to achieve the objectives of both parties (Reynolds, 2002; Donaldson and O’Toole, 2002; Das, 2009).

This definition suggests that organizations must live in a symbiotic relationship with their customers where each will depend on the other for survival. While relationship marketing was considered as being too expensive as organizations spend huge amount of money and time dealing with individual customers, there was need to group homogenous customers into segments designed specifically to meet their individual needs while meeting the needs of others in the same segment simultaneously. The traditional marketing which focused on the acquisition and transaction with customers began to add on to its operations, thus a paradigm shift to retention and relationship management emerged. This new concept shifted emphasis on general relationships to customer relationship management.

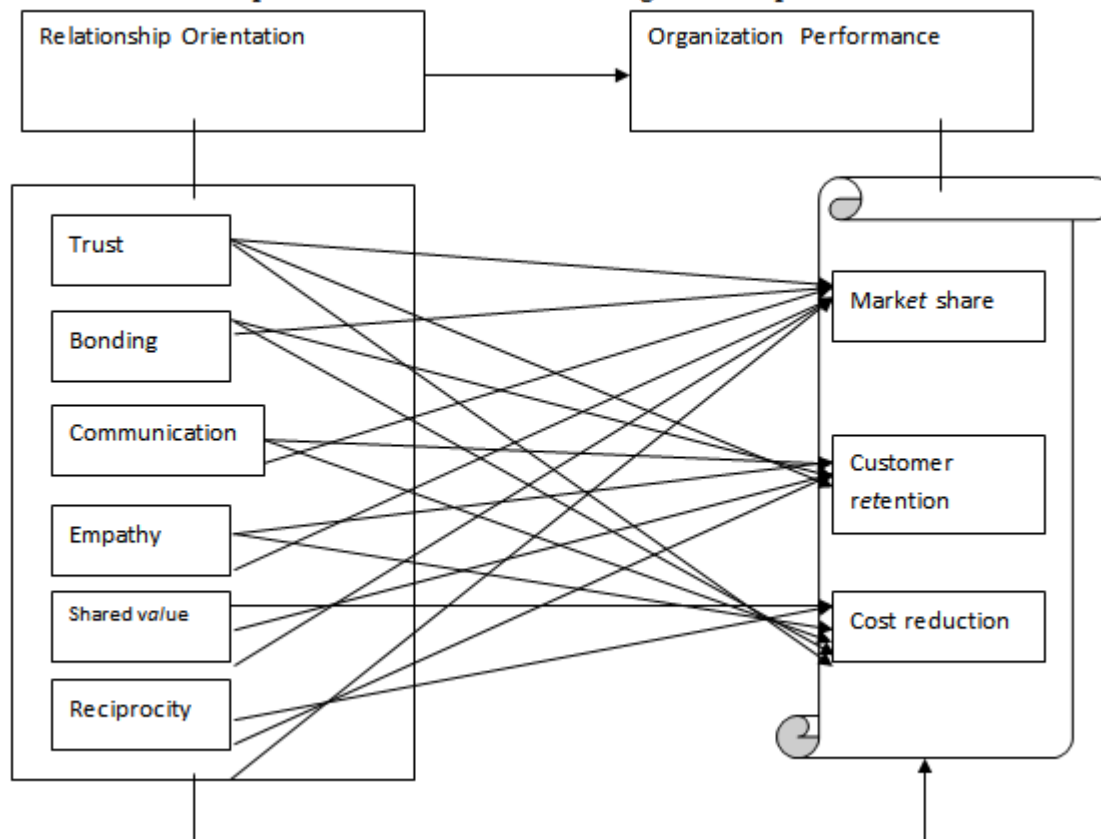
Customer Relationship Management (CRM) defines an organization’s total integrated approach in understanding a cross-functional customer driven technology, integrated business strategy process and management strategy that maximizes long-term mutual relationships (Chen and Chen, 2004; Ward and Dagger, 2007). Nwokah and French (2010) define CRM as the combination of four attributes of Database marketing, Direct marketing, one-to-one marketing and Relationship marketing. The aim is to reduce the risk and costs of attending to individual customers separately and focus on group of customers with the same needs. A general agreement on the definition of CRM by many scholars (Xu, Yen, Lin, Chou, 2002; Eisenhardt and Martin, 2000) appears to show that CRM defines organizations management strategy and integrated approach in understanding a cross-functional customer driven technology, integrated business strategy that maximizes relationship.

Bruni and Veroni (2009) argued that the first wave of CRM came to prominence in 1998 which centered on ‘traditional’ channels – supporting front office personnel communicating mainly by telephone, fax, mail and field personnel. Nwokah and Gladson-Nwokah (2013) also observed that CRM began in the mid-1990s. Supporting this argument, Ling and Yen (2001); Xu, Yen, Lin, and Chou (2002), argued that interest in CRM began to grow in the 1990s. Payne and Frow (2005) argued that “the term customer relationship management” emerged in the information technology (IT) vendor community and practitioner community in the mid-1990s”.

Murphy and Wang (2006) argued that the term CRM began about nine to ten years ago and today about twelve to thirteen years ago. They noted that the first system of CRM was focused on supporting only one division of the company. They believe that the second stage of CRM development was more integrated where solutions were developed. They argued that the third stage of CRM saw the e-CRM when the internet was introduced to change the CRM situation.

Customer Relationship Management (**CRM**) originated in the United States of America in the late 1990's and, to date, has been accepted in a significant number of companies worldwide. Customer Relationship Management (**CRM**) is a broadly recognized, Widely-implemented strategy for managing and nurturing a company's interactions with synchronized business process, principally sales activities, but also those for marketing, customer service, and technical support.

FIGURE 1: conceptual framework of RM and organization performance



Hypotheses

Based on the conceptual framework of this study, the following research hypotheses have been formulated:

- Ho₁ There is no significant relationship between long-term partnership with customers and market share
- Ho₂ There is no significant relationship between long-term partnership with customers and profitability
- Ho₃ There is no significant relationship between long-term partnership with customers and sales growth
- Ho₄ Information sharing with customers impacts negatively on market share
- Ho₅ Information sharing with customers impacts negatively on profitability
- Ho₆ Information sharing with customers impacts negatively on sales growth
- Ho₇ There is no significant relationship between customer involvement and market share

- Ho₈ There is no significant relationship between customer involvement and profitability
- Ho₉ There is no significant relationship between customer involvement and sales growth
- Ho₁₀ There is no significant relationship between joint problem solving and the market share
- Ho₁₁ There is no significant relationship between joint problem solving and profitability
- Ho₁₂ There is no significant relationship between joint problem solving and sales growth
- Ho₁₃ Technology-based CRM does not have any significant relationship with market share
- Ho₁₄ Technology-based CRM does not have any significant relationship with profitability
- Ho₁₅ Technology-based CRM does not have any significant relationship with sales growth

Methodology

The choice of methodology is primarily guided by the review of the underlying philosophical approach, since all theories of organization are based upon philosophy of science and theory of society (Burrell and Morgan 1979). This explanatory study adopted cross-sectional survey with quantitative data collected from key informants (Saunders, Lewis and Thunhill, 2009). In an attempt to have good representation, the most viable companies in the food and beverages industry as indicated through the sample frame were chosen. The viability was based on the companies that have complete financial standing for the period 2008-2013. Out of the seventeen (17) firms quoted, only eleven (11) companies constituted the sample size for the firms. The sample size for the staff size was drawn using proportion method.

$$n = \frac{Z^2 Pq}{e^2}$$

Source: Hogg and Criag (1978)

Where n = sample size
 p= probability of success = 0.9
 q= probability of failure = 0.1
 e = margin of error = 0.05
 Z²= 1.96

$$\text{Hence } n = \frac{(1.96)^2 (0.9)(0.1)}{(0.0025)} = 138.$$

Sharing 138 between 11 companies would result to un-even distribution and allocation of sample sizes $n_i(i=1 - 11)$ to the different firms. 143 members of staff were therefore considered for response. 13 staff members were chosen from each of the food and beverages firms in the sample unit. This was done in such that 13 copies of the questionnaire were allocated to each of the 11 firms instead of 12.1 it should have been.

Data Quality

The instruments developed for this study were pre-tested for comprehensiveness, relevance and completeness. They were assessed by marketing experts and then tested on a sample of respondents consisting of staff of the companies in the food and beverages industry to enhance its suitability. Key informants were self-reported in all constructs and for non-response bias, t-test statistical analysis was performed. The reliability of the scales was examined by computing their coefficient alpha (Cronbach Alpha). All scales were found to exceed a minimum threshold of 0.7 as recommended by Cronbach (1970), Nunnally (1978) and used in previous studies Seeman and O'Hara (2006), Nwokah and Maclayton (2006). Convergent validity is also suggested when the individual variable scores are combined into a single scale to give a Cronbach alpha of 0.770.

Data from Descriptive Statistics

The descriptive analyses of CRM are expressed in five dimensions while Marketing Performance is expressed in three dimensions which characterized the construct being measured. The descriptive studies of the various dimensions are discussed next.

Table 1a The means and standard deviations of LP, IS, CI,

| A | Long-term partnership (LP) | Mean | Std. Dev |
|----------|--|-------------|-----------------|
| 1. | Our company is committed to improving with whatever customers suggest. | 3.74 | 1.04 |
| 2. | Our customers are trusted and willing to provide suggestions for products and services for our company. | 3.01 | 1.07 |
| 3. | Our company systematically provides customized products and services to our key customers. | 4.01 | 0.73 |
| 4. | Our company actively stresses customer loyalty or retention programs. | 2.82 | 1.07 |
| 5. | Our company maintains interactive, two-way communication with customers | 3.09 | 1.13 |
| 6. | Our company cares about long-term development and successes with customers. | 4.25 | 0.83 |
| B | Information sharing: (IS) | | |
| 1. | Our company shares market information with customers (promotion information and competitive product information). | 2.821 | 1.323 |
| 2. | Our company shares product demand information with customers. | 3.711 | 1.020 |
| 3. | Our company shares inventory information with customers. | 2.581 | 0.850 |
| 4. | Our company jointly makes production plans with customers. | 2.710 | 1.143 |
| 5. | Our customers warn us of events that may affect supplying to us or buying from us. | 2.08 | 1.02 |
| C | Technology-based CRM | | |
| 1. | Our company uses a call center or computer telephone integration to deal with customer demands, complaints and suggestions | 2.743 | 1.140 |
| 2. | Our company uses SFA to track sales process, analyses customer's trade-off information, find problems, and assist with work arrangements and adjustments | 2.551 | 0.852 |
| 3. | Our company uses an MIS to collect customers' trade-off information and to integrate databases | 2.841 | 1.333 |
| 4. | Our company constructed an integrated CRM performance evaluation system | 2.084 | 1.021 |
| 5. | Our company establishes perfect web-based customer interaction | 2.732 | 1.192 |

Table 1b. The means and standard deviations of JP and T-based CRM dimensions of CRM.

| D | Customer Involvement | | |
|-----------|---|------|------|
| 1. | My organization's employees are willing to help customers in a responsive manner | 2.83 | 0.84 |
| 2. | My organization fully understands the needs of our key customers via knowledge learning | 3.69 | 1.04 |
| 3. | My organization provides channels to enable ongoing two-way communication with our key customers and us. | 2.55 | 0.85 |
| 4. | Customer can expect prompt service from employees of my organization | 2.84 | 1.33 |
| E | Joint problem-solving | | |
| 1. | Our key customers work with us to overcome difficulties (inventory management, delivery delay and logistics management) | 3.09 | 1.7 |
| 2. | Our company is jointly responsible with our key customers for getting things done | 3.74 | .06 |
| 3. | Our company works with our key customers to help solve each other's problems (funding, production, and management) | 4.25 | 0.89 |

* The scale: (1) strongly disagree, (5) strongly agree
 Source: Field work 2014

A Long-Term Partnership with Customers

Table 1a indicates that the highest item that accounts for the long-term partnership with customers as a dimension of CRM is the care the companies give to the customers (4.25). This is followed closely by the companies systematically providing customized products and services to their key customers, (4.01); the companies committed to improving on whatever customers suggest, (3.74); companies maintain interactive two-way communication with customers, (3.09); the customers are trusted and willing to provide suggestions for products and services for the companies (3.01) and finally, the companies actively stress Customer loyalty or retention programme (2.82) respectively. In all, the different items account for long term partnership with customers as a dimension of CRM as all factors show reasonable mean score with good standard deviation.

B Information Sharing

Table 1a indicates that the highest item that accounts for information sharing with customers as a dimension of CRM for Marketing Performance is the fact that the companies share product demand information with customers (3.711). Customers form their expectations about a product or company based on adverts and claims made by the company. After the purchase, there would either be some level of satisfaction or dissatisfaction. However, the other items also account for information sharing with customers as a dimension of CRM as all factors show reasonable mean score and good standard deviation. The fact that the companies share market information with customers makes the second impact with 2.821, the companies jointly make production plans with customers (2.710), the companies share inventory information with customers (2.581) and the customers warn the companies of events that may affect supplying to the companies or buying from the companies (2.08).

C Customer Involvement (CI)

Table 1a indicates that the highest item that accounts for customer involvement is the full understanding of the needs of the key customers via knowledge learning by the companies with mean 3.69. However, the other items also account for customer involvement as a dimension of a CRM as all factors shows reasonable mean score with good standard deviation. The customer can expect prompt service from employees of the organizations has a mean of 2.84, closely followed by the willingness of the employees to help customers in a responsive manner (2.83) and finally, the organizations provide channels to enable ongoing two-way communication with their key customers and themselves with mean 2.55.

D Joint Problem Solving (JP)

Table 1b indicates that the highest item that accounts for joint problem solving with customers is the companies working with their key customers to help solve each other's problems (4.25). It is therefore not surprising that those organizations that pay attention to customers succeed. Hence the slogan is no more to satisfy customers but to delight them. Other items also account for joint problem solving with customers as all factors show reasonable mean score and good standard deviation. The companies being jointly responsible with the key customers for

getting things done ranks second with mean 3.74. The key customers work with the companies to overcome difficulties makes the third impact with 3.09.

E Technology-based CRM

Table 1b shows the mean and standard deviation of technology-based CRM. It shows that the highest item that accounts for technology-based CRM is the fact the companies use an MIS to collect customers trade-off information and to integrate databases (2.841). This is closely followed by company using a call centre or telephone to deal with customer demands, complaints and suggestions (2.743). This concerns customer monitoring which deals with systematic efforts to obtain feedback from customers concerning company and or its products or services. Such monitoring is done in order to prevent problems, learn of their existence, or for corrective control. However, other factors show reasonable means and standard deviation. The companies established perfect web-based customer interaction (2.732). The companies track sales process, analyze customer’s trade-off information, find problems and assist with work arrangements and adjustments (2.551). The companies constructed an integrated CRM performance evaluation system (2.084).

Test of Hypotheses

The Pearson moment Correlation coefficient is adopted for a parametric analysis and test of the fifteen hypotheses stated earlier. This follows since the descriptive analysis identified the nature of the relationship as regards the different dimensions of CRM in food and beverages sector in Nigeria to have a normal distribution. Table 2 shows the results of the bivariate Correlation Coefficient between the dimensions of CRM and dimensions of marketing performance in the food and beverages industry in Nigeria.

Table 2. Correlation between CRM and MP

| | LP | IS | CI | JP | Tech-based | MS | P | SG |
|------------|------|------|------|------|------------|------|------|------|
| LP | | | | | | .402 | .421 | .721 |
| IS | | | | | | .716 | .543 | .743 |
| CI | | | | | | .551 | .458 | .541 |
| JP | | | | | | .501 | .538 | .540 |
| Tech-based | | | | | | .350 | .375 | .524 |
| MS | .402 | .716 | .551 | .501 | .350 | | | |
| P | .421 | .543 | .458 | .538 | .375 | | | |
| SG | .721 | .743 | .541 | .540 | .524 | | | |

Key: 0 – 0.399 weak relationship
 0.4 – 0.550 moderate/average
 >0.550 strong relationship

Relationship between LP with MS, P and SG

As shown in Table 2, there is a moderate but significant relationship between Long-term Partnership (LP) with customers and market share of the Nigerian food and beverages sector (0.402). This implies that the hypothesis 1 is not supported both 0.05 and 0.01 levels of significance.

There is a moderate and significant relationship between Long-term Partnership with customers and Profitability at both 0.05 and 0.01 levels of significance. This means that hypothesis 2 is not supported.

There is a strong and significant relationship between Long-term Partnership with customers and Sales Growth at both 0.05 and 0.01 levels of significance. Hypothesis 3 is therefore not supported.

Relationship between IS with MS, P and SG

As shown in Table 2 there is a strong positive relationship between Information Sharing with customers and Market Share, average positive relationship on profitability and strong positive relationship on Sales Growth. The relationship between Information Sharing with customers and both Market Growth and Sales Growth is significant at both 0.01 and 0.05 levels of significance. Hypotheses 4 and 6 are therefore not supported. There is also a significant relationship between Information Sharing and profitability at 0.01 level of significance but no significant relationship at 0.05 level of significance. Hypothesis 5 is therefore also not supported at 0.01 level of significance but stands supported at 0.05 level of significance.

Relationship between CI with MS, P and SG

As shown in Table 2, there is a moderate relationship between customer involvement (CI) and Market Share. There is also a moderate relationship between CI and Sales Growth and an average positive relationship between CI and Profitability. However all these relationships are significant at 0.01 level of significance, therefore hypotheses 7, 8 and 9 are not supported.

Relationship between Joint Problem Solving with customers (JP) with (MS), (P) and (SG)

There is an average relationship between Joint Problem Solving with customers as seen in Table 2 and Market Share, Profitability and Sales Growth. The relationship is also significant for Market Share, profitability and Sales Growth at 0.01 level of significance. This therefore shows and evidence of rejection of hypotheses 10, 11 and 12. However, there is an evidence of no significant relationship between Joint-problem solving and Profitability at 0.05 level of significance. This therefore follows that hypothesis 11 are supported at 0.05 level of significance.

Relationship between Technology-based CRM with MS, P and SG

As shown in Table 2, there is a weak relationship between technology-based CRM and Market Share likewise Profitability. However, there is an average or moderate relationship between technology-based CRM and Sales Growth. These relationships are all significant at both 0.01 and 0.05 levels of significance. Hence hypotheses 13, 14, and 15 are not supported.

In general, there is a moderate relationship between the CRM of food and beverages firms in Nigeria and their marketing performance. Each CRM component does not contribute to at least one of the three marketing performance measures examined although their relative influences vary according to the specific performance dimension.

Discussion of Major Findings

From the results obtained from the tests of the hypotheses, some of the dimensions of CRM have significant relationships with some dimensions of marketing performance even when they exhibit weak relationship. However the statistical evidence shows different degrees of the relationships even with the related dimensions. Information sharing with customers and sales growth has the highest and strongest relationship of 0.743. This accounts for the most significant relationship of the dependent and independent variables as evidenced in this study. It reveals that only about 55% of the sales growth could be explained by information sharing. This strong relationship conforms to the conceptualizations of Ndubisi (2007) who remarked that “when there is effective communication between an organization and its customers, a better relationship will result and customers will be more loyal and this impacts on the performance”. However, the least related variables are technology based CRM and Market Share. This may be as a result of under-development, IT illiteracy and lack of awareness of the importance and power of technology. This result is contrary to the conclusions of Nwokah and Gladson-Nwokah (2012). Nwokah and Gladson-Nwokah (2012) proposed a strong positive impact of technology on organizational performance. However, Kamakura, Wedel, de Rosa and Mazzon (2003) maintain that efficient and effective technology which may lead to customer satisfaction does not necessarily lead to a higher organizational performance.

In general, on the relationship between the variables CRM-MP in the Nigerian food and beverages companies, this study revealed moderate relationship. Sin, Tse, Yau, Lee and Chow (2005) observed that CRM has generally been assumed to create a competitive edge for an organization. In this study, it was found that the practice of CRM in the food and beverages companies has contributed to increase Marketing Performance as revealed in increased Market share, Profitability and Sales Growth. This agrees with other literature, which shows relational marketing activities as leading to increased revenue (Reichheld, 1996), repeat purchase (Jones 2005), Long-term value (Gronroos, 1994), customer retention (Reichheld 1996) and cost reduction (Ehigie and Taylor 2009).

Similarly, this study suggests a serendipitous dimension that likely played a role in the CRM-MP relationships. This new dimension called Sociality is rooted in the social exchange theory which suggests that, friends, families and other groups are treated according to Rezaei and ElaliRad (2007)

as valuable inputs in reaching set goals. Sociality is a common feature as noted by some respondents during the interview in the daily services rendered to customers. These respondents attested to the fact that their friends and family members could influence their office performance which in turn could also have great impact on Marketing Performance.

Conclusion

The primary outcome of this study includes the process level CRM measurement tool or model. The instrument can easily be used by firms as a self-evaluation form. The results of such an application can show the performance of the organization in fulfilling the CRM processes. These items and dimensions provide an understanding of CRM and could be used to redesign or refine existing process and as a checklist to pinpoint areas of weakness which may be corrected.

Different items within the different dimensions of the Customer Relationship Management in the food and beverages sector have different rating depending on the importance of that item or dimension to the different firms. In other words, the items regarded as the most important in a particular firm may not mean the same to another firm even though they are all in the same industry. This is true because inter-firm performance variations were identified and explained by heterogeneity in organizational capabilities.

The distribution of significant weights differs over the different dimensions of the variables. For example, it was shown that technology based CRM has a moderate relationship with sales growth but weakly related with market share and profitability. It is possible that even when the market share and profitability are increasing, some other factors were responsible. It is also possible that with more awareness and more efficient and effective use of technology, there could be evidence of sales growth without reasonable impact on the market share or on the profitability.

A possible reason for the apparent weak and moderate relationships between some dimensions of CRM and MP apart from the moderating factors is also the likelihood that some organizations might accept the importance of effective and efficient application of CRM in principle without practicing its basic tenets thereby reducing the significance of the effect of an integrated marketing organization on performance.

The dimension of CRM which appears to contribute least to marketing performance in relation to food and beverages organizations in Nigeria is technology-based CRM. This is rather expected given the low level of IT in Nigeria as this dimension articulates the need to deliver a sound marketing process as well as encourage a high level of marketing integration and control across all the major marketing functions.

To make CRM make money, think business first, and strategic considerations that target long-term value growth should firmly control the management of customer relationships. Then create a customer-focused learning culture inside the organization and base marketing decisions on comprehensive, value-driven analysis. By harnessing the energies to develop stronger, more profitable customer relationships, the company can leverage fully existing CRM system investments.

Implications

The CRM scale when applied to the Nigerian business environment will be reliable, valid and uni-dimensional, which is consistent with Sin et al (2005) exploratory study. This study has equally revealed that CRM exists in the food and beverages industry even though at low level for the purpose of enhancing Marketing Performance based on goals set by the firms.

The implications of these findings are both theoretical and practical, even as it contributes to the existing academic knowledge in the area of CRM. Also, the measuring scales of CRM has empirical evidence of testability in line with its reliability and validity, and the empirical findings of correlation between CRM and MP is another ground breaking foundation for further work in this field.

In the same vein, marketing practitioners have a base for planning their increased performance with the results of this study. Just as Sin (2005) observed, the scale could be used as diagnostic tool to identify areas of the companies for specific improvements and design an effective marketing strategies and policies to outwit competitors. The operationalization of the constructs with formative indicators offers the possibility to identify drivers that decision makers can incorporate in their CRM implementation.

Companies implementing CRM systems might stumble because of a failure to realign the organization around business objectives. If senior management fails to support the CRM initiative or convert high-level strategy into specific operational requirements, employees will conduct business as usual. At a minimum, all employees must

work toward a common goal of customer value growth. This is no small challenge in corporations composed of multiple business units. Structural changes can get a company on track but they are insufficient to become truly differentiated in the marketplace. This requires a company to develop the culture and capabilities necessary for continuous improvement. It must become a learning organization that systematically gathers and acts on the customer information needed to refine its offerings, processes and business design. The implication is that this transformation requires a commitment on the following fronts:

- Continued senior management support and investment for testing and learning.
- A culture that encourages all employees to share and learn from new information.
- Training and compensation initiatives that empower and motivate employees to gather, analyze, share and learn from information.
- The flexibility to modify or even reinvent strategies and processes.

Recommendations

Based on the findings of this study, the recommendations are stated as follows:

- i. The food and beverages industry in Nigeria needs to greatly improve on the practice of Customer Relationship Management, as a new marketing paradigm to outwit competitors in the battle for the acquisition and retention of the highly controversial, informed and most profitable customers. The companies should emphasize the nurturing of a sound CRM orientation if they are to benefit fully from very important increased marketing performance rates.
- ii. The companies' core values should be centered on the dimensions of CRM, rather than giving blanket strategic policy that would yield little or no result.
- iii. Since Customer Relationship Management is a cross-functional organizational process, there is therefore need to encourage a high level of marketing integration and control across all the major marketing functions. Indeed, every staff of the food and beverages firms in Nigeria should be conversant with CRM variables.
- iv. Management must consistently motivate the marketing team so that it will analyze customers' needs, seek to satisfy them and try to adapt the products to these needs and react to competitors' actions and responses. Management should also share information about customers and competitors in collaboration with workers.
- v. It is of importance not only to implement a sophisticated CRM technology for the acquisition, storage, dissemination and use of customer information but to ensure that the technology is appropriately used. This is consistent with Jayachandran et al. (2004) and Reinartz et al (2004). Therefore, firms should not only possess unique valuable CRM resources but also learn how to deploy those resources to build strong CRM capabilities, which will then contribute to superior marketing performance.
- vi. Organizations should have performance measurement system to detect the impact of investment on Customer Relationship Management with the aim of learning how the organizations work. Business firms have to consider their performance effectiveness and efficiencies through a thorough understanding of the moderating variables like government policies, firm size, expansion, diversification, innovation, new product development, labour strike action, devaluation of currency etc.
- vii. Nigerian government should ensure a stable economy and implement economic policies that will enhance existing business development in the country.

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