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Customer-Bonding Capability: A Revolutionary Management Skill for Improved Performance of SMES in Agribusiness in Rivers State, Nigeria

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Abstract

Economic advancement of nations is interlaced with growth and prosperity of businesses. Hence, policy-makers devote resources to orchestrating an enabling environment for businesses, especially SMEs, to thrive. Governments have over the years made deliberate efforts to encourage and promote SMEs, in lieu of their significant contribution to economic development. However, SMEs do not rely solely on government support or incentives to thrive. They also require skills and capabilities that provide sufficient fillip to operational success. This study examined the relevance customer-bonding capability to performance of SMEs in agribusiness. Customer-bonding capability was treated uni-dimensionally; while customer-base enlargement, profitability and portfolio expansion were used to represent SMEs' performance. The study adopted an explanatory research design, and collected primary data through cross-sectional survey, using a structured questionnaire whose validity and reliability was confirmed through exploratory factor analysis and Cronbach's Alpha test respectively. The population of the study comprised SMEs in agribusiness in Rivers State. 90 SMEs in agribusinesses in Rivers State were surveyed. After data cleaning, data collected from 77 SMEs were found usable for analyses. Pearson Product Moment Correlation served as test statistic, relying on Statistical Package for Social Sciences (SPSS) version 24.0. The study found that customer-bonding capability has strong, positive and statistically significant relationship with customer-base enlargement and business portfolio expansion; and a moderate positive and statistically significant relationship with profitability of SMEs in agribusiness. The study therefore concluded that customer-bonding capability drives improved performance of SMEs in agribusiness; and recommends that SMEs in agribusinesses in Rivers State that seek improved performance in terms of customer-base enlargement, business portfolio expansion, and profitability should develop or groom capabilities that nurture and expand relationship with customers.

Keywords: Business portfolio expansion, customer-base enlargement, customer-bonding capability, profitability, SMEs' performance

1. Introduction

Improved performance of small and medium-scale enterprises (SMEs) is a prerequisite to productivity and economic transformation of nations. This is because SMEs create jobs, reduce inequalities and instigate more resilient and sustainable economic growth. Keskin et al. (2010, as cited in Ateke & Nwiepe, 2017) provides that SMEs contribute generously to national and regional development; and are fundamental components of the economic fabric of emerging economies that stimulate economic growth, promote innovation, foster entrepreneurship and enhance prosperity.

Companies, irrespective of size, age and core orientation, increasingly scout for newer and better ways to improve their performance and market dominance in order to support or enhance their growth and long-term survival. Improved performance in terms of brand awareness, customer satisfaction, new product success, enlarged customer-base, profitability, business portfolio expansion, innovation, etc. are paramount concerns of firms; and scoring high on each of them is admitted as indices of success, and precursor to long-term survival and prosperity. Thus, firms take proactive initiatives and actions, and expend maximum marketing efforts (Ateke & Igwe, 2019) as they brace up to achieve success in their operations.

Nevertheless, firms, especially SMEs, mostly struggle to cope with the vagaries of the operating milieu; and spend so much resource, but achieve less than desired; with some experiencing entropy, losing their foothold in the market and shuttering operations. This suggests that business performance, though the objective of all firms; is not achieved equally by all. When firms notice signs of stunted growth, stagnation, or threat of closure - all of which indicate that a business is not doing well - they usually suspect several factors to be culprits; and are apt to look for solutions in unlikely programmes or activities, thus, often plummeting into further uncertainties or record short-lived successes.

This study suspect that the possession or development of the capability to build, nurture and expand

relationship with customers hold the key to superior performance for SMEs. Prior studies show that the possession and astute deployment of marketing capabilities inform company adaptability (Ateke & Nwulu, 2021), business model innovation (Cirjevskis, 2019; Žitkiene et al., 2015), strategy development (Alharbi & Wang, 2016), new market development (Day, 2011) and organizational performance (Walugembe et al., 2017; Takahashi et al., 2015). Thus, the current study sought to investigate if customer-bonding capability (a core marketing capability) relates to performance of SMEs in agribusiness in Rivers State. The study assessed SMEs' performance through customer-base enlargement, profitability and business portfolio expansion.

2. Literature Review and Hypotheses Formulation
2.1 Baseline theory
This study is anchored on dynamic capabilities theory (DCT) (Teece & Pisano, 1994) which explains "complexities in corporate performance and market position in relation to competitors" in a plastic context that is the result of shifting industry structure, advances in technology, changing customers' requirement and upsetting regulatory frameworks (Teece et al., 1997). DCT describes capabilities as sets of "learned processes and activities that enable a firm produce superior outcomes; and explains that dynamic capabilities are idiosyncratic and rooted in firms' history (Teece et al., 1997).

DCT complements the resource based view's (Barney, 1991) position that possession of unique, rare, inimitable, and insubstitutable resources confer competitive advantage; by suggesting that it is not the mere possession of resources that is critical to competitive advantage, but the expert combination of resources to create value amidst market disturbances. DCT argue that resources are only building blocks for the development of capabilities that involve internal activities and routines that spans resources (Teece et al., 1997) and functional units. The core argument of DCT is that dynamic capabilities endow firms with capacity to purposefully create, extend, or modify resources to compete better.

DCT is adopted as a baseline theory in this study, based on its emphasis on learning and adapting company operations to current and emerging conditions. The study is designed to examine the nexus between customer-bonding capability and performance of SMEs. The provisions of DCT constitute a fine premise to conjecture that customer-bonding capability will interact with SMEs' performance. The underlying premise of DCT that firms build sustainable competitive advantage by acquiring and utilizing distinctive competences that enable them modify short-term competitive positions by sensing shifts in market conditions rapidly, and developing and combining new assets while refocusing existing ones, further makes it a cogent baseline theory for the study.

2.2 Customer-Bonding capability
Customer-bonding describes the processes undertaken by firms to connect to customers, with a view to making customers feel welcome, valued, and heard all the time; prompt them to continue patronizing the firm and its products and induce them to recommend the firm and its products. By engaging in customer bonding activities and initiatives, firms elicit customer loyalty and boost their revenue. They also get regular feedback from customers that help them improve their products, thus making them more appealing to consumers; and elicit other citizenship behaviours from customers that further company interests (Ateke & Igwe, 2019; Ateke & Kalu, 2019).

Customer-bonding capability explains firms' expertise in creating, managing and expanding close-knit relationship with customers. Firms' ability to bond with customers has been a capability of interest over the years, owing to transformation of buyer-seller interfaces from traditional adversarial bargaining aimed at achieving best possible benefit from individual transactions to a focus on closer collaborative relationships based on heightened coordination, participation in joint programmes, and close communication (Ateke & Amangala, 2020). This notion presents customer-bonding as a continuum, ranging from initial loyalty to "full lock-in" with proprietary standards (Evanschitzky et al., 2006).

The increased attention accorded close-knit seller-buyer relationship is also sequel to calls by scholars for firms to "develop rapport with customers, focus on customers, bond more intensely with customers, get intimate with customers, know customers better, put customers first, own customers or create customers" (Ateke & Igwe, 2019; Ateke & Kalu, 2019; Amit & Schoemaker, 1993); which are all anchored on the marketing concept as a guiding business philosophy. Customer-bonding capability is thus an essential market-based asset that endow firms with a loyal customer-base and enhance their competitive advantage (Evanschitzky et al., 2006).

Customer retention which results from loyalty is an attraction for businesses because it enhances profitability (Buttle & Ang, 2006) through increased frequency and volume of purchase and referrals. Also, relationship maintenance and customer replacement costs fall as buyers and sellers learn more about each other. Furthermore, retained customers are less price-sensitive, hence, may pay higher prices than newly acquired ones (Buttle & Ang, 2006).

Bonding with customers is central to customer relationship management. Bonds are exit barriers that tie customers to firms and orchestrate long-term relationship (Mostert et al., 2017; Wendelin, 2011). Firms' ability

to bond with customers is recognized as a fundamental determinant of success in business (Udayana et al., 2021). Haj and Lin (2016) opine that a firm's internal processes, practices and structures that enforce or promote friendly customer-firm interactions and relationships are essential to marketing performance improvement.

Business growth in the context of a growing and diversified customer-base, extended business portfolios and profitability is the anchorage of the sustainability of SMEs. The realization of business growth is however guaranteed when SMEs studiously develop and maintain mutually beneficial relationships with customers. Udayana et al. (2021) states that relational capital, support and enhance marketing performance; while Lee et al. (2019) submit that strong relational bonds with customers constitute valuable asset for firms.

2.3 Concept of SMEs' Performance

SMEs' performance refers to outcomes of business activities of SMEs, including sales growth, employee satisfaction, profitability, and growth in assets and equity (Kiyabo & Isaga, 2020). Performance is an important construct in determining the success of organizations; and can be viewed from financial and non-financial perspectives (Bontis et al., 2000), and measured in terms of productivity, return on investment, profits and sales turnover. It explains a firm's success over a period of time in a given market operation; as well as the firm's customer, market and financial achievement over a defined period of time.

SMEs' performance thus determines the health of an SME; and is a multidimensional construct with multidisciplinary and cross functional orientation (Didia & Nwokah, 2015). The essence of measuring performance of SMEs is to gauge the results of strategy implementation and monitoring, in order to identify areas that require improvement. Didia and Nwokah (2015) suggest that business performance is used to mean the achievement of financial and operational goals firms. Strong financial result, satisfied customers and employees, productivity and innovation are commonly cited indices of performance.

The determination of the performance of an SME requires setting up core performance measures (Gunasekaran et al., 2005) from financial and non-financial perspectives (Terblanche et al., 2013). Obtaining a balance between the two perspectives is key to greater appreciation of how SMEs fare in the environment. This study employs customer-base enlargement, profitability and business portfolio expansion as a mix of non-financial and financial measures of SMEs' performance. The reason for adopting non-financial and financial metrics of performance is to gain a balanced view of performance, and also in recognition of the fact that the results of most business activities and efforts are non-quantitative and non-financial in nature, but facilitate the attainment of quantitative and financial indices of performance.

2.3.1 Customer-base enlargement

Customers are the foundation of a business, and also a means to business sustenance. Manirakiza (2020) provides that customers are the lifeblood of a business and are essential to business growth. Ateke and Amangala (2020) states that customer acquisition, retention and expansion provide the surest guarantee for firms' survival and sustainability. This is because acquiring and retaining customers, as well as expanding the scope of business the firm has with current customers through cross-selling and upselling is the premise for creating and maintaining customer relationships; and underpins the notion of creating extra value by making existing customers increase their frequency and volume of purchase (Ateke & Amangala, 2020). The extent to which a company is successful cannot be divorced from it customer-base, the larger, the better.

Customer-base enlargement is thus a core business objective and salient metric of performance. A firm has only one way to grow its business: to enlarge its customer-base by acquiring new customers (Olek & Sarvary, 2001). A firm that is not acquiring new customers is threading a perilous path. This is because customers form the foundation for a business; and also guarantee the continued existence of the business (Ateke & Amangala, 2020; McFarlane, 2013). Customer-base enlargement will always be a crucial objective of firms because it drives aspects of business performance.

In mature markets, firms employ several techniques to win and retain customers. They implement programmes aimed at preventing switching behaviour and offer special customer care programmes that raise customer satisfaction (Ateke & Nwulu, 2021). The possession of a strong customer-base is a prerequisite to stable company operation, and achievement of improved business performance (Manirakiza, 2020). Research shows that having a large loyal customer-base provides a number of significant short- and long-term advantages (Manirakiza, 2020; Ateke & Amangala, 2020; McFarlane, 2013).

2.3.2 Profitability

Profitability is an important concept that has grabbed the attention of business practitioners and scholars (Ejoh & Iwara, 2014) since the dawn of commerce. It is a fundamental goal of firms because of its links to long-term survival. Morgan et al. (2009) affirm that profitability is fundamental to investors and managers because it indicates expected cash flows. Despite this, profitability is an infrequently used measure of business performance, and knowledge concerning the link between marketing efforts and profitability is limited (Bahadir et al., 2008). In conceptual terms, profitability is the ability of a business to make profit or the degree to which a business generates revenue in excess of cost of operations. It is a quantitative metric often used to assess a firm's ability to

generate earning in excess of the combination of all the expenses it incurred on a given investment during a specific accounting period.

Scholars identify Return on Assets and Return on Equity as common indicators of profitability (Ejoh & Iwara, 2014); though anyone of them can be used, depending on the objective of the user. Profitability is often used to determine the attractiveness of an investment; or to compare the promise of different investment portfolios and opportunities (Bahadir et al., 2008). It is also used to measure gains and losses generated in an undertaking, especially in relation to resources invested (Farris et al., 2010). Higher profitability often means that gains from an investment compare favorably to cost of the investment.

2.3.3 Business portfolio expansion

A business portfolio represents a business interest which develops from a firm's resource allocation and investment in areas with future potentials; and which are all governed by one corporate management; or the creation and introduction of a brand that is new to a firm or the market (Didia & Ateke, 2017; Raggio et al., 2011). Business portfolio expansion offers several benefits. It helps firms choose a positioning approach that best complements existing portfolios while circumventing cannibalization, and accurately caters for the needs of current and prospective customers.

Business portfolio expansion is achieved through internal brand creation or external brand acquisition (Raggio et al., 2011); and these are common practices that enable firms expand business interests within and across industries. The choice of mode of expansion is a critical element in business portfolio management; and several models that provide assistance to managers on how to analyze and manage investment portfolios exist (Didia & Ateke, 2017).

Business portfolio expansion manifests when a firm engages with different (at least two) ways of creating or capturing value; each of which is associated with a distinct monetization mechanism (Puranam & Vanneste, 2016; Grant, 2016). The achievement of corporate objectives rest on strategic thrust; and a firm may pursue different objectives in order to increase shareholders' wealth (Didia & Ateke, 2017). Kotler (2003, as cited in Didia & Ateke, 2017) argue that strategic planning that facilitate goal attainment requires managing a company's business as investment portfolios. The idea of managing a company business as investment portfolios refers to expanding business operations in terms of serving newer customer groups and needs, product line extension and creation of newer business units.

Firms develop business interest within and across customer groups and product lines, and also across geographies so that business risks can be spread, sources of revenue and profits are diversified; and shareholders' wealth is improved (Didia & Ateke, 2017). Business portfolio expansion is especially attractive when a firm can leverage existing resources and capabilities. Akewushola (2015) states that business portfolio expansion fundamentally indicates business success and shows performance differential among firms; while Oladimeji and Udosen (2019) provides that business portfolio expansion leads to improved profitability, market value and shareholder wealth; and that firms' survival and prosperity is linked to the expansiveness of their business interests. Thus, increased profitability, efficient use of resources, exploitation of market opportunities, achievement of economies of scale and preferred market position all ensue from business portfolio expansion (Oladimeji & Udosen, 2019; Emel & Yildirim, 2016).

2.4 Customer-bonding Capability and SMEs' Performance

Today's firms realize that providing solutions that meet customers' requirements is critical to profitable growth and continuity. Satisfied customers are easier to bond with; and bonding with customers is fundamental to business success (Udayana et al., 2021). Haj and Lin (2016) opine that internal processes, practices and structures in a firm that promote friendly customer-firm interactions and relationships are essential to performance improvement; while Ateke and Kalu (2019) and Ateke and Igwe (2019) suggests that employee-customer rapport is a prerequisite to customer citizenship behaviour - voluntary and discretionary actions of customers that are neither expected nor rewarded by the firm, but which improves, or have the capacity to improve the firm's competitiveness.

The capacity of firms to build strong mutually beneficial relationships with customers is essential because companies' continued existence and robustness derives from repeat patronage of customers' which follows from close-knit customer-firm relationships that benefit both parties. A firm's performance is often enhanced through repeat purchase of loyal customers, and sales achieved through referrals. Customers get committed to firms when they derive maximum satisfaction from their interactions with the firm, and when they feel valued by the firm (Haj & Lin, 2016). A firm's interest is thus better served when it develops and nurtures strong ties with customers, relying on well-harnessed customer-bonding capabilities.

Performance in terms of a growing a diversified customer-base, extended business portfolios and profitability is the anchorage of sustainability of SMEs. Without actual or potential business growth, the continued existence of a company is threatened. Business performance is thus crucial to survival and prosperity of SMEs. The realization of business performance is however guaranteed only when SMEs studiously develop

and maintain mutually profitable relationships with customers (Udayana et al., 2021).

Customer relationship management literature provides that it is easier to understand and serve the needs of customer in a relationship with the firm, than to understand the needs of new customers (Ateke & Amangala, 2020). A firm with a customer orientation views customers as the reason they are in business, and seek to serve them on a long-term basis through embedded relationships. However, a firm's capacity to build, maintain and expand relationships with customer stems from its customer-bonding capacity (Wendelin, 2011). Established bonds with customers that support or improve growth and wealth determines firms' survival (Evanschitzky et al., 2006).

Dynamic capabilities theory (Teece et al., 1997) contend that the possession of, and expert utilization of resources including relational assets like data on preferences of customers provides firms with competitive advantage. Also, today's operating environment requires firms to build relationships with customers in order to benefit from relationship equity (Olek & Sarvary, 2001); which provides increased competitiveness through greater revenues and lower operating costs. Customer-bonding capability thus have the potential to drive superior performance of SMEs. However, in lieu of the need of this study to statistically examine and interpret the direction and magnitude of relationship between customer-bonding capability and performance of SMEs' in agribusiness, the following null hypotheses are formulated:

Ho$_1$: Customer-bonding capability does not relate significantly to customer-base enlargement among SMEs in agribusinesses in Rivers State.

Ho$_2$: Customer-bonding capability does not relate significantly to profitability of SMEs in agribusinesses in Rivers State.

Ho$_3$: Customer-bonding capability does not relate significantly to business portfolio expansion among SMEs in agribusinesses in Rivers State.
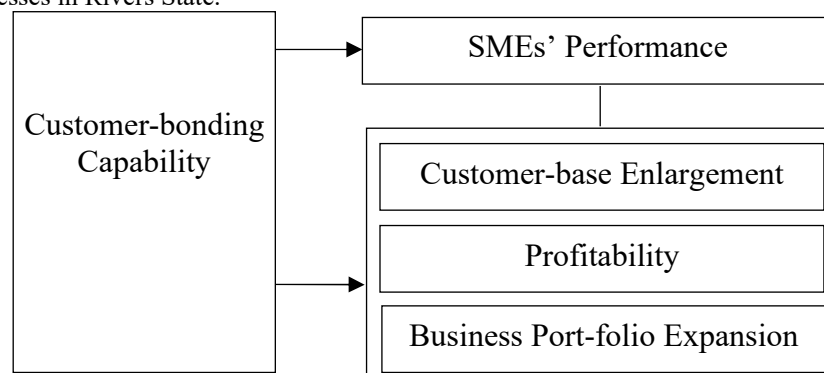

Fig. 1: Conceptual model of customer-bonding capability and performance of SMEs.
Source: Researchers' Conceptualization from Review of literature (2023).

3. Methodology

This examen focused on probing the nexus between customer-bonding capability and performance of SMEs in agribusinesses. The study adopted a pragmatist viewpoint; and aligns with the position that a researcher should focus on a research problem; not on methods, and should use a range of approaches available to understand a problem (Creswell & Creswell, 2017). The study upholds the uncertainty and subjectivity of phenomena; and the belief that the physical senses can picture true reflection of reality (realist ontology); and that knowledge is concrete, hence transferable (positivist epistemology). The study also believes in the deterministic nature of man's interactions with his environment, hence; rely on a quantitative approach to acquire primary data (nomothetic methodology) (Johnson et al., 2007; Creswell & Creswell, 2017).

The study adopted an explanatory research design; and relied on a structured questionnaire to collect primary data in a natural setting. The cross-sectional survey, which permits the collection of data from test units at a point in time, was adopted. The population of the study comprised 90 SMEs in agribusiness in Rivers State. The study took a census in lieu of the manageable size of the population, and based on the conviction that a larger sample size takes a researcher closer to reality. The study however, arrived at the test units using purposive sampling technique. Purposive sampling was preferred because it eases accessibility to test units (Collis & Hussey, 2009).

The validity of the instrument used in this study was determined through face, content and construct validity. Face validity was ascertained by experts consisting members of the academia within marketing, organizational studies, and measurement and evaluation; and business practitioners with expertise in the subject of the study. Content validity was achieved by ensuring that the measurement scales are derived from literature; and mostly from instruments used in previous studies, with minimal modification where necessary. Construct validity was determined through exploratory factor analysis. Table 1 presents a summary of the test results.

Table 1: Summary of Results of Test of Validity

Variables	Number of Items	Factor Loadings
Customer-bonding capability	8	0.750
SMEs' Performance		
Customer-base enlargement	6	0.949
Profitability	5	0.868
Business portfolio expansion	8	0.960

Source: SPSS output of data analysis on customer-bonding capability and performance of SMEs (2023).

Table 1 shows the results of construct validity of the instrument using Exploratory Factor Analysis (EFA). The analysis revealed that there is multicollinearity because all the variables have high factor loadings. This means, each of the items effectively measured what they were set to measure.

The reliability of the instrument on the other hand, was determined using Cronbach's Alpha test of reliability with a threshold of 0.70 set by Nunally (1978). Table 2 provides a summary of the results of the test of reliability.

Table 2: Summary of Results of Test of Reliability

Variables	Number of Items	Cronbach's Alpha Coefficient
Customer-bonding capability	8	0.980
SMEs' Performance		
Customer-base enlargement	6	0.968
Profitability	5	0.957
Business portfolio expansion	8	0.950

Source: SPSS output of data analysis on customer-bonding capability and performance of SMEs (2023).

Table 2 shows that all the variables in the study have high Cronbach's alpha coefficient, surpassing the 0.70 threshold set by Nunally (1978). The instruments is therefore considered reliable; and offering the required standard of precision and clarity. The evidence indicates that the instrument adequately addresses the concerns of the study, thus admissible; and that the instrument can produce identical results if used at different times and in different contexts by different researchers.

The Pearson Product Moment correlation statistic was used to test the direction and magnitude of connection between customer-bonding capability and proxies of performance of SMEs. The analyses was based on 77 copies of questionnaire, representing 85.56% of the administered questionnaire which were upon retrieval, found to reveal the absence of error cases with permissible (less than 10%) cases of missing values, and treated using mean imputations. These 77 copies were coded into the SPSS (version 24) software and used in the final analyses of the study. The adopted confidence interval was 95%; and all hypotheses were tested based on 0.05 level of significance. Neuman's (2006) categorization scheme employed to determine the magnitude and direction of relationships between the variables, with a decision rule: reject the null hypothesis if probability value < critical value and accept the null hypothesis if probability value > critical value.

4. Results and Interpretation

Table 4: Descriptive analysis of customer-bonding capability

	N	Sum	Mean	Std. Dev.	Variance
Undertake deliberate actions to connect to customers	77	334	4.34	1.143	1.306
Engage in activities that make customers feel welcome, valued, and heard all the time	77	335	4.35	1.189	1.415
Create and deliver customize offerings to customer	77	340	4.42	1.140	1.299
Make efforts to create bonds with customers	77	329	4.27	1.120	1.254
Have protocols for creating and managing close relationships with customers	77	337	4.38	1.113	1.238
Collaborate with customers to create superior value	77	347	4.51	1.119	1.253
Establish joint programmes and close communication links with customers	77	337	4.38	1.170	1.369
Make customers the central focus of all company activities	77	332	4.31	1.091	1.191
Valid N (listwise)	77				

Source: SPSS output of data analysis on customer-bonding capability and performance of SMEs (2023).

As shown on Table 4, the responses generated high mean scores greater than 3.00. This means that most of the respondents were on the higher side of the scale. In the result, question 6 has the highest sum of 347 and hence the highest mean score of 4.51. By having the highest mean score, question 6 shows the strongest manifestation of customer bonding capability. However, question 2 has the highest standard deviation of 1.149 and variance of 1.415 respectively, which means question 2 has the most data variations.

Table 5: Descriptive analysis on customer-base enlargement

	N	Sum	Mean	Std. Dev.	Variance
Experience increase in new customer acquisition	77	323	4.19	0.946	0.896
Achieve increase in retention of existing customers	77	329	4.27	1.120	1.254
Sell more products to existing customers	77	324	4.21	1.116	1.246
Expand the scope of business with existing customers	77	320	4.16	1.125	1.265
Frequently leverage cross-selling and upselling opportunities	77	332	4.31	1.016	1.033
Achieve increase in revenue through purchases from new customers	77	340	4.42	1.030	1.062
Valid N (listwise)	77				

Source: SPSS output of data analysis on customer-bonding capability and performance of SMEs (2023).

From results of the analysis on Table 5, the entire responses generated high mean scores greater than 3.00. This means, most of the respondents were on the higher side of the scale. In the result, item 6 has the highest sum of 340 and hence the highest mean score of 4.42. By having the highest mean score, question 6 has the strongest influence on customer-base enlargement. However, item 4 has the highest standard deviation of 1.125 and variance of 1.265 respectively, which means question 4 has the most data variations.

Table 6: Descriptive analysis on profitability

	N	Sum	Mean	Std. Dev.	Variance
Generate revenue in excess of cost of operations	77	315	4.09	1.066	1.136
Achieve increased return on assets	77	311	4.04	.924	.854
Achieve increased return on equity	77	309	4.01	.939	.881
Have a high capacity to make profit	77	320	4.16	1.148	1.317
Attract investors or gain loans on account of your expected cash flows	77	333	4.32	1.044	1.091
Valid N (listwise)	77				

Source: SPSS output of data analysis on customer-bonding capability and performance of SMEs (2023).

From results of the analysis on Table 6, the entire responses generated high mean scores greater than 3.00. This means, most of the respondents were on the higher side of the scale. In the result, item 5 has the highest sum of 333 and hence the highest mean score of 4.32. By having the highest mean score, item 5 has the strongest influence on profitability. However, item 4 has the highest standard deviation of 1.148 and variance of 1.317 respectively, which means item 4 has the most data variations.

Table 7: Descriptive Analysis on Portfolio Expansion

	N	Sum	Mean	Std. Dev.	Variance
Allocate resources or invest in areas with good future potentials	77	315	4.09	1.102	1.215
Introduce a brand or product that is new to its operations or its market	77	325	4.22	.898	.806
Expand business interests within its industry	77	317	4.12	.946	.894
Expand business interests across industries	77	326	4.23	1.087	1.181
Optimize resources by creating new business interests	77	320	4.16	.933	.870
Create new streams or sources of revenue and profit	77	324	4.21	.978	.956
Integrate other participants in the value chain with a view to expanding its business scope	77	334	4.34	1.108	1.227
Expand its business into other states, regions or zones	77	333	4.32	.938	.880
Valid N (listwise)	77				

Source: SPSS output of data analysis on customer-bonding capability and performance of SMEs (2023).

From results of the analysis as displayed on Table 7 shows that all responses generated high mean scores greater than 3.00. This means, most of the respondents were on the higher side of the scale. In the result, item 7 has the highest sum of 334 and hence the highest mean score of 4.34. By having the highest mean score, item 7 has the strongest influence on portfolio expansion. In the same vein, item 7 has the highest standard deviation of 1.108 and variance of 1.227 respectively, which means item 7 has the most data variations.

Table 8: Correlations between customer-bonding capability and proxies of SMEs' performance

		Customer-bonding Capability	customer-base Enlargement	Profitability	Business portfolio Expansion
Customer-bonding Capability	Pearson Correlation	1	.726**	.643**	.780**
	Sig. (2-tailed)		.000	.000	.000
	N	77	77	77	77
Customer-base Enlargement	Pearson Correlation	.726**	1	.823**	.911**
	Sig. (2-tailed)	.000		.000	.000
	N	77	77	77	77
Profitability	Pearson Correlation	.643**	.823**	1	.833**
	Sig. (2-tailed)	.000	.000		.000
	N	77	77	77	77
Business portfolio Expansion	Pearson Correlation	.780**	.911**	.833**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	77	77	77	77

**. Correlation is significant at the 0.01 level (2-tailed).
Source: SPSS output of data analysis on customer-bonding capability and performance of SMEs. (2023).

The predictor variable in the model in Table 8 is customer-bonding capability, while customer-base enlargement, profitability and business portfolio expansion are criterion variables. Results of the SPSS output on Table 8 showed the correlation coefficient (r) of the strength and direction of relationship between the variables. The analysis revealed that the correlation coefficient (r) between is customer-bonding capability and customer-base enlargement of SMEs in agribusiness is 0.726. This high value means that the relationship between customer-bonding capability and customer-base enlargement of SMEs in agribusiness is strong. Similarly, the analysis showed that the probability value of the relationship between customer-bonding capability and customer-base enlargement of SMEs in agribusiness is less than the critical value (i.e. $p = 0.000 < 0.01$). This means that customer-bonding capability has a strong, positive and statistically significant relationship with customer-base enlargement of SMEs in agribusiness. Therefore, we reject the null hypothesis which states that there is no significant relationship between customer-bonding capability and customer-base enlargement among SMEs agribusinesses in Rivers State Nigeria.

The results on Table 8 also showed that the correlation coefficient (r) between customer-bonding capability and profitability of SMEs in agribusinesses in Rivers State Nigeria is 0.543. This value indicates that a moderate positive relationship exists between the variables. Also, the analysis showed that the probability value of the relationship between the variables is less than the critical value (i.e. $p = 0.000 < 0.01$). This means that customer-bonding capability has a moderate, positive and statistically significant relationship with profitability of SMEs in agribusinesses in Rivers State Nigeria. Therefore, we reject the null hypothesis which states that there is no significant relationship between customer-bonding capability and profitability of SMEs in agribusinesses in Rivers State Nigeria.

Furthermore, the results of the SPSS output in Table 8 showed a correlation coefficient (r) of 0.780 on the relationship between customer-bonding capability and business portfolio expansion of SMEs in agribusinesses in Rivers State Nigeria. This high correlation coefficient means that the relationship between customer-bonding capability and business portfolio expansion of SMEs in agribusinesses is strong. The analysis equally showed that the probability value of the relationship between the variables is less than the critical value (i.e. $p = 0.000 < 0.01$). This means that customer-bonding capability has a strong, positive and statistically significant relationship with business portfolio expansion. Hence, the null hypothesis, which states that there is no significant relationship between customer-bonding capability and business portfolio expansion of SMEs in agribusinesses in Rivers State Nigeria is rejected.

5. Discussion of Findings
The tests conducted to determine the direction and magnitude of relationship between customer-bonding capability and performance of SMEs in agribusiness in Rivers State revealed that customer-bonding capability has a positive and statistically significant relationship with SMEs' performance. The tests specifically revealed that customer-bonding capability has strong, positive and statistically significant relationship with customer-base enlargement of SME agribusiness ($r = 0.726$, pv= $0.000 < 0.01$). The test also revealed that customer-bonding capability has moderate positive and statistically significant relationship with profitability of SME agribusiness ($r = 0.543$, and pv = $0.000 < 0.01$); and a strong, positive and statistically significant relationship with business portfolio expansion of SME agribusiness ($r = 0.780$, $N = 77$, $p = 0.000 < 0.01$).

These findings confirm the assertion that customer-bonding capability is a key market-based resource that is linked to business performance; and have attracted increased importance as buyer-seller interfaces continue to

transform from traditional adversarial bargaining focused on best possible benefit from individual transactions to a focus on closer collaborative relationships based on heightened coordination, participation in joint programmes, and close communication links (Ateke & Amangala, 2020).

The findings also substantiate the rising attention to close-knit seller-buyer relationship based on positions of scholars for firms to create, develop rapport with, focus on, bond more intensely with, and get intimate with customers and put them first in the firms' operations (Ateke & Igwe, 2019; Ateke & Kalu, 2019; Amit & Schoemaker, 1993). The current findings also support the view that customer-bonding capability is an asset that endows a firm with loyal customers, which key to achieving company success and competitive advantage, and which determines profitable long-term relationships (Evanschitzky et al., 2006); and that businesses survival is closely linked to building and nurturing quality relationship with customers (Ateke et al. 2016).

The findings of the study corroborates the position of Udayana et al. (2021) that firms' ability to bond with customers is a fundamental determinant of success in business; that of Ateke and Igwe (2019) and Ateke and Kalu (2019) that employee-customer rapport is a prerequisite to customers' voluntary and discretionary actions that improves, or have the capacity to improve firm's competitiveness; and that of Haj and Lin (2016) that a firm's internal processes, practices and structures that promote friendly customer-firm interactions and relationships are essential to performance improvement.

Furthermore, the findings of the study substantiate reports that a firm's capacity to build strong mutually beneficial relationships with customers is essential to continued existence and robustness because close-knit customer-firm relationships enhances business performance through repeat purchases, and sales achieved through referrals (Ateke & Harry, 2021). The findings validate the notion that realization of business performance is guaranteed when the firm studiously develops and maintains mutually profitable relationships with customers; and that relational capital support and enhances marketing performance (Udayana et al., 2021). More so, the finding supports the view that strong relational bonds with customers constitute a valuable asset for firms (Ateke & Igwe, 2019; Ateke & Kalu, 2019). This entails that firms must create, maintain and expand relationships with customer; pay attention to their expressed and implied needs; and serve them in a manner that competitors cannot easily lure them away (Mostert et al., 2017).

6. Conclusion and Recommendations

SMEs in general, and SMEs in agribusiness in particular, face numerous challenges that impede their operation, performance and competitiveness. These challenges are often orchestrated by the very nature of the operations of SMEs and changing market conditions. This therefore, call for regular investigations to determine factors that drive SMEs' performance. In this study, the role of customer-bonding capability in engendering performance of SMEs was examined. The benefits of bonding with customers are well-presented in literature. Firms thus make concerted efforts to create and maintain healthy relationship with customers. Firms in matured and highly competitive markets design and execute programmes to build relationship with customers in order to gain from relational equity, including perceived quality, customer satisfaction, customer loyalty and extra-role behaviours. Therefore, firms, and SMEs in particular, improve their performance by bonding with customers.

Drawing from the results of the empirical analyses conducted, and the discussion that followed, which situated the results within extant literature, the study concludes that customer-bonding capability strongly relates to performance of SMEs in agribusiness in terms of customer-base enlargement, profitability and portfolio expansion; and that performance of SMEs in agribusiness depend on their ability build, maintain and expand relationship with customers. The study thus recommends that SMEs in agribusiness that seek improved business performance should develop the capacity to bond with customers by instituting business models, processes, structures and strategies that enables and promotes close-knit relationship with customers.

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