



ORIGINAL ARTICLE

## The Need for Customer Relationship Management: A case of Selected Global System Mobil (GSM) Companies in Abuja, Nigeria

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### ARTICLE HISTORY

Received:  
20.01.2018  
Revised  
06.02.2018  
Accepted  
01.03.2018

### ABSTRACT

Customers of GSM operators expect services at all time, they want operators to respond at all times when they need attention and provide explanations whenever anything goes wrong. The inability of the operators to satisfy their customers make them to acquire services from other network. Mobile phone services in Nigeria have been criticized overtime for high tariffs, drops calls and generally poor services. The objective of the study is to determine the level of customers satisfaction with GSM services with regard to customers care services. The study explore various literature work and empirical studies related to customer relationship management. Three (3) GSM service providers: Airtel, Globacom and MTN along with their customers in Abuja Nigeria were used as the population of the study. Five hundred (500) questionnaire were administered to the respondents spread across the six (6) area council. a 4-point likert type of rating scale was use in measuring responses to the questions and the data was categorized and scale nominally. The findings revealed that ability of the customer care service unit to exercise initiative on matters affecting customers satisfaction had been a problem. The study concludes that given the intense competition in today s business environment, the formulation and delivery of exceptional competitive strategy should be a deliberate effort and the study recommended that the operators should invest in quality hiring an training programme for their employees because well selected and trained employees are crucial to and can make a huge difference in the effective rendering of customer care services.

**Keywords:** Customer, management, satisfaction, relationship, services, complaint.

### CITATION OF THIS ARTICLE

Iliya Bawa and Kufrel D. Inyang. The Need for Customer Relationship Management: A case of Selected Global System Mobil (GSM) Companies in Abuja, Nigeria. Inter. J. Edu. Res. Technol. 9 [1] 2018; 19-23  
**DOI:** 10.15515/ijert.0976 4089.9.1.1923

### INTRODUCTION

Customer Relationship Management (CRM) can be an extremely beneficial application to help understand customers in order to service them better. Berndt, Herbst and Roux (2005) noted that the implementation of CRM is beneficial to a company because it is a strategy for profitability which in turn ensure long term survival of the company. It enables a company to communicate effectively with the customers, know what they need and what to do for the customers to continue to patronize the company s products and services.

CRM has become increasingly important worldwide due to changes in expectations from customers as well as changes in the level of competition and in the nature of markets (Birsan and Susu, 2009). Since the launch of the Global System of Mobile (GSM) communication services in Nigeria, mobile phone services however have been criticized for poor services and inability to provide explanations when ever anything goes wrong.

The inability of the operators to satisfy their customers make them to acquire services from other networks. This study intend to determine customers perception of the CRM activities of mobile phone operators.

### **Statement of the Problem**

The operation of the GSM has been shrouded in controversy notwithstanding that its commissioning in 2001 has been of utmost benefit to Nigerian consumers and the economy generally (Englama and Bamidele, 2002). CPC, (2008) observed that mobile phone survives in Nigeria however have been criticized overtime for high tariffs, drops calls and generally poor services.

Adegoke, Babalola and Balugun (2008) noted that the National Assembly summoned all GSM operators to give explanation for their inefficiency and unsatisfactory services. Adebayo (2008) observed that the inability of the operators to satisfy their customers make them to acquire services from other network and this account in part for why many Nigerians carry multiple handsets. While Ndukwe (2008) pointed out that customers expect operators to do more than connecting them. They want services available at all times and at every place. They want the services to be of good quality and affordable. They want operators to respond at all times when they need attention and provide explanation whenever anything goes wrong.

### **Objective of the Study**

The general objective of the study was to determine the function of CRM activities in GSM companies in Nigeria. The specific objectives are:

1. To determine the level of customers satisfaction with GSM services with regard to customers care services.
2. To ascertain specific areas customers always complain in terms of service delivery.

## **LITERATURE REVIEW**

### **Customer Relationship Management (CRM)**

Achumba (2006) noted that CRM involves the purchase of hardware and software that will enable a company to capture detailed information about individual customer that can be used for better target marketing. CRM has become increasingly important worldwide due to changes in the level of competition and in the nature of markets (Birsan and Susu, 2009). In order to maximize value for the customer and the company, information about individual customer available to companies should be analyzed and managed (Kotler and Keller, 2005).

Mills (2001) and Daniel *et al* (2003) are of the opinion that CRM leads to faster response to customer inquires, deeper understanding of customers, identifying the most profitable customer, receiving customer feedback that leads to new and improved products. Once a firm recognizes that relationships with loyal customers have the potential to generate an ongoing stream of profits, it becomes clear that those customers are an important financial asset for the firm. As such, they increase the value of the firm (Reichheld, 2001). Viewed from this financial perspective, marketing programmes designed to attract new customers build relationships, increase sales from existing customers and maintained relationships into the future should be seen as investments rather than expenses.

### **Customer Satisfaction**

Customer or consumer satisfaction begins with clear, operational definitions from both the customer and the organization. Understanding the motivations, expectations, and desires of both gives a foundation in how to best serve the customer. It may even provide information on making improvements in the nature of business.

Customer Satisfaction is the extent to which a firm fulfills a customers need, desires and expectations better than competitors (Perreault *et al*, 2009). In Nigeria, with the increase in the number of operators in the industry, the issue of satisfaction become very important since it may affect services adoption and usage which is vital to the telecommunication industry. Olowu (2007) posited that the long run lies in achieving sustained customer satisfaction through listening to customers, providing a mechanism to hear from them, response to complaints and encourage customer loyalty. Leonard and Pascal (2001) have suggested several bases by which consumer satisfaction with GSM services can be assessed, these are quality, interconnectivity, reliability, responsiveness, variety of complimentary services, assurance, empathy, and service charge. With the above view in mind, subscribers would compare the perceived services with the expected services and if the perceived services falls below the expected services, they are most likely to be disappointed however, if the perceived services meet or exceed expected services; they are likely to continue to stay with the provider and will be willing to recommend it to others.

By examining a customer's past records of purchase, demographics and psychographics the company will know more about what the customer wants (Achumba, 2006). The importance of clearly defining the key concepts and elements of satisfaction provide a template by which information can be gathered about what is and what is not working (i.e. friendliness, helpfulness, politeness). These definitions often start with the most vague and general, and shift to the highly specified and precise examples. The bottom line is that in order to know about customer satisfaction, one needs to know what to look for. The organization needs to seek this information from both within and without which can be achieved through customer care services.

### Empirical Studies

Reichheld, (2001) considered CRM in a win-win situation where profits are earned through customer satisfaction and not at their expense, the results shows that firms that practice CRM will benefit from repeat sales and referrals that lead to increase in market share and profit. By using simple database, CRM can help a company to segment their most profitable customers, help organizations in targeting specific products at certain customer groups by looking at their past purchase patterns. It provides employees with all the necessary information that they need to know about the customer they are dealing with.

Dixon Ogbechi *et al* (2009) quantified the importance of the relationship marketing variables: trust, relationship, commitment, communication, internal marketing and support and cooperation using the Analytical Hierarchy Process. Trust was found to be more important in comparison to other variables. Building customer relationship and confidence provides a company with the techniques to harness its marketing efforts towards identifying customers, their needs, wants and satisfying them.

Berndt *et al* (2005) investigated the implementation of CRM program in financial services. The findings indicated that there are positive associations with CRM practice and customer satisfaction. This was anchored on the belief that a firm that knows its customers and how to treat them has an advantage in the market. Based on what they know about their customers, firms can customize market offering, service, programme and messages.

### RESEARCH METHODOLOGY

Three (3) GSM service providers (Airtel, Globacom and MTN) along with their customers in Abuja were used as the population of the study. Five hundred (500) questionnaires were administered to the respondents. A systematic sample techniques was used to get information from respondents in each area council to represent the entire population.

#### Data Analysis

A 4-point likert type of rating scale was use in measuring responses to the questions and the data was categorized and scale nominally.

**Table 1: Satisfaction of GSM Services providers with Customers Care Services**

S/N	Items	Very satisfied	Just satisfied	Unsatisfied	Very unsatisfied
1	Promptness of response to complaints	40	65	195	200
2	Friendliness of services personnel to the customers	190	165	80	65
3	Ability to exercise initiative on matters affecting customer satisfaction	45	70	190	195

Source: Field Survey, 2017

In table 1 above, satisfaction of GSM service providers with customer services shows the responses of subscribers with regard to their satisfaction with promptness of response to complaints by the customer care units of the service providers indicates that 40 (8%) respondents were very satisfied, 65 (13%) were just satisfied, 195 (39%) were unsatisfied and 200 (40%) were very unsatisfied. Although 8% of the subscribers were very satisfied with the speed at which the customer care units of the service providers response to complaint but 39% and 40% of subscribers were unsatisfied and very unsatisfied with the delay at which the customer care unit attended to them when complaints were been made. The study shows that there is the need for the service providers to look into the activities of the personnel in the customer care unit so as to succeed in their operation. This is in agreement with Hayes (1998) that the organizational requirements of customer satisfaction are internally based processes, components, standards, and criteria that a business strives to achieve. These are the performance goals and benchmarks set forth by the business. These are the elements of corporate culture. Meeting or exceeding these is often an indicator of success or failure.

On the aspect of friendliness of services personnel to the customers 190 (38%) subscribers were very satisfied, 165 (33%) were just satisfied, 80 (16%) were unsatisfied and 65 (13%) were very unsatisfied. This indicates that subscribers were very satisfied and just satisfied indicating a percentage of 38% and 33% respectively. Which means that there is a positive relationship between the customer care unit and the subscribers. This is in agreement with Bowen and Chen (2001) they opine that: it is commonly known that there is a positive relationship between customer loyalty and profitability. Marketers are seeking information on how to build customer loyalty. The increased profit comes from reduced marketing costs, increased sales and reduced operational costs. Loyal customers not only require less information themselves, they also serve as an information source for other customers. Customer care services provide a forum for these activities.

In an effort to know the ability to exercise initiative on matters affecting customer satisfaction 45 (9%) subscribers were very satisfied, 70 (14%) were just satisfied, 190 (38%) were unsatisfied and 195 (39%) were very unsatisfied. 38% and 39% indicates that the customer care units of the service providers do not have the ability to exercise initiative on matters affecting customers satisfaction. This is important because a customer's interest in maintaining a loyal relationship is depended on the firm's ability to anticipate customer's future needs and offering them before anyone. The identification and satisfaction of customer needs leads to improve customer retention. Customer retention is potentially one of the most powerful weapons that companies can employ in their fight to gain a strategic advantage and survive in today's ever-increasing competitive environment. It is vitally important to understand the factors that impact on customer retention and the role that it can play in formulating strategies and plans which can be achieved through customer care services (Bowen and Chen, 2001). Generally, this study shows that there are positive association with customer care services of GSM service providers and customers or subscribers satisfaction. Promptness of responses to complaints, friendliness of the customer care units to the subscribers and their ability to exercise initiative on matters affecting customer satisfaction will enable them know their customers or subscribers, customize market offering and how to treat them and have advantage in the market. The goal is to deliver long term value to customers and the measure of success is long term customer satisfaction.

**Table 2: Areas Subscribers always Complain in Terms of Service Delivery**

Network service or coverage	Customer care services	Tariff charges	Voice of the caller or receiver not always audible
10	2	8	-

**Source:** Field Survey, 2017

With regard to the areas subscribers always complain in terms of service delivery, the data in table 2 indicates that most of the complaints received from subscribers are in the area of Network service or coverage which have the highest number of 10, followed by tariff charges with 8, customer care services is the least number with 2 there was no complaints in the area of audibility of calls, this study revealed that the service providers need to improve on their services regarding network services or coverage. They should also look at the issue of tariff charges and customer care units when complaints are being laid.

The subscriber is looking specifically at the expected benefits of the service as noted by Zeithaml (1988) as cited by Brassington and Pettitt (2003).

#### **Actions taken on Subscribers Complaints**

Responses received from the GSM service providers indicates that once complaints are received from subscribers the complaints are written down immediately and forwarded to the appropriate sections depending on the type or nature of complaint where immediate actions are taken to solve the problems.

#### **CONCLUSION**

Given the intense competition in today's business environment, the formulation and delivery of exceptional competitive strategy should be a deliberate and conscious effort to differentiate company's products or services from rival competitors, in essence it's obvious to customers and prospects. Organizations that would eventually win are those who could gain more customers loyalty and satisfaction. The success of CRM is dependent on having a solid CRM vision, integration through the organization and an understanding of business process with the use of CRM.

## RECOMMENDATION

1. Due to the actual fact that service delivery cannot be separated from the service providers, service companies should endeavour to render quality services and constantly improve their offers in the face of changing market dynamics.
2. GSM operators should improve on their response to customers complaints, as it being observed that telecom companies place customers calls to answering machine without a physical or personal response.
3. Well selected and trained employees are crucial to and can make a huge difference in the effective rendering of customer care services.
4. GSM operators should generally improve the provision of good network services to avoid customer complaint.
5. The operators should invest in quality hiring and training programmes for their employees and should also purchase state of the art equipment to respond to and redress customers complaints timely and accurately.
6. Customer centre staff should be trained on CRM. This is to avoid a situation were they have customer information in databases but do not have the skills to exploit the information that is stored.

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