

CUSTOMER RELATIONSHIP MANAGEMENT AND BUSINESS PERFORMANCE: LESSONS FROM MOBILE NETWORK PROVIDERS IN KWARA STATE

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Abstract

Customer relationship management has emerged as a central driver of competitiveness and long-term sustainability for businesses in the 21st century. As markets become increasingly saturated and consumers gain access to alternative providers, companies are compelled to create and nurture relationships with their customers rather than rely solely on traditional marketing and transactional exchanges. The study investigated the influence of customer relationship management on business performance using mobile network companies in Kwara State. The study adopted descriptive survey design. Three purposes and three research questions guided the study. The population of the study comprised staff and customers of network provider companies with operations in Ilorin, Kwara State. The staff population consists of 67 individuals, while the customer population is considered infinite due to the large and undefined number of customers. The study involved the entire staff population of 67 individuals, eliminating the need for sampling. Therefore, a census approach was used for staff. A sample size of 400 was determined using the Taro Yamane Formula. The data for the study was collected through questionnaire which was duly validated. Mean and standard deviation were used to analyse the research questions. The study found that customer relationship management positively influenced customer satisfaction, loyalty and profitability of mobile network companies to high extent. Based on these findings, it was concluded that customer relationship management is not merely a supportive tool but a critical strategy for enhancing competitiveness in the highly dynamic telecommunications sector. Thus, mobile network companies that strategically invest in customer relationship management practices are better positioned to achieve customer-centric growth, sustain market leadership, and secure long-term profitability in Kwara State and beyond. It was therefore recommended among others that mobile network companies should intensify personalized service delivery through effective use of customer data and feedback.

Keywords: *Customer relationship management, Business performance, Customer satisfaction, Customer loyalty, Profitability.*

Introduction

Customer relationship management (CRM) has emerged as a central driver of competitiveness and long-term sustainability for businesses in the 21st century. As markets become increasingly saturated and consumers gain access to alternative providers, companies are compelled to create and nurture relationships with their customers rather than rely solely on traditional marketing and transactional exchanges. The evolution of CRM reflects a paradigm shift in business orientation from product-centricity to customer-centricity, with firms leveraging data, technology, and human interaction to improve customer experiences and build trust (Kumar & Reinartz, 2016). In the telecommunications sector, this transformation is even more pronounced, as service providers compete in highly dynamic markets where customer satisfaction, loyalty, and profitability are interconnected and essential for business performance.

Business performance in modern times extends beyond financial measures such as revenue growth or profitability; it incorporates customer-oriented outcomes, service delivery quality, innovation, and sustainable relationships (Venkatraman & Ramanujam, 2019). In highly competitive service industries, particularly telecommunications, business performance is directly influenced by how effectively companies manage customer interactions and build long-term relationships (Akinwale & Adepoju, 2020). The interplay between CRM and business performance is thus mediated through

variables such as customer satisfaction, customer loyalty, and profitability. Each of these variables serves as a performance indicator, providing insights into the effectiveness of organizational strategies and their implications for sustainable competitive advantage.

Customer satisfaction is a central outcome of CRM practices which is defined as the consumer's evaluation of whether a product or service meets or exceeds expectations, satisfaction, crucial for creating emotional connections between companies and customers (Oliver, 2015). In the telecommunications industry, satisfaction depends on call quality, internet speed, customer care responsiveness, pricing, and perceived fairness of billing systems. Dissatisfied customers are more likely to switch providers, thereby eroding customer bases and weakening financial performance. Conversely, high satisfaction levels foster positive word-of-mouth referrals, increase brand equity, and reduce marketing costs (Ogbari, Oke, & Olokundun, 2018).

Closely linked to satisfaction is customer loyalty, which goes beyond repeat purchasing to include psychological commitment and resistance to switching despite attractive alternatives. Loyalty is both behavioural and attitudinal: customers may continue purchasing due to convenience or cost, but true loyalty involves trust, emotional connection, and long-term attachment (Agbaje, 2021). In mobile network services, loyalty determines the degree to which subscribers remain with their chosen providers despite the availability of rival networks offering cheaper data bundles or promotions. CRM initiatives such as personalized communication, reward programs, and consistent service quality strengthen loyalty, which in turn secures recurring revenue streams and improves profitability (Boateng, 2019).

Profitability represents the ultimate goal of CRM initiatives. Firms that effectively satisfy, retain, and delight their customers often spend less on acquiring new customers and benefit from increased lifetime value of existing ones (Kotler & Keller, 2020). Profitability is heavily influenced by subscriber churn rates, average revenue per user (ARPU), and efficiency in service delivery. Research have shown that retaining existing customers is up to five times more cost-effective than acquiring new ones, making CRM a cost-efficient pathway to profitability (Reinartz, Krafft, & Hoyer, 2018). Thus, loyalty and satisfaction are not merely abstract outcomes but tangible contributors to the financial viability of mobile network providers.

In Nigeria, the telecommunications sector has undergone rapid transformation since liberalization in 2001, with major players such as MTN, Globacom, Airtel, and 9mobile competing for market dominance. The sector has witnessed exponential growth in subscriber numbers, with over 200 million active lines as of 2023 (Nigerian Communications Commission, 2023). However, despite this growth, challenges persist, including poor network quality, dropped calls, high tariffs, customer complaints, and rising churn rates. Reports from the Nigerian Communications Commission (NCC) indicate that customer dissatisfaction remains a major issue, with service providers struggling to balance affordability with quality service delivery. Consequently, CRM has become an indispensable strategy for telecom operators seeking to enhance performance, sustain competitiveness, and secure long-term profitability (Igbokwe-Ibeto & Agbodike, 2021).

Kwara State, as a rapidly developing State in North-Central Nigeria, has witnessed increasing demand for reliable mobile communication services among its growing population, businesses, and institutions. Yet, consumers in the State frequently complain about inconsistent network coverage, limited broadband penetration, and poor customer service. Such challenges erode trust in service providers and raise concerns about the sustainability of their business models. Understanding how CRM practices influence business performance in Kwara State's mobile network industry is therefore not only academically relevant but also practically significant for industry stakeholders and policymakers.

Theoretical perspectives provide a lens through which these relationships can be better understood. The Relationship Marketing Theory posits that long-term customer relationships are more valuable than short-term transactions and emphasizes trust, commitment, and communication as building blocks of sustainable business performance (Morgan & Hunt, 1994). Similarly, the Resource-Based View (RBV) underline the strategic importance of intangible assets such as customer trust and knowledge in sustaining competitive advantage (Barney, 1991). The Service-Dominant Logic also reframes value creation as a collaborative process between providers and customers, highlighting the

importance of co-creating experiences in service industries such as telecommunications (Vargo & Lusch, 2016). Together, these theories justify why CRM should be treated not as a mere marketing tool but as a strategic approach to organizational sustainability.

Despite the recognized importance of CRM, gaps remain in understanding its specific impact on business performance in the Nigerian telecommunications context. Much of the existing literature focuses on general marketing strategies or broad measures of organizational performance without adequately unpacking the mediating roles of satisfaction, loyalty, and profitability. Moreover, while studies in developed economies provide useful insights, contextual realities in Nigeria including infrastructural deficits, economic volatility, and cultural diversity necessitate context-specific research. This underlines the need for empirical inquiry into how CRM affects performance among mobile network companies in Kwara State.

Empirical evidence from recent studies further demonstrates the importance of customer relationship management and business performance. Akinwale and Adepoju (2020) found that CRM significantly improved service delivery quality and customer loyalty in Nigerian telecommunication firms. Similarly, Ocloo et al. (2020) reported that SMEs in Ghana that implemented CRM practices achieved higher customer retention and profitability compared to those without structured CRM systems. Agbaje (2021), studying Nigerian banks, discovered that customer-centric CRM practices enhanced customer loyalty and improved financial performance. Boateng (2019) highlighted that in Ghana's telecom sector, CRM initiatives such as customer feedback systems and loyalty rewards positively influenced both satisfaction and retention. More recently, Igbokwe-Ibeto and Agbodike (2021) observed that Nigerian service industries that integrated CRM strategies into their operations enjoyed stronger brand reputation and profitability, thereby confirming the critical role of CRM in competitive environments.

Nevertheless, these studies also reveal inconsistencies and limitations. While some establish strong links between CRM and performance outcomes, others suggest that external factors such as regulatory policies, infrastructural limitations, and technological readiness mediate these relationships. Moreover, most prior research focuses on national-level data, leaving state-level dynamics underexplored. Specifically, limited attention has been paid to Kwara State, despite its growing telecom market and unique consumer demographics. This study therefore aims to bridge this gap by exploring how CRM influences business performance among mobile network companies in Kwara State, with particular attention to satisfaction, loyalty, retention, and profitability.

The problem this study addresses is that, despite significant investments by mobile network companies in Nigeria to improve CRM systems and customer experiences, customer dissatisfaction and churn remain prevalent. Reports indicate rising numbers of unresolved complaints regarding poor service quality, high data costs, and inefficient customer care (NCC, 2023). Such issues not only weaken customer trust but also undermine the profitability and long-term survival of these companies. Without a clear understanding of how CRM practices can be optimized to enhance satisfaction, loyalty, retention, and ultimately profitability, mobile network providers risk losing competitive advantage. Hence, there is a pressing need for systematic research that identifies the extent to which CRM influences business performance in Kwara State. Thus, the study investigated the influence of customer relationship management on business performance using mobile network companies with operations in Kwara State. While the specific purposes are to determine:

Research Questions

1. To what extent does customer relationship management influence customer satisfaction of mobile network companies?
2. To what extent does customer relationship management influence customer loyalty of mobile network companies?
3. To what extent does customer relationship management influence profitability of mobile network companies?

Methodology

A descriptive survey research design was used for this study. The survey carried out covered three network providers (MTN, Airtel, and Globacom) in Ilorin, Kwara State. The population of the study comprised staff and customers of network provider companies with operations in Ilorin, Kwara State. Specifically, the staff population consists of 67 individuals, while the customer population is considered infinite due to the large and undefined number of customers. The study involved the entire staff population of 67 individuals, eliminating the need for sampling. Therefore, a census approach was used for staff. A sample size of 400 was determined using the Taro Yamane Formula. This method allowed for a representative sample of customers to be surveyed. The instrument used was made up of a structured questionnaire consisting of 20 items to elicit information from the respondents. The questionnaire was subjected to a face validation by three experts. The internal consistency of the questionnaire was ascertained using Cronbach Alpha reliability, which yielded a reliability coefficient of 0.77. The research questions were answered using mean and standard deviation. The following boundary limits were used for decision on the items of the research questions: Very High Extent (VHE) 3.50 – 4.00, High Extent (HE) 2.50 – 3.49, Low Extent (LE) 1.50 – 2.49, and Very Low Extent (VLE) 0.0 – 1.49.

Data Analysis and Results

Research Question One: To what extent does customer relationship management influence customer satisfaction of mobile network companies?

Table 1: Mean and standard deviation of responses on the extent customer relationship management influence customer satisfaction of mobile network companies S = 67 C = 400

S/N	Item Statements	\bar{X}	SD	Remark
1.	Customer care services provided by my mobile network company meet customers' expectations	3.14	0.62	High Extent
2.	The company responds promptly to complaints and inquiries	3.05	0.63	High Extent
3.	Customers are satisfied with the quality of products and services offered	2.73	0.76	High Extent
4.	The company provides personalized services that meet customers' individual needs	3.02	0.60	High Extent
5.	Customer Relationship Management practices improved customers' overall experience with the company	2.71	0.71	High Extent
6.	My mobile network company maintains effective communication with its customers	3.02	0.58	High Extent
7.	The company's efforts to resolve issues enhance customer satisfaction	3.07	0.50	High Extent
Grand Mean		2.96		High Extent

S – Staff, C -- Customers

Table 1 revealed that the respondents unanimously indicated a high extent for all the item constructs, as the mean scores of the respondents were very high. The respondents indicated a high extent for all the items, with mean scores ranging from 2.71 to 3.14. All seven items have standard deviation ranges from 0.50 to 0.76. The low standard deviation indicated that the respondents' responses were not widely varied, as they were close to their respective mean scores. This implied that customer relationship management positively influenced customer satisfaction of mobile network companies to a high extent in Kwara State. This was supported by an average mean score of 2.96 (mean = 2.96).

Research Question Two: To what extent does customer relationship management influence customer loyalty of mobile network companies?

Table 2: Mean and standard deviation of responses on the extent customer relationship management influence customer loyalty of mobile network companies S = 67 C = 400

S/N	Item Statements	\bar{X}	SD	Remark
1.	Customer Relationship Management practices encourage customers to continue using the company's services	3.29	0.89	High Extent
2.	There is a sense of commitment to the mobile network provider	3.07	0.92	High Extent
3.	The company's relationship management practices make me recommend it to others	2.58	1.00	High Extent
4.	Customers rarely consider switching to another mobile network provider	3.18	0.80	High Extent
5.	Loyalty programs and incentives encourage customers to stay with the network	2.55	0.99	High Extent
6.	The company's initiatives make customers feel valued	2.58	0.94	High Extent
7.	Customers would continue using the mobile network because of the company's customer relationship practices	3.14	0.77	High Extent
Grand Mean		2.91		High Extent

S – Staff, C -- Customers

Table 2 revealed that the respondents indicated a high extent for all the item constructs, as the mean scores of the respondents were high. The respondents indicated a high extent for all items, with mean scores ranging from 2.55 to 3.29. All seven items have standard deviation ranges from 0.77 to 1.00. The low standard deviation indicated that the respondents' responses were not widely varied, as they were close to their respective mean scores. This implied that customer relationship management positively influenced customer loyalty of mobile network companies to a high extent in Kwara State. This was supported by an average mean score of 2.91 (mean = 2.91).

Research Question Three: To what extent does customer relationship management influence the profitability of mobile network companies?

Table 3: Mean and standard deviation of responses on the extent to which customer relationship management influence the profitability of mobile network companies S = 67 C=400

S/N	Item Statements	\bar{X}	SD	Remark
1.	Customer Relationship Management practices have led me to increase usage of the company's services	3.01	0.76	High Extent
2.	Effective customer management encourages me to subscribe to more services	2.70	0.95	High Extent
3.	Customers are willing to pay for premium services due to good customer service	3.08	0.85	High Extent
4.	Customer Relationship Management efforts reduce my likelihood of terminating subscriptions	2.98	0.87	High Extent
5.	Improved service quality through Customer Relationship Management increases the company's revenue	2.83	0.91	High Extent
6.	Customer satisfaction and loyalty contribute to the company's financial performance	3.01	0.76	High Extent
7.	Customer Relationship Management practices help the company attract and retain profitable customers	3.04	0.69	High Extent
Grand Mean		2.95		High Extent

S – Staff C- Customers

Table 3 revealed that the respondents indicated a high extent for all the item constructs, as the mean scores of the respondents were high. The respondents indicated a high extent for all items, with mean scores ranging from 2.70 to 3.08. All seven items have a standard deviation ranging from 0.76 to 0.95. The low standard deviation indicated that the respondents' responses were not widely varied, as they were close to their respective mean scores. This implied that customer relationship management positively influenced the profitability of mobile network companies to a high extent in Kwara State. This was supported by an average mean score of 2.95 (mean = 2.95).

Discussion of Findings

The study investigated customer relationship management and business performance: lessons from mobile network providers in Kwara State. The study found that customer relationship management (CRM) positively influenced customer satisfaction of mobile network companies to a high extent in Kwara State. This means that satisfaction is often shaped by how well a company anticipates and responds to customer needs. The finding is in line with earlier findings of Ogbari, Oke, and Olokundun (2018), who found that improved service delivery through effective relationship practices significantly boosts satisfaction in service firms. Mobile network providers that invest in prompt complaint resolution, clear communication, and personalized services create a sense of reliability and trust, which customers value deeply. By integrating Customer Relationship Management tools that capture and analyse customer preferences, companies can tailor their offerings, reduce frustration, and enhance positive experiences (Reinartz, Krafft, & Hoyer, 2018).

The study also found that customer relationship management positively influenced customer loyalty of mobile network companies to a high extent. This finding highlights the role of strong relationship-building in competitive industries. Loyalty goes beyond repeated transactions; it involves commitment and advocacy, as emphasized by Dick and Basu (1994). This finding corroborates the findings of Akinwale and Adepoju (2020), who highlighted how CRM-driven strategies, such as loyalty programs and personalized engagement, foster customer retention in Nigeria. Similarly, Boateng (2019) showed that when companies establish trust and consistent service through CRM practices, customers are less likely to switch to competitors. Loyalty is further reinforced when customers feel valued and recognized.

The study also found that customer relationship management positively influenced the profitability of mobile network companies to a high extent. This finding reflects the resource-based perspective that strategic practices like CRM can drive competitive advantage. The finding is in line with earlier findings of Kumar & Reinartz (2016), who stated that profitability improves when satisfied and loyal customers increase usage, reduce churn, and show willingness to pay for premium services. This is also supported by Reinartz, Krafft, and Hoyer (2018), who observed that CRM enhances profitability by improving targeting efficiency and encouraging cross-selling. The finding also corroborates the findings of Akaba and Worwui-Brown (2020), who found that SMEs leveraging CRM recorded stronger financial performance through better customer retention. In Kwara State, where mobile network operators face high competition, retaining existing customers through CRM reduces acquisition costs and maximizes lifetime value. Igbokwe-Ibeto and Agbodike (2021) further noted that CRM contributes directly to organizational performance, making it a vital tool for profitability. Thus, CRM not only nurtures relationships but also secures long-term financial sustainability.

Conclusion

This study examined the influence of customer relationship management (CRM) on the performance of mobile network companies in Kwara State, focusing on customer satisfaction, customer loyalty, and profitability. The findings revealed that CRM positively influenced customer satisfaction to a high extent, as effective service delivery, prompt response to complaints, and personalized engagement built trust and improved customers' experiences. The study also showed that CRM significantly influenced customer loyalty, with strategies such as loyalty programs, consistent communication, and recognition of customer needs fostering stronger bonds and reducing the likelihood of switching providers. Furthermore, the results indicated that CRM positively influenced profitability, as satisfied and loyal customers contributed to increased revenues, reduced acquisition costs, and greater long-term financial sustainability. These findings highlight that CRM is not merely a supportive tool but a critical strategy for enhancing competitiveness in the highly dynamic telecommunications sector. Thus, mobile network companies that strategically invest in CRM practices are better positioned to achieve customer-centric growth, sustain market leadership, and secure long-term profitability in Kwara State and beyond.

Recommendation

Based on the findings and conclusions, the following recommendations were made:

1. Mobile network companies should intensify personalized service delivery through effective use of customer data and feedback.
2. Loyalty programs and incentives should be strengthened to encourage long-term customer commitment.
3. Staff should be continuously trained on CRM tools and customer engagement strategies.
4. Companies should integrate CRM into strategic planning to enhance profitability and maintain competitiveness.

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