CUSTOMER RELATIONSHIP MANAGEMENT AND ITS INFLUENCE ON THE PERFORMANCE OF SMES IN ENUGU STATE

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Abstract

The study evaluated the customer relationship management and its influence on the performance of SMEs in Enugu State. The specific objectives were to: evaluate the effect of customer loyalty on number of purchases and identify the effect of customer Security on the commitment of SMEs in Enugu State. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. A total population of 143 staff was used. The whole population was used due to small number. 133 staff returned the questionnaire and accurately filled. Data was presented and analyzed using Likert Scale and the hypotheses using t – test. The findings indicated that customer loyalty had significant positive effect on number of purchases $t(95, n = 133)$, $8.964, p. < .05$. And Customer Security had significant positive effect on the commitment of SMEs in Enugu State, $t(95, n = 133)$, $5.805, p. < .05$. The study concluded that Customer loyalty and Customer Security had significant positive effect on the sales volume, number of purchases, output, and commitment of SMEs in Enugu State. The study recommended among others that the firms should aim at having Customer loyalty which is a result of a consistent satisfactory experience, which leads customers to favor one brand over the others.

Introduction

1.1 Background of the study

Customer Relationship Management (CRM) is a key driver of competitive advantage and organizational performance, though its implementation poses challenges. To address these, companies must adopt a strategic approach that considers the specific requirements of the organization. Selecting the right CRM system, customizing it to fit business needs, and providing proper training and support for staff are essential for effective implementation (Subham, 2023). Successful management of customer relationships is crucial for business success, as improved customer relations lead to better business outcomes and increased revenue. Technology plays a significant role in enhancing CRM, offering various channels such as direct sales, online platforms,

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franchises, and agents, which can improve customer engagement. However, managing multiple customer interaction points requires effective CRM to ensure seamless communication (Info, 2023).

CRM enables businesses to better understand customer behavior and tailor their operations to deliver optimal service. By recognizing the value of customers, organizations can enhance customer relations and improve overall responsiveness to customer needs. The more a business understands its customers, the better it can serve them (Brocke & Rosemann, 2010). Organizational performance, which involves management and analytic processes, ensures that activities and outputs align with an organization's goals effectively and efficiently. Performance can be measured at different levels, including the entire organization, specific departments, or individual employees. It is influenced by the organization's ability to adapt and achieve its goals amid continuous changes (Madeline, 2022).

Customers expect efficient and effective service, but there is often a gap between what businesses believe satisfies customers and what customers actually desire. Customer satisfaction (CSAT) measures how well a company's products, services, and overall customer experience meet expectations, providing insight into business health (Alaina, 2023). Customers are central to an organization's existence, and their satisfaction is directly linked to performance. When customer expectations are unmet, dissatisfaction arises, while exceeding expectations results in high satisfaction or delight. Hence, this study on ……

1.2 Statement of the Problem

Customer Relationship Management (CRM) involves the processes, practices, strategies, and technologies that organizations use to analyze customer interactions and data across the customer lifecycle. It plays a significant role in enhancing customer service, driving customer retention, and supporting sales growth.

Like larger organizations, small and medium enterprises (SMEs) face various challenges that can hinder the development of strong customer relationships and positive experiences. A common obstacle in CRM implementation is convincing top-level management of its importance, especially when there is no predefined strategy in place. From research, it is evident that SMEs often struggle with CRM issues such as poor customer satisfaction, low loyalty, weak retention, and inadequate security. Additionally, organizations may encounter five key challenges when implementing and maintaining a CRM system: high costs, insufficient time, poor data quality, weak communication, and limited technological and IT capabilities.

To overcome these barriers, businesses must adopt a strategic approach tailored to their specific needs. A crucial step in overcoming CRM-related challenges is the continuous evaluation of employees and the establishment of training programs aimed at improving customer relationships and overall customer experience. This proactive approach helps organizations avoid negative outcomes such as decreased sales volume, lower purchase rates, reduced output, and diminished customer commitment. Hence, this study on customer relationship management and its influence on the performance of SMEs in Enugu State.

1.3 Objectives of the study

The main objective of the study was to evaluate the Effect of Customer Relationship Management on the performance of Small and Medium Enterprises in Enugu State. The specific objectives are:

i. Evaluate the effect of customer loyalty on number of purchases of SMEs in Enugu State

ii. Identify the effect of customer Security on the commitment of SMEs in Enugu State

1.4 Research Questions

The following research questions guided the study

i. What is the effect of customer loyalty on number of purchases of SMEs in Enugu State?

ii. What is the effect of customer Security on the commitment of SMEs in Enugu State?

1.5 Statement of Hypotheses

The following hypotheses guided the study

i. Customer loyalty has significant effect on number of purchases of SMEs in Enugu State.

ii. Customer Security has significant effect on the commitment of SMEs in Enugu State.

1.6 Significant of the study

The study will be beneficial to the following stakeholders;

Managers: This study will enhance managers' understanding of their role in fostering a harmonious relationship between customers and their organizations. It will encourage managers to assess both organizational performance and employee performance, allowing them to adopt strategies that benefit not only customers but also employees, who play a crucial role in ensuring customer satisfaction.

Employees: The research will also help employees recognize that customer relationship management is shaped by their behavior within the organization. It will emphasize that their employment relies on customer retention and satisfaction, and that their performance serves as a foundation for defining customer relationships in the organization.

Additionally, this study will provide valuable reference material for future researchers exploring the field.

Review of the Related Literature

2.1 Conceptual Review

2.1.1 Customer relationship management

Customer Relationship Management (CRM) encompasses a range of processes, strategies, and technologies that enable organizations to manage interactions with customers, vendors, and suppliers. It consolidates essential information about leads or customers, including contact details like names, email addresses, phone numbers, job information, and past communications. Tracking leads can become burdensome when relying on spreadsheets or incompatible tools. However, CRM systems provide features like pipeline management, which visually represent current leads and deals organized by the sales pipeline stages. Given the workload faced by sales departments, adding repetitive tasks such as invoicing or following up with inactive leads can adversely affect productivity (Deshpande, 2023).

CRM software streamlines a business's lead pipeline and customer journey by offering tools and capabilities that efficiently manage customer interactions. It collects data from various sources, including website forms, emails, texts, and meetings with sales and customer service teams, creating a comprehensive view of customers and leads. This data is then made accessible to different departments, such as sales, marketing, and customer service. CRMs help gather digital customer data, streamline external-facing functions, and effectively manage the customer journey or lead pipeline (Alana & Kelly, 2023).

Essentially, CRM serves as a technology for managing all business relationships and interactions with current and potential clients. Its main objective is to enhance business relationships. By facilitating connectivity with customers, streamlining workflows, and increasing revenues, CRM becomes a vital tool for organizations. To illustrate, consider a shopping mall—a large space featuring various boutiques, entertainment options, and dining venues, all designed for customer convenience. A CRM system functions similarly, storing and managing vital customer information. By analyzing data about individual customers, organizations gain insights into their interests and needs, allowing for quicker issue resolution (Sydorenko, 2023).

Rootman (2006) describes CRM as focused on identifying customer needs and understanding their behavior through ongoing communication strategies, ultimately aimed at acquiring, retaining, and satisfying customers. Paravatiyer and Sheth (2011) define CRM as a comprehensive strategy and process dedicated to acquiring, retaining, and partnering with select customers. Additionally, Mastujeh (2012) characterizes CRM as a set of

customer-oriented activities supported by organizational strategies and technologies designed to enhance customer interactions, thereby fostering loyalty and increasing long-term profits. Kotler and Keller (2016) highlight that CRM allows organizations to provide excellent real-time customer service through effective utilization of individual account information.

CRM is a systematic approach through which businesses manage interactions with customers, often employing data analysis to interpret large volumes of information. The primary components of CRM include building and managing customer relationships through targeted marketing, monitoring relationship maturation through distinct phases, managing these relationships at each stage, and recognizing the heterogeneous value distribution of relationships to the firm (Anshari et al., 2019). CRM enhances customer experience by managing interactions effectively, allowing business owners and sales personnel to streamline the sales process, foster interdepartmental collaboration, and maintain valuable business relationships. Furthermore, CRM systems support sales, marketing efforts, customer service, accounting, and management, making them essential for growing companies. Organizations utilize CRM for various purposes, but the overarching goal is to enhance the customer experience, secure their loyalty, and drive sales growth (Hubspot, 2023).

Lead generation: CRM pulls all available data from the web to help you find quality leads, those that are likely to turn into paying customers.

Lead management: CRM helps you analyze and track any information you get about your leads, qualify, and nurture them through multiple channels to the point of conversion.

Contact management: This feature allows keeping all business contacts in one place and seeing the history of all interactions with them.

Deal management: With CRM, you have the history of all your deals, which allows you to analyze any bottlenecks and come up with necessary improvements. Besides, this feature helps forecast the success of future deals.

2.1.2 Customer loyalty

The term "customer loyalty" encompasses behaviors associated with repeat customers, as well as those who provide positive ratings, reviews, or testimonials. It reflects a customer's mindset towards a company, including a favorable attitude towards its products and services, a commitment to repurchase, and a tendency to recommend the business to others. Pribanus (2016) defines customer loyalty as a firm commitment to consistently repurchase a preferred product or service, regardless of situational influences or marketing efforts that might encourage switching. Pearson (2016) similarly characterizes customer loyalty as the favorable attitudes of customers towards a company, committing to repurchase, and recommending its products or services.

Customer loyalty is both a measure of a customer's desire to engage in organizational activities and a crucial element in establishing and sustaining competitive advantages within the service sector. According to Iddrisu (2015), loyalty develops over time through a consistent record of meeting, and sometimes surpassing, customer expectations. It can often be cultivated by providing high-quality products backed by solid guarantees, promotional offers, coupons, low-interest financing, high-value trade-ins, extended warranties, rebates, and various reward programs. Saravanakumar and Jayakrishnan (2014) emphasize that customer loyalty involves both attitudinal and behavioral components. The attitudinal aspect encompasses intentions to repurchase, willingness to recommend, resistance to switching to competitors, and a willingness to pay premium prices.

Loyalty is evidenced when customers prefer a specific store or product over alternatives. For instance, customers may consistently choose a travel operator due to positive past experiences. Customer loyalty serves as a primary objective of customer relationship management (CRM) and describes the bond established between customers

and companies, individuals, products, or brands. To develop customer loyalty effectively, organizations should target specific market segments (Zena & Hadisumarto, 2014).

Customer loyalty results from consistently positive emotional experiences, satisfaction derived from physical attributes, and perceived value of products or services. Retaining customers is typically more cost-effective than acquiring new ones, and effective customer experience management is essential for driving customer satisfaction, retention, and loyalty (Zikmund, 2015). Loyal customers not only contribute to sales but are also likely to purchase high-margin supplemental products and services. They help reduce consumer education and marketing costs, especially when they become advocates for the organization. Given today's intensely competitive landscape, effective customer experience programs are crucial for differentiating organizations. Such differentiation fosters loyalty when customers feel emotionally, intellectually, or even spiritually engaged with a product or service before, during, and after use. A well-designed customer experience elicits positive emotions that contribute to customer retention and loyalty, going beyond the mere physical attributes of the product (Shaw & Hamilton, 2016).

In a traditional sense, loyalty denotes fidelity and devotion to a cause, individual, or country. In a business context, it signifies a customer's willingness to continue patronizing a firm over the long term and recommending its products to others (Lovelock & Wirtz, 2014). Customer loyalty is widely regarded as a crucial determinant of a firm's profitability, allowing for a distinction between behavioral and attitudinal loyalty, also known as share-of-wallet and share-of-heart. Behavioral loyalty pertains to customers purchasing predominantly one brand, while attitudinal loyalty relates to emotional attachment to a brand (Oliver, 2017).

True loyalty requires both share-of-wallet and share-of-heart, ensuring that customers continue purchasing even when challenges arise, such as stock outages or alternative providers offering promotions. However, attitudinal loyalty alone does not guarantee profitability; firms must effectively translate positive attitudes into actual loyalty behaviors. This includes increasing share-of-wallet by encouraging customers to buy more from the brand, upselling to higher-value products, cross-selling complementary products, and securing referrals from satisfied customers (Passingham, 2014).

2.1.3 Customer Security

Security assurance measures are essential for validating that the practices, procedures, and architecture of information systems effectively uphold the security policy. This aspect is crucial for assessing the trustworthiness of a company's information systems. Software engineers can utilize well-defined security policy models to evaluate existing security controls and implement structured hardware and software development techniques alongside security engineering principles. It is vital to ensure that security assurance solutions offer reliable compliance management, taking into account the distinct regulations relevant to the company's products or services. Identifying potential threats is a crucial step in this process, and effective security assurance services can help analyze common risks and their potential impact. Conducting security architecture reviews allows for an evaluation of whether the proposed mechanisms meet predefined security requirements, providing insights into business goals and employee processes (Belevska, 2022).

The Customer Security Programme (CSP) is designed to help financial institutions enhance their defenses against cyberattacks, safeguarding the integrity of the broader financial network. Users can compare their implemented security measures with those outlined in the Customer Security Controls Framework (CSCF) and attest to their compliance levels annually. With solid attestation and compliance rates, the CSP represents a community committed to combating cyber threats. This assessment, while not a full audit, is more cost-effective and time-efficient. It can be conducted by internal teams such as the Compliance Office or Internal Audit (Swift, 2022).

For businesses aiming to maintain a competitive edge, customer security is paramount. However, it is equally important to balance robust security measures with an enriching consumer experience. As technology advances and companies prioritize seamless interactions, customer security can sometimes be overlooked. The repercussions of high-profile breaches have heightened consumer awareness, leading them to scrutinize brand trustworthiness more closely. Integrating cutting-edge technology with a compelling user experience fosters consumer trust, which is essential for driving conversions (Rakesh, 2023).

A Customer Information File (CIF) in banking is an electronic repository that contains an individual's personal and account data. Traditionally linked to the banking sector, CIFs are now utilized by various businesses to gain a comprehensive understanding of their customers. These files often include details on credit products like business loans and credit cards. Banks, like all businesses that collect personal information, are required to disclose their data collection practices and usage. CIFs are frequently employed for marketing purposes, capturing customer behavior, such as previous searches and purchases (Kagan, 2023).

2.1.4 Performance

Performance encompasses the act of presenting a play, concert, or other entertainment forms. In the workplace, it refers to the expected behaviors and outcomes associated with a specific role. Job performance can be categorized into two types: task performance and contextual performance. Task performance is influenced by cognitive abilities, while contextual performance is shaped by personality traits (Ivan & Cary, 2015). Task performance involves the behaviors outlined in job descriptions and directly impacts organizational performance, whereas contextual performance consists of value-based behaviors that, although not formally recognized in job descriptions, contribute indirectly to overall organizational success (Paul, 2011).

Achieving performance requires focused efforts towards defined objectives and meeting customer satisfaction, though both can be challenging to quantify. Performance includes both behaviors and results, with behaviors transforming abstract concepts into tangible actions. These behaviors are significant outcomes in themselves, representing the mental and physical efforts involved in executing tasks, and can be evaluated independently of the results (Bourguignon, 2017). Consequently, performance is inherently tied to its objectives, being multidimensional when multiple goals are involved. It is also subjective, reflecting the interplay between reality and aspirations.

Despite its common usage, the term "performance" is often vaguely defined, typically assumed to be understood without explicit clarification. Analyzing this concept, performance can represent either outstanding results, any results, or peak capability. Generally, it is considered in terms of two components: efficiency and effectiveness (Burz, 2013). While performance can be measured against quantifiable objectives, it also encompasses the means of achieving those objectives. High performance is derived from appropriate behaviors and effective utilization of knowledge, skills, and competencies. Therefore, performance management should evaluate how results are achieved to identify areas for improvement. Brumbrach (2018) states, "Performance means both behaviors and results," emphasizing the necessity of considering both when managing performance.

Performance aligns with the core values of an organization, highlighting behaviors that reflect commitments to quality, ethical operations, and equal opportunity. Effective performance management also facilitates the alignment of individual and organizational objectives, fostering productive discretionary behavior (Ion & Criveanu, 2016). Ultimately, performance can be seen as the cumulative effects of work, relating closely to strategic objectives, customer satisfaction, and economic contributions (Ion & Criveanu, 2016). Basic measures of organizational success include profitability, turnover, customer satisfaction, and competitive advantage (Adedoyin et al., 2018). In education, performance relates to student achievement, evaluated through various metrics like classroom performance and standardized tests (Ballotpedia, 2022).

2.1.5 Number of purchases

The number of purchases refers to how often a customer's money is exchanged for a product in a retail setting. It is equivalent to the number of purchasing customers and transactions. Sales consist of both "number of purchases" and "sales per customer," which are crucial metrics for assessing performance trends. A decline in the number of purchases may lead to reduced sales, even if the spending per customer rises. Therefore, understanding the factors that affect the number of purchases is essential for analyzing your store's current performance (Success, 2023).

A purchase order number is a unique identifier assigned to a purchase order, which is a document sent by a buyer to a seller to specify the goods and services needed. The seller must approve this order for it to become a legally binding agreement. When a buyer opts to procure goods or services, they generate a purchase order that requires a purchase order number. This number can be created either manually or automatically, and while creating a PO number incurs no cost, larger companies may benefit from using accounting software to automate the process (Dawson, 2022).

The number of items purchased denotes the quantity of products acquired by a single customer in a single transaction. To find the average number of items purchased, total the items across multiple transactions and divide by the number of transactions. This metric, also referred to as the average number of items purchased, set rate, or Units Per Transaction (UPT), serves as a key performance indicator (KPI) that influences "average customer spending," similar to the average product price. An increase in the average number of items purchased typically results in a higher average product price per purchase. Conversely, if the average number of items purchased declines, the average spend per customer could decrease, even if the average product price per purchase rises (Success, 2023).

2.1.6 Commitment

A strong dedication to work can create opportunities for employee growth and foster a passion for one's job. In contrast, a lack of commitment can lead to diminished motivation and interest. Work commitment is defined as the enthusiasm an employee has toward their assigned tasks and reflects their sense of responsibility towards the organization's goals, mission, and vision. High levels of employee satisfaction are closely linked to work commitment and engagement within an organization. For organizations to expect exceptional performance from their employees, they must cultivate a supportive work environment that enhances commitment (Questionpro, 2023).

Commitment can manifest differently for various individuals. For instance, one might choose a monogamous relationship, while another might prefer an open relationship, both being valid forms of commitment. A committed relationship often involves a mutual decision to build a future together, marked by discussions about hopes and dreams (Lierley, 2021).

In financial terms, a loan commitment refers to an agreement from a bank or financial institution to lend a specified amount to an individual or business. This type of commitment is valuable for consumers seeking to purchase a home or for businesses planning significant expenditures. Loan commitments are typically based on the borrower's creditworthiness and, in secured cases, the value of collateral, such as a home (Kagan, 2020).

2.2 Theoretical Framework

Expectation Disconfirmation Theory (EDP)

Oliver (1977; 1980) proposed the Expectancy-Disconfirmation Theory (EDP) as the most promising theoretical framework for the assessment of customer satisfaction. The framework employed in the assessment of customer satisfaction. The model implies that consumers purchase goods and services with prepurchase expectations about the anticipated performance. The expectation level then becomes a standard against which the product is judged. That is, once the product or service has been used, outcomes are compared against expectations. If the outcome

matches the expectation confirmation occurs (Yi 1990). Disconfirmation occurs where there is a difference between expectations and outcomes. A customer is either satisfied or dissatisfied as a result of positive or negative difference between expectations and perceptions. Thus, when service performance is better than what the customer had initially expected, there is a positive disconfirmation between expectations and performance which results in satisfaction, while when service performance is as expected, there is a confirmation between expectations and perceptions which results in satisfaction (Kopalle & Lehmann, 14 2001).

In contrast, when service performance is not as good as what the customer expected, there is a negative disconfirmation between expectations and perceptions which causes dissatisfaction (Boulding et al., 1993). This type of discrepancy theory has a long history in the satisfaction literature dating back at least to Howard's & Sheth's (1967) definition of satisfaction which states that it is a function of the degree of congruency between aspirations and perceived reality of experiences. Porter (1961) can be credited with early empirical applications of this comparative model of customer satisfaction in the field of job satisfaction (Oliver, 1997).

The model implies that consumers purchase goods and services with pre-purchase expectations about the anticipated performance. The expectation level then becomes a standard against which the product is judged. That is, once the product or service has been used, outcomes are compared against expectations. If the outcome matches the expectation confirmation occurs. Disconfirmation occurs where there is a difference between expectations and outcomes. A customer is either satisfied or dissatisfied as a result of positive or negative difference between expectations and perceptions. Thus, when service performance is better than what the customer had initially expected, there is a positive disconfirmation between expectations and performance which results in satisfaction, while when service performance is as expected, there is a confirmation between expectations and perceptions which results in satisfaction.

2.3 Empirical Review

Ibojo and Asabi (2015) conducted a study on the Impact of Customer Satisfaction on Customer Loyalty: A Case Study of a Reputable Bank in Oyo, Oyo State, Nigeria. Survey research design was adopted for this study. Primary and secondary sources of data were used. The primary data includes a structured questionnaire used to elicit information from the target respondents who were customers of a reputable bank in oyo while the secondary data encompass the use of related materials, journals and periodicals. Regression analysis was used to analyse the data. The findings show that there is a significant relationship between customer satisfaction and customer loyalty ($r = .617 **$, N= 107, $P < .01$). The implication of this result is that a 1% shift in customer satisfaction will cause a 61.7% shift in customer loyalty. The findings also show the $R2$ value of 0.631 which reveals that customer satisfaction independently accounts for 63.1% of the variation in customer loyalty. The f-statistics of 33.500 reveals that the model is statistically significant at 0.05 significant level. It was concluded that a 1% shift in customer satisfaction will cause a 61.7% shift in customer loyalty. Also, there is a significant relationship between customer satisfaction and customer loyalty. To this end, the study concluded that customer loyalty is a function of customer satisfaction.

Eneogwe and Nwosu (2022) conducted a study on the Extent of Utilization of E-Mail Marketing Technology by Small and Medium Scale Business Operators in Abia and Enugu States, Nigeria. The population for the study consisted of 272 selected registered Small and Medium scale Enterprises (SMEs) in Abia (160) and Enugu (112). The entire population of 272 registered SMEs were studied, hence, there was no sampling. The instrument for data collection was a 10-item structured questionnaire titled: "Extent of Utilization of E-mail marketing Questionnaire (EUETO). The instrument was validated by three experts; the reliability of the instrument was ascertained using Cronbach Alpha reliability technique which yielded an overall of 0.89. Data for the study were collected by the researcher and research assistants. The data collected were analyzed using mean scores and

standard deviation for answering the research question while the hypothesis was tested using the t-test statistics at 0.05 level of significance. The findings of the study showed that the level of utilization of e-mail marketing technology for marketing products and services by small and medium scale business operators is low. There was no significant difference in the mean rating of the responses of SMEs operators on the extent of utilization of e-mail marketing technology by small and medium scale business operators in Abia and Enugu States.

Nwankwo and Kanyangale (2023) Customer Relationship Management and Survival of Manufacturing Small and Medium Enterprises in Nigeria. This quantitative study adopted a positivistic paradigm and a survey research method. The population of the study was the owner and managers of manufacturing SMEs in Anambra State, Nigeria. A structured questionnaire was adopted for data collected from owners and managers of manufacturing SMEs. Multiple Regression Analysis (MRA) and other statistics were used to analyse the data. The study found that customer orientation has a more significant and positive effect on the survival of manufacturing SMEs, followed by service quality and customer service. At the same time, complaint handling significantly and negatively affects manufacturing SMEs' survival. The study concluded that CRM significantly affects the survival of manufacturing SMEs in Anambra State, Nigeria.

Egbosionu (2021) carried out a study on the Effects of Apprentice's Commitment in The Productivity of Selected SMES in South East Nigeria. The study adopted the correlational survey design. The population consisted of 7,061 SMEs comprising 93,206 apprentices in South-east Nigeria. A sample of 502 respondents was drawn from the population using Cochran sample size determination and Bowley's proportional allocation formula. Also, a structured questionnaire and interview guide which was determined through a 5- point Likert scale was used to design the instrument for data collection according to the study's objectives. Content validity was used while the reliability of the instrument was determined using test-retest with an index of 0.91. The data collected were analyzed using descriptive statistics for biographical data distribution, items of the dependent and independent variables and research questions while the inferential test of Simple regression was used for research questions 2, 4 and 5 and for assessing the goodness of fit of the study, squared regression coefficient (R^2) and Beta weights (β) were adopted. P-value was used to determine the significance of the relationship, at a 5% level of significance. The study found that apprentice competency had a positive (r. (482) = .287. $P < 0.05$) influence on growth. Apprentices' commitment had positive(R) is .273; R^2 is .075; F-ratio is 38.77; effect on productivity. P-value = .000; P-value ≤ 0.05).

Nwagbala, Ifureze and Okafor (2022) carried out a study on the Insecurity in Nigeria and Business Sustainability in Selected Hotels in Awka. Survey research design and simple random sampling technique was used to select 12 hotels from a total of 125 hotels in Awka, Anambra State. The population of the study is 529 and Taro Yamane was used to determine the sample size of 228. Hypotheses were tested using Pearson Product Moment Correlation Coefficient and simple regression analysis. Findings revealed that there is significant effect of insecurity on the performance of selected Hotels in Awka, Anambra State by indicating negative relationship between weak security system and customer satisfaction; negative effect of political power tussle on business survival of selected hotels in Awka, Anambra State.

Oluka, Orga and Monanu (2023) carried out a study on Microfinance Bank as a Catalyst for Entrepreneurship Development in Enugu North LGA, Enugu State. The research design adopted for the study was the survey research design. Data were sourced from both primary and secondary sources. The population of the study consists of 300 registered SMEs with LAPO Microfinance Bank, Enugu North LGA of Enugu State, which a sample size of 171 was determined using the Taro Yamane's formula. Chi-square statistical tool was adopted to test the hypotheses. Findings from the study revealed that microfinance bank saving services had significant positive effect on the productivity of entrepreneurs in Enugu North LGA, Enugu State with test result χ^2 (4, n=140) =

81.57, p<0.05; microfinance bank lending services had significant positive effect on the growth of entrepreneurs in Enugu North LGA, Enugu State. χ2 (4, n=140) = 85.4, p < 0.05.

Methodology

The study employed descriptive survey design. The survey design was adopted because the study requires a technique of observation such as questionnaire and or interview, the population of the study must be carefully chosen, clearly defined and specifically delimited and roles upon observation for the acquisition of data and it is more economical. Both primary and secondary sources of data were used in the study. The area of study is Enugu state. The population of the study was one hundred and forty-three (143) staff from Juhel and Shoprite companies Enugu state. The whole population was used as the sample size due to small number. The main instrument for data collection was a structured questionnaire. The instrument was given to two experts from the industry and academia to measure face and content validity. The reliability of the research instrument was done by administering 20 copies of the prepared questionnaire to the sample of the study. Cronbah's Alpha was used in determining the extent of consistency of the reliability. A Cronbach's alpha value (∞) of greater 0.800 indicated very strong reliability.

Data from the questionnaire were analyzed with the aid of SPSS version 23 using simple, percentages and correlation co-efficient. Data from the questionnaire were further analyzed using simple percentages, mean and standard deviation. For the 5-point likert scale questions, the scale and decision rule were used in analysing the findings.

Data Presentation, Analysis and Results

4.1 Data Analysis

4.1.1 The effect of customer loyalty on number of purchases of SMEs in Enugu State

Table 4.1.1: Responses on the effect of customer loyalty on number of purchases of SMEs in Enugu State

		5 SA	4 A	3 N	2 DA	1 SD	∑FX	-X	SD	Decision
1	Loyalty builds trust and attracts old and new customers	155 31 23.3	280 70 52.6	42 14 10.5	30 15 11.3	3 3 2.3	510 133 100%	3.83	.986	Agree
2	Loyalty builds a positive relationship and enhances number of purchases	145 29 21.8	280 70 52.6	6 2 1.5	44 22 16.5	10 10 7.5	485 133 100%	3.65	1.207	Agree
3	Customer loyalty leads to deeper relationship and enhance more purchase	145 29 21.8	288 72 54.1	36 12 9.0	36 18 13.5	32 32 1.5	537 133 100%	3.81	.978	Agree
4	There is drive to customer loyalty repeated business which increases number repurchases	160 32 24.1	232 58 43.6	84 28 21.1	24 12 9.0	3 3 2.3	503 133 100%	3.69	1.175	Agree
5	The customer loyalty builds brand ambassadors that promotes purchases	220 44 33.1	160 40 30.1	84 28 21.1	38 19 14.3	2 2 1.5	504 133 100%	3.79	1.101	Agree
	Total Grand mean and standard deviation							3.754	1.0894	

Source: Field Survey, 2023

Table 4.1., 101 respondents out of 133 representing 75.9 percent agreed that Loyalty builds trust and attracts old and new customers with mean score 3.83 and standard deviation of .986. Loyalty builds a positive relationship and enhances number of purchases 99 respondents representing 74.4 percent agreed with mean score of 3.65 and standard deviation of 1.207. Customer loyalty leads to deeper relationship and enhance more purchase 101 respondents representing 75.9 percent agreed with mean score of 3.81 and standard deviation of .978. There is drive to customer loyalty repeated business which increases number repurchases 90 respondents representing 67.7 percent agreed with mean score of 3.69 and 1.175. The customer loyalty builds brand ambassadors that promote purchases 84 respondents representing 63.2 percent agreed with a mean score of 3.79 and standard deviation 1.101.

4.1.2 The effect of customer Security on the commitment of SMEs in Enugu State

Table 4.1.2: Responses on the effect of customer Security on the commitment of SMEs in Enugu State

		5 SA	4 A	3 N	2 DA	1 SD	∑FX	-X	SD	Decision
1	Keeping customer data secure strengthens the SMEs	160 32 24.1	192 48 36.1	57 19 14.3	24 12 9.0	22 22 16.5	455 133 100%	3.42	1.383	Agree
2	Enhancing of organization reputation promotes hard work	235 47 35.3	152 38 28.6	54 18 13.5	32 16 12.0	14 14 10.5	487 133 100%	3.66	1.348	Agree
3	Building customers trust enhances the organization effectiveness	210 42 31.6	224 56 42.1	39 13 9.8	22 11 8.3	11 11 8.3	506 133 100%	3.80	1.209	Agree
4	Minimizing the risk of security pitfalls prepares the organization for competitors	220 44 33.1	184 46 34.6	36 12 9.0	42 21 15.8	10 10 7.5	492 133 100%	3.70	1.285	Agree
5	The organization is protected from malicious attacks and provides peace of mind to customers	245 49 36.8	176 44 33.1	39 13 9.8	20 10 7.5	17 17 12.8	497 133 100%	3.74	1.365	Agree
	Total Grand mean and standard deviation							3.38	1.395	

Source: Field Survey, 2023

Table 4.1.2, 80 respondents out of 133 representing 60.2 percent agreed that keeping customer data secure strengthens the SMEs with mean score 3.42 and standard deviation of 1.383. Enhancing of organization reputation promotes hard work 85 respondents representing 63.9 percent agreed with mean score of 3.66 and standard deviation of 1.348. Building customers trust enhances the organization effectiveness 98 respondents representing 73.7 percent agreed with mean score of 3.80 and standard deviation of 1.209. Minimizing the risk of security pitfalls prepares the organization for competitors 90 respondents representing 67.7 percent agreed with mean score of 3.70 and 1.285. The organization is protected from malicious attacks and provides peace of mind to customers 69.9 percent agreed with a mean score of 3.74 and standard deviation 1.36

4.2 Test of Hypotheses

4.2.1 Hypotheses Two: Customer loyalty has significant effect on number of purchases of SMEs in Enugu State.

Table 4.2.1 Shows t – test on Customer loyalty has significant effect on number of purchases of SMEs in Enugu State.

Contingency Table 4.2.1.1 of Research Question One:

S/N		SA	A	N	D	SD
1.	Loyalty builds trust and attracts old and new customers	31	70	14	15	3
2.	Loyalty builds a positive relationship and enhances number of purchases.	29	70	2	22	10
3.	Customer loyalty leads to deeper relationship and enhance more purchase.	29	72	12	18	32
4.	There is drive to customer loyalty repeated business which increases number repurchases.	32	58	28	12	3
5	The customer loyalty builds brand ambassadors that promotes purchases.	44	40	28	19	2
	Total	**165**	**310**	**84**	**86**	**50**

Table 4.2.1.2 Contingency table of cumulative responses of Research Question One

Options	χ	F	$F\chi$	$\bar{\chi} - \chi = \chi_1$	$F(\chi_1)^2$	$\Sigma f(\chi_1)^2$
Strongly agree	5	165	825	-1.033	165 x (- 1.033)^2	176.070
Agree	4	310	1240	-.033	310 x (-..033)^2	.338
Neutral	3	84	252	.967	84 x (.967)^2	78.547
Disagree	2	86	271	1.967	86 x (1.967)^2	332.742
Strongly Disagree	1	50	50	2.967	50 x (2.967)^2	440.154
	15	**665**	**2638**			**1027.851**

Mean score

$$\bar{\chi} = \frac{F\chi}{N} = \frac{2638}{665} = 3.967$$

Variance $= (S^2) = \frac{\varepsilon f(\chi_1)^2}{N-1} = \frac{1027.851}{664} = 1.548$

Standard deviation $= \sqrt{S^2} = \sqrt{1.548} = 1.244$

Level of confidence = 0.05

μ = Population mean = 3.0

Statistical tool used = t – test

$t = \frac{\bar{\chi} - \mu}{\frac{s}{\sqrt{n}}}$

Where;

μ = Population mean

s = Sample standard deviation

n = Sample size 133

Level of significance: α at 5%

Degree of freedom: $\dfrac{K-1}{N-K} = \dfrac{5-1}{133-5} = (128, 4) = 1.96$

t - Tabulated value = 1.96

Decision Rule:

If the t-calculated is greater than the t-tabulated {t-cal > t-tab} reject the null hypothesis {H_0} that the overall estimate is not significant and if otherwise conclude that the overall estimate is statistically significant.

Substituting $t = \dfrac{X - \mu}{\frac{s}{\sqrt{n}}}$

$t = \dfrac{3.967 - 3.0}{\frac{1.244}{\sqrt{133}}}$

$= \dfrac{.967}{\frac{1.290}{11.532}}$

$= \dfrac{.967 \times 11.532}{1.244}$

$t = 8.964$

The computed t = 8.964 greater than the table value of 1.96, we reject the null hypothesis. Therefore, we concluded that Customer loyalty had significant positive effect on number of purchases of SMEs in Enugu State as reported in the probability value of (t = 8.964, p. < .05).

4.2.2 Hypotheses Two: Customer Security has significant effect on the commitment of SMEs in Enugu State.

Table 4.2.2.1 Shows t – test on Customer Security has significant effect on the commitment of SMEs in Enugu State.

Contingency Table 4.2.2.1 of Research Question Two:

S/N		SA	A	N	D	SD
1.	Keeping customer data secure strengthens the SMEs.	32	48	19	12	22
2.	Enhancing of organization reputation promotes hard work.	47	38	18	16	14
3.	Building customers trust enhances the organization effectiveness.	42	56	13	11	11
4.	Minimizing the risk of security pitfalls prepares the organization for competitors.	44	46	12	21	10
5	The organization is protected from malicious attacks and provides peace of mind to customers	49	44	13	10	17
	Total	**214**	**232**	**75**	**70**	**74**

Table 4.2.2.2 Contingency table of cumulative responses of Research Question Two

Options	χ	F	$F\chi$	$\bar{\chi} - \chi = \chi_1$	$F(\chi_1)^2$	$\Sigma f(\chi_1)^2$
Strongly agree	5	214	1070	-1.335	214 x (- 1.335)^2	381.396
Agree	4	232	928	-.335	232 x (-.335)^2	26.036
Neutral	3	75	225	.665	75 x (.665)^2	33.167
Disagree	2	70	140	1.665	70 x (1.665)^2	194.056
Strongly Disagree	1	74	74	2.665	74 x (2.665)^2	525.564
	15	**665**	**2437**			**1,160.220**

Mean score

$$\bar{\chi} = \frac{F\chi}{N} = \frac{2437}{665} = 3.665$$

$$\text{Variance} = (S^2) = \frac{\varepsilon f(\chi_1)^2}{N-1} = \frac{1160.220}{664} = 1.747$$

$$\text{Standard deviation} = \sqrt{S^2} = \sqrt{1.747} = 1.321$$

Level of confidence = 0.05

μ = Population mean = 3.0

Statistical tool used = t – test

$$t = \frac{\bar{\chi} - \mu}{\frac{s}{\sqrt{n}}}$$

Where;

μ = Population mean

s = Sample standard deviation

n = Sample size 133

Level of significance: α at 5%

Degree of freedom: $\frac{K-1}{N-K} = \frac{5-1}{133-5} = (128, 4) = 1.96$

t - tabulated value = 1.96

Decision Rule:

If the t-calculated is greater than the t-tabulated {t-cal > t-tab} reject the null hypothesis {H$_0$} that the overall estimate is not significant and if otherwise conclude that the overall estimate is statistically significant.

Substituting $t = \frac{\bar{\chi} - \mu}{\frac{s}{\sqrt{n}}}$

$$t = \frac{3.665 - 3.0}{\frac{1.321}{\sqrt{133}}}$$

$$= \frac{.665}{\frac{1.321}{11.532}}$$

$$= \frac{.665 \ x \ 11.532}{1.321}$$

$$t = 5.805$$

The computed t = 5.805 greater than the table value of 1.96, we reject the null hypothesis. Therefore, we concluded that Customer Security had significant positive effect on the commitment of SMEs in Enugu State as reported in the probability value of (t = 5.805,p. < .05).

5.1 Summary of Findings

ii.   Customer loyalty had significant positive effect on number of purchases of SMEs in Enugu State, t (95, n = 133), 8.964, p. < .05.

iv.   Customer Security had significant positive effect on the commitment of SMEs in Enugu State, t (95, n = 133), 5.805, p. < .05.

5.2 Conclusion

The study concluded that Customer loyalty and Customer Security had significant positive effect on the sales volume, number of purchases, output, and commitment of SMEs in Enugu State. Customer relationship management (CRM) helps businesses to gain an insight into the behaviour of their customers and modify their business operations to ensure that customers are served in the best possible way. In essence, CRM helps a business to recognise the value of its customers and to capitalise on improved customer relations. The better organisation understands their customers, the more responsive they can be to their needs.

5.3 Recommendations

➢   The firms should aim at having Customer loyalty which is a result of a consistent satisfactory experience, which leads customers to favor one brand over the others.

➢   To create loyal customers who feel confident handing over their information, but it also helps to save unnecessary costs by protecting sensitive data from malicious third parties, there is need for Customer data security.

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