# EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT ON CUSTOMERS' LOYALTY IN SHIPPING COMPANIES IN LAGOS STATE, NIGERIA

## Dike, Remigius Amarachi, Chukwuanu Chukwuma Stanley

Institute of Maritime Studies, University of Nigeria, Enugu Campus Department of Public and Private Law, Gregory University Uturu

Abstract: The study evaluated the effect of customers' relationship management strategy on customers' loyalty in shipping companies in Lagos State. The specific objectives are to: (i) examine the effect of relationship development on customers' patronage base in shipping companies in Lagos State, (ii) ascertain the effect of complaint handling on customers' repeated patronage in shipping companies in Lagos State, (iii) determine the effect of customers' technology adoption on customers' satisfaction in shipping companies in Lagos State. The Study adopted descriptive survey research design. The study used structured questionnaire to obtain data. The sample size of 371 respondents was drawn from population of the study which consists of 5,168 staffs of Mediterranean shipping company, King shipping trading, and Genesis Worldwide shipping company Ltd, all in Lagos State, Nigeria. Research questions were answered using frequency, mean and standard deviation. The hypotheses stated were tested using single regression. The following are the major findings of the study: the study revealed that there is a positive and significant effect of relationship development on customers' patronage base in shipping companies in Lagos State, Nigeria (tstatistics (43.312) >p-value (0.000), the study revealed that there is a positive and significant effect of complaint handling on customers' repeated patronage in shipping companies in Lagos State, Nigeria (t-statistics (48.491) > pvalue (0.000). the study also revealed that there is a positive and significant effect of customers' technology adoption on customers' satisfaction in shipping companies in Lagos State, Nigeria (t-statistics (52.292) >p-value (0.000). The study concluded that there was positive and significant effect of customer relationship management on customers' loyalty in shipping companies in Lagos State. The study recommended that shipping companies should give sense of belonging to customers and be commitment to develop relationship with partners and customers to ensure repeated patronage from them.

**Keywords:** Customer Relationship Management, Customers' Loyalty

### I. Background to the Study

In today's competitive and turbulent environment, the number of competitors and intensity of competition is amplifying. As a result, the power is shifting towards the customers. Customers are becoming the focal point and organizations are trying to satisfy the needs of their customers through customized production with the aim of retaining the customers and sustaining the long term and flourishing relationships with their customers (Saima, Rabia, Khan &Sumaira, 2014). Customer Relationship Management (CRM) is a strategy for retaining customers and earning high profits. To survive in this competitive environment, especially shipping companies needs to analyze customers' needs and wants and fulfill them so that customer loyalty and satisfaction can be created (Amiri& Hassan, 2014; Angamuthu, 2015).

Operating in highly competitive environment, shipping companies also known as international freight forwarders have to face with the change of environment background factors which can cause the change of both exporter needs and freight forwarder characteristics. Specifically, the changes in communication technology, includes integrated information and communication network, directly impact competitive business situation in particular and forwarding industry in general. This can be seen a premise for transforming the role of freight forwarders as well as expanding their scope to total logistics management (Ozsomer cited in Akyuz, 2012).

Although trading operations in international markets are not as safer as domestic market, shipping companies still try to find and invest in new foreign markets. It seems like a paradox; however there are several reasons to improve these operations. Firstly, domestic business operations are competed drastically and there is no protection for these firms to keep their market share or their current advantages. Furthermore, the impacts of communication technologies are important in reducing risk in international business activities. For example, emerge of long-term relationship; partnerships alliances can create leverage for their business. Instead of providing separate

solutions based on their core business, the cooperation between IBM Netherlands and Nedlloyd brought positive effects on their business in providing whole solutions for their customers included warehousing and international transportation. As a sequence, shipping companies must be aware of the necessity of changing their characteristics in order to adapt with the current environment and compete with other firms in shipping industry. This process can lead shipping companies to 'total logistics management companies" but it can be performed by different ways and in different levels (Ozsomer cited in Akyuz, 2012).

Generally speaking, all businesses and particularly shipping companies have been affected to some degree in what is happening in the global market place. Now, not only the organizations aim to satisfy the customers but they attempt to do this more efficiently and effectively than their rivals in the competitive market place in order to attain their goals. The most important goal of an organization is to create customer loyalty and focus on customer centric approach in their organizational and marketing strategies. The significance of customer satisfaction cannot be dismissed because; happy customers are like free advertising for the shipping companies. It is necessary to put the customer at the centre of the business according to its strategies, events and processes. In fact, it is easier and more profitable to sell to present customers than to find new ones. Shipping companies are setting their strategies to ensure customer loyalty, therefore their employees should be more customer-focused and service-oriented in order to satisfy their customers (Zakaria, 2014).

Customer relationship management(CRM) is a concept for managing a company's interactions with customers, clients, and sales prospects. (Long,Cilla'n& Gutie'rrez, 2013). This can achieve shipping companies' goal such as customer satisfaction. It involves using technology to organize, automate, and synchronize business processes. The objectives of CRMare to enhance profitability, income, and customer satisfaction. To attain CRM, many organizations use set oftools, technologies, and procedures to support the relationship with the customer to enhance sales. Therefore,CRM is an issue of strategic business and process rather that a technical one.

Customer relationships management (CRM) is a strategy for retaining customers and earning high profits. Tosurvive in this competitive environment, companies need to analyze customers' needs and wants and fulfill themso that customer loyalty and satisfaction can be created (Saima, Rabia, Khan, and Sumaira (2014). The ultimate objective of customer relationship management is to better cater the customers by knowing themand creating customer loyalty. Ryals and Knox (2001) emphasized that "CRM is a relationship orientation, customer retention and superior customer value created through process management". Customer relationshipmanagement is also known as a managerial approach which works on a customer driven strategy in which different information systems provide all the necessary information which can ultimately leads to superior customersatisfaction and loyalty. Customer relationship management can helpbanking sector to create customer-orientedstrategies which results in bank customer loyalty. CRM is a customer retention strategy of using a variety ofmarketing tactics that leads to customer bonding or staying in touch with the customer after a sale is made.

Creating one and one relationships with the customers can help financial institution to retain their valuable asset that iscustomers. The utmost aim of all relationship marketing perspectives and customer relationship management isto create and sustain cooperative and mutual relationship among the organization and customers. These relationships are two way relationships and are long-term oriented. Companies are now focusing on the adaption and integration of new technologies, new processes, people and relationship marketing to benefit them and todeliver value and satisfaction to their customers in order to retain them for life time.

Bowen and Chen (2001) argue that having satisfied customers is not sufficient. This is becausecustomer satisfaction needs to have direct impact on customer satisfaction and loyalty. Sivadas and Barker-Prewitt (2000) stress that there is a rising recognition that the last objective of customer satisfactionmeasurement should be customer loyalty. Many organizations merely categorize customer satisfactionmeasurement as type of "marketing intelligence" instead of using it as management tool to build customerservice quality improvement processes and increase profit.

#### **II.** Statement of the Problem

Customers' relationship management (CRM) represents a customer oriented business strategy for increasing customer satisfaction and customer loyalty by offering more responsive and customized service to each customer. More effective CRMs use client demographics, customer needs and customer priorities maintain customer loyalty. Successful businesses need effective management that could build and maintain strong customer relations. Establishing good customer relations is one of the best ways to ensure that shipping companies get repeat business and could cause customers to refer a shipping company' services to their family and friends. Poor management in customer service could lead to disgruntled customers and a bad reputation for the company.

Many shipping companies in Lagos State has poor customer relationship management in terms of building uncordial relationship, mishandle customers complaint and failed to provide user-friendly technology for easy customers' accessibility of shipping services. Again, shipping has the problem of inability of re-strategize methods such as getting customers feedback and interaction with customers in attractive ways such as using social network. Shipping companies in Nigeria failed to meet customer expectation of good service level and having many varieties of service products and overlook the providing good quality products with reasonable price.

Poor management of customer relations leads to ineffective service calls and lost opportunities. It also leads to increased competition. Shortsighted customer relations management results in unhappy, dissatisfied customers. Ineffective customer relations management often results in undisciplined, robotic employees who rely on written sales pitches, outdated sales data and antiquated by-the-book approaches to spark consumer interest and improve sales. Therefore, the study tends to evaluate the effect of customers' relationship management strategy on customers' loyalty in shipping companies in Lagos State, Nigeria.

### **III.** Objectives of the Study

The main objective of this study is to evaluate the effect of customers' relationship management strategy on customers' loyalty in shipping companies in Lagos State. The specific objectives are to:

- i. Examine the effect of relationship development on customers' patronage basein shipping companies in Lagos State.
- ii. Ascertain the effect of complaint handling on customers' repeated patronage in shipping companies in Lagos State.
- iii. Determine the effectof customers' technology adoption on customers' satisfactionin shipping companies in Lagos State.

### **IV.** Conceptual Framework

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

With the advent of time and technology, the marketing practices are also changing. The new and modernmarketing is based on acquiring knowledge regarding customers and knowing their experiences (McKenna, 1991, Payne & Frow (2005), Payne & Frow (2006). The term CRM is being used widely these days.

Customer relationship management refers to understanding approach focusing on the main clients of business, in business working ability and customer knowledge management policy, that is based on improving business results as for clients' top, especially the market performance and business improvement (Hisham&Soliman,2011).

Customer relationshipmanagement is a two way process, also known as interactive process that utilizes the information of customers tomaintain relationships with customers. CRM is considered as a cycle consisting of important activities likefinding knowledge, market planning, enhancing the interaction with the customers and analysis refinement(Buckinx, Verstraeten, Poel& Van, 2007; Swift, 2001).

Ryals and Knox (2001) are of the view that the fundamental aspects of CRM are strong relationships, customer retention, and delivering superior and high quality services to thecustomers with the help of process management. Those companies who want to implement the CRM strategyshould create integration between different departments of the organization. The walls between every unit shouldbe broken down, especially marketing department should closely work with the IT department so that customerinformation can be retained and utilized for the purpose of customized production and relationship management.

Since late 1980's the trend of database marketing is amplifying which shows the influence of IT on marketing. It facilitates the firms to maintain long term propitious relationships (McKenna, 1991). Customer relationship management (CRM) is a latest idea in all forms of businesses that has showed its importance quickly over the preceding last years, and will expected to prolong in upcoming future with addition of latest technologies & value added services. CRM focus on the concept of marketing mix variables the including 'four Ps' of marketing (product, price, place and promotion (Xevelonaki, 2005).

CRM providesorganization with the chance to employ relationship marketing on a company ample basis successfully. CRM isbasically technique of relationship marketing and process that enables a firm to identify, evaluate, analyze andserve customers to improve customer relationship, so organization may able to retain market share throughexisting customers, and may help to provide retaining capabilities of existing customers (Dimitriades, 2006).

With the initiation of internet and new technology advancement, the idea of CRM has been transformed toelectronic CRM (E-CRM). E-CRM is a combine process of hardware, software technology process, its

usefulapplications in enhancing technology for customer services and organization commitment to improve deficiency in customer service & to retain customer (Norton, 2007). Ab-Hamid, (2005), focused on the Electronic Customer Relationship Management is a procedure to maintain its customer relations by using the Internet and the advantages which are obtained by using the idea & successful implementation of E-CRM in an organization.

### V. Major important Element of CRM

### **Relationship Development**

According to Ford (2010), the study of relationship development primarily involves research into structure and processing of the relationship between customer and supplier. Hakansson and Snehota(1995) argue that therelationship development process an interaction where connections have been developed between two parties. The most important activity to achieve relationship development is known as monitoring of the relationshipmanagement process such as service or complaint management (Brown and Gulycz, 2002). This relationshipprocess include procedures, mechanisms, schedules, and activities in which the products and services have been delivered to customers (Christopher, Payne and Ballantyne, 1991). The key performance indicators such as rate of retention, lifetime value of the customers, and satisfaction should be set by the organization (Brown and Gulycz, 2002). According to the works of Hanley (2008) and Lindgreen et al.(2006), relationship development can be madethrough commitment to convince customers that their feedbacks are taken seriously.

### **Complaint Handling**

Researchers have regarded the complaint handling process as a reactive tool for customer retention which is intrinsically associated with service quality and customer expectation. However, they have also agreed that service failures are inevitable and pervasive even in the most precisely run service organizations (Gyung-Kim, Wang & Mattila, 2010; Maxham and Netemeyer, 2002). Service failures have been reported to be in existence when a gap between the expected level and actual level of services received occurs (Zeithaml et al., 2018). These failures can lead to critical aftermaths, affecting customer relationship and customer retention. To respond to this, organizations turn to well thought-out and planned service recovery procedures to compensate the aggrieved customers in an attempt to regain customer satisfaction. An effective and prompt execution of service recovery process is unparalleled for the company's commercial success, owing to the fact that the customers rank this as a key factor in making purchase decisions, second only to product quality (Gronroos, 2018). Boshoff and Allen (2000) have identified that the objective of organizational service recovery procedures is to turn the unsatisfied customers to a state of satisfaction. It is unequivocally apparent that effective and prompt service recovery process is an integral part of customer relationship management.

Modern organizations are learning to respond effectively to the customers' issues to regain the expected service standards. Tax, Brown, & Chandrashekaran, (1998) have stressed that an effective complaint handling process can have dramatically positive impact on customer retentionrates. They have drawn a close link between effective resolution of customer complaints and relationship marketing. At the sametime, they have argued about the significance of preparing the customer relation staffs for performing such recovery acts.

Boshoff and Allen (2000) have examined the critical roles that the frontline staffs play in performing service recovery. Liao(2007) categorized the recovery behaviors into five key dimensions. Her research integrated these dimensions into a ServiceRecovery Performance (SRP) framework to assess the performance of the recovery staffs and discovered that four of these dimensions had a positive impact on customer satisfaction as well as customer loyalty. These related dimensions such as makingan apology, problem solving, being courteous and prompt handling of the complaints; positively affected customer repurchase intent through the mediation of customer-perceived justice.

### **Technology Adoption**

Consumers' adoption of technology, offered by the firms, can be more strenuous than employee's use of technology (Curran,& Meuter, 2005). Jain, Jain, & Dhar (2007) have suggested customer's technology orientation as an important part of the dimensions of measuring effectiveness of customer relationship management. Technology has been recognized as an essential tool for leveraging competitive advantage by ensuring customer interaction. Technology in case of banking can entail a variety of options for instance Automatic teller machine (ATM), internet banking as well as mobile banking (Kolodinsky, Hogarth & Hilgert, 2004).

Through technology like mobile banking, consumers can electronically transact through mobile phones technology (Riquelme. Etal., 2010). With the advancement of technology, consumers are increasingly taking the benefits of efficiencies it offers. Severalfactors are considered to affect the adoption of technology like age, gender, computer skills, readiness of the technology andsocial influence (Kleijnen et al., 2004). With the emergence of online banking, an increased amount of attention has been shed onthe consumers' perspective of the adoption of technology (Tan &

Teo, 2000). Banks still fail to make a majority of the customers to adopt these technology based services over issues like security concerns as well as uncertainty (Kuisma, Laukkanen, & Hiltunen, 2007; Littler and Melanthiou, 2006). Especially risks like security and privacy have drawn a lot of attention, where probable losscan occur owing to transgression of security by hacker or fraud. Moreover, other forms of online crime has emerged such asphishing where a miscreant tries to steal away valuable information from the customers such as his user name, password or insome cases more sensitive information like credit card details(Lee, 2009). According to Kuisma et al., (2007) in many cases, consumers are disinclined to adopt technologies like-banking for financial loss which may occur due to transaction error. Kuismaet al., (2007) has also added that more often many customers are apprehensive of malfunctions of websites of online banking.

### **Customer Loyalty**

Customer loyalty is more prevalent in service customers than customers of tangible products. In service sectorreliability plays a major role for building and maintaining loyalty (Dick and Basu, 1994). Intense competition in financialmarket is pushing the retail banks to focus more on customers and to apply relationship marketing and perceiving customerloyalty as one of the most important task (Ivanauskiene&Auruskeviciene, 2009). According to Ball et al. (2004) in bankingsector customers are encouraged to be loyal by providing ranges of services (Rajaobelina& Bergeron, 2009). Customer loyaltyis an important factor to gain competitive advantage in overly competitive and dynamic environment (Leninkumar, 2017).

Customer loyalty is considered as the intention of the buyers to make purchase repeatedly to make continuous relationship withthe organization. For companies customer loyalty means if customers prefer the products of the same organization instead ofchoosing alternative products of the other companies. Customer loyalty creates good and admirable feelings in the mind of thecustomers. Customer loyalty is when customers are ready to stay maximum time with the organization.

According to warden(2007) customers become loyal when they are provided with some loyalty programs that increase their lifetime commitment.Liu, Guo & Lee(2011) found there are an array of factors leading to including trust, customer satisfaction and shared value. Customerloyalty has been considered as an important issue for service providers. In case of consumer behavior, post purchase behaviorhas got much importance such customer loyalty (Varnali and Toker, 2009).

Customer loyalty is a commitment made by thecustomers with their preferred brands despite getting the influence of switching offers through situational and marketing effortsmade by the competitors (Deng, Lu, Wei, & Zhang, 2010). For Hong and Cho (2011) Customer loyalty is the result of consumers' psychological attachment to the product that influences their attitudinal advocacy for the brand. Customer loyalty helps to retaincustomers that subsequently assist in increasing profits (Mgiba, 2016). Walsh, Groth, &Wiedmann(2005) emphasized on looking after the existing customer before acquiring new customers. Gee, Coates, and Niccholson, (2008) stated a loyal customer will act as a word-of-mouthmarketing agent for a company. Singh and Sirdeshmukh (2000) defined the customer loyalty as "the market place currency of thetwenty-first century." Oliver (2007) explained customer loyalty as a deeply held commitment to re-buy a preferred product orservice again.

#### **Empirical Literature Review** VI.

The link between customer relationship management and customer loyalty has attracted the attention of the researchersand scholars.

Amiri and Hassan, (2014) investigate the effect of customer relationship management (CRM) is on customer loyalty in chain hotel. The study was survey research design. Copies of 385 questionnaire were given all customers Corp in the hotel chain. The hypotheses were analyzed with regression analysis. The results indicate that the implementation of customer relationship management, attract newcustomers and retain existing customers. Customer relationship management (CRM) has positive and significant impact on customer loyalty in Parsian Hotel.

Saima, Rabia, Khan, and Sumaira (2014) conduct a study with an aim of examining the relationship between customer relationship management and customer retention. This study uses surveymethod and regression analysis for the purpose of hypothesis testing. The study has been conducted in thetelecom industry of Pakistan. A sample size of almost 60 customers was taken. According to the results, maintaining sustainable relationships with the customer can promote to retain customers and can be propitiousfor the companies.

Zakaria, (2014) examines the impact of CRM oncustomer satisfaction in banking industry of Jordan. The population of the present study is customers of Jordanian banks operating in Amman city, the capital of Jordan. 528 respondents were selected throughconvenient sampling and data has been collected through questionnaires which were self-administered byresearcher. The statistical analysis revealed that there is a significant relationship between the independent variables (i.e. CRM elements represented by service quality, employee's behavior, customer data

base, solving customer problems, physical environment; and social network interaction) and customer satisfaction as a dependent variable in the services banking industry.

Angamuthu, (2015) examines the impact of customer satisfaction on customer loyaltyand customer retention practices in the hotel sector. Field survey has been conducted with the help of questionnaire and theresponses were collected from 100 customers. This study reported that execution of CRM practices like customer relationship upgrading capability, customer orientationstrategies, customer value, customer interaction management practices, customer contact programmes and CRMtechnology positively connected with customer satisfaction in the hotel sector. Finally, it can be concluded that thecustomer satisfaction is significantly and positively associated with customer loyalty and their retention practices in thehotel sector.

Rezazadeh, Hassan and Sharareh (2017) conduct a study to examine the impact of customer relationship management on customer loyalty with the Mediating Role of Customer Commitment in LG Company (Goldiran) Tehran City. Research sample consist of 384 port employees were chosen through cluster random using of Morgan table. Reliability of Customer Relationship Management, Customer Loyalty and Customer Commitment is approved 0.86, 0.84 and 0.79 respectively. The method of data analysis is used by Descriptive and inferential statistics and normal data distribution through Kolmogorov-Smirnov test statistical methods of this study was LISREL and SPSS software. Results find that Customer relationship management has Positive and significant impact on customer loyalty and customer commitment

Bashir, (2017) conduct a study to examine the impact of customer relationship management activities on bank's customer retention in Sialkot Punjab. For the purpose of study, a sampling analysis was conducted among (330) customers of selected private banks (Habib Bank limited, United Bank limited, Faysal Bank limited) with the help of a structured questionnaire. (316) questionnaires were usable. Statistical answers give support on the high positive relationship between customer relationship management (CRM) and customer satisfaction. This study exposes that the suitable execution of CRM will increases the number of customer satisfaction or make long term healthy relations with the current or potential customers through managing information or improve the performance of services that assist customer retention.

Moez-Limayem, (2018) aim at this study to explain the impact of Web site characteristics on the relation between customer relationship management (CRM) and customer loyalty. Data collected from 170 Canadian IT organizations showed that Web site characteristics (which include the levels of the organizations' Internet presence and interactivity) have a significant impact on the link between CRM (in terms of partnerships, empowerment, relations with customers, and personalization), and customer loyalty. In other words, using the Internet to support CRM allows firms to increase their customer loyalty in the IT sector.

Tahmeem, Kabir, and Sugandha, (2018) examine the impact of customer relationship management on customer loyalty: Evidence from Bangladesh's Banking Industry. The study has been conducted on private and publicbanks of Bangladesh with a respondent number of 210. The study was a descriptive survey research channel to measure the impact of the exogenous variables such as trust, complaint handling and technology adoption aswell as on the endogenous variable namely customer loyalty. The study unfolds the significant relationship of all of the threeindependent variables on the dependent variable, customer loyalty. The implication of the research contributes to the existingtheory of CRM by signifying its particular contribution on creating loyalty of customers.

### VII. METHODOLOGY

The study Area was Lagos State, Nigeria. The Study adopted descriptive survey research design. The study used structured questionnaire to obtain data. The choice of location was based on proximity, effective coverage and cost minimization. The sample size of 371 respondents was drawn from population of the study which consists of 5,168 staffs of Mediterranean shipping company, King shipping trading, and Genesis Worldwide shipping company Ltd, all in Lagos State, Nigeria. Research questions were answered using frequency, mean and standard deviation. The hypotheses stated were tested using single regression.

### **Data Presentation and Analysis**

Table 1: Comprehensive Demographic distribution of staffs of Mediterranean shipping company, King shipping trading, and Genesis Worldwide shipping company Ltd, Lagos State, Nigeria.

| TITLE                      | FREQUENCY | PERCENTAGE |
|----------------------------|-----------|------------|
| Questionnaire Distribution |           |            |
| Questionnaires Distributed | 371       | 100%       |
| Returned Questionnaires    | 358       | 96%        |

| Not Returned Questionnaires      | 13  | 4%    |  |
|----------------------------------|-----|-------|--|
| Gender                           |     |       |  |
| Female                           | 213 | 59.5% |  |
| Male                             | 145 | 40.5% |  |
| Age Bracket                      |     |       |  |
| 20-30 Years                      | 153 | 42.7% |  |
| 31-40 Years                      | 111 | 31.0% |  |
| 41-50 Years                      | 66  | 18.4% |  |
| 51Years – above                  | 28  | 7.8%  |  |
| Marital Status                   |     |       |  |
| Married                          | 223 | 62.3% |  |
| Single                           | 125 | 34.9% |  |
| Widow/widower                    | 7   | 1.9%  |  |
| Divorce                          | 3   | 0.8%  |  |
| <b>Educational Qualification</b> |     |       |  |
| HND/B.sc                         | 193 | 53.9% |  |
| MBA/M.sc                         | 125 | 34.9% |  |
| Ph.D                             | 40  | 11.2% |  |
| Working Experience               |     |       |  |
| 1- 5 Years                       | 111 | 31.0% |  |
| 6-10 Years                       | 153 | 42.7% |  |
| 11-20 Years                      | 66  | 18.4% |  |
| 21 -35 Years                     | 28  | 7.8%  |  |

### Sources: Field Survey, 2021

Three hundred and seventy-one (371) copies of questionnaire were designed and distributed to the respondents. Out of the 371 Questionnaires distributed, 358 (96%) were completed and returned while 13 (4%) were not returned. Therefore, 96 percent respondents were a good representation. The table showed the respondents profile in frequency and percentage distribution of gender, age bracket, marital status, educational qualification, and working experience.

### **Data Analysis**

**Question One:** what is the effect of relationship development on customers' patronage base in shipping companies in Lagos State?

Table 2: Mean rating of responses of respondents on the effect of relationship development on customers' patronage base in shipping companies in Lagos State.

| S/N | <b>Question Items</b>   | VGE<br>(5) | GE<br>(4) | ME<br>(3) | LE (2) | VLE<br>(1) | Mean  | SD     |
|-----|---|------------|-----------|-----------|--------|------------|-------|--------|
| 1   | The commitment of the staff interest to take customers' feedback serious influences customer loyalty        | 156        | 124       | 58        | 12     | 8          | 4.14  | 0.0029 |
| 2   | The employees' interact and treat customers feedback through social media influences customer loyalty       | 124        | 156       | 48        | 20     | 10         | 4.02  | 0.0027 |
| 3   | The employees' good communication with customers influences customer loyalty.                               | 213        | 91        | 42        | 9      | 3          | 4.40  | 0.0034 |
| 4   | The employees' continuous provision varieties of shipping services to customer influences customer loyalty. | 197        | 104       | 37        | 12     | 8          | 4.31  | 0.0032 |
|     | Grand Mean  |            |           |           |        |            | 4.218 | 0.0031 |

Source: Field Survey, 2021

This table showed the opinion of respondents on what is the effect of relationship development on customers' patronage base in shipping companies in Lagos State Nigeria. The research items 1,2,3,4, have mean score of above 4.0point respectively and it was rated great extent by respondents. Thereby study revealed that relationship developmenthad significant effect on customers' patronage base in shipping companies in Lagos State Nigeriasince the commitment of the staff interest to take customers' feedback serious influences customer loyalty. The respondents are in agreement with all the items. (The grand mean 4.218 was greater than the cutoff point 3).

**Question Two:** what is the effect of complaint handling on customers' repeated patronage in shipping companies in Lagos State?

Table 3: Mean rating of responses of respondents on the effect of complaint handling on customers' repeated patronage in shipping companies in Lagos State.

| S/N | <b>Question Items</b>  | VGE<br>(5) | GE<br>(4) | ME<br>(3) | LE<br>(2) | VLE<br>(1) | Mean  | SD     |
|-----|--|------------|-----------|-----------|-----------|------------|-------|--------|
| 1   | The employees' listens to complain of customers influences customer loyalty                                  | 180        | 100       | 48        | 23        | 7          | 4.18  | 0.0030 |
| 2   | The employees' provision of support<br>service to tangle problem of customers<br>influences customer loyalty | 126        | 158       | 64        | 20        | 10         | 4.20  | 0.0030 |
| 3   | The employees' provide solving to customer problem influences customer loyalty                               | 200        | 101       | 45        | 9         | 3          | 4.36  | 0.0033 |
| 4   | The employees' provides permanent solution to customer complains influences customer loyalty.                | 190        | 111       | 35        | 12        | 10         | 4.28  | 0.0032 |
|     | Grand Mean   |            |           |           |           |            | 4.255 | 0.0031 |

### Source: Field Survey, 2021

This table showed the opinion of respondents on what is the effect ofcomplaint handling on customers' repeated patronage in shipping companies in Lagos State Nigeria. The research items 1,2,3,4, have mean score of above 4.0point respectively and it was rated great extent by respondents. Thereby study revealed that complaint handlinghad a significant effect on customers' repeated patronage in shipping companies in Lagos State Nigeria since the employees' provide solving to customer problem influences customer loyalty. The respondents are in agreement with all the items. (The grand mean 4.255 was greater than the cutoff point 3).

**Question Three:** what is the effect ofcustomers' technology adoption on customers' satisfaction in shipping companies in Lagos State?

Table 4: Mean rating of responses of respondents on the effect of customers' technology adoption on customers' satisfaction in shipping companies in Lagos State.

| S/N | Question Items   | VGE | GE         | ME  | LE         | VLE        | Mean  | SD     |
|-----|--|-----|------------|-----|------------|------------|-------|--------|
|     | -  | (5) | <b>(4)</b> | (3) | <b>(2)</b> | <b>(1)</b> |       |        |
| 1   | Introduction of Automated teller machine in shipping companies influences customer loyalty   | 126 | 158        | 64  | 20         | 10         | 4.20  | 0.0030 |
| 2   | Introduction of internet services in shipping companies influences customer loyalty  | 116 | 158        | 74  | 13         | 17         | 4.13  | 0.0029 |
| 3   | Introduction point of sale terminal in shipping companies influences customer loyalty  | 180 | 100        | 48  | 23         | 7          | 4.18  | 0.0030 |
| 4   | Introduction of Android mobile application<br>for e-payment and money transfer in<br>shipping companies influences customer<br>loyalty | 197 | 104        | 37  | 12         | 8          | 4.31  | 0.0032 |
|     | Grand Mean   |     |            |     |            |            | 4.205 | 0.0030 |

Source: Field Survey, 2021

This table showed the opinion of respondents on what is the effect of customers' technology adoption on customers' satisfaction in shipping companies in Lagos StateNigeria. The research items 1,2,3,4, have mean score of above 4.0point respectively and it was rated great extent by respondents. Thereby study revealed that customers' technology adoptionhad a significant effect on customers' satisfaction in shipping companies in Lagos State Nigeriasince introduction of Android mobile application for e-payment and money transfer in shipping companies influences customer loyalty. The respondents are in agreement with all the items. (The grand mean 4.205 was greater than the cutoff point 3).

## **Test of Hypotheses**

### **Test of Hypothesis One**

1. Relationship development has no significant effect on customers' patronage base in shipping companies in Lagos State Nigeria

### **Model Summary**

|       |       |          | Adjusted | R | Std. Error of the |
|-------|-------|----------|----------|---|-------------------|
| Model | R     | R Square | Square   |   | Estimate          |
| 1     | .917ª | .840     | .840     |   | .40781            |

a. Predictors: (Constant), Relationship Development

#### **ANOVA**<sup>a</sup>

| Model |            | Sum of Squares | Df  | Mean Square | F        | Sig.              |
|-------|------------|----------------|-----|-------------|----------|-------------------|
| 1     | Regression | 311.992        | 1   | 311.992     | 1875.954 | .000 <sup>b</sup> |
|       | Residual   | 59.207         | 356 | .166        |          |                   |
|       | Total      | 371.198        | 357 |             |          |                   |

a. Dependent Variable: Customers' Patronage Base

### Coefficients<sup>a</sup>

|       |                          | Unstandardized | l Coefficients | Standardized<br>Coefficients |        |      |
|-------|--------------------------|----------------|----------------|------------------------------|--------|------|
| Model |                          | В              | Std. Error     | Beta                         | t      | Sig. |
| 1     | (Constant)               | 0.640          | .113           |                              | 5.645  | .000 |
|       | Relationship Development | 1.095          | .025           | .917                         | 43.312 | .000 |

a. Dependent Variable: Customers' Patronage Base

In testing the hypothesis, relationship development was regressed against customers' patronage base. The result of the single-regression analysis showed the model to examine the effect of relationship development on customers' patronage base in shipping companies in Lagos State, Nigeria.

### **Customers' Patronage Base = 0.640 + 1.095Relationship Development**

The empirical result showed that the coefficient of relationship development had positive effect on customers' patronage base; it means that relationship development has positive and direct effect on customers' patronage base. The results of the t – statistics denotes that the coefficient was statistically significance because observed values of t – statistics (43.312) was greater than its P-values (0.000). The results of the F – statistical test showed that the overall regression of the hypothesis one was statistically significance because observed value of the F – statistics (1875.954) was great than its p-value (0.000). Again, our empirical result shows that the Pearson product moment correlation analysis (r) was 0.917. The strength of relationship between the two variables was high. However, we rejected the null hypothesis and concluded that relationship development had significant effect on customers' patronage base in shipping companies in Lagos State, Nigeria.

## **Test of Hypothesis Two**

2. Complaint handling has no significant effect on customers' repeated patronage in shipping companies in Lagos State, Nigeria

b. Predictors: (Constant), Relationship Development

#### **Model Summary**

|       |       |          | Adjusted | R | Std. Error of the |
|-------|-------|----------|----------|---|-------------------|
| Model | R     | R Square | Square   |   | Estimate          |
| 1     | .932a | .869     | .868     |   | .37028            |

a. Predictors: (Constant), complaint handling

#### **ANOVA**<sup>a</sup>

| Model |            | Sum of Squares | df  | Mean Square | F        | Sig.              |
|-------|------------|----------------|-----|-------------|----------|-------------------|
| 1     | Regression | 322.388        | 1   | 322.388     | 2351.338 | .000 <sup>b</sup> |
|       | Residual   | 48.811         | 356 | .137        |          |                   |
|       | Total      | 371.198        | 357 |             |          |                   |

a. Dependent Variable: Customers' repeated patronage

### Coefficients<sup>a</sup>

|       |                    | Unstandardized | d Coefficients | Standardized Coefficients |        |      |
|-------|--------------------|----------------|----------------|---------------------------|--------|------|
| Model |                    | В              | Std. Error     | Beta                      | t      | Sig. |
| 1     | (Constant)         | 0.650          | .102           |                           | 6.401  | .000 |
|       | Complaint Handling | 1.109          | .023           | .932                      | 48.491 | .000 |

a. Dependent Variable: Customers' repeated patronage

In testing the hypothesis, complaint handling was regressed against customers' repeated patronage. The result of the single-regression analysis showed the model to examine the effect of complaint handling on customers' repeated patronage in shipping companies in Lagos State, Nigeria.

### **Customers' Repeated Patronage = 0.640 + 1.109Complaint Handling**

The empirical result showed that the coefficient of complaint handling had positive effect on customers' repeated patronage; it means that complaint handling had positive and direct effect on customers' repeated patronage. The results of the t – statistics denotes that the coefficient was statistically significance because observed values of t – statistics (48.491) was greater than its P-values (0.000). The results of the F – statistical test showed that the overall regression of the hypothesis one was statistically significance because observed value of the F – statistics (2351.338) was great than its critical value (0.000). Again, our empirical result showed that the Pearson product moment correlation analysis (r) was 0.932. The strength of relationship between the two variables was high. However, we rejected the null hypothesis and concluded that complaint handling had significant effect on customers' repeated patronage in shipping companies in Lagos State, Nigeria.

### **Test of Hypothesis Three**

3. Customers' technology adoption has no significant effect on customers' satisfaction in shipping companies in Lagos State, Nigeria

#### **Model Summary**

|       |                   |          | Adjusted R | Std. Error of the |
|-------|-------------------|----------|------------|-------------------|
| Model | R                 | R Square | Square     | Estimate          |
| 1     | .941 <sup>a</sup> | .885     | .884       | .34657            |

a. Predictors: (Constant), Customers' Technology Adoption

#### **ANOVA**<sup>a</sup>

| Model |            | Sum of Squares | df  | Mean Square | F        | Sig.              |
|-------|------------|----------------|-----|-------------|----------|-------------------|
| 1     | Regression | 328.438        | 1   | 328.438     | 2734.409 | .000 <sup>b</sup> |
|       | Residual   | 42.760         | 356 | .120        |          |                   |
|       | Total      | 371.198        | 357 |             |          |                   |

a. Dependent Variable: customers' satisfaction

b. Predictors: (Constant), Complaint Handling

b. Predictors: (Constant), Customers' Technology Adoption

### Coefficients<sup>a</sup>

|       | Unstandardized Coe |            |       | Coefficients | Standardized Coefficients |        |      |
|-------|--------------------|------------|-------|--------------|---------------------------|--------|------|
| Model |                    |            | В     | Std. Error   | Beta                      | t      | Sig. |
| 1     | (Constant)         |            | 0.195 | .086         |                           | 2.275  | .024 |
|       | Customers'         | Technology | 1.015 | .019         | .941                      | 52.292 | .000 |
|       | Adoption           |            |       |              |                           |        |      |

a. Dependent Variable: customers' satisfaction

In testing this hypothesis, customers' technology adoptionwas regressed against customers' satisfaction. The result of the single-regression analysis shows the model to examine the effect of customers' technology adoption on customers' satisfaction in shipping companies in Lagos State, Nigeria.

### **Customers' Satisfaction = 0.640 + 1.015Customers' Technology Adoption**

The empirical result showed that the coefficient of customers' technology adoption had positive effect on customers' satisfaction; it means that customers' technology adoption had positive and direct effect on customers' satisfaction. The results of the t – statistics denotes that the coefficient was statistically significance because observed values of t – statistics (42.292) is greater than its P-values (0.000). The results of the F – statistical test showed that the overall regression of the hypothesis one was statistically significance because observed value of the F – statistics (2734.409) was great than its P-value (0.000). Again, our empirical result showed that the Pearson product moment correlation analysis (r) was 0.941. The strength of relationship between the two variables was high. However, we rejected the null hypothesis and concluded that customers' technology adoption had significant effect on customers' satisfaction in shipping companies in Lagos State, Nigeria.

### **Summary of the Findings**

The following are the major findings of the study:

- The study revealed that there was a positive and significant effect of relationship development on customers' patronage base in shipping companies in Lagos State, Nigeria (t-statistics (43.312) > critical value (0.000).
- The study revealed that there was a positive and significant effect of complaint handling on customers' repeated patronage in shipping companies in Lagos State, Nigeria (t-statistics (48.491) > critical value (0.000).
- The study revealed that there was a positive and significant effect of customers' technology adoption on customers' satisfaction in shipping companies in Lagos State, Nigeria (t-statistics (52.292) > critical value (0.000).

#### VIII. Conclusion

The study concluded that there was positive and significant effect of customer relationship management on customers' loyalty in shipping companies in Lagos State. This indicates that shipping companies' management should give greater emphasis on relationship development, adopt customers-friendly-user technology and giving high tension to solving customer problems and complaints which was responsible mainly for customers' loyalty. The commitment of the staff interest to take customers' feedback serious influences customer loyalty and employees' interact and treat customers' feedback through social media influences customers' repeated purchase. The employees' continuous provision varieties of shipping services to customer influences customers' patronage base and employees' listens to complain of customers increase customers' satisfaction.

#### Recommendations

Based on the findings of this study, the following recommendations were made.

- 1. Shipping companies should give sense of belonging to customers and be commitment to develop relationship with partners and customers to ensure repeated patronage from them.
- Shipping companies should enhance the process and procedures of solving customers' complaints and problems directly which can foster CRM and customer loyalty.
- 3. Shipping companies should give special attention to physical environment and technological advancement in providing services to customers.

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