



IMPACTS OF CUSTOMER RETENTION ON SURVIVAL OF BUSINESS PERFORMANCE OF ADAMA BEVERAGES YOLA

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ABSTRACT

This study discusses the impact of customer retention on survival of business performance of Adama Beverages Yola, it is certain that in Nigerian many organizations/Small and Medium Enterprises are facing numerous barriers and challenges, which inhibits them from expanding their businesses and surviving for long period of time. May be this could attribute to problems like lack of skillful personnel, poor market access, insufficient finance, competition from foreign Small and Medium Enterprises and technological limitations has been ear marked as the deterrents of Small and Medium Enterprises. The research design used for this study is survey research method. the population is made up of the entire staff of Adama Beverages Nigeria Ltd which is made up of 510 staff therefore, the sample size for this study is 224 derived using Yemani formula. The instrument used for collecting data from the respondents is the questionnaire, and the data gathered from the respondent was analyzed using percentage analysis. Hypothesis was also tested using Pearson Correlation, the result of correlation revealed that there are significant and positive relationships between customer retention and business performance ($r = 0.516$, $P < 0.05$). Also it revealed that satisfied customer talks favorably about the company and its product; highly satisfied customer stays loyal longer, buys more as the company introduces new products and upgrades existing products. In addition, the finding further revealed that retained customers pays less attention to competing brands and is less sensitive to price. The study therefore, recommends that there is need for management of Adama Beverages, Yola to adhere to many importance attach to customer retention because satisfied customer will advertise the company and its product to the general populace; the management are also recommending to put in place strategies that will give customer maximum satisfaction to stays loyal and buys more as the company introduces new products and upgrades existing products.

KEYWORDS: *Business, customer, impact, performance retention & survival.*

INTRODUCTION

Today's competitive environment maximizes customer retention probability so as to sustain the company's protection against inroads competition. Customer retention is needed to achieve this goal. Ramakrishnan, (2015) defines customer retention as the marketing goal of preventing customers from going to the competitor. Customer retention is the way in which organizations focus their efforts on existing customers in an effort to continue doing business with them (Mostert, 2014). However, customer retention can also mean the number of customers who stay with the provider in the course of an established period, such as a year (Dawes, 2014).

Customer retention is a key factor in determining the success of businesses today. Fluss (2012) notes that competitors are always on the lookout to steal customers through better deals. Fluss

has observed that annual customer attrition rates range from 7% in industries that have high exit barriers such as banking and insurance, to almost 40% in the mobile phone industry. It can, therefore, be concluded that customers in the cellular industry keep on switching network providers for better deals. Customer retention has a direct impact on long term customer lifetime value, which is a more profitable avenue for firms that seek to pursue growth and sustainability or those that seek to protect themselves from market shrinkage resulting from a contracting economy (Gee, 2016). Supporting this argument, Lombard (2014) notes that today the pressure on companies to retain customers is fuelled by the market where customer acquisition is slow. Customer retention is important when loyalty is decreasing and sales cycles are aggravating the business environment. Under these circumstances, losing an



important customer to a competitor would impact significantly on the organisation's survival and growth.

Rich (2012) argues that for an organization to be attractive to customers who switch to its products there is always a reason that influences the customer's decision. Some researchers have argued that customer defection is indirectly seen in some organizations, as customers do not completely withdraw from their relationship with the organization but rather become inactive (Karamura, 2015). Practitioners and academics provide important devotion to customer retention practice as it is proven to improve firm's survival (Villanueva and Hanssens, 2016). Yap and Kew (2016) had further explained that the improvement in firm's performance is possible with employment of appropriate marketing strategies that could increase customers' spending and subsequently firm's sales volume. Customer retention is essentially defined as customer's commitment towards firm and its offerings for a specific period of time through their repeat purchases and tendency in spreading positive word of mouth among their social circle (Jeng & Bailey, 2012).

Repeat purchase intention is regarded as the customer's decision about re-purchasing a chosen service from the same service provider, taking into consideration the customer's present condition and other possible occurrences (Yap & Kew, 2016). Customer's emotional attachment such as loyalty and commitment towards a service provider frequently influences repeat purchase intentions (Han et al. 2014). Studies found that satisfied customers with positive experience will repurchase which will in turn improve firm's performance (Chiu, 2012). It implies that customers' repeat purchase intention is indirectly influenced by services provided to customers, which will subsequently create favorable experiences for them (Park, Kim & Jeong, 2012).

It is certain that in Nigerian many organizations/Small and Medium Enterprises are facing numerous barriers and challenges, which inhibits them from expanding their businesses and surviving for long period of time. Maybe this could attribute to problems like lack of skillful personnel, poor market access, insufficient finance, competition from foreign Small and Medium Enterprises and technological limitations has been ear marked as the deterrents of Small and Medium Enterprises (Haron et al. 2012).

Therefore, Small and Medium Enterprises require monetary support to reduce the impact these barriers might pose and subsequently improve their performance (Desi, 2013). Besides monetary support, customer retention is also found to improve Small and Medium Enterprises' performance. The improvement in firm performance is implied particularly in their finances where by having greater number of retained customers, the firms could

reduce cost otherwise spent in acquiring new customers (Ghavami and Olyaei, 2014; Steven, Dong & Dresner 2012). As such, it is vital for Small and Medium Enterprises to retain their existing customers, as minor changes in customer retention rate will multiply firm's profitability and hence their performance. Despite the prospects of retention practice in ensuring firm's survival, according to Nitzan and Libai (2013), there is lack of related literatures as the current focus is more on the acquisition of new customers instead of retaining existing customers.

Thus, this study is expected to contribute towards the body of knowledge in filling this gap by exploring factors that can lead to survival of business performance and how some elements that can hinder their performance; i.e. the paper tends to look at impact of customer retention on the survival business performance using Adama Beverages, Yola. The paper will ask questions like; what is the impact customers' retention strategies on customer satisfaction, what are the customer retention strategies that are employed by Adama Beverages, Yola and what are the factors affecting customer retention strategies.

The following hypothesis is formulated to guide the study;

- H₀ : Customer retention does not have significant impact on the survival of business performance of Adama Beverages, Yola
- H₁ : Customer retention does not have significant impact on the survival of business performance of Adama Beverages, Yola

CONCEPTUAL CLARIFICATIONS

Concept of Customer Satisfaction

Customer satisfaction is the key influencing factor of customer retention practice. Customer satisfaction is defined as a sense of comfort and attachment that results from achieving customer's expectation and anticipation (Mulindwa, 2015). Faizan, Nawaz and Khan (2013), were of the opinion that satisfaction is a critical scale of how well a customer's needs and demands are met while customer loyalty is a measure of how likely a customer is to repeat the purchase and engage in relationship activities.

According to Zeithaml, Bitner and Gremler (2014), satisfaction is when the customer evaluates whether a product or service has met their needs and expectations. Knowing what customers' expectations of a product or service are the SME can then tailor their product or service offering accordingly to fulfil these needs and satisfy these wants which in turn can lead to customer satisfaction (Cant, 2013). Customer's perception towards firm's performance is also seen as a catalyst in satisfying customers as it is believed that customers who are satisfied and



contended with the firm's performance would be loyalists of the firm (Gustafsson 2015; Seo, Ranganathan & Babad, 2018).

Customer satisfaction can be also described as a pleasant experience that creates an emotional bond between a customer and the firm (Seiders, Voss, Grewal & Godfrey 2015; Yee, Yeung, & Edwin, 2018). However, level of satisfaction differs across individual customers despite their experience with similar service providers (Mulindwa, 2015). Customers with greater satisfaction level would frequently buy in larger volume besides acquiring new products from the same provider (Burke Incorporated, 2013; Mulindwa, 2015). They are also known for spreading news about their favorable experiences among their social circles. In addition, reasonable price, efficient customer service and good handling of customers' dissatisfaction are essential ways to create and maintain a satisfied customer (Burke Incorporated, 2013; Yee, Yeung & Edwin, 2014).

Customer satisfaction has traditionally been regarded as a fundamental determinant of long term customer behaviour. According to Ranaweera and Prabhu (2012), the more satisfied customers are, the greater is their retention, the positive word of mouth generated through them and the financial benefits to the firms who serve them. It is not surprising therefore that the fundamental aim of firms is to seek to manage and increase customer satisfaction at least in this era of competitive global marketing. Customer satisfaction is defined as an overall evaluation of a firm's products (or services)' (Anderson, Fornell & Rust, 2016).

Concept of Customer Retention

Customer retention is a system of activities for improving the transaction process, based on the positive positioning of the customer, and the consequential readiness for successive purchasing. Retention strategies work best when company retention level is high because only a small 5 percent increase in retention can increase company profitability to over 85 percent. Retention strategies are profitable not only because of increased revenue from loyal customers but also, because of reduced costs of serving long-time customers. The two possibility can be differentiated from the customer point of view with concern to customer satisfaction, loyalty and constrained (Bliemel, 2018).

Customer retention refers to customer's stated continuation of a business relationship with the firm, (Timothy, 2016). Customer retention involves the steps taken by a selling organisation in order to reduce customer defection. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship. Customer retention is important to most companies because the cost of acquiring a new customer is far greater than the cost

of maintaining a relationship with a current customer (Ro King, 2015).

Several studies put emphasis on the significance of customer retention in the banking industry (Dawkins and Reichheld, 2012). The argument for customer retention is relatively straightforward. It is more economical to keep customers than to acquire new ones. The costs of acquiring customers to "replace" those who have been lost are high. This is because the expense of acquiring customers is incurred only in the beginning stages of the commercial relationship (Reichheld & Kenny, 2012). In addition, longer-term customers buy more and if satisfied may generate positive word-of mouth promotion for the company.

Ramakrishnan (2014), defines customer retention as the marketing goal of preventing customers from going to the competitor. Customer retention is the way in which organizations focus their efforts on existing customers in an effort to continue doing business with them (Mostert, Meyer & Rensburg, 2014). However, customer retention can also mean the number of customers who stay with the provider in the course of an established period, such as a year (Dawes, 2014).

Customer retention has a direct impact on long term customer lifetime value, which is a more profitable avenue for firms that seek to pursue growth and sustainability or those that seek to protect themselves from market shrinkage resulting from a contracting economy (Gee et al., 2018). Gets and Thomas (2013), state that customer retention occurs when customer purchase a product or services again and again, this phenomenon is called customer retention over an extended period of the time. Huit (2015), defined customer retention as the process by which consumers interpret price and attribute value to a good or service. Customer retention is potentially one of the most powerful weapons that companies can employ in their fight to gain a strategic advantage and survive in today's ever-increasing competitive environment. It is vitally important to understand the factors that impact on customer retention and the role that it can play in formulating strategies and plans'.

Impact of Customer Retention

Customer satisfaction is defined as a sense of comfort and attachment that results from achieving customer's expectation and anticipation (Mulindwa 2015). Customer satisfaction can be also described as a pleasant experience that creates an emotional bond between a customer and the firm (Seiders, Voss, Grewal & Godfrey 2015; Yee, Yeung & Edwin, 2018). However, level of satisfaction differs across individual customers despite their experience with similar service providers (Mulindwa, 2015). Customers with greater satisfaction level would frequently buy in larger volume besides acquiring



new products from the same provider (Burke Incorporated, 2013; Mulindwa, 2015). They are also known for spreading news about their favorable experiences among their social circles.

According to Senge (2013), most marketing theory and practice centers are on the art of attracting new customers rather than on retaining and cultivating existing ones, the emphasis traditionally has been on making sales rather than building relationships. A company would be wise to measure customer satisfaction regularly because the key to customer retention is customer satisfaction. A highly satisfied customer stays loyal longer, buys more as the company introduces new products and upgrades existing products, talks favorably about the company and its product, pays less attention to competing brands and is less sensitive to price, offers product or service ideas to the company and cost less to serve than new customers because transactions are routine. Some companies think that, getting a sense of customer satisfaction is by tallying customer complaints, but 96% of unsatisfied customers do not complain but many just stop buying.

In addition, reasonable price, efficient customer service and good handling of customers' dissatisfaction are essential ways to create and maintain a satisfied customer (Burke Incorporated, 2013; Yee, Yeung & Edwin, 2012). Customer's perception towards firm's performance is also seen as a catalyst in satisfying customers as it is believed that customers who are satisfied and contended with the firm's performance would be loyalists of the firm (Gustafsson, Johnson, & Roos 2015; Seo, Ranganathan, & Babad, 2018).

On the other hand, satisfied customers are patrons who will probably recommend and continue purchasing from the provider due to their satisfaction with the firm. Meanwhile, dissatisfied customers are believed to discontinue their purchases with firms besides not recommending firm to others due to their dissatisfaction level. However, the attitude of vulnerable customers towards the firm is susceptible due to their marginal satisfaction with the firm. Firm's loyalty program that rewards customers based on their cumulative purchases is an essential way to enhance customer loyalty besides being an indirect effort to enhance customer retention practice (Lewis, 2013).

Customer loyalty denotes as the sense of bonding that a customer has towards a firm and its offerings which enhances their stay with the firm. Attitude of loyal customers certainly favor the firm as the loyal customers will stay longer and increase their purchases besides being customer evangelists (Oyenyi & Joachim, 2018). Loyal customers can be grouped into four segments namely secured, satisfied, vulnerable and dissatisfied (Burke Incorporated, 2013). Secured customers are very satisfied patrons who will definitely recommend and continue to purchase from the firm. It inherently encourages

repeat buying by providing incentives for customers to accelerate their frequency of buying sometimes even in a larger volume (Lewis, 2013). On the other hand, according to Trassoras et al. (2014), value offered by firms to customers, customer's confidence with firm and firm's efforts to stay closer with customers are vital to enhance customer's loyalty. Lehtinen (2012), also emphasized the notion of interaction in suggesting that "customer service" is synonymous with "interactive quality", which relates to the interaction between customer and service personnel.

According to Yap and Kew (2016), there is a significant relationship between service quality and customer's intention for repeat purchases with the same firm. Perceived service quality is defined as a variation between customer's anticipation and firm's actual performance where customers tend to revisit the firm that provides service, which exceeds their expectations (Kim, Park & Jeong, 2013). It is also well noted that awareness towards firm's service quality is greater among retained customers mainly due to their familiarity and experience with the firm and its offerings (Sharmeela-Banu, Gengeswari & Padmashantini, 2012). In addition, characteristics of products, provision of additional services, good customer care, reasonable price and user friendly procedures are believed to greatly influence customers' perception towards the quality of firm's service (Reinartz & Kumar, 2012; Kim, Park & Jeong, 2013).

Companies want to be responsive by keeping open dialogue with their customers by adapting customer retention approach like effective programs for receiving and responding to complaints, active solicitation and analysis of customer satisfaction data, and the development of long-term strategic relationship with customers by evolving changing needs. When dealing with customer a company must consider lifetime value of satisfied customer rather than individual profit gained transaction customer. As life time value is not a new concept but it is widely used in consumer goods brand management, to prevent customer from switching brand because long term customer behavior is the key to success, due to cost effective on retention customer than acquire new ones (Leventhal, 2014).

Customer Retention Strategies

A starting point for the development of relationships and, hence, bonding is to create interdependencies between supplier and customer (Turnbull & Wilson, 2014). These interdependencies are built upon the resources that these firms possess, the activities that they perform or the actors that represent them (Håkansson & Snehota, 2013). From the service marketing perspective, customer retention has been conceptualized as a consequence of customer-perceived service quality and customer satisfaction (Berry & Parasuraman, 2013; Zeithaml &



Bitner, 2014). A provider of services, based on such a cause-and-effect model, could therefore focus on progressively closing the gaps between customer expectations and experiences of service quality.

Based on a survey of service providers, Payne and Frow (2014), offered a four-step framework: define the market structure, segment the customer base and determine segment value, identify segments' service needs and implement a segmented service strategy. They claimed that the framework enables firms to allocate appropriate budgets to various segments of customers according to their projected lifetime profitability from the industrial marketing perspective, core products are often of little significance to potential buyers. Augmented products such as technical advice and long-term costs of maintenance and operation tend to be more important than functional features and selling price.

Turnbull and Wilson (2015), argued that firms should protect their profitable customer relationships through not only social but also structural bonds. Social bonds, according to Turnbull and Wilson (2015), refer to positive interpersonal relationships between employees in the buyer and seller organizations. Although they did not provide an explicit definition of structural bonds they implied through their illustrations that structural bonds are built upon joint investments which cannot be retrieved when the relationship ends. Structural bonds therefore help create value for customers by saving the costs of retraining or making a new investment with a new supplier.

Resources may be in the form of financial, network position and skills or a set of technologies. Activities refer to what they jointly do such as research and development. While the industrial marketing perspective acknowledges the nature of the product to be an important determinant of the process of buying, the business-to-business (B2B) marketing perspective recognizes the nature of customers, i.e. that businesses have multiple and interconnected relationships (Ford, Gadde, Håkansson, Lundgren, Shehota, Turnbull & Wilson, 2018).

Potential strategies that reflect best practices in industry were drawn primarily from consulting experience. According to Reichheld (2014), head of Bain & Co.'s customer retention practice, 'successful' firms retain their customers, not just by focusing on customer retention, but also employee and investor retention. He proposed a three-pronged approach to managing customer retention which involves finding and acquiring the right customers, employees and investors (Reichheld, 2014).

Reichheld's (2014), idea rests on the notion that disloyal employees are probably not able to build an inventory of loyal customers and disloyal investors do not support long-term relationship programmes. He emphasized the need for maintaining a team of customers, employees and investors that share the same vision of a long-term

relationship. In acquiring new customers, he reminded firms to be aware of the different 'loyalty coefficients.

Factors affecting customer retention strategies

Most challenges faced by the organization in retaining their customers are high expectation of customers, competitors' products, services, and customers' loyalty to the organization. Customers were questioned to find out how satisfied they were with the retention strategies used by the organization. The findings show that, customers are not satisfied with the response to customer complaints and are not sure of the quality products assurance (Lake, 2018).

Empirical Review

Choudhury's (2016), study explored the dimensions of customer perceived service quality in the context of the Indian retail banking industry. Service quality parameters were being used in the context of 4 of the largest banks in India to identify the underlying dimensions of service quality using factor analysis. The study suggested that customers distinguish four dimensions of service quality, namely: attitude, competence, tangibles and convenience. The findings revealed that 40% of the respondents can spread a positive Word of Mouth. The results show strong support for intuitive notion that improving service quality can increase favourable behavioural intentions namely, WOM (word of mouth) communication and purchase intentions, and decrease unfavourable intentions, like complaining behaviour. The results provide evidence of the usefulness of service quality research, since WOM communication and purchase intentions have been suggested as important dimensions of the concept of service loyalty (Choudhury, 2016).

Anderson and Sullivan (2012), found that intentions were positively influenced by the level of satisfaction. Those firms with higher satisfaction levels tended to have lower retention elasticity. This conclusion is based on strong evidence in the literature of a relationship between satisfaction levels and behavioural intention. Chong, Chang and Leck (2016) found that both customer satisfaction and customer perception of service quality were important predictors of attitude loyalty, but that satisfaction had the strongest relationship with the loyalty construct.

THEORETICAL FRAMEWORK

In this section, several theories were highlighted to strengthen the study. Extensive research has been performed to find out what makes customers remain to a given bank and how the retention affects its performance. A number of theories have been developed even though there is no universally acceptable customer retention theory. Understanding of these theories will facilitate the



managers to get a better insight into customer behaviour. Some of the theories that were discussed include customer satisfaction theory, product life cycle theory, social exchange theory and theory of product differentiation.

Customer Satisfaction Theory

Customers may express high satisfaction levels with a company in a survey, but satisfaction does not equal loyalty. Loyalty is demonstrated by the actions of the customer; customers can be very satisfied and still not be loyal. Peter (2013), states that loyalty does not result from monopoly because when there is a new entrant into the market most customers will jump ship the novelty wears off, then the customers looks elsewhere. It also does not come about because of discounting. True loyalty results from the relationship between the suppliers and the customer and the brand is a vital vehicle for defining and managing that relationship. The most dominant theory of customer satisfaction is the expectancy-disconfirmation model.

According to this theory, satisfaction outcomes are a function of perceived performance and perceived disconfirmation. Perceived disconfirmation depends on perceived performance and standard for comparison. Standards of comparison may include expectations, ideals, competitors, other service categories, marketer promises and industry norms. If perceived performance is significantly worse than the comparison standard (more than the customer is indifferent to), a customer will experience negative disconfirmation (service did not meet the comparison standard). It does not matter how the service provider believed the service was performed. It is especially important for managers of business services to recognize negative disconfirmation, as it presents the largest threat to customer loyalty, word-of-mouth recommendation, repeat purchases, and other desirable customer responses.

Product Life Cycle Theory

Product Life cycle is a major component in customer retention for manufacturing industry. Vernon (2013), focused on the product (rather than the country and the technology of its manufacture), not its factor proportions. He noted that products have a life cycle and hence there is need to understand this cycle for the purpose of designing a product and putting it in the market. Introduction- This is the time for high investment and show uptake. Growth - If it takes off with resultant volumes bringing costs down so fuelling more growth. Maturity- The product success brings in competitors to share the spoils during which the sales curve again flattens, and revenue is generated predominantly by sales to existing customers rather than to new customers. Saturation- Too many players lead to crowding. Decline- Suppliers lose interest and the

product declines towards death. The knowledge of the above cycle serves to enable the commercial banks to comparative use, advisory use, and the dynamic use. Hence there is need to understand the major stages that product is undergoing in order to determine where it has reached (Kinneer, 2015). Therefore, the best practices for each stage in the customer experience life cycle are: target the right customers with the right value proposition, start a positive relationship through acquisition, incorporate customer advocacy into day-to-day service and develop relationships to increase stickiness. The theory will inform the study by allowing analysis of how new products innovation will play a role in contributing towards improved performance of the businesses.

Social Exchange Theory

Thibaut (2015), suggested long term relationships go through four stages: sampling - costs and rewards are explored; Bargaining - negotiation of rewards and costs are agreed; Commitment - exchange of rewards and acceptance of costs stabilize, there is now focus on relationship; and Institutionalization - norms and expectance are firmly determined. The main idea behind social exchange is everyone tries to maximise the rewards they obtain from a relationship and try to minimize the costs. If the relationship is to be successful then both parties are expected to give and take in equal proportions, (Kelley, 2012). Social exchange theory is a major component in customer retention for businesses in that they benefit from successful relationships with their customers.

This study dwelled on social exchange theory, the reason for chosen this theory is because the study deals with customer retention and this particular theory deals with how businesses can retain their customers by putting much commitment to exchange of rewards and acceptance of costs stabilize and also focus on building customers relationship to guarantee retention of their customers.

METHODOLOGY

The study was conducted using the survey research design. The approach required a field work where data were collected, analyzed, interpreted and used as the basis of generalization of the impact of customer retention on business performance in Adama Beverages Ltd, Adamawa State. Survey research focuses on people, the vital facts of people, and their beliefs, opinions, attitudes, motivations, and behaviours. For the purpose of this study, the population is made up of the entire staff of Adama Beverages Nigeria Ltd which is made up of 510 staff. The sample size is 224 derived through the use of Taro Yemani formula. Structured questionnaire is used which are closely written and worded to facilitate easy understanding by respondents and also avoid errors associated with the use of questionnaires.



While the hypotheses also will be tested using the Spearman Rank Correlation technique

ANALYSIS AND RESULTS

- H₀ : Customer retention does not have significant impact on the survival of business performance of Adama Beverages, Yola
- H₁ : Customer retention does not have significant impact on the survival of business performance of Adama Beverages, Yola

| Correlations | | |
|--------------|---------------------|--------|
| | | |
| | | CR |
| | | BP |
| CR | Pearson Correlation | 1 |
| | Sig. (2-tailed) | .932** |
| | N | 224 |
| BP | Pearson Correlation | .932** |
| | Sig. (2-tailed) | 1 |
| | N | 224 |

** . Correlation is significant at the 0.01 level (2-tailed).

Where:

- CR : Customer retention
- BP : Business performance

A Pearson's correlation analysis was conducted to examine the relationship between customer retention and business performance. The result of correlation revealed that there is significant and positive relationships between customer retention and business performance ($r = 0.516$, $P < 0.05$). Therefore, we reject the null hypothesis and accept the alternate hypothesis.

Findings

- i. Finding revealed that satisfied customer talks favorably about the company and its product; highly satisfied customer stays loyal longer, buys more as the company introduces new products and upgrades existing products. In addition, the finding further revealed that retained customers pays less attention to competing brands and is less sensitive to price. Also retained customers help to offers product or service ideas to the company, moreso, the finding revealed that retained customer are cost less to serve than new customers because transactions are routine.
- ii. In addition, the finding revealed that there are effective practices to ensure continuous quality process in Adama Beverages, Yola. From the above analysis, it also shows that developing marketing perspective that recognizes the nature of customers will lead to high business performance. Finding also revealed that organization put in place effective network in position to attend to their customers in time. Also their organization promotes interconnected relationships in order to retain customer. Furthermore, the finding revealed that there is high payoff in terms of quality product and customer satisfaction.

- iii. The above analysis revealed that organizations experience problems of high expectation from their customers. In addition, the finding further revealed that customers are not satisfied with the response to customer complaints; sometimes services are not available to reach out customers in order to have their orders on time. Finding also shows that poor infrastructure facilities in the state affect our strategy to delivering products to customers in time and competitors' products are now getting recognition in the market with lower price.

CONCLUSION AND RECOMMENDATIONS

It is very obvious that satisfied customer talks favorably about the company and its product; highly satisfied customer stays loyal longer, buys more as the company introduces new products and upgrades existing products. Retained customers pays less attention to competing brands and is less sensitive to price. In addition, retained customers help to offers product or service ideas to the company, moreso, the retained customer is cost less to serve than new customers because transactions are routine.

Among the strategies put in place by Adama Beverage, Yola there are effective practices to ensure continuous quality process. Also the company is developing marketing perspective that recognizes the



nature of customers will lead to high business performance. The company put in place effective network in position to attend to their customers in time. Also their company promotes interconnected relationships in order to retain customer and there is high payoff in terms of quality product and customer satisfaction.

The study identify that among the factors affecting customer retention strategies includes problems of high expectation from their customers. Customers are not satisfied with the response to customer complaints despite the effort made by the company in putting strategies in place that will lead to high business performance; sometimes services are not available to reach out customers in order to have their orders on time. Poor infrastructure facilities in the state affect our strategy to delivering products to customers in time and competitors' products are now getting recognition in the market with lower price.

Recommendations

The study was able to develop some recommendations:

- i. There is need for management of Adama Beverages, Yola to adhere to many importance attach to customer retention because satisfied customer will advertise the company and its product to the general populace; the management are also recommending to put in place strategies that will give customer maximum satisfaction to stays loyal and buys more as the company introduces new products and upgrades existing products. The management also needs to understanding that retained customers should pay less attention to competing brands and is less sensitive to price. The management should give retained customers opportunities to offers product or service ideas to the company and retained customer are cost less to serve than new customers because transactions are routine.
- ii. The management of Adama Beverages should also put into cognizance effective practices to ensure continuous quality process that will lead to maximum customers' satisfaction; they should also develop marketing perspective that recognizes the nature of customers' needs, through effective networking positioning to attend to their customers in time. Furthermore, the management should promote interconnected relationships between employee and customers in order to retain customer by high payoff in terms of quality product and customer satisfaction.
- iii. The management of Adama Beverage should also put in place mechanism that will deal effectively with the challenges confronting their day to day operation;

which can be tackle high expectation from their customers, developing good feedback mechanism; making services available to reach out customers within the stipulated time. The management should also provide good infrastructure facilities that will promotes strategies in delivering products to customers in time and developing marketing strategies that will allow them to compete with their competitors despite the fact that their competitors' products are now getting recognition in the market with lower price.

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