



## CUSTOMER SERVICE AND ORGANIZATIONAL GROWTH OF SERVICE ENTERPRISE IN NIGERIA: A STUDY OF SELECTED TABLE WATER COMPANIES IN ABIA STATE

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### Abstract

The study examines the relationship between customer service and organizational growth. For the purpose of this study, the data was extracted from the eight selected table water company in Abia state. The target population of the study was Table water companies in Abia state; the study had 120 target populations and sampling was selected as 90 respondents. Hypothesized relationships were tested using data collected through self-administered, structured questionnaires containing essentially close-ended questions. The research question were analysed by descriptive statistics such as frequencies and percentages while the hypothesis testing by correlation. In the analysis, its found that there is appositve relationship between customer service and growth. Thus, high service quality, effective service speed and responsiveness lead to high level of organizational growth. In other words, customer service has positive relationship on organizational growth.

**Keywords:** Customer Care, Efficiency, Effectives, Performance, Welfare

### Introduction

Customer value is the heart of marketing (Kotler and Armstrong, 2004; Woodruff, 1997) Indeed, the role of marketing is “to assist the firm to create value for its customers that is superior to competition”(Tzokas and Saren, 1999).In the customer-centered era, delivering superior customer value is the source of competitive advantage (Coltman, 2007;Eggert and Ulaga, 2002;Payne and Holt, 2001;Slaterand Narver, 2000)anda strategic weapon in attracting and retaining customers to achieve profitable growth (La and Kandampully, 2004;Wang *et al.*, 2004). Customer value is viewed as an important driver of organizational performancefor the following two reasons. First, long term relationships are built on the creation and delivery of superior customer value on a sustained basis (Christopher *et al.*, 1991; Gummesson, 2002; Morgan and Hunt, 1994; ParvtiyarandSheth,2001). Second, customer lifetime value should focus on reorienting the firm’s operations and processes towards the creation and delivery of superior customer value that competitors cannot match(Cravens and Piercy, 2009; Coltman, 2007;Kotler and Armstrong, 2004;Reimannet *al.*,2010).

This focuses our interest and attention on how customer service can be deemed as a trigger to enhance the performance of organization. This study took table water companies in Abia State, as a research subject, to explore the extent to which customer life value is impacted by customer perceptions of value, satisfaction, and loyalty. According (Haupt, 2002) Customer service can be measured in many dimensions such as: service empathy, access time and courtesy of staff but this study will consider the main dimension of service quality, service speed and responsiveness (after sale service and technical support).

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Although service quality is understood as the ability to get the desired services from the chosen provider at the right price. Because desire is considered the ultimate for a customer, it is proposed that the consumer ultimately wants: lower prices; improved choice of services; better value for money; acceptable quality; availability and redress. He further explains that service quality refers to the relationships between customers and the organization; and between expectations for excellent services and perceptions of service delivers (Lacobucci, 1995).

Hence, table water companies have been facing obstacle to solve number of customer complaints and forced to restructure their ways of operation or even to close down due to decline in sales, profit and customer dissatisfaction that will eventually results business failure. Therefore, it is necessary to determine if the table water companies in Abia state, provide excellent service in terms of quality, speed and responsiveness that results organizational growth. The study will investigate the relationship between customer service and Organizational growth for selected table water enterprise in Abia state.

### *Objectives of the study*

- To determine the value of customer care on satisfaction of customers.
- To determine the customer satisfaction effect on customer loyalty.
- To evaluate the relationship between service quality, service speed and responsiveness on organizational growth of selected Table Water Company in Abia state.

### *Research Questions*

- Does customer value have a direct and positive effect on customer satisfaction?
- Does customer satisfaction have a direct and positive effect on customer loyalty?
- Is there any relationship between service quality and organizational growth of selected table water companies in Abia state?

### **Research Hypothesis**

- Customer value does not have a direct and positive effect on customer satisfaction
- Customer satisfaction does not have a direct and positive effect on customer loyalty
- There is no relationship between service quality and organizational growth of selected table water companies in Abia state

### **Conceptual Definition**

Customer service is the act of taking care of the customer's needs by providing and delivering professional, helpful, high quality service and assistance before, during, and after the customer's requirements are met. Organizational growth is, in fact, used as one indicator of effectiveness for small and large businesses and is a fundamental concern of many practicing managers (Odongo and Datche, 2015). Ultimately, success and growth will be gauged by how well a firm does relative to the goals it has set for itself. According to Igbokwe-Ibeto, Akhakpe and Ayoola (2013) HR is a key driver of organizational growth, since it has to emerge as a strategic business partner helping the top management build an organization that is good not just for today, but for tomorrow and beyond. It is now working with the top management to propel the organization forward. HR should be reviewed and we stopped looking at what is happening in other strategies and start looking at best HR practices in large corporate (Crosby, 1999).

Caplow (2009) points out that such growth can be particularly disorienting for employee and owner alike: "often the people involved may not realize that anything significant has occurred until they discover by experience that their familiar procedures no longer work and that their familiar routines have been bizarrely transformed. Business owners, then, face a dizzying array of organizational elements that have to be revised in accordance with changing realities. Maintaining effective methods of communications with and between employees and departments, for example, become ever more important as the firm grows. Similarly, good strategic planning practices have to be implemented and maintained.

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Establishing and improving standard practices is often a key element of organizational growth as well. Indeed, a large business that undergoes a significant burst of growth will find its operations transformed in any number of ways. And often, it will be the owner's advance planning and management skills that will determine whether that growth is sustained, or whether internal constraints rein in that growth prematurely (Odongo and Datche, 2015).

### Methodology

#### *Research Design*

The study focuses on the survey research design to investigate the relationship between customer service and organizational growth of eight select table water company in Abia State.

#### *Population and sampling*

The target population of the study were 120 staff and customers from Aqua-Deratechnologies limited, Grand edge limited and Sylkas table water companies in Abia state target populations to overcome this problem by choosing the right suitable manageable number of people to take part in this research. Thus, sampling was selected as 90 respondents. But the findings can be representative the rest of the population.

#### *Instrument for Data collection*

The above hypothesized relationships were tested using data collected through self-administered, structured questionnaires containing essentially close-ended questions. The questionnaires were administered to marketing directors, or in some cases other staff and customers within the patronage of the randomly selected table water enterprise in Abia state. The questionnaire was made up of four sections A, B, C, and D, which addressed the research questions and hypothesis.

#### *Method of Data Analysis*

The descriptive statistics such as frequencies and percentages are used for the analysis of the research questions while the hypothesis testing by correlation. Relationship between Customer Service and Organizational Growth was used by Pearson correlation to test whether there is relationship between service quality and organizational growth of selected table water enterprises in Abia state.

### Result and Discussion

#### *Research question*

Does customer care has a direct and positive effect on customer satisfaction?

**Table 1: If customer care has direct and positive effect on customer satisfaction?**

Response	Frequency	Percentage
Yes	59	65.56
No	31	34.44
Total	90	100

**Source: Field Survey 2016.**

From table 1 above, the 59 (65.56%) of the respondents agreed that customer care has a direct and positive effect on customer satisfaction and 31 (34.44%) of the respondents disagreed that customer care has a direct and positive effect on customer satisfaction. This showed that most of the respondent accepted that customer care has a direct and positive effect on customer satisfaction.

**Research Question 2:**

Does customer satisfaction has a direct and positive effect on customer loyalty?

**Table 2: If customer satisfaction has direct and positive effect on customer loyalty?**

Response	Frequency	Percentage
Yes	74	82.22
No	16	17.78
Total	90	100

**Source: Field Survey 2016.**

From table 2 above, the 74 (82.22%) of the respondents agreed that customer satisfaction has a direct and positive effect on customer loyalty and 16 (17.78%) of the respondents disagreed that customer satisfaction has a direct and positive effect on customer loyalty. This showed that most of the respondent accepted that customer satisfaction has a direct and positive effect on customer loyalty.

**Test of hypothesis**

This study of the hypothesis were divided by into three main factors of customer service namely; service quality, service speed and responsiveness. These three main factors as well as the dependent variable of organizational growth were computed using SPSS statistical package after which Pearson linear correlation coefficient was used to correlate these variable in order to test the pertinent research hypothesis. The Pearson linear correlation coefficient (PLCC) was used to correlate these variable following the results of service quality and its relationship of organizational growth as table 3.

**Table 3: Correlation between customer service and organizational growth**

	Service quality	Service speed	Responsiveness	Organizational Growth
Service quality	1	0.497*	0.478*	0.874**
Service speed		1	0.528**	0.783**
Responsiveness			1	0.595**
Organizational Growth				1

\* and\*\* means correlation is significant at the 0.01 and 0.001 level (2-tailed) respectively.

Pearson correlation was used in this study to test whether there is relationship between service quality, service speed, responsiveness and organizational growth of the selected table water companies in Abia state.

The first hypothesis of this study was to determine the relationship between service quality and organizational growth. The table 3 above indicates that there is significant relationship between service quality and organizational growth and also there is a high correlation that exist between the two variable ( $r=0.874$ ,  $P<0.001$ , sig. = 0.001). This indicates that there is relationship between service quality and organizational growth of the selected table water companies in Abia state. Pearson’s Correlation between Service Speed and Organizational Growth of selected Table water companies in Table 3 also explains the level of significant correlation of the both independent variable of service speed and dependent variable of organizational growth.

The second hypothesis of this study was to establish whether there is a relationship between service speed and organizational growth in Table water companies in Abia state. Table3 indicates that there is significant relationship between service speed and organizational growth ( $r=0.783$ ,  $P<0.05$ , sig. = 0.001). The significant value indicate that the two variable (service speed and organizational growth) in Table water enterprise in Abia state, is less than 0.05, which is the maximum significant value to state the existence of significant relationship.

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Pearson's Correlation between Responsiveness and Organizational Growth of selected Table water companies in Abia state indicated in table 3 explains the level of significant correlation of the both independent variable of service responsiveness and dependent variable of organizational growth.

The third hypothesis of this study was to establish whether there is a relationship between responsiveness and organizational growth in the Table water enterprise in Abia state. Table 3 also indicates that there is significant relationship between responsiveness and organizational growth ( $r=0.595$ ,  $P<0.05$ , sig. = 0.001). The significant value indicate that the two variable (responsiveness and organizational growth) in Table water enterprise in Abia state, is less than 0.05, which is the maximum significant value to state the existence of significant relationship.

### Discussions

The outcome from our findings and Pearson correlation have successfully confirmed that the study succeed its main objectives. Further, it is revealed that the two variable of customer service and organizational growth of selected Table water enterprise in Abia state are positively correlated. Further, the study also explore the research hypothesis and objectives in evidence to the Pearson correlation. One notable thing of our findings reveals that the participants of the study rated same scale of the four points of the likert scale, the average mean indices the two variable fall (3) scale which means Agree, therefore, the study objectives was confirmed as mentioned by the statistical tools.

Moreover, the result of the research question one showed that customer care has a direct and positive effect on customer satisfaction in the table water enterprise in Abia state. Likewise the result of the research question two also showed that customer satisfaction has a direct and positive effect on customer loyalty. Overall study shows that the all indicators of customer service in terms of service quality, service speed and responsiveness are significant correlated to all indicators organizational growth at level of significant of 0.001 (2 tailed). After looking into all the tables, it's clear that organizational growth is directly affected by customer service.

### Conclusion

Customers today are highly informed and more demanding. Service quality, service speed and responsiveness to customers' needs and wants has become important for firms to succeed and this calls for the improvement of sales growth and employee growth that can enhance organizational growth status. Given the consistent interaction between the dimensions of customer service specially to service quality, service speed and responsiveness. It is important that the efforts of firms to enhance the level of service requirement is vital to firms that wish to gain competitive advantage. The findings suggested that service quality, service speed and responsiveness could aid a firm in continually satisfying its customers and lead to increase sales growth and employee growth. Hence, the results suggest that customer care acts as a driver of organizational growth. In terms of the topic of this study, customer service is found to have a significant impact on organizational growth the case of table water firms.

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