



## Effects of customer retention strategies on organisational performance: The case of first national bank Zambia

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### Abstract

As the competitive environment of the banking industry becomes increasingly fierce, it is important for industry players to nurture and keep customers loyal who will contribute to their long-term growth and profitability. Customer retention is critical for sustaining organisational existence and profitability. Both practitioners and scholars have discovered that it is much cheaper to retain existing customers than investing on the potential customers.

A decent customer retention level is believed to be a significant contributor towards improvement in the overall performance of the firm. Given the importance of customers as an organization's primary revenue generator, understanding how customer retention affects business performance is expected to provide constructive implications for both academics and practitioners. Furthermore, Customer retention is an important aspect of organisational performance as cost reduces in servicing existing customers.

This study intended to investigate how customer retention practices affect organisational performance in the banking sector with a particular focus on First National Bank Zambia. The study specifically, examined how customer service quality, Effective Pricing and customer communication affects organisational performance in the Zambian banking industry. The respondents were FNB customers across the entire branch network.

A quantitative research design was adopted for this study due to its ability to be objective and produce generalizable results. A sample size of 150 customers was selected for the study using a questionnaire from the base of customers who consented to be contacted by the bank for marketing communications, using a simple random sampling method. The response rate was 91% (136 out of 150).

A linear regression model was developed from the data analysis to ascertain the impact of customer retention strategies on organisational performance. Findings of the study indicated that attributes of customer retention i.e., Effective pricing, customer service and customer communication individually and collectively had a positive and statistically significant effect on organisational performance.

The study recommends that Banks in Zambia should invest more in managing customer relationships as a way of retaining them and attracting them and also to implement robust customer value management programs to improve customer life time value. Customer retention will give them an advantage over their competitors and contribute to overall profitability.

**Keywords:** Organizational performance, customer retention strategies, customer retention, profitability, communication, financial sector, effective pricing, customer service, customer communication, first national bank

### Introduction

#### The easiest way to grow your customers is not to lose them

Most top business executives argue that customers are a fortress for a firm's sustainability, this is because firms would not be able to sustain and improve their performance without a stable and profitable customer base. A survey conducted by the economist (2022) highlighted that 65% of executives of top multinational companies admitted to customer relationships as being key to enable them to achieve their performance objectives. The survey further posits that the firm's primary purpose should be to create advantageous relationships with its customers.

#### 1. Statement of The Problem

The issue of sustaining sufficient profitability within the banking sector in the global business environment could not be overemphasized. In fact, without having a wider customer base the prospects of making profit in a bank are dim. The banking industry is highly competitive, with banks not only competing against each other; but also, against

non-banking financial institutions (Maisiba and Jeremiah 2019).

The Zambian banking industry has been facing challenges in customer retention because banks are offering identical products and service and also because the products and service that were traditionally offered by the banks are not being offered by the telecommunication companies as well as micro financial institutions. This has handed over power to the customers who are hopping from one bank to another in the hope of finding the one that fit their needs.

Since its establishment in 2009, FNBZ has grown its customers base to 250,000 and its Branch network to 26 Branches. It also operates a robust Contact Centre. Furthermore, to increase its footprint on the market as well as bringing banking services closer to the community, it operates a Cash Plus agency system that enables customers the convenience to perform deposit and withdraw transactions.

The banks' entry strategy into the market can be said as that of client acquisition. While this strategy has helped the bank to increase its customer base, over the years, this model has

shown its weaknesses as customer attrition is currently at 42.15% - that is 42.15% of customers acquired are lost in a years' time. (FNB Management Report, 2023).

**Table 1:** Customer Attrition Summary

Year-Month	Attrition	
201506		40.50%
201606		42.08%
201706		41.06%
201806		40.89%
201906		45.08%
202006		44.23%
202106		43.58%
202206		45.05%
202306		42.15%

Source FNB Management Report 2023

Customer leakages are a loss to the bank through foregone monthly service fees and other transactional fees. Jandaghi *et al.* (2011) demonstrated that losing a customer represents a loss of future profit from that customer, and an additional cost of attracting a new customer as a replacement (Flint *et al.*, 2011). Karam (2019) further argued that customer attrition has severe effects on profitability because it leads to reduced market share.

This study sought to investigate the impact of customer retention strategies on Organisational Performance using FNB as the case study.

## 2. OBJECTIVES OF THE STUDY

The overall objective of the study was to investigate the effects of customer retention strategies on organizational performance.

### 2.1. Specific objectives

1. To identify factors affecting Customer retention.
2. To assess the effect of customer retention strategies on Organizational Performance.
3. To address strategies to customer retention.

### 3. Research Questions.

The study answered the following research questions:

1. What are the factors that affect customer retention?
2. Does customer retention affect Organizational Performance?
3. What are the recommendations on how companies develop effective customer retention strategies?

### 4. Statement of hypotheses

The following statements of hypothesis were projected to establish the likelihood of the impact of Customer retention strategies on organizational performance.

#### HYPOTHESIS STATEMENT ONE

**H01:** Effective Pricing does not have any effect on the Organisational performance.

**HA1:** Effective Pricing have an effect on Organisational Performance.

#### HYPOTHESIS STATEMENT TWO.

**H02:** Service quality does not affect Organisational Performance.

**HA2:** Service quality affects Organisational Performance.

#### HYPOTHESIS STATEMENT THREE.

**H04:** Customer communication does not affect Organisational Performance.

**HA4:** Customer communication affects Organisational Performance.

### Literature review

This chapter presents the literature review on the impact of customer retention on organisational performance. specifically, the literature review provides theoretical perspectives informing the study and discusses the themes of the study, benefits of retention on organisational performance and the attributes of customer retention. A conceptual framework will be developed from the literature reviews.

### 1. Theoretical review

This section provides theories on customer retention, the findings will highlight meaningful insights on the concept of customer retention.

#### 1.1. The Preeminent Theory

This theory suggests that the level of customer satisfaction may be established by comparing previously held expectations with perceived product performance. If performance exceeds expectations, a customer experiences positive confirmation and is satisfied, reinforcing his or her willingness to use the product or service again (Cannon and Cannon, 2015). On the contrary, if performance fails to meet a customer's expectations, negative satisfaction occurs. Thus, the theory suggests that customer experience in relation to their expectations determine their levels of satisfaction hence their staying or leaving.

The process of expectation confirmation is key to customer loyalty. Customers who are loyal to a company develop a certain idea of quality and service that they expect to be confirmed. If their expectations continue to be confirmed, they will be loyal. Companies lose long-term customers when they cease to meet the expectations that they have built up over time. As a result, reliability and consistency are necessary to maintain loyalty. The emphasis is always to meet the expectations of the customer.

This theory is important to this study because the understanding of the how customers form their expectations by comparing with past experience will enlighten the banking on the customer life journey with the Bank.

#### 1.2. Equity Theory

This theory is built upon the argument that a man's rewards in exchange with others should be proportional to his investments (Oliver and Hanming, 1994). According to this theory equity or relative deprivation is the reaction to an imbalance or disparity between what an individual perceives to be the actuality and what he believes should be the case (Oliver and Hanming, 1994). As applied to customer satisfaction research, satisfaction is thought to exist when the customer believes that his outcomes to input ratio is equal to that of the exchange person (Adee, 2004).

This theory is important to this study because it points to the reason why Customers may discontinue the relationship with the organisation if the actual performance of the product or service falls short of the perceived performance.

## 2. The concept of organisational performance

The term performance emerged in the mid-nineteenth century and was first used in defining the results of a sporting contest. In the twentieth century, the concept has evolved and developed a series of definitions that are meant to encompass the widest sense of what is perceived through performance.

The concept of performance, as defined in the dictionaries of French, English and Romanian, defines more the idea of outcome, achieved goal, quality, and less the economic aspects of efficiency and effectiveness.

The Explanatory Dictionary of the Romanian Language defines performance as "a result particularly good) obtained by someone in a sporting contest; a special achievement in a field of activity; the best result obtained by a technical system, a machine, a device, etc." the definition shows that the term performance was originally taken from the mechanics and sports fields.

## 3. Empirical Studies on The Impact Customer Retention on Organisational Performance.

Nouman *et al.* (2015) conducted a study on the impact of Customer Relationship Management (CRM) capabilities on organizational performance: moderating role of competition intensity. They measured CRM capabilities through customer interaction management and customer relationship upgrading in the presence of competition. The research was conducted in the field of telecom sector in Pakistan. Questionnaire was circulated among 300 employees of telecom sector for the collection of data. Multiple regression analysis tests were used for further analysis. They tested the hypothesis that CRM capabilities had positive impact on organizational performance. They observed that customer interaction management and customer relationship upgrading capability had positive impact on organizational performance (Vallery *et al.*, 2020).

Shafique *et al.* (2015) investigated the influence of customer relationship management on organization performance by utilizing multiple logistic regression technique to obtain his findings for analysis. The study sample consisted of 300 telecommunication employees. The researcher collected his data through questionnaires for the study. His robust findings suggest that customer relationship management positively influence organization performance. The author recommended for all telecommunication companies to positively affect the organizational performance through adopting the CRM principle and eventually increased their profit: All telecommunication companies must instruct and teach their employee to offer and provide better and quick services to their customers.

Coltman *et al.* (2010) scrutinized customer's relation management and its impact on the firm's performance. Hierarchical constructed model was utilized to obtain the results. The result of the study shows that CRM capability is positively associated with firm's performance. CRM is suffering when it is poorly understood, improperly applied, and incorrectly measured and managed. The study explains that organization can create the superior CRM capability when they combine investment commitment in human, technology, and business capabilities.

Nafuna *et al.* (2019) conducted a study on Pricing Strategies and Financial Performance: The Mediating Effect of Competitive Advantage. Empirical Evidence from Uganda, a Study of Private Primary Schools. The study population

comprised of a total of 184 private primary schools' projects in Kampala district Rubaga Division, Urban Council, 2017. The study adopted a cross-sectional descriptive and analytical research design. The findings from the correlation analysis indicated a significant perfect positive relationship between price strategy and financial performance as revealed by the correlation coefficient ( $r = .554, p < .5$ ).

This implied that price strategy with its dimensions such as cost based, competitive based and perceived value positively influenced the financial performance of the private primary schools in the context of Uganda entities. These results also signified that appropriate pricing strategies were associated with high levels of financial performance in the study population. Similarly, poor pricing strategies are associated with low levels of financial performance.

The predictive power of the regression model was found to be 30.3% (Adjusted R Square = .303) indicating that the pricing strategy accounted for 30.3% variation in enhancing financial performance of private primary schools in Uganda, hence predicting the financial performance.

Sije and Oloko (2015) carried out a study on penetration pricing strategy and performance of small and medium enterprises in Kenya. The population for their study consisted of members of staff of selected food industry SMEs in Kenya. Stratified random sampling was used in the study where members of staff from various SMEs were selected with the questionnaire acting as the primary data collection instrument. The researchers found out that there was a strong positive correlation between penetration pricing strategy and firm performance.

The researchers, therefore, concluded that the enterprises should focus more of their effort on penetration pricing strategy because there was a significant level of effect of penetration pricing strategy on the number of customers, customer loyalty and quality of food and service all leading to better firm performance.

Jangeta *et al.* (2015) researched on strategic pricing and firm success: A study of SMEs in Zimbabwe. The relationship between strategic pricing and firm performance was measured using various business perspectives, namely, profit maximization, sales maximization, customer satisfaction, survival, liquidity achievement, price differentiation and cost coverage. The questionnaire approach was used to collect data from a convenient sample of 50 SMEs drawn from all sectors of the economy. The study was conducted in Gokwe district in the Midlands Province. The results of the study show that there is a positive relationship between strategic pricing and firm performance ( $r = 0,654, p = 0.01$ ).

Kibe (2021) investigated the effects of communication strategies on organizational performance. A descriptive research design was used in this study. 132 questionnaires were distributed employees. The findings of this research showed the importance of both the theoretical level and practical level. It concluded that for any organizational performance to be effective, an open communication environment should be encouraged. Once members of the organization feel free to share feedback, ideas and even criticism at every level it increases performance.

Lorcu, 2020; Chikazhe and Nyakunuwa, 2022; Feng *et al.*, 2021, explored the effect of employee communication on organization performance in Kenya's horticultural sector. This study was carried out in flower farms in Kenya. The

population of this study was all flower farms in Kenya which were the 14 flower farms registered in the KFC directory (2013) and based in Naivasha. A total of 2460 respondents were targeted by the study out of which 1888 responded giving a response rate of 76.7%. Correlation and regression analysis were used to test on the relationship between the variables of the study.

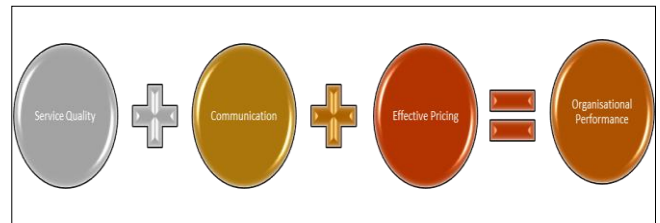
The study found that communication facilitates exchange of information and opinion with the organization, that communication helps in improving operational efficiency thus improving organization performance. It concluded that communication is a major determinant of organization performance. The study recommended that organizations should develop effective communication strategies since it will facilitate passing of information both within and outside the organization thus improving performance.

**4. Conceptual framework**

The following model is adopted to develop the conceptual linkage between customer retention and Organisational Performance.

This conceptual framework is guided by existing knowledge from the literature presented in the study. The resulting equation is a linear function with Organisational Performance as the dependant variable and service quality, Pricing and communication was dependant variables.

*Organizational performance* = *F (Pricing, Communication, Service quality)*



**Fig 1**

**5. Operational Definition Of Concepts**

**Organisational Performance:** Organizational performance is defined as the degree of effectiveness and efficiency against the stipulated organisation performance indicators of an organization.

**Customer Retention:** Customer retention is defined as a process of developing long-term relationship with customers. This is done by reducing the number of customer defections from the company.

**Service Quality:** Service quality is a comparison of perceived expectations of a service with the perceived performance of that service. Service is said to be of high quality if the perceived performance exceeds perceived expectations.

**Customer Communication:** Customer communication is defined as a continuous and persistence process, implementation, and follow-up with the customer so as to keep then engaged with the company. The broad purpose of customer communication is to bring the right products into contact with the right customers, and to make certain that transfer of ownership takes place.

**Table 2:** operation defination of concepts. Operationally the concepts are defined along the below lines.

Service Quality	Communication	Effective Pricing	Organisational Performance
The banks offer reliable services	Distinctive/Unique compared to others	The banks disclosure of fees and prices	Improved market Share
Customer’s perceptions are well considered	Offers latest electronic products	The Bank has a reward program	Innovative products on the market
Endeavours to resolve customer complaints	Listens and is sensitive to customers’ needs	Accuracy of banking records	Improved effectiveness in the organization’s operations
It offers quality products	Convenient branch location	The banks disclosure of fees and prices	Increase in our customer base.
It has a reputation of superior service quality	Flexible banking policy	Fair method of setting fees	Improved profitability over the last two or three years
Offers services in a conducive environment	Effective communication about new products and services.		

**Research Methodology**

This chapter presents research methodology that was adopted in carrying out the study. It covers the following aspects: research design, population of the study, sample and sampling method, instruments for collecting data, procedure for collecting, analysing, and presenting data.

**1. Research Design**

The research used quantitative research method which allowed for focusing on the cause and effect on Customer retention on Organisational Performance. Particularly, quantitative study allows the researcher to identify the correlations and relationships between the independent and dependant variables as well as testing for hypotheses as well as make predictions for the future.

**Simple Random Sampling**

Simple random sampling (sometimes called just random sampling) is a method used to select a smaller sample from the population. This method is used to research about the population and generalize. All the elements in the population under simple random sampling have equal chances of being selected.

**2. Sample Size**

The sample size for this study was calculated by using the following formula:  $N = (z^2 * Q * P) / D^2$

Were.

N= the desired sample size

Z=1.96 which is the standard normal deviation at required

normal confidence level

P= the portion in target population

Q= 1 – p

D= the level of statistical significance

Therefore,

$$N = ((1.96)^2 \times (1 - 0.09) \times 0.09) / (0.05)^2$$

$$N = 125.8532$$

However, the final sample is increased by 20% so as to provide a buffer for nonresponse and some dropouts.

Thus, the final sample had 150 respondents.

Data was collected via emails sent to customers on the database across the entire branch network who gave consent to be contacted by the bank for marketing purposes.

### 3. Data analysis

The quantitative data was analysed through coding and entry into Statistical Analysis Software (SAS). The software generated descriptive statistics such as frequencies, percentages, mean and standard deviation. Regression analysis was used for the prediction of behaviour of the dependent variable in response to the explanatory variables. The impact of Customer Retention on organizational performance is examined in the study. The independent variables are customer communication, service quality and customer satisfaction variables, whereas performance of bank is measured as a dependent variable. The dependent variables were regressed on the independent variable to ascertain the strength of the relationship. In general, linear regression model took the form illustrated below was used

$$\beta_0 + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \epsilon_i$$

Where:

Y<sub>i</sub> = Organisational Performance

X<sub>i1</sub> = Communication

X<sub>i2</sub> = Customer service X<sub>i3</sub> = Pricing, ε<sub>i</sub> = Is the error term

β<sub>0</sub> = intercept β<sub>i</sub> = Are the unknown parameters (regression coefficients).

The model helped in determining if there is a relationship between customer retention strategies and performance of commercial banks in Zambia.

In this research, correlation analysis was used to determine the strength of relation between the performance of commercial banks in Zambia. Chi-square test of independence is a test used to determine whether one variable is independent of the other.

### Data Analysis and Presentation

This chapter presents the data analysis of the findings on the impact of customer retention strategies on organizational performance. It also gives an analysis about factors that affects customer retention.

## 1. Results presentation, analysis and discussions

### 1.1 Descriptive Statistics.

Table 3: Response Rate

Response status	Frequency	Percent distribution
SUCCESSFUL	136	91%
UNSUCCESSFUL	14	9%
TOTAL	150	100%

Source: Author (2023)

Table 8 shows the response rate of participants. The total number of questionnaires distributed was 150, out of the which, 136 (91%) questionnaires were successfully filled. 14 were not successful (9%). According to Mugenda & Mugenda (2003) a response rate of 50% is sufficient for analysis, 60% is good and 70% is excellent. Thus, this response rate was considered appropriate for the study.

## 2. Customer retention and organisational performance.

The study sought to examine the respondent’s level of agreement or disagreement on the impact of customer retention strategies on Organisational Performance.

The findings in table 4.2.2 shows that 123 agreed that service quality affects organizational Performance while 13 disagreed. 109 agreed that customer communication affects organizational Performance while 27 disagreed. 117 agreed that customer satisfaction affects organizational Performance while 19 disagreed.

Table 4: Does Customer Retention Strategies Affect Organisational Performance

Does customer retention strategies affect organisational Performance			TOTAL
	YES	NO	
Service quality	123	13	136
Customer communication	109	27	136
Pricing	117	19	136

Source: Author (2023)

## 3. Inferential statistics analysis

### Hypothesis Testing

#### Pricing and organisational performance.

T-Test: Paired Two Sample for Means		
	Organisational Performance	Pricing
Mean	3.2317692	4.65728342
Variance	0.0623265	0.23417621
Observations	136	136
Pearson Correlation	0.321713	
Hypothesized Mean Difference	0.00000000000000	
Df	135	
t Stat	5.2141872397	
P(T<=t) one-tail	0.0134175	
t Critical one-tail	1.735218234	
P(T<=t) two-tail	0.0239125	
t Critical two-tail	1.0888543	

Source: Author (2023)

### Hypothesis 1.

H01: Pricing has no impact on the Banks’ performance.

HA1: Pricing impacts Banks’ Performance.

The two-way t statistic of 0.0239125 (2.39%), against a p-value of 5% indicates that Pricing exerts a positive and statistically significant effect on organizational performance. Therefore, the null hypothesis is rejected, and the alternative hypothesis accepted, and hence it can be concluded that Pricing has a significant effect on organizational performance.

**Service quality vs organisational performance.**

T-Test: Paired Two Sample for Means		
	<i>Organisational Performance</i>	<i>Service Quality</i>
Mean	4.018382353	3.913101604
Variance	0.081835512	0.071364267
Observations	136	136
Pearson Correlation	0.33173653	
Hypothesized Mean Difference	0	
Df	135	
t Stat	3.190051452	
P(T<=t) one-tail	0.000884469	
t Critical one-tail	1.656219133	
P(T<=t) two-tail	0.001768939	
t Critical two-tail	1.977692277	

Source: Author (2023)

**Hypothesis 2.**

H02: Service quality does not affect Organisational Performance.

HA2: Service quality affects Organisational Performance.

Based on the results of the two-way T-test, a T-Values of 0.001768939 (0.176%) against the P-value of 5% indicates that a statistically significant number of customers of the FNB Zambia agree that service quality does have an impact on Organisational Performance.

The t statistic, and p-value for the model show that service quality exerts a positive and statistically significant effect on organizational performance. Therefore, the null hypothesis is rejected, and alternative hypothesis accepted, and hence it can be concluded that service quality has a significant effect on organizational performance.

**Customer Communication Vs Organisational Performance**

t-Test: Paired Two Sample for Means		
	<i>Business Performance</i>	<i>Customer Communication</i>
Mean	4.018382353	3.529411765
Variance	0.081835512	0.198717018
Observations	136	136
Pearson Correlation	-0.023633374	
Hypothesized Mean Difference	0	
df	135	
t Stat	10.65195092	
P(T<=t) one-tail	6.5869636150E-20	
t Critical one-tail	1.656219133	
P(T<=t) two-tail	0.0000000000	
t Critical two-tail	1.977692277	

**Hypothesis 4.**

H04: Customer communication does not affect Organisational Performance.

HA4: Customer communication affects Organisational Performance.

Based on the results of the two-way T-test, a T-Values of 0.00000 against the P-value of 5% indicates that a statistically significant number of customers of the FNB Zambia agree that customer communication does have an impact on Organisational Performance.

The t statistic, and p-value for the model show that customer communication exerts a positive and statistically significant effect on organizational performance. Therefore, the null hypothesis is rejected, and the alternative hypothesis accepted, and hence it can be concluded that customer satisfaction has a significant effect on organizational performance.

**4. Regressions analysis.**

**Linear Regression Equation**

The table below shows the results of the linear equation.

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	4.122	0.515	7.993	5.77219E-13	3.102	5.142
Customer Communication	0.014	0.056	0.242	0.008	-0.125	0.098
Service Quality	0.033	0.094	0.355	0.007	-0.152	0.219
Pricing	0.684	0.108	0.959	0.042	2.672	0.124

Source: Author (2023)

The resulting linear equation is **Organisational Performance=0.033\*Service quality+0.014\*Customer Communication+0.684\*Pricing +4.12247.**

The above liner equation implies that there exists a positive linear relationship between the dependent variable and independent variables. An increase or decrease in any one or all the independent variables will result in an increase or decrease in the dependant variable.

The findings presented also show that overall, Pricing had the greatest on the organisational performance ( $\beta = 0.684$ ), followed by service quality with  $\beta = 0.033$ , and communication at  $\beta = 0.014$ . All the variables were significant ( $p < 0.05$ ).

**Discussion, Conclusion and Recommendations**

This chapter provides a summary of key findings, conclusions, recommendations, and areas of further studies.

**1. Discussion of findings**

The general objective of the study was to determine the impact of customer retention attributes on organisational performance. It was established that service quality, effective Pricing and customer communication individually and collectively positively impact organisational performance.

### 1.1 The role of pricing on organization performance

The study findings indicated that there was a positive relationship between pricing and organizational performance with a mean estimate of 4.65, a standard error of 0.23 and a p-value statistic of 0.023. The null hypothesis was thus rejected, and the alternative hypothesis accepted since pricing was found to be statistically significant in explaining organizational performance. Implying that pricing does have an impact on organizational performance. The results are similar to the findings of Khin and Ho (2018) who conducted a study on the impact of insurance premiums on customer retention in Tanzania. He observed that premium has a negative correlation with retention, implying that the higher the perceived premium the less customers retained. He further observed that lower retention negatively affected revenue.

### 1.2. The role of service quality on organization performance

The study findings indicated that there was a positive relationship between service quality and organizational performance with a mean estimate of 4.01, a standard error of 0.08 and a p-value statistic of 0.001768. The null hypothesis was thus rejected since the p-value is less than 5%, and the alternative hypothesis accepted implying that service quality does have an impact on organizational performance.

The results are in line with a study conducted by Chikazhe *et al.* (2022) on managing customer service in the hotel industry in Malaysia. The study measured service quality and customer's consumption emotions and found out that fulfilling customer expectations through excellent service quality improved the hotels' financial performance.

### 1.3. The role of customer communication on organisational performance

The study findings indicated that there was a positive relationship between customer communication and organizational performance with a mean estimate of 4.01, a standard error of 0.08 and a p-value statistic of 0.00006. The null hypothesis was thus rejected since the p-value is less than 5%, and the alternative hypothesis accepted implying that customer communication has an impact on organization performance.

These findings are in line with the study conducted by Denner *et al.* (2022) Salamova *et al.* (2021) on the impact of Customer communication in enhancing customer loyalty and customer lifetime value. He observed that communication improves customer loyalty hence customer lifetime value over time. He also observed that customer behaviour and activities have an impact on the enterprise's profit.

### Conclusion

Generally, the study concluded that organisational performance was influenced by effective pricing, customer communication, and service quality.

### Recommendations

Based on the findings, the following recommendations were made.

- Management of the bank should pay more attention and invest more resources into training sympathetic and competent staff and convenient operating.

- Both management and employees of the banks at should create enabling environment for customers to feel safe and relaxed.
- Management should enhance kindergarten programs aimed at guiding and growing the customers throughout their lifetime journey. This will improve customer lifetime value which impacts the organisations profitability positively and enhances competitive advantage.
- The Bank need to address issues of customer satisfaction through implementing motivational and customer care practices of their staffers. This needs to go hand in hand with promotion of performance improvement assessment and monitoring system for bank staffers to maintain a high level of professionalism.
- It is further recommended that measures and mechanisms should be put in place to avoid any delay in service delivery to avoid customer complaints. Any complaint emanating from a dissatisfied customer should be embraced or handled by sympathetic staffs.

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