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CUSTOMER RELATIONSHIP MANAGEMENT STRATEGIES FOR IMPROVING THE UTILIZATION OF E-MARKETING OPERATIONS BY SMALL AND MEDIUM ENTERPRISES IN SOUTH-EAST, NIGERIA

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Abstract

This study investigated customer relationship management (CRM) strategies for improving the utilization of e-marketing operations among small and medium scale enterprises (SMEs) in South-East, Nigeria. A single research question guides the study, alongside two null hypotheses were formulated. Employing a descriptive survey research design, data collection takes place across the five states of South-East, Nigeria, encompassing a population of 13,035 registered SMEs. Utilizing a 9-item questionnaire, the study undergoes face validity and reliability testing through the Cronbach Alpha method, yielding a reliability coefficient of 0.82. Descriptive statistics, including mean and standard deviation, are employed for data analysis, with t-test statistics used to test the null hypotheses at 0.05 alpha level. The result indicates that CRM strategies including creating a customer-centric business environment, rewarding loyal customers, personalizing interactions, and ensuring consistent and engaging customer experience effectively enhance the utilization of e-marketing operations in SMEs in South-East, Nigeria. Consequently, it is concluded that SMEs can adopt CRM strategies to improve e-marketing utilization in the region. Recommendations include prioritizing customer needs and ensuring professionalism and ethical conduct among personnel responsible for customer relations.

Keywords: *Customer relationship management strategies, E-marketing, SMEs*

Introduction

Small and medium-scale enterprises (SMEs) are widely recognized as critical drivers of economic development, job creation, and poverty reduction. They serve as breeding grounds for entrepreneurship, technological innovation, and industrial diversification, particularly in developing economies such as Nigeria (Adebayo & Olayemi, 2022). According to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), SMEs contribute approximately 48% of Nigeria's Gross Domestic Product (GDP) and account for over 80% of employment in the country (SMEDAN, 2021). Their significance extends beyond economic growth, as they facilitate industrial dispersal, promote balanced regional development, and enhance the competitiveness of local industries (Eneh, 2020).

A small and medium scale enterprise, according to Osamwonyi and Tafamel in Alonta, Orabueze and Obi (2024), is any enterprise employing between five hundred (500) workers with an annual turnover of about four hundred thousand naira (N400,000.00). In Nigeria, SMEs are firms employing 10 to 199 persons and having total assets (excluding land and buildings) of more than 5 million naira but not more than 500 million naira (SMEDAN, 2013). It further classified micro enterprises as firms with employees not exceeding nine and total assets (excluding land and buildings) of less than 5 million naira. However the category, SMEs play important role in the economy. Small and Medium Scale Enterprises (SMEs) constitute the backbone of economies worldwide, playing pivotal roles in employment generation, rural development, and fostering technological innovation (Osamwonyi & Tafamel in Alonta, et al., 2024). In Nigeria, SMEs are vital contributors to the economy, employing a significant portion of the workforce and fostering industrial dispersal. However, despite their importance, SMEs face numerous challenges,

including limited access to markets, inadequate resources, and technological constraints (Agwu & Murray, 2015).

Nigerian SMEs face numerous challenges that hinder their growth and sustainability. One of the major barriers is limited access to markets, particularly in an increasingly digital economy where online presence is essential for business success (Olawale & Garwe, 2022). The emergence of e-marketing, also referred to as digital marketing, has presented an opportunity for SMEs to overcome traditional marketing constraints by leveraging internet-based tools to reach broader audiences, enhance customer engagement, and improve sales performance (Chukwu & Eze, 2021). E-marketing encompasses the use of digital platforms, such as social media, search engines, and mobile applications, to promote products and services (Afolabi et al., 2023). However, research indicates that many SMEs in Nigeria, particularly in the South-East region, have not fully embraced e-marketing due to factors such as inadequate digital skills, limited financial resources, and lack of awareness (Onwumere & Nwachukwu, 2022).

E-marketing, also known as digital marketing or online marketing, encompasses a range of activities conducted via electronic devices and the internet to promote products or services (Nwachi, 2012). While e-marketing holds immense potential for SMEs to enhance their visibility, attract customers, and drive sales, many SMEs in the South-East region of Nigeria have yet to fully leverage its benefits. E-marketing, encompassing digital technologies for customer interaction, offers SMEs opportunities to overcome traditional marketing limitations and enhance competitiveness (Faloye, 2014). However, its adoption among Nigerian SMEs, particularly in the South-East region, remains limited due to barriers such as lack of awareness, inadequate resources, and technical know-how (Agwu et al., 2015). The authors posited that e-marketing utilization among Nigerian SMEs seems to be low and mainly at the basic non-interactive level implying that

many of the SMEs' websites could not support full commercial transactions. This means that SMEs will continue to face the problem of remaining competitive, in a world of intense competition.

E-marketing is marketing activities which exploits electronic devices such as computer system, internet, tablets and smart phones to interact with customers. E-marketing, according to Gilmore and Gallagher in Alonta, et al., (2024), is an interactive digital technology which is used to administer and control online business of a firm. In today's internet age, building an online presence is imperative for all businesses to be competitive. E-marketing provides businesses with access to mass markets at affordable prices and allows them to undertake personalized marketing approach. The flexible and cost-effective nature of e-marketing makes it particularly suitable for small businesses. In fact, e-marketing is where the eyeballs are and where SMEs need to be (Susan, 2018). This is because e-marketing makes it easy for SMEs to monitor and provide all the needs and desires of potential consumers. It also makes it easier for potential consumers to find and obtain product information simply by browsing the virtual world; making buyers increasingly independent in making purchasing decisions based on the search results they do anytime and anywhere.

To guide against this requires a change in marketing orientation and strategies. The traditional marketing approaches which is off-line, has inherent limitations arising from its very nature as empirical studies reveal. These include but not limited to - physical contact between buyers and sellers, limited customers, and potential customers to serve, impracticable to provide goods and services to large members of customers and customer relationship maintenance (Obi, 2019). Empirical studies suggest that the adoption of e-marketing strategies significantly enhances business performance by improving brand visibility, customer engagement, and sales conversion

rates (Okoye et al., 2022). Despite these benefits, many SMEs in Nigeria still operate at a basic level of digital engagement, relying primarily on social media without integrating comprehensive e-marketing tools such as customer relationship management (CRM) systems, search engine optimization (SEO), and targeted advertising (Uchenna & Nduka, 2021). CRM, in particular, has been identified as a key strategy for enhancing e-marketing effectiveness by fostering personalized customer interactions and improving customer retention rates (Martins, 2021).

In response to this challenge, there is a growing need to explore strategies that can improve the utilization of e-marketing operations among SMEs in the South-East region. One such strategy that holds promise is Customer Relationship Management (CRM). CRM focuses on building strong relationships with customers through personalized interactions and tailored marketing approaches (Martins, 2015). SMEs can enhance customer engagement, improve customer loyalty, and drive repeat purchases, by implementing CRM strategies to maximize the effectiveness of their e-marketing efforts. Customer Relationship Management (CRM) is a facet of relationship marketing that focuses on customer loyalty and long-term customer engagement rather than shorter-term goals like customer acquisition and individual sales.

The goal of relationship marketing (or customer relationship marketing) is to create strong customer connections to a brand that can lead to ongoing business. Customers remain loyal to firms that provide greater value and satisfaction than those they expect from competing firms. This is because anybody can start a business but not everybody can build a strong customer relationship. Some relationship marketing strategies as suggested by Martins (2015) are: make every customer interaction count, follow-through on commitments and claims about products or services, offer benefits and product value that responds to the customers' desires, treat customers as individuals

who are respected and valued, listen to customers, build a strong brand identity, surround your customers with valuable information, create a user-friendly website, and reward loyal customers.

Given the increasing digitalization of business operations worldwide, it is imperative for SMEs in Nigeria to adopt effective e-marketing strategies to remain competitive. This study seeks to examine the role of CRM strategies in improving the utilization of e-marketing operations among SMEs in South-East Nigeria. It aims to provide insights into how SMEs can leverage digital marketing tools to enhance business performance and sustain growth in an evolving marketplace. It is, therefore, compelling that SMEs adopt effective CRM strategies to improve the utilization of e-marketing to increase market competition, attract and retain customers with a view to raising the sales and remaining on profitable path.

Statement of the Problem

Despite the increasing relevance of e-marketing in enhancing business competitiveness, Small and Medium Enterprises (SMEs) in the South-East region of Nigeria continue to face significant challenges in leveraging digital marketing strategies effectively. While e-marketing provides SMEs with opportunities to expand market reach, improve customer engagement, and boost sales, its adoption and utilization remain inadequate due to factors such as limited digital literacy, financial constraints, and lack of strategic implementation. Many SMEs still rely on traditional marketing methods or use digital platforms at a rudimentary level, failing to maximize the benefits of e-marketing for business growth.

Moreover, there is a notable gap in research on how Customer Relationship Management (CRM) strategies can enhance the effectiveness of e-marketing adoption among SMEs in South-East Nigeria. CRM plays a crucial role in fostering customer loyalty, improving marketing communication, and increasing sales conversion rates, yet its integration into SMEs' e-marketing

efforts remains underexplored. Addressing these gaps is critical to ensuring that SMEs in the region can fully harness the potential of digital marketing to improve competitiveness and sustainability.

Therefore, this study seeks to examine the key barriers hindering the effective utilization of e-marketing among SMEs, assess the role of CRM strategies in enhancing digital marketing adoption, and propose recommendations to improve SMEs' digital competitiveness in South-East Nigeria.

Purpose of the Study

The purpose of this study was to determine the customer relationship strategies considered effective for improving the utilization of e-marketing operations by small and medium scale enterprises in South-East, Nigeria.

Research Question

1. What customer relationship strategies are considered effective for improving the utilization of e-marketing operations in small and medium scale enterprises?

Hypotheses

The following null hypotheses were tested at 0.05 level of significance:

1. There is no significant difference in the mean ratings of SME operators regarding customer relationship strategies considered effective for improving the utilization of e-marketing operations in small and medium scale enterprises in South-East based on gender.
2. There is no significant difference in the mean ratings of SME operators regarding customer relationship strategies considered effective for improving the utilization of e-marketing operations in small and medium scale enterprises in South-East based on level of education.

Method

This study employed a descriptive survey research design to investigate the utilization of e-marketing operations among Small and Medium Enterprises (SMEs) in the South-East region of Nigeria. The research was conducted across five states: Anambra, Enugu, Abia, Imo, and Ebonyi. The population of interest comprised all 13,035 SMEs registered with the respective state ministries responsible for commerce, industry, and technology. To determine the sample size, the Taro Yamane formula was applied, resulting in a sample size of 388 respondents. These respondents were selected to ensure equitable representation across the five states. The sampling technique employed was proportionate stratified random sampling, which allowed for a fair representation of SMEs from each state. Data collection was carried out using a structured questionnaire titled "Strategies for Utilization of E-Marketing Operations Questionnaire (SUE-MOQ)". Prior to administration, the questionnaire underwent face validation by three subject matter experts to ensure its relevance and clarity. The reliability of the instrument was assessed using the Cronbach Alpha method, yielding a coefficient of 0.82, indicating acceptable internal consistency. Statistical analysis of the collected data was conducted using descriptive statistics such as arithmetic mean and standard deviation to address the research question, while hypothesis testing was performed using t-tests. The analysis was performed using SPSS Version 23 software. In interpreting the results, a decision rule was established: null hypotheses would be accepted if the p-value was greater than or equal to the alpha level of 0.05 ($p > 0.05$), indicating no significant difference. Conversely, null hypotheses would be rejected if the p-value was less than the alpha level, signifying a significant difference.

Result

Research Question

To what extent are customer relationship strategies considered effective for improving the utilization of e-marketing operations by small and medium scale enterprises?

Table 1

Respondents Mean Ratings of the Customer Relationship Strategies Considered Effective for Improving the Utilization of E-marketing Operations by SMEs

S/N	Items on customer relationship management	Mean	Std. Deviation	Remarks
1.	Creating customer-friendly atmosphere	4.35	.61	Effective
2.	Rewarding loyal customers	4.33	.67	Effective
3.	Following-through on commitments and claims about products or services	4.51	.64	Effective
4.	Treating customers as individuals who are respected and valued	4.37	.72	Effective
5.	Adopting efficient customer service practices	4.41	.57	Effective
6.	Strengthening collaboration between sales, marketing, and customer service teams	4.27	.66	Effective
7.	Providing enjoyable customer experience at all touchpoints of the customer journey	4.35	.64	Effective
8.	Creating consistent and better customer experience	4.60	.51	Effective
9.	Ensuring customer satisfaction	4.57	.55	Effective
Grand mean		**4.42**		**Effective**

The detailed analysis presented in Table 1 illustrates the effectiveness of each of the nine customer relationship strategies considered in enhancing the utilization of e-marketing operations among SMEs. Each item garnered impressive mean scores, ranging from 4.27 to 4.60, indicating a

consensus among respondents regarding their effectiveness. Consequently, all nine strategies are deemed valuable for bolstering the utilization of e-marketing operations within SMEs. The collective mean score, reflected by a cluster mean of 4.42, further underscores the overall agreement among SME operators regarding the efficacy of customer relationship strategies in optimizing e-marketing utilization. Moreover, the standard deviations, ranging from 0.51 to 0.72, suggest a remarkable homogeneity in respondents' perceptions.

Hypothesis 1

There is no significant difference in the mean ratings of SME operators on customer relationship strategies considered effective for improving the utilization of e-marketing operations by small and medium scale enterprises in South-East based on gender.

Table 2

t-Test analysis of the Mean Ratings to SME operators on the Customer Relationship Strategies for Improving the Utilization of E-marketing in SMEs based on gender

Gender	N	Mean	SD	df	*ά*	*p*-value	Decision
Male	216	40.08	1.97	386	0.05	.003	Significant
Female	172	39.31	3.18				

As delineated in Table 2, SME operators exhibited a mean score of 40.08 among male respondents and 39.31 among female respondents concerning the effectiveness of customer relationship strategies in enhancing e-marketing utilization. Statistical analysis revealed a p-value of .003, falling below the predetermined significance level of 0.05 at 386 degrees of freedom. Consequently, the null hypothesis is rejected, indicating a significant variance in the perceived effectiveness of customer relationship strategies based on gender among SMEs.

Hypothesis 2

There is no significant difference in the mean ratings of SME operators on customer relationship strategies considered effective for improving the utilization of e-marketing operations by small and medium scale enterprises in South-East based on level of education.

Table 3

t-Test analysis of the Mean Ratings to SME operators on the Customer Relationship Strategies for Improving the Utilization of E-marketing in SMEs based on level of education.

Level of Education	N	Mean	SD	df	*ά*	*p*-value	Decision
O'Level	90	39.53	2.33	386	0.05	.391	Not Significant
Degree	298	39.80	2.67				

As delineated in Table 3, SME operators exhibited a mean score of 39.53 among O'Level holders and 39.80 among degree holders concerning the effectiveness of customer relationship strategies in enhancing e-marketing utilization. Statistical analysis revealed a p-value of .391, which is above the predetermined significance level of 0.05 at 386 degrees of freedom. Consequently, the null hypothesis is accepted, indicating a no significant variance in the perceived effectiveness of customer relationship strategies based on level of education among SME operators.

Discussion of Findings

The findings of this study emphasize the critical role of customer relationship management (CRM) strategies in enhancing the utilization of e-marketing operations among Small and Medium Enterprises (SMEs) in South-East Nigeria. The study identified several effective CRM strategies, including creating a customer-centric business environment, rewarding loyal customers, personalizing interactions, and ensuring consistent and engaging customer experiences. These strategies were found to be instrumental in optimizing e-marketing utilization by fostering customer trust, increasing brand engagement, and improving long-term business sustainability.

This aligns with the insights of Martins (2015), who underscored the importance of making every customer interaction meaningful, providing tailored benefits, and maintaining a strong brand identity as essential components of successful e-marketing strategies for SMEs. Similarly, Rouse (2015) highlighted the significance of customer relationship marketing in cultivating deep emotional connections with consumers, which can lead to higher customer retention rates and positive word-of-mouth referrals—both of which are crucial for SMEs competing in the digital marketplace.

Additionally, the study revealed a gender-based variation in the perceived effectiveness of CRM strategies among SME operators. This difference may stem from varying management styles, communication approaches, and relationship-building techniques commonly exhibited by male and female entrepreneurs. However, in contrast, the study found no significant differences in perceptions based on the educational attainment of SME operators. This suggests that while education may enhance business knowledge, it is not necessarily a prerequisite for successfully implementing CRM strategies to maximize e-marketing effectiveness.

Conclusion

The findings of this study demonstrate the effectiveness of customer relationship strategies in bolstering the utilization of e-marketing operations among small and medium-scale enterprises (SMEs) in South-East Nigeria. Through a thorough examination of these strategies, it has been established that they hold immense potential to drive substantial improvements in the utilization of e-marketing platforms within the SME sector of the region. Furthermore, the identified strategies not only offer a pathway to enhancing e-marketing utilization but also hold promise for fostering sustainable growth and competitiveness among SMEs in South-East Nigeria. SMEs can capitalize on the vast opportunities presented by e-marketing channels to position themselves for

long-term success and resilience in today's dynamic business landscape by implementing these strategies.

Recommendations

The study recommended that SME operators should attend to the needs of their customers, and accordingly treat them with respect to sustain their loyalty. SME operators should equally pay attention to their personnel in charge of customer relations to ensure they are professional and ethical in the discharge of their duties. Similarly, to enhance the utilization of e-marketing operations by small and medium-scale enterprises (SMEs) in South-East Nigeria, SME operators should prioritize customer needs, enhance customer service, implement customer relationship management (CRM) systems, reward customer loyalty, continuously improve e-marketing strategies, as well as foster a customer-centric culture.

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