EFFECTS OF RELATIONSHIP MARKETING ON PERFORMANCE OF EVENT MANAGEMENT FIRMS IN OSUN STATENIGERIA

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ABSTRACT
Relationship marketing can be defined as a managerial strategy that focuses on building long term relationships that are beneficial to customers and event firms. Thus, measuring the effects of relationship marketing on performance of event management firms in Osun State, Nigeria became expedient, as recent growth of event firms around the globe is increasing. The main objective of this study is to examine the effects of relationship marketing on the performance of event management firms in Osun state, while specific objectives are usedtodeterminehow complaints handling, commitment, trust and communication influences customer loyalty. A descriptive survey design is used and a self-structured questionnaire was administered to obtain primary data from 390 respondents randomly drawn from 30 local government areas of the State. Data was analysed using Partial Least Square method with the aid of Structural Equation Modelling. The study revealed that relationship marketing has a significant positive effect on the performance of event management firms in Osun state with p<0.000, 0.239, 0.003 and 0.001, jointly and significantly affecting customer loyalty at (r=0.351, Adj. R^2 =35%). Strategically, the study recommends that event firms that have not adopted proper and prompt complaints handling, show appreciable organizational commitment, built its trust in the mind of customers, and maximize its communication system effectively, should please do so in order to acquire, retain and increase loyal customers. Lastly, continuous training programs that enhance customer loyalty should systematically be put in place.
***Keywords**:Performance: Customer Loyalty, Relationship marketing: complaints handling, commitment, communication, trust.*

Introduction
As competition increases amongst the event management firms, many firms have come to realize that what customers value sometimes is not just lower prices, but they also expect quality and value in other areas such as quality service delivery, prompt and proper complaints handling, commitment to organizational goals, vision or objectives, and so on, thus keeping cordial relationship that will

culminate customers to becoming loyal, retained and satisfied became expedient. In this view, Bedman, George, Agbemabiese, Prince and Mahama (2013), defined relationship marketing as a strategy designed to foster customer loyalty, interaction and long-term engagement. There are many variables that measure relationship marketing in management. For the purpose of this study, complaints handling, commitment, trust and communication will be used as measuring variables for relationship marketing amongst other existing variables. Customer Loyalty is selected and use as the variable that determines performance in the event management firms in Osun State. Performance which is described as the act of setting corporate goals, monitoring the methods used to achieve these goals, and creating more means to achieve these goals in an event management firm.

The aforementioned independent variables were selected to measure the dependent variable for some reasons; when complaints are not properly and promptly handled, it is likely to have negative effects on customer loyalty, vice-visa. As it is clear that direct interactions transpire between event firms and their customers during business transactions, which make complaints/conflicts inevitable. Thus, it became imperative to examine the effect of complaint handling on customer loyalty so as to measure to what extent event firms are able to resolve conflicts and handle complaints with their respective customers, in case it eventually occurred. Also, for customers to remain loyal to an event management firm, such a firm must maintain continuous standard practice of rendering quality services that meets, or at best, exceeds customer's expectations. This will be accessed via their organisational commitment to values, contracts and quality service delivery. Since customers are human beings, they tend to develop feelings which negatively or positively affects customers' opinions about the firm and their services. As a result of this, the level of Trust they develop for such firm is greatly influenced and determined. Building an effective feedback mechanism that properly and promptly resolves conflicts, communicate organisational vision, commitments, services and products that keep customers abreast of firms' activities, services, resolutions, and updates, will no doubt affect customer loyalty in the event management. Communication is therefore a key to gaining customers' loyalty in the event management firm, as this business environment appears to be competitive in nature.

Consequently,Ndubusi and Chan (2005) revealed that there exists a significant relationship between complaints handling and customer loyalty. The ability of event management firms to promptly and properly resolve conflicts will positively affect customer loyalty. Also, commitment of an event firm to its goals, vision and objectives will encourage customers to remain loyal to them. Thus, event management firms that aspire to enhance its organisational performance of satisfying and retaining customers, must channel its organisational commitment systematically and strategically overtime, to have its trust built in the mind of existing and potential customers. Sin et al (2002), emphasized that when communication becomes effective between a firm and its customer, a better relationship that increases customer loyalty emerges indicating customer's faith or confidence in offered services. Unfortunately, some of the challenges facing event management firms in Osun State involve complex and intractable problems such as: inadequate training on complaints handling, inability to maintain organizational commitment, inconsistency in quality service delivery that made customers to doubt their competency and integrity, which resulted in lack of trust, and poor communication and customer service, to mention a few. Therefore, event management firms that are yet to effectively

incorporate relationship marketing in the areas stated in this study, should endeavour to do so if they must enhance their organisational performance, sustain good public relations/image that results into customer loyalty.

Inclusively, previous researches relating to relationship marketing and organizational performance have focused more on some other areas such as crop protection, Telecommunication, Food and Beverages, and the banking sector respectively. Little or no attention was on event management firms, thus, the need to bridge the gap between previous studies by correlating the effect of relationship marketing on performance in the event management firms. This study seeks to examine and measure the extent to which relationship marketing concept is understood and adopted by event management firms in Osun state, as it tends to examine how the handling of customers' complaints does affects customers' loyalty, to measure the extent organizational commitment help in ensuring customer loyalty, as it investigate and evaluate how trust and communication affects customers loyalty, respectively.

Conceptual Framework

This explains how complaint handling, commitment, trust and communication affects customer loyalty in the event management firms in Osun State. Complaint's handling is described as the event firm's ability to avoid potential conflicts, solve manifest complaints before they create problems, as well as discuss solutions openly when problems do arise. The ability of event management firms to handle customer's complaints properly and promptly will directly influence customer loyalty. Following Ndubusi and Chan (2005), there are significant positive effects between complaints handling and customer loyalty, thus, it's expedient that event management firms select their customers carefully, share common values, and maintain excellent communication with them at all times during the relationship continuum. Egan (2001) suggests that commitment is central to relationship marketing, as Swift (2000) emphasized that the level of commitment a partner feels towards a relationship is of great importance in developing a relationship that leads to customer loyalty.

Hence, commitment can be defined as an enduring desire to maintain a valued relationship, which involves a higher level of obligation to make a relationship succeed and to make it mutually satisfying and beneficial to respective stakeholders. Therefore, an event management firm that desires to have consistent loyal customers must ensure that its organizational commitment is channelled systematically and strategically to achieve such. The belief that an event management firm will behave as expected, based on its reputation, personality, systems, and processes will create an avenue for customers to become loyal to its services. Relationship is dependent on mutual trust that is believed to transpire between an event management firm and its existing or potential customers. Thus, event management firms must always render quality services in order to gain existing customers' trust such that these customers refer them to potential customers. According to Sin, et al. (2002), Communication brings about customer loyalty, such that the profitability of an event management firm is enhanced. When there is effective communication between an event management firm and its customers, a better relationship will emerge leaving customers to be more loyal and retained with such firms.

Theoretical Framework

According to Kotler(2006), the reason why people buy, consume or patronise particular products or services at a specific period of time is hard to unravel, because humans are greatly influenced by their psyche, which eventually leads to overt purchase responses. Various theories have been put together to explain the aforementioned relationship marketing variables (complaints handling, commitment, trust, communication) as expressed in previous literature. Emphatically, two theories are adopted in this study. The Social Exchange theory by George Horman and Commitment-Trust theory by Morgan and Hunt (1994). The Social Exchange theory proposes that social behavior is the result of an exchange process, whose purpose of exchange is to maximize benefits and minimize costs. That's, people weigh the potential and actual benefits and risks of social relationships. This theory suits this study as customers tend to evaluate the services rendered by event management firms in respect to complaint handling, commitment, trust and Communication, as they decide their loyalty to remain with such firm or defect to another. While the Commitment-Trust theory explains that event management firms who are committed to offering quality services that are reliable, timely and satisfactory will hold a successful profitable long-term relationship with their customers. It therefore means that event management firms should be responsible to customers or stakeholders who consequently develop faith or confidence in the services being rendered at the moment or those that are satisfactorily believed to be offered in the future. This study adopted the two stated theories because it helps to weigh, measure and compensate the risk taken by an event management firm and its customers (existing or potential customers) on social relationship contract.

Empirical Review

Event management firms must put in place healthy relationship marketing practices of complaint handling, organizational commitment, trust and communication for it to have loyal customers. It can be extracted that there exists a relationship between relationship marketing and performance in the event management firms as complaints handling, commitment, trust and communication have a positive significant relationship on customer loyalty. Following Kehinde, Adegbuyi, and Borishade (2016), this study investigated and established that there is a positive correlation between relationship marketing and performance (sales performance), it is established that there is a link between relationship marketing and performance, as a firm needs to effectively practice relationship marketing for a successful outcome. Though their study failed to include customer loyalty which this study added for conclusive findings on relationship marketing and performance, nonetheless, their research report gave insightful information to this work.

However, Shlash Mohammad and Mohammad (2011) conducted a study and found out that customer loyalty in the service industry tends to increase as commitment and trust amongst other variables were systematically adopted into their daily operations and practices. It further discussed that customer loyalty can be created, reinforced and retained by making relationship marketing plans aimed at proper and prompt complaints handling, paying attention to shared value cum organisational commitment, building and developing strong bond that can lead to trust, and ensuring an effective and efficient communication with customers, such that positively influence the behaviour, thus such customers end up becoming loyal customers of the event firm. However, the study did not include complaints handling and communication in its study. This study included

complaints handling and communication which was not included in the previous study with commitment and trust while correlating relationship marketing with performance in the event management firm. Since customers are the driving force for enhanced performance, complaints handling, commitment, trust and communication must efficiently and effectively be deployed to acquire customer loyalty.

Methodology

The study used a descriptive survey design which involves identifying the features of an observed phenomenon or exploring possible correlations among two or more phenomena. Questionnaires were distributed to three hundred and ninety respondents from respective event management firms in Osun State; all closed ended questions helped in gathering qualitative data for the study. From the distributed questionnaires, 355 were eligible and useful subject to analysis. The remaining were either ineligible or respondents were unreachable after a couple of attempts. The analytical framework engaged to analyse collated data is the Partial Least Square (PLS) method using the covariance based Structural Equation Modelling technique. Thus, effects of relationship marketing on performance of event management firms in Osun State can be expressed as:

$y = f(x_{1,} x_{2,} x_{3,.} x_4)$

$= ß_o + ß_1X_1 + ß_2X_2 + ß_3X_3 + ß_4X_4 + ℓ_1$……..…….1

Where:

y= Customer Loyalty
x_1 = Complaints Handling
x_2 = Commitment
x_3 = Trust
x_4 = Communication
$ß_o$ = Intercept
ß1...……...nth= Regression Coefficient
ℓ1……..nth= Stochastic error term.

Data Analysis and Discussion

Table 1: Questionnaire Distribution

S/N	Target Respondents	Population	Sample Size	Percentage (%)
1	Employer (CEO)	3015	78	20.1
2	Employees (Managers/mgt)	3990	104	26.6
3	Employees (Sales force)	7995	208	53.3
	Total	15000	390	100

Source: Field Survey (2021).

The estimated population of fifteen thousand comprises chief executive officers, managers and Salesforce engaged in various event management firms across the thirty local government areas of

Osun State. The sample size of three hundred and ninety was used in this study having four two percent as male while the remaining fifty eight percent are females. Seventy-eight respondents are in the category of chief executive officer, one hundred and four are managers in different event firms and the rest two hundred and eight respondents are employees (Salesforce) working with different event firms in Osun State. This selection is due to the fact that employers/ firms are few, which automatically affects the number of employed managers who are top level management in firms, as compared to the high number of Salesforce employed to work in firms.

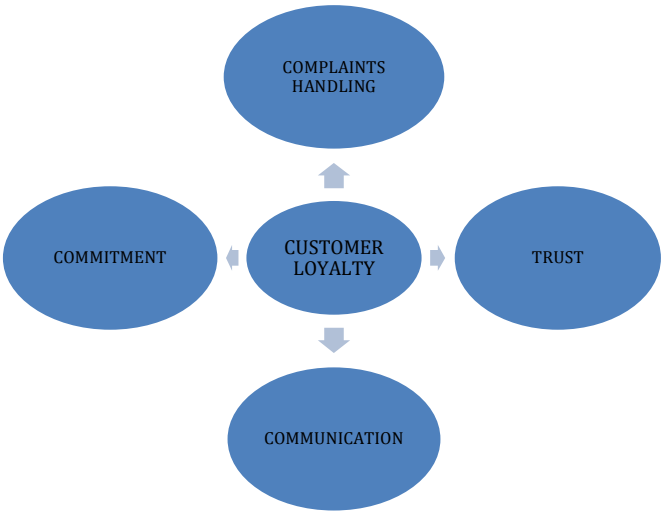
Table 2: Response Rate of Questionnaires

Responses	Frequency	Percentage (%)
Completely and correctly filled Questionnaires	**355**	**91**
Ineligible	**16**	**4.1**
Unreachable	**19**	**4.9**
Total	**390**	**100**

Source: Field Survey (2021).

Table 2 showed the response frequency of administered questionnaires to the respective respondents in the event management firms in Osun State. From the Table, 91% was completely and correctly filled and returned, 4.1% of the entire administered questionnaire was identified to be ineligible to the needed data collection, and 4.9% fall in the category of unreachable as at the time of collection and collation of administered questionnaires.

Conceptual Model of Variables



Source: Researcher's Design

The diagram above explains the conceptual model of this study. It shows how customer loyalty is being affected by complaints handling, commitment, trust and communication respectively. This will help to further explain the analysed data results in the figure below, which indicated relative adjusted R-squared results of the findings to be 0.351 for customer loyalty. That is, the four independent variables i.e. complaints handling, commitment, Trust and communication account for 35% (r^2= 0.351) changes in event management firms' ability to have loyal customer.

This means that the four independent variables (complaint handling, commitment, trust, and communication) with (β = 0.279, 0.059, 0.198, and 0.229) has a positive relationship with customer loyalty and a .35% influence in building customer loyalty of event management firms.

Hypothesis

Ho: Complaint handling, commitment, trust and effective communication has no significant effect on customer loyalty in the event management firms in Osun State.

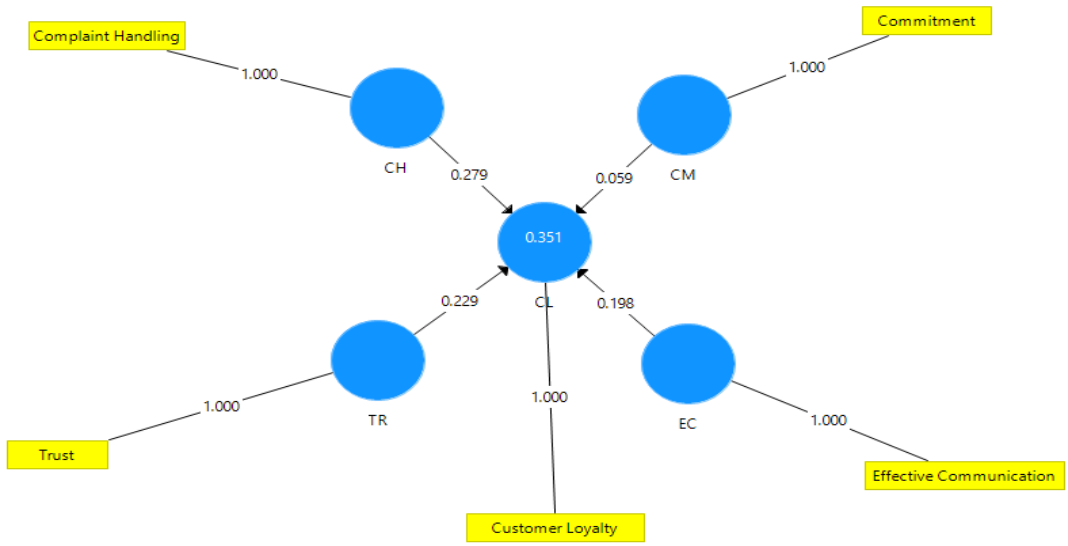


Fig. 1: Analysed Data

Source: Field survey (2021).

In the Table 3 below, the result indicated that complaints handling, commitment, trust and effective communication (being variables of the independent construct) has a significant relationship with customer loyalty. Results implied that complaints handling, trust, commitment, and effective communication had positive relationship on customer loyalty in the event management firms in Osun State as it indicates (β = 0.279, 0.059, 0.198, 0.229 respectively, with t = 5.456, 1.179, 2.942, and3.195 respectively as p **<0.000, 0.239, 0003 and 0.001**). Hence, **Ho:** Complaint handling, commitment, trust and communication has no significant effect on customer loyalty in the event management firms in Osun Stateis rejected.

Table: 3

Mean, STDEV, T-Values, P-Values

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Complaint handling > Customer Loyalty	0.279	0.278	0.051	5.456	0.000
Commitment > Customer Loyalty	0.059	0.061	0.050	1.179	0.239
Communication > Customer Loyalty	0.198	0.194	0.067	2.942	0.003
Trust > Customer Loyalty	0.229	0.233	0.072	3.195	0.001

Source: Field Survey, (2021)

Discussion of Findings

Based on the result of this study, there is a significant positive relationship between relationship marketing and performance in the event management firms in Osun State for having a correlation coefficient value and p-value which is significant at the alpha value 0.000, 0.239, 0003 and 0.001, respectively. From the findings of Abdullah (2014), on related constructs, people weigh the potential benefits and risks of relationships, such that those who give much to others try to get much from them in order to maximize benefits and minimize costs. In this context, event management firms will strive to minimise cost (which includes cost of acquiring new customers, retaining new customers and building organisational Goodwill), in order to increase profitability at maximum organisational performance, while consumers/customers will prefer that the services rendered by event firms commensurate or exceed their (customer) expectations, as they maximise benefits and enjoy value for their money.

Though the discussion on findings by Abdullah (2014) focused more on consumers/customers while this study collated data from chief executive officers and employees of respective firms. The chief executive officers and employees of event management firms suits this study than consumers/customers would have, as they (employees/CEOs) are most appropriate to answer the questions raised by this study in the following area: examining complaints handling and its effect on customer loyalty, accessing organisation's past commitment to stated goals, aims, objectives and vision, as it evaluate its current and probably, future effects on the firm; investigating the level of trust and believe customers have in the firm, judging from the customers readiness and willingness to remain loyal and refer them to others (new customers), and benchmarking the communication mechanism, and feedback reports, and the advantages or disadvantages it has on customer loyalty in the event management firm.Hence, complaints handling, commitment, trust, andcommunication will result in customer loyalty forevent management firms, as long as they maintain healthy relationships and quality services. In a similar view, following the findings of Kosileand Ajala (2006), on the

effects of relationship marketing on performance of selected commercial Banks in southwest Nigeria, event firms that are committed to offering quality, realizable and valuable services, will have a successful, long term, and profitable relationships with their respective customers and stakeholders. It therefore iterated that for event management firms to achieve its stated performance variable (customer loyalty), it must effectively and efficiently deploy its stated relationship marketing variables (complaints handling, commitment, trust and communication) systematically and productively.

Conclusion

Positive effects of relationship marketing on performance of event management firms in Osun State can productively, profitably and professionally be achieved when proper and prompt complaints handling and conflict resolution increases its opportunity to increase the numbers of its loyal customers. Therefore, employees must be regularly trained to maintain good public relations with customers at all times, and in case of any misunderstanding, feedback should be disseminated to the right quarters on time. Also, forcommitment of event firms to culminate into customer loyalty, the firms must ensure that customer' requests, demands or needs commensurate with their expectations or at best, exceedtheirexpectations. In addition, efforts to have their trust built and established in the minds of customers, event firms must strategically and systematically focus more on their operational goals and objectives, such that will enhance their capacity of acquiring more loyal customers. And finally, communication should be effective by ensuring that feedback is well managed to strengthen healthy relationships that will increase customer loyalty and improve overall performance of the firm.

Recommendations

From the findings, one can deduce that complaints handling, commitment, trust and communication has a positive effect on customer loyalty in the event management firms in Osun State. In the light of this, firstly, event firms must train their employees on how best they should handle or tolerate customers, maintain cordial relationships with them, and benefit from their loyalty overtime. Secondly, commitment to organisational visions, goals and objectives that gives assurance to customers that event firms will provide quality services as introduced or stated in their brochure must be sustained. Thirdly, to enhance customer loyalty amongst event firms, customers must trust and believe that the firm's services are viable and reliable.

Hence, terms and conditions of contracts must be well stated, understood and accepted by both parties. Any shift from prior contract by the firm, should be positive and favourable enough to gain the loyalty of customers. Fourthly, event management firms should be professional enough to carry out benchmarking that will boost its communication system by using modern technology/technical facilities (such as: internet, social media platforms, etc.) efficiently, create awareness on products/services, follow up on clients for necessary feedbacks, maintain an effective communicationmechanism that will improve its strength of accruing more loyal customers.

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