Customer relationship management and retention in Orthodox Churches: an empirical study of selected churches in Madina Accra, Ghana

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ABSTRACT

The focus of the study was to examine customer relationship management adopted by orthodox churches in retaining customers due to fierce competition among churches and changes in customers’ expectation in the world today. The purpose of the study was to ascertain what form of customer relationship management tools are used by the orthodox churches to retain their church members due to the continued increase in charismatic churches in the society.

Descriptive and survey research designs were employed. The study made use of 113 members from the Orthodox Churches in Madina Municipal using simple random techniques in selecting the respondents. Questionnaires were administered, collected, edited, coded, inputted and analyzed using the Statistical Package for Social Science, version 20.

Based on the findings, it was revealed that majority of the sampled respondents (94.7%) indicated that they would not migrate to other churches if the practiced CRM is not aligned to their demands. The tested hypotheses also confirmed that there was a positive correlation among the variables CRM, loyalty and commitment of the church members.

The researcher recommended that CRM should not be limited to only profit making institutions but to every institution that deals with human beings. Human institutions are dynamic in nature so continuous relationships must be practiced and managed at the same time. One of the church’s core foundations is the notion of relationships among its members.

INTRODUCTION

Fierce competition among churches in the world today no doubt requires ‘new’ core competence for differentiation and sustainability. Orthodox churches are discovering the adoption and implementation of Customer Relationship Management (CRM) as a strategy to retain their members ‘customers’. Customer Relationship Management (CRM) strategies have become increasingly important not only to profit oriented but to non-profit oriented institution as well, due to the changes in customers’ expectations. The Orthodox churches are now buying air time to showcase their church activities as well as sponsoring several programmes to project the image of the church. Should one say that they are engaging themselves in corporate social responsibilities or that it is a way by which they seek to gain the attention of the public as well as attracting people to their fold? Well, on one hand it might be considered that these churches are fulfilling their obligations in the society in which they live and operate. On the other hand, it may be considered as new strategies that have been adopted by these churches to increase their market share (in terms of membership) as well as staying in existence.

In the past, many churches did not think of relationship management with members as a very important factor because the orthodox churches were the first churches to come to this part of the world. The orthodox churches use the histories and social responsibilities to retain their members. Today, there are a lot of churches and these churches are also performing equally well as the older churches. Then we have to ask ourselves what strategies are used to retain members in the orthodox churches? The older churches really pay attention to the feelings of customers by providing welfare
services such as building of schools and hospitals which are attended by members and their relatives, as well as the members of the community the church is serving.

Customers’ needs and behaviour have however changed dramatically over the years. In order to meet the various needs of members, various churches tend to adopt differentiated customer-oriented marketing strategies to gain competitive advantage. As the numbers of churches keep increasing in the country, there has been a corresponding increase in competition. There is therefore the need for various stakeholders to get involved and place greater emphasis on building and establishing valuable customer relationship (Canel, Rosen, & Anderson, 2000). In order to stay in operation, it is a challenge for orthodox churches to re-direct their resources both human and financial to focus on retention resulting to customer satisfaction. The emphasis now is not on how new ‘customers’ are attracted to their fold but rather how the old ‘customers’ are satisfied to ensure their retention. Considering the benefits/ importance of CRM application strategies, it has become a major strategy that churches must adopt.

In the churches today, bishops, elders and other management recognize that members “customers” are the core of the churches and success of a church relies on effectively managing relationships with their members. Hence, an important objective for a church is to make members happy because they are the ones who keep the church running. As a result, management of orthodox churches has thought it wise to develop strategies in retaining their members, hence the adoption of CRM. It is against this background that the researcher has decided to explore the forms of CRM tools adopted by orthodox churches and how effective they are in today’s competitive environment.

OBJECTIVES OF THE STUDY

The general objective of the study is to assess the management of customer relationship management as a tool for retaining ‘customers’ in Orthodox churches.

- To assess whether members of a church would migrate to another church if the kinds of customer relationship management style practiced are not aligned to their demands.
- To examine the most common customer relationship management approaches adopted by orthodox churches.
- To find out the correlation between commitment, loyalty and customer relationship management in a church.

RESEARCH HYPOTHESES

The researcher formulated these hypotheses that were tested using Pearson correlation coefficient:

H1: There is no correlation between customer relationship management and loyalty of church members.

H2: There is no correlation between relationship management and commitment of church members

LITERATURE REVIEW

Understanding Customer Relationship Management

According to Brown (2000) Customer Relationship Management as a key competitive strategy is needed to focus on customers’ needs and to integrate an organization and customer. Reinartz & Chugh (2002) have also provided support to the strategic definition of CRM. They have defined CRM as “the strategic process of shaping the interactions between a company and its customers with the goal to maximize the lifetime value of customers for the company as well as to maximize satisfaction for the customer”
Evolution of Customer Relationship Management

Customers have always been the main concern for businesses all over the world. From a marketing perspective, customers are considered to be the cornerstone for an organization’s activities. This importance was reflected in an increased need for business organizations to integrate customer knowledge in order to build close corporative and partnering relationships with their customers (Parvatiyar & Sheth, 2001).

Another trace of CRM’s origins can be found in relationship marketing. Plakoyiannaki & Tzokas, (2002) indicated that practitioners and academics suggest that customer relationship management provides an actual platform for the operational manifestation of relationship marketing. As observed by Parvatiyar & Sheth (2001), developing customer relationships has historical antecedents going back into the pre-industrial era. Similarly, artisans often developed customized products for each customer. Such direct interaction led to relational bonding between the producer and the consumer. It was only after the advent of mass production in the industrial era and the advent of middlemen that interaction between producers and consumers became less frequent leading to transaction oriented marketing.

Challenges of Customer Relationship Management

Chalmeta (2006) pointed out some of the challenges that may lead to failure or problems in implementing customer relationship management in institutions. These are as follows: thinking of customer relationship management as technology, lack of management support, lack of customer-centric culture, lack of readiness process, poor quality data, lack of change management, lack of vision and strategy, lack of involving the final user in designing or formulating the solutions. In other environments, CRM failed due to lack of knowledge on the part of employees to implement the concept of CRM.

However, other factors such as the lack of focus on human/social factor (employee/customer) were also described by Plakoyiannaki & Tzokas (2002), as the main problem facing a successful implementation of customer relationship management. Nevertheless, misconceptions such as assuming that CRM is equal to customer acquisition and that customer satisfaction is equal to customer loyalty or focusing only on profitable customers could contribute significantly to increasing CRM implementation failure.

Customer Relationship Management and Orthodox Churches

The non-profit sector has experienced consistent growth in recent years, resulting in this sector becoming more fragmented, but highly competitive (Shabbbir, Palihawadana, & Thwaites, 2007). The need has come for non-profit organizations such as churches to attract, retain and build relationships with their members (Abreu, 2006). Churches are a type of not-for-profit organization which has begun to implement relationship management strategies because of an apparent lack of church member loyalty and commitment (Weideman & Terblanche, 2007).

The benefits arise through establishing relationships with an organization’s members, which include increased customer retention and potential profits (Conway & Swift, 2000). Customer relationship management therefore results in an improvement in the commitment of a client to a service provider and in turn this can increase the level of satisfaction and trust a client perceives to have with that specific services provider (Conway & Swift, 2000).

According to Weideman & Terblanche (2007), church-member loyalty has waned over recent years and a possible solution is to implement more effective CRM strategies in churches. Concerning the
church, this can be viewed as activities that produce a shared exchange of value between the church and its members. It is generally recognizable that one of the church’s core foundations is the notion of relationships as voiced in the Bible in Matthew 7:23: “And then I will declare to them, ‘I never knew you; depart from Me, you who practice lawlessness.” It is clear that the church’s core is based on a relationship with a living eternal God. Parent (2003), expands on this by pointing out that a church consists of numerous relationships that need to be managed.

Tools of Customer Retention

Customer retention is a simple concept. Happy customers who feel important and are regularly communicated with in the right way will keep coming back. Various organizations depending on the kinds of products and services offered adopt different kinds of tools in retaining their customers. Several authors, such as Schreiber (2000), have outlined the numerous kinds of tools used in customer retention.

One of the basic tools for retaining customers is providing superior product and service quality. High-quality products and services minimize the problems experienced by customers and create goodwill toward the company, which in turn increases customers’ resistance to competitors.

Another tool for retaining customers involves institutionalizing customer relationships. Rather than just providing contact with individual employees, organizations can provide value to customers through the entire company. For example, it could send newsletters or provide training programs in order to become a source of information and education for customers. It may also establish membership cards or frequent-buyer programs as direct incentives for customer retention.

Consequently some organizations may use tools such as electronic links to improve the service they provide to customers. For example, e-mail connections could be used to provide updates on the status of accounts, electronic order systems could be used to simplify re-ordering and reduce costs and online services could be used to provide general information.

Furthermore, another effective tool that can be used to enhance customer retention is to analyze the company's trends in losing customers. Outlining all the key events and interactions that takes place between the customer and the organization from customer acquisition can be used as a basis for gathering information to identify warning signs of customer loss thereby developing measures to counteract it.

RELATED STUDY
Evaluation of hospitality offered to guests at the church

According to Aultman (2012), a study was done to evaluate the hospitality offered to visitors in the retention process at Antioch Baptist Church (Conway, Arkansas). Specific attention was given to the matter of first impressions, the messages they communicated to the guests and the effectiveness of initial follow up efforts was assessed.

The research aimed at fulfilling three goals in the ministry of Antioch Baptist Church. The first goal was to evaluate the effective reception that guests receive at Sunday worship services, to motivate and train the members of Antioch Baptist Church to foster a warm, welcoming attitude toward newcomers and to implement a strategic plan for visitor follow up. The study found out that adherence to biblical doctrine and the right teaching of the Word of God; do give license to regard a church’s responsibility to extend a genuinely hospitable spirit to visitors attending services. It is easy for those in a church to become very inward focused. Most people who regularly attend a church would likely consider their church to be “friendly,” yet many people on the outside of the core might regard it otherwise. A church
communicates their concern for guests, not only in what happens during the guest’s visit to the church, but also what is done afterward.

In conclusion, the study recommends that the church should continue to acknowledge that excellence in this field, as well as excellence in any other endeavour. Therefore, training yourself in good habits requires stern self-discipline at first.

RESEARCH METHODOLOGY

The study employed a multiple stage design approach, descriptive research design and a survey method. The descriptive design allowed the researcher to describe the form of Customer Relationship Management adopted by Orthodox Churches in retaining ‘customers’. A survey method was also adopted in collecting data through questionnaires from respondents. A total of one hundred and twenty (120) questionnaires were administered to selected Orthodox churches in Madina, a suburb of Accra, but one hundred and thirteen (113) questionnaires were collected. A simple random method was employed to sample the congregation from the various orthodox churches. The research objectives were answered and formulated hypotheses were also tested using the Pearson correlation coefficient. The Statistical Package for the Social Science was used to analyze the data.

DATA ANALYSIS

The following sets of objectives were answered by the outcome of the study.

Objective one: to assess whether a church member would migrate to another church if kinds of customer relationship management practiced are not aligned to their demands.

Table 1: Response to migration if CRM is not practiced

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>2</td>
<td>1.8</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
<td>3.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>47</td>
<td>41.6</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>60</td>
<td>53.1</td>
</tr>
<tr>
<td>Total</td>
<td>113</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Data, August, 2012

From the analysis, it was confirmed that 60 respondents representing (53.1%) strongly disagreed and 47(41.6%) disagreed to this question. It is a clear indication that majority of the respondents would not migrate to any other church if CRM is not practiced or those practiced are not aligned to their demands. This is a clear indication that people are in the church to worship the Living God and not to seek for material things that would retain them.

Objective two: to examine the most common customer relationship management approaches adopted by orthodox churches.

Table 2: Responses to common customer relationship management adopted

<table>
<thead>
<tr>
<th>Customer Relationship Management Adopted</th>
<th>Number of “yes” responses</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offering counselling to members</td>
<td>108</td>
<td>1st</td>
</tr>
<tr>
<td>Organising sports activities</td>
<td>108</td>
<td>1st</td>
</tr>
<tr>
<td>Ushers give me assistance</td>
<td>107</td>
<td>3rd</td>
</tr>
<tr>
<td>Assistance to widows/widowers</td>
<td>106</td>
<td>4th</td>
</tr>
<tr>
<td>Helping the sick</td>
<td>106</td>
<td>4th</td>
</tr>
<tr>
<td>Organising end of year party</td>
<td>104</td>
<td>6th</td>
</tr>
<tr>
<td>Assistance in wedding and naming ceremonies</td>
<td>101</td>
<td>7th</td>
</tr>
</tbody>
</table>
The above table depicts the various forms of customer relationship management assessable by members in the orthodox churches. The respondents were given the options to choose more than one form of CRM they enjoyed in their various churches. The first two CRM enjoyed most by the respondents were sports activities and counseling services which had 108 “yes” responses. This was followed by the third ranking CRM; ushers give me assistance 107 “yes”, helping the sick and assistance to widows/widowers had 106 “yes” indicating the fourth position on the list. A hundred and four (104) “yes” responses were endorsed for organizing an end of year party which occupied the sixth position on the table, assistance in wedding and naming ceremonies were ranked seventh position with 101 “yes”, organizing medical screening was ranked the eighth position with 100 “yes” responses and 96 “yes” responses were endorsed to opportunity to share ideas ranked as the ninth position.

Also, preaching in local dialect which was ranked as tenth position with 82 “yes” responses, the eleventh ranked CRM enjoyed was reading the bible in the local dialect with 78 “yes” responses and the least priest calling members by their names represented 73 “yes” responses ranked in the twelfth position.

Fifty seven (57) “yes” responses were observed for handling complains which was ranked thirteenth. The fourteenth position was granting of loans or credit to members 45 “yes” responses, assistance in paying school fees had 38 “yes” responses indicating the fifteenth position, telecast of church services was endorsed with 34 “yes” responses representing sixteenth position, text messages on birthday had 27 “yes” responses representing seventeenth position and the eighteenth and the nineteenth positions transporting church members home and free hospital/school had 20 “yes” responses and 14 “yes” responses respectively. It is affirmatively confirmed that there are variations in the CRM assessed by church members in the various churches. In addition, the needs and the wants of the members might vary which made them to choose different CRM’s that best satisfies their demands.

**Objective three:** To find out the correlation between commitment, loyalty and customer relationship management in a church.

### Table 3. Correlations

<table>
<thead>
<tr>
<th>CRM</th>
<th>Loyalty</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Correlation Coefficient</strong></td>
<td><strong>1.000</strong></td>
<td><strong>.388</strong>*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>113</td>
<td>113</td>
</tr>
<tr>
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<td>N</td>
<td>113</td>
<td>113</td>
</tr>
</tbody>
</table>

**Source: Field Data, August, 2012**
HYPOTHESES TESTING

**H1:** There is no correlation between customer relationship management and loyalty of church members.

A Pearson correlation coefficient was calculated from the correction table for the relationship between customer relationship management and loyalty. A weak positive correlation was found (r(111) = 0.388, p value 0.000 < 0.01), indicating a significant linear relationship between the two variables. The conclusion states the direction (positive), strength (weak), value (0.338), degree of freedom (111) and significant level (< 0.01) of the correlation. Based on the outcome of the first hypothesis tested, it showed that the null hypothesis was rejected in favour of the alternative which stated that there is correlation between customer relationship management and loyalty of the church members.

**H2:** There is no correlation between customer relationship management and commitment of church members.

A Pearson correlation coefficient was calculated from the correction table for the relationship between customer relationship management and commitment. A weak positive correlation was found (r(111) = 0.248, p 0.008 < 0.01), which indicated a significant linear relationship between the two variables. There is a positive direction, strength (weak), value (0.248), degree of freedom (111) and significant level (< 0.01) of the correlation. In conclusion, the second hypothesis tested showed that the null hypothesis was rejected in favour of the alternative which stated that there is correlation between customer relationship management and commitment of the church members.

Discussion of Results

In line with the first objectives, it was clearly defined by the respondents that they would not migrate to other churches if their churches did not practice CRM or if the CRM practices were not aligned to their needs. People go to church to seek the intervention of God in their lives, to worship, to acknowledge what the living God has done and has been doing in their lives and not to seek for material things that would retain them. The result also symbolizes that CRM is there in the churches to make members interact or socialize and assist the needy ones in the same faith and not for profit orientation or as a platform for a direct increase in the customer base of the church.

Furthermore, the second objective also revealed that the members of the church enjoyed some selected CRM more. The sporting activities and counseling services had the highest and paying of school fees was the least among the listed forms of CRM practiced by some selected orthodox churches. The study indicated that respondents believed that the orthodox churches are not there to be paying fees for members or the members’ ward but rather to deliver the word of God to the society. As part of corporate social responsibility of every institution, churches are requested to carry out the activities of building schools, hospitals etc which could be enjoyed by the public and their members as well. Sporting activities were there for members to socialize and get to know each other very well.

The results of the two hypotheses showed that there were correlations among the variables, commitment, loyalty and the CRM. Though the strength of the correlations were weak, the significant levels were very high which indicated that the CRM is a tool used to boost people’s morale to be committed and at the same time to be loyal. To add to this, CRM is practiced by many churches not because of the profit motives but it is a way of telling the congregation that the church is there to assist morally, psychologically, economically and socially and also to meet some societal needs. The finding of this study supported the findings of (Weideman & Terblanche, 2007), that church-member loyalty
has waned over recent years and a possible solution is to implement more effective CRM strategies in churches. One of the church’s core foundations is the notion of relationships as voiced in the Bible in Matthew 7:23: “And then I will declare to them, ‘I never knew you; depart from Me, you who practice lawlessness” It is clear that the church’s core is based on a relationship with a living eternal God. Parent (2003), further expanded on this scripture by pointing out that, the church consisted of numerous relationships that need to be managed. Schreiber (2000), also emphasized institutionalizing customer relationship as one of the vital tools among several tools that is used to retain customers and also get customers involved.

CONCLUSION

The findings of the study showed that majority of the respondents would not migrate to any other church if the CRM is not practiced or aligned to their demands and the most common forms of CRM are the sporting activities and counseling services which had the highest and paying of school fees was the least among the listed forms of CRM practiced by some selected orthodox churches. The two tested hypotheses revealed positive correlation between the variables CRM and loyalty and CRM and commitment and high significant levels.

RECOMMENDATION

It is recommended that churches should do more to bring their members together through different ways. CRM is not only limited to profit institutions but to every institution that handles human beings. Human institutions are dynamic in nature so continuous relationships must be practiced and managed at the same time. One of the church’s core foundations is the notion of relationships and it is clear that the church’s core is based on a relationship with a living eternal God.

REFERENCES


