

CUSTOMER EXPERIENCE MANAGEMENT: ANALYSIS OF CUSTOMER RETENTION IN RESTAURANTS IN ANAMBRA STATE, NIGERIA

ZARZĄDZANIE DOŚWIADCZENIAMI KLIENTA: ANALIZA ZATRZYMANIA KLIENTÓW
W RESTAURACJACH W STANIE ANAMBRA W NIGERII

¹Cosmas Anayochukwu Nwankwo*, ²MacDonald Isaac Kanyangale

Kozminski University, Jagiellońska 57 Street, 03-301 Warszawa

University of KwaZulu Natal, Durban, South Africa

¹*E-mail: Nwankwoc@ukzn.ac.za

ORCID: 0000-0002-3135-7788

²Kanyangalem@ukzn.ac.za

ORCID: 0000-0003-2259-1449

DOI: 10.2478/minib-2023-0013

ABSTRACT

This study examined the effect of customer experience management (CEM) on customer retention in restaurants in Anambra State, Nigeria. Specifically, the study sought to investigate the influence of affective customer experience, cognitive customer experience, physical customer experience and social-identity customer experience on customer retention in restaurants in Anambra State, Nigeria. The study adopted a survey research method. The study found that affective customer experience, cognitive customer experience, physical customer experience and social-identity customer experiences have a significant effect on customer retention in restaurants in Anambra State, Nigeria. Based on the foregoing, the study concluded that CEM had a significant effect on customer retention in restaurants in Anambra State, Nigeria. The study recommended, amongst others, that management of restaurants should deliberately focus on humanic clues in terms of providing a conducive environment, especially one that is always clean for its customers.

Key words: customer experience management, customer retention, cognitive identity, affective identity, physical identity, social identity

ABSTRAKT

W artykule przedstawiono wpływ zarządzania doświadczeniami klientów (CEM) na utrzymanie klientów w restauracjach w stanie Anambra w Nigerii. Badanie miało na celu przedstawienie wpływu afektywnego doświadczenia klienta, poznawczego doświadczenia klienta, fizycznego doświadczenia klienta oraz doświadczenia klienta opartego na tożsamości społecznej w kontekście utrzymania klientów w restauracjach w stanie Anambra w Nigerii. W artykule przyjęto metodę badań ankietowych. Badanie wykazało, że afektywne doświadczenie klienta, poznawcze doświadczenie klienta, fizyczne doświadczenie klienta oraz doświadczenia klienta związane z tożsamością społeczną mają znaczący wpływ na utrzymanie klientów w restauracjach w stanie Anambra w Nigerii. Na podstawie powyższego badania stwierdzono, że CEM miał znaczący wpływ na utrzymanie klientów w restauracjach w stanie Anambra w Nigerii. We wnioskach zalecono między innymi, aby kierownictwo restauracji celowo skupiało się na wytycznych humanitarnych w zakresie zapewniania sprzyjającego środowiska, zwłaszcza takiego, które jest zawsze higieniczne dla klientów.

Słowa kluczowe: zarządzanie doświadczeniami klienta, utrzymanie klienta, tożsamość poznawcza, tożsamość afektywna, tożsamość fizyczna, tożsamość społeczna

JEL: M31

Type of the work: research article

[Article History](#)

Received: March 17, 2023 | Revised: June 16, 2023 | Accepted: July 13, 2023

Introduction

Growing competition and changes in consumer behaviour are reasons why organisations began to focus on building customer relationships (Borishade et al., 2021). Also, the differentiation created based on goods and services is not applicable in recent times, and thus organisations are urged to adapt to new distinguishing factors that the industry competitors cannot imitate. One way of distinguishing an organisation from another is the creation of a unique customer experience that would always live in customers' minds. Experience occurs when a company uses its services to deliver products and goods to bond with individual customers (Crosby

& Johnson, 2007). Creating a competitive advantage by building a delightful customer experience is the most powerful marketing strategy today to increase customer loyalty. Verhoef et al. (2009) state that customer experience creation gets increasingly advanced and has become the standard in business.

Customer experience creates a distinctive value for the customer that is very difficult to be imitated by competitors and strongly affects the consumers' loyalty and behaviour (Ibrahim & Daha, 2021). Organisations that focus on finding the various aspects that impact customer experience and create memorable experiences for customers and impress them can achieve customer loyalty better than those that do not focus on the same (Ceesay, 2020). Customer experience is a multidimensional construct that gives it a holistic view, and it is experienced by customers either at the conscious or subconscious levels. Customer experience is categorised into five dimensions, namely sensory, cognitive, affective, physical and social identity, which will serve as the study measurement. The aesthetics and sensory qualities experienced during an interaction refer to a sensory dimension that customers obtain through sound, sight, taste, touch and smell that give aesthetic pleasure (Songsak & Teera, 2012). Consumers' thinking or conscious mental processes refer to the cognitive dimension. The affective dimension relates to the customer's moods, feelings and emotional responses experienced during an interaction. It is also known as an emotional dimension of customer experience. The physical dimension includes consumer actions and behaviours acquired by interacting with a company or brand. The social dimension refers to social relationships that occur with other individuals or groups, inanimate objects such as brands or the company (Schmitt, 2010).

Hasfar et al. (2020) defined customer experience management (CEM) as every touchpoint between a company and its customers across all channels. A mistake or instance of carelessness on the part of the organisation's staff in relation to even a single transaction can, quite easily, seriously damage customer relations and thus the positive customer expectations that might translate into future business for the enterprise; for this reason, the business needs to ensure that the customers' interests are not let down even along a single communication track (such as website-based [chat] interaction, email communication and interaction through call centre),

thus ensuring customers have access to a better experience, resultantly enhancing customer loyalty as well as differentiating the organisation from its competitors. CEM is a strategy that focusses the operations and processes of a business around the needs of the individual customer (Rooney et al., 2020). It represents a strategy that results in a win-win value exchange between the organisation and its customers. CEM aims to move customers from satisfaction to loyalty and then to advocate and improve customer experience to achieve profitability (Becker & Jaakkola, 2020). Hong (2016) noted that a one percentage point increase in the Customer Satisfaction Index leads to a 2.9% increase in average revenue per user (ARPU). Hence, a successful brand shapes customers' experiences by embedding the fundamental value proposition in every feature that is offered.

The implementation of CEM is considered as the integration of customer touch points achieved through front- and back-office integration, supply chain partnerships and people development, and the process starts with some form of touch point mapping that identifies the critical moments at which customer experience is enhanced or degraded. The gap between customer expectations and experience spells the difference between customer delight and something less. De Keyser, Verleye, Lemon, Keiningham and Klaus (2020) opined that CEM is essential for three reasons: (1) it plays a critical role in the organisation's ability to differentiate brands. (2) it is subject to constant change; the changes may be in terms of service, brand, and customer experience, and may be of a nature that enables such experience to become part of the product; and consumers are becoming more price sensitive due to the challenging economic environment. (3) scale matters less, and CEM is very skill-driven (Hong, 2016).

The concept of CEM is an essential strategic tool for companies in today's dynamic market, in which customer needs and preferences are changing rapidly. These rapid changes in almost all businesses increase the importance of relationships and highlight the need to enter networks of relationships (Imbug et al., 2018). Thus, companies have been increasingly focussing on developing profitable long-term relationships to enhance the value they deliver to their customers, a value that will ensure customer retention over the long term (Makudza, 2021). Since loyal customers are

the company's most important assets, in recent years, companies have been increasingly recognising the importance of loyal customers and have been giving attention to developing customer retention and loyalty programs. Customer retention efforts' fundamental purpose is to maintain relationships with value-adding customers (Chen, 2015).

CEM has been acknowledged as a critical objective of relationship marketing primarily because of its potential to deliver superior relationship economics, i.e. it costs less to retain existing customers than to acquire new customers (Chen, 2015). The factors that drive a long-term relationship are complex. Yilmaz and Ferman (2017) argued that even customer retention indices are poor indicators for businesses to predict the future behaviour of customers. While many scholarly contributions can be found in the extant literature, the CEM notion lacks standardised foundations and models primarily because of inconsistent and ambiguous experience definitions (Makudza, 2021). Nevertheless, the customer experience models in the literature are developed mainly from the perspective of experience-centric companies (Chen, 2015). There has been minimal research to explore issues that might cause customer retention in the restaurant sector, particularly in Anambra State. Hence, this study is aimed at examining the effect of CEM on customer retention in restaurants in Anambra State. Specifically, the study sought to investigate the effect of affective customer experience, cognitive customer experience, physical customer experience and social-identity customer experience on customer retention in restaurants in Anambra State. The null hypothesis for this study is stated as follows:
Ho: Customer experience management has no significant effect on customer retention.

Literature Review

Customer experience management

CEM aims to create and deliver experiences that increase customer loyalty. The concept of CEM involves not merely leveraging technology but also mapping the actual customer experience and the differences in

consumer thought processes due to any new methods or processes employed by the organisations. Customer experience is customers' internal, subjective reaction to any direct or indirect contact with a firm (Kalungu, 2019). Direct contact and experience typically happen during purchase, use and service and are usually started by the customer. Indirect contact, which can take the shape of word-of-mouth recommendations or complaints, advertising, news reports, reviews and other forms, most frequently involves unplanned contact with representatives of a company's products, services or brands. According to Borishade et al. (2021), a customer's experience results from a series of contacts that elicit a response from them with a product, a business or a component of the organisation. This private experience implies the customer's involvement at several levels. Puccinelli et al. (2009) assert that the evaluation of a company's offering is based on a comparison of the stimuli received from interactions with customers and the company's willingness and ability to provide, at various touchpoints or points of contact with customers, means for communication of feedback, including suggestions (that can be used towards implementing a more effective delivery of the concerned product or service in the future) as well as grievances.

It is necessary to consider both the traditional information-processing, decision-oriented approach and the experiential perspective when defining the customer experience. According to the information-processing and decision-oriented method, consumers primarily participate in goal-directed activities, including looking for relevant information, weighing their options and selecting whether or not to purchase a particular good or service (De Keyser et al., 2020). On the other hand, the experiential approach emphasises feelings and non-utilitarian components of consumption, where the value lies not in the consumer's object but in the experience of consumption. According to Crosby and Johnson (2007), the experiential method encompasses the flow of fantasies, sentiments and enjoyment when customers' behaviour is not solely goal-directed. This entails considering the customer experience from both a standpoint of everyday behaviours and from more intense emotional experiences.

It is crucial to understand that the customer experience encompasses the entire encounter and cannot simply be boiled down to the purchasing experience. The four main stages of the consumer experience are the pre-

consumption experience, the purchase experience, the core consumption experience and the recalled consumption experience or nostalgia experience (Grewal, Levy & Kumar, 2009). Searching, making plans, thinking or visualising the encounter are all parts of the pre-consumption experience. The payment, packaging, contact with the service, and atmosphere are all parts of the purchasing experience. The core consumer experience comprises the feeling, emptiness, satisfaction/dissatisfaction, irritability/flow and transformation. The final stage, known as the recalled consuming experience or the nostalgia experience, is based on perceptions of events and disagreements with friends about the past and progresses to the classification of memories (Yang et al., 2015).

Customers' experiences include all 'cognitive, affective, emotional, social, and bodily responses to the merchant' (Verhoef et al., 2009, p. 32). Therefore, most CEM research is founded on market information. Services and verbal qualities are essential components of CEM that might strengthen institutions' social ties with participating clients (Puccinelli et al., 2009). Therefore, to manage a customer's experience, one must be careful because how and how a customer is managed will determine whether the customer is retained.

According to Crosby and Johnson (2007), CEM is concerned with businesses whose primary goal is to create a tolerable experience that will result in distinct advantages and benefits for the participating customers/consumers. Ceesay (2020) further assert that one of the most important factors affecting customer satisfaction is the superiority of the customer's perceived experience. According to Meyer and Schwager (2007), CEM refers to the concentrated efforts made by an institution to improve the value of the interactions between the client and the institution at various touchpoints reliably and practically. An institution can improve customer experience, intensify profits, boost customer retention and encourage positive customer recommendations by implementing CEM strategies (Makudza, 2021). These strategies also help institutions gain a sustainable competitive advantage by creating favourable moments of truth for clients. In any institution, maintaining the customer experience is essential in fostering client loyalty, claim Crosby and Johnson (2007). Otnes et al. (2012) argued that effective CEM in any organisation should result in captivating and retaining customers. Once consumers have been

catered to, service experience must be handled to foster fulfilment, positive word-of-mouth recommendations and memorable experiences. The mechanic, humanic and functional clues are three crucial CEM strategies embedded in the experience cues (Worlu et al., 2016). Functional clues point to the product's technical proficiency. These clues, which represent the dependability and functionality of the product or service, constitute the 'what' of the experience. A functional clue affects the customer's perceived technical quality by its presence or absence. The intangible service is physically represented by mechanical clues found in inanimate items. The design of the building, the tools and furnishings, the displays, the colours, textures, sounds and scents, as well as other sensory cues, help customers visualise the service and communicate with it without using words. Humanic cues can be gleaned from a service provider's actions and appearance, including their word choice, tone of voice, level of zeal, body language, neatness and attire. Customers can be treated with respect and esteem through human engagement during the service experience, exceeding their expectations and fostering emotional connection. None of these above-mentioned dimensions are inherently exclusive of one another.

Table 1. Clues of customer experience

S. No.	Types of clues	Produced by	Interpretation
1.	Functional clue	Goods and services	Rational ('What' of the experience)
2.	Mechanic clue	Service environment	Emotional ('How' of the experience)
3.	Humanic	Service provider	Emotional ('How' of the experience)

Source: Berry and Carbone (2007).

Many scholars have identified different factors, or dimensions of customer experience, in their attempt to define or design the customer experience model. For instance, Brunner-Sperdin and Peters (2009) studied the dimensions of customers' service experience, which influence the guest's emotions in the context of high-quality European hotels. These scholars adopted dimensions such as hardware, software and human ware to explain the operational, organisational and personal dimensions, respectively. Brakus, Schmitt and Zarantonello (2009) identified four dimensions of customer experience: sensory, affective, behavioural and

intellectual. Mashingaidze (2014), on the other hand, identified sensory, affective, cognitive, physical and social identity as the five customer experiences. To Mashingaidze (2014), these dimensions as acknowledged as the types of customers' experience.

Customer experience is a notion that includes affective as well as cognitive judgements (Verhoef et al., 2009). According to Verhoef et al. (2009), the following factors influence consumer experience in retail: selection, price and promotions, social milieu, atmosphere and service interface. Diller et al. (2008) provided a more thorough conceptualisation. They created experiences based on how they meant to the individual. Their research identified 15 elements (achievement, beauty, creation, community, duty, enlightenment, freedom, harmony, justice, oneness, redemption, security, truth, validation and wonder) that would result in excellent consumer experiences. In the context of luxury hotel visitors, a study by Walls et al. (2011) has neatly gathered the numerous customer experience elements. These aspects cover the surrounding physical environment, human interaction (between visitors and hotel staff and other visitors), visitors' traits and other travel-related elements such as the destination, hotel type and experience continuum.

The customer experience, according to Chepngetich (2020), consists of a variety of physical factors, such as time, cleanliness, functionality, temperature and environment, as well as a variety of emotional factors, which are influenced by the person who is experiencing the experience and how she interprets and processes it. By incorporating emotional variables into the experience assessment model, it becomes possible to obtain a better understanding over how customers perceive and react to organisational interactions, the result being that the ability of the business to create a better experience for its customers is enhanced (Chepngetich, 2020). Merely concentrating solely on traditional physical characteristics would not be adequate for quantification of the experience. Each research reflects a distinct viewpoint about experience configurations, and these authors utilise various parameters according to their areas of interest. One of the major issues that businesses now face is defining the factors that explain customer experience. In other words, there is a lack of a systematic direction and replication for the customer experience dimensions research. Although various strategies created a favourable environment for the concept's development, many of these dimensions lack sufficient empirical backing. Table 2 below was modified from the study of Chepngetich (2020).

Table 2. Summary of existing literature on customer experience and their dimensions

Author	Year	Context	Dimensions
Holbrook and Hirschman	1982	Conceptual article	Fantasies, feelings and fun.
Arnould and Price	1993	River rafting	Harmony with nature, communities and personal growth and renewal
Otto and Ritchie	1996	Tourism industry (airlines, hotels, tours and attractions)	Hedonic, novelty, stimulation, safety, comfort and interactive
Pine and Gilmore	1999	Conceptual	Entertainment, education, aestheticism and escape
Gentile et al.	2007	A study on some widely known brands	A sensory, an emotional, a cognitive, a pragmatic, a lifestyle and a relational component
Berry and Carbone	2007	Conceptual	Humanic, Functional and Mechanic
Diller et al.	2008	Conceptual	Accomplishment, beauty, creation, community, duty, enlightenment, freedom, harmony, justice, oneness, redemption, security, truth, validatio, and wonder
Brunner-Sperdin and Peters	2009	High-quality hotels in Europe	Hardware, software and humanware
Verhoef et al.	2009	Retail environment	Assortment, price and promotions, social environment, atmosphere and service interface
Walls et al.	2011	Luxury hotel guests	Physical environment, human interaction, the personal characteristics of guests and other trip-related factors
Mashingaidze	2014	Zimbabwean banking sector	Sensory, affective, cognitive, physical and social-identity customer experience
Kavitha and Haritha	2018	Telecom sector	Brand image, service delivery experience, network experience, customer care experience, store experience, billing experience and web internet/self-service
Jaya and Kalai	2019	Private banks	Humanic clues, functional clues and mechanic clues
Chepngetich	2020	Four- and five-star hotels in Kenya	Humanic clues, functional clues, customer emotion clues and mechanic clues
Singh et al.	2022	Diagnostic centres	Requisite infrastructure, the comfort of dealing, empathetic treatment, ancillary services, accessibility and availability

Source: Author.

For this study, attention would be on four modules: affective, cognitive/creative, physical and social identity. These dimensions will represent the constructs that will be operationalised.

Affective customer experience appeals to customers' inner feelings and emotions to create feel experiences that range from mildly positive moods linked to a brand (e.g. for a non-involving, non-durable grocery brand or service or industrial product) to intense emotions of joy and pride (e.g. for a consumer durable, technology) (Kavitha & Haritha, 2018). Affective is about emotional experience values that appeal to the feelings and moods of the customers. The relaxed feelings that can be experienced when drinking a cup of coffee at a coffee shop, the enthusiasm we experience in enjoying a ride at Paul Kruger National Park, and so on are emotional experience values.

Cognitive/creative appeals to the intellect to create rational, problem-solving experiences that engage customers' creativity (Kavitha & Haritha, 2018). It includes every facet of intellectual activity, including perception, thought, intelligence, knowledge development, memory and working memory, judgement and evaluation, reasoning and calculation, problem-solving and decision-making, comprehension and language production. Cognitive experience is the psychological underpinning of intellectual aptitude, and a certain kind of representation (how a person perceives, comprehends and interprets the world around them) is a proto-phenomenon of academic life (Shavinina & Kholodnaja, 1996). Cognitive appeals engage customers' convergent and divergent thinking through surprise, intrigue and provocation.

Physical customer experience appeal affects bodily experiences, lifestyles and interactions. Physical customer experience marketing enriches customers' lives by enhancing their physical experiences, showing them alternative ways of doing things (e.g. in business-to-business and industrial markets), alternative lifestyles, and interactions. Rational approaches to behaviour change related to physical ones are often motivational, inspirational and spontaneous, as well as brought about by role models, for example, movie stars or famous athletes (Kavitha & Haritha, 2018). Physical experience is about behavioural experience values that appeal to physical behaviours, lifestyles and the mutual relationships between people.

Social identity contains affective, cognitive and physical aspects of customer experience. However, social identity expands beyond the individual's personal, private feelings, thus adding to 'individual experiences' and relating the individual to their ideal self, or to other people or cultures (Kavitha & Haritha, 2018). It is about relative experience values that appeal to individual self-realisation. The love of Nike will result in the client putting a tattoo on his back or hand to show they relate to the brand.

The logic of CEM is reflected here and helps companies look for stable and ongoing relationships with their most profitable customers. Studies show that a company should have the same personal relationship with the customer over time, and through all communication channels, to succeed. In other words, the customer and the company interact in the structure and flow of activity in the various channels that continuously deliver value to the customer individually and collectively. Hong (2016) noted that providing a consistent and integrated customer experience will always build trust, which strengthens communication and may lead to higher levels of opportunity and return on investment. Companies need CEM because it gives them a 360-degree view of their customers. The customer experience includes interactions through various communication channels (such as portals, telegram, telephone, text messages, fax, email and social media).

The advantages of CEM are increasing customer retention and developing the repurchase process, creating outstanding competitive advantages and achieving market leadership, increasing the income and profitability of the business, expanding the market share, increasing the number of profitable customers, having the ability to make targeted innovations and introduce new products, and increasing the commitment of employees and organisational risk management. In this study, CEM refers to understanding and managing customers' interactions with and perceptions of the company/brand.

Customer retention

Customer retention is a complex phenomenon that has been researched across industries. Customer retention is known for relying on the extent of

a firm's two-way communication in maintaining customer relationships. Firms' frequent interaction and inclination to obtain customer feedback, besides maintaining continuous contact with the customer, are the key to fostering retention rate. According to Yilmaz and Ferman (2017), customer retention is an organisation's activity to reduce customer defections. Firms can 'increase profits by almost 100 per cent by retaining just 5 per cent of their customers' (Reichheld & Sasser, 1990, p. 105). McIlroy and Barnett (2000, p. 347) have highlighted that 'the financial implications of attracting new customers maybe five times as costly as keeping existing customers'.

However, it is pertinent to know that the precise meaning and measurement of customer retention can vary between industries and firms; it appears to be a consensus that focussing on customer retention can yield several economic benefits. As customer tenure lengthens, purchase volumes grow, and customer referrals increase (Yilmaz & Ferman, 2017). Simultaneously, relationship maintenance costs fall as customers and suppliers learn more about each other. Ascarza (2018) maintained that retained customers might pay higher prices than newly acquired customers and are less likely to receive discounted offers often made to acquire new customers.

Customer retention is a critical objective of relationship marketing, primarily because of its potential to deliver superior relationship economics, i.e. it costs less to retain than to acquire new customers (Fook & Dastane, 2021). In this study, customer retention is the ability of a firm to get existing customers to repurchase from them. This assertion explains that firms aiming at the creation and maintenance of a long-term relationship with their customer base and accordingly engrossed in customer retention efforts must ensure that the existing customer is satisfied in every conceivable respect, before they invest any substantial energy into efforts directed at attracting new customers.

Methodology

This quantitative study adopted a positivistic paradigm and a survey to obtain the views of customers of restaurants in Anambra State. Anambra State is one of the states in South-Eastern Nigeria. The state was created

on Aug. 27, 1991 out of the old Anambra State. It shares boundaries with Delta State to the West, Imo State to the South, Enugu State to the East and Kogi State to the North.

The population for this study consists of customers of restaurants in Anambra State. The total number of restaurant customers in Anambra State is not readily available. The fact that the population of this study is infinite necessitated the use of Cochran's formula to draw up the appropriate sample size for the study. Cochran's formula states that:

$$n = \frac{Z^2 Pq}{e^2}$$

valid where n denotes the sample size, Z the value on the Z table at a 95% confidence level of 1.96, e the sampling error at 5%, P the maximum variability of the population at 50% i.e. (0.5) and $q = 1 - p = 0.5$.

The sample size is approximately 384 customers of restaurants in Anambra State. A total of 128 respondents were selected from Onitsha (Anambra North), Nnewi (Anambra South) and Awka (Anambra Central). A standardised questionnaire with a 5-point Likert scale was used to collect the primary data from restaurant consumers. Cronbach's α was employed to measure internal consistency, of which the score was 0.732, a value within the acceptable threshold. Multiple regression analysis was employed to examine the effect of CEM on customer retention.

The data generated from the customers of the sampled restaurants in Anambra State were analysed and interpreted. The rate of return and response to the questionnaire were analysed as follows. A total of 384 copies of the questionnaire were distributed to the customers, and out of these, 353 copies having been filled in with information relevant for the study were received back, resulting in a response rate of 91.9%.

Analysis of Results

After preliminary analyses such as the Kaiser–Meyer–Olkin (KMO) Test, exploratory factor analysis (EFA) and Pearson's correlation coefficient were applied with the use of multiple regression to test the effect of independent variables on the dependent variables, whereas the

correlation coefficient between the main elements of CEM and customer retention was determined using Pearson's correlation coefficient. Accordingly, Table 3 demonstrates the correlation ascertained between these variables with the use of the correlation coefficient.

The correlation coefficient between CEM elements and customer retention is shown in Table 3 ($r = 0.648$, $p < 0.05$). The table of correlation coefficients demonstrates that the dependent variable (customer retention) and CEM components have a positive and significant relationship. The correlation coefficient is 0.648, which equals 64.8%, and the p -value is <0.05 . With this significance level, the null hypothesis was rejected, indicating a significant and positive correlation between customer retention and CEM variables (affective, cognitive, physical and social identity). Notably, the significance, strength and positivity of the relationship between the two variables are all reflected. The factor loading of each CEM component was measured using the EFA test, KMO analysis and other tests, as shown in Table 4.

Table 3. Pearson's correlation between CEM components and customer retention

		CEM variables	Customer retention
CEM variables	Pearson's correlation	1	648*
	Sig. (2-tailed)		0.001
	N	353	353
Customer retention	Pearson's correlation	648*	1
	Sig. (2-tailed)	0.001	
	N	353	353

*Correlation is significant at the 0.01 level (two-tailed). CEM, customer experience management.

Table 4. EFA of the measurement of CEM components

Item	Mean	SD	Factor loading	Item total correlation
CEM components				
Affective	3.73	2.621	0.772	0.621
Cognitive	2.62	2.192	0.674	0.592
Physical	3.19	1.346	0.562	0.560
Social identity	2.01	0.903	0.527	0.513

KMO = 0.537; $X^2 = 625.251$; DF = 4; P-V < 0.000; Cronbach's $\alpha = 0.619$; percentage of variance explained = 61.0%.

CEM, customer experience management; EFA, exploratory factor analysis; KMO, Kaiser-Meyer-Olkin.

Each measurement level used in the research construct was subjected to reliability analysis to determine its internal consistency level. Using SPSS statistics version 27 (IBM), the internal consistency of the CEM measurements was determined to be constituted based on those of its parts, and the items that resulted from it were examined separately. Affective (0.628), cognitive (0.641), physical (0.628) and social identity (0.712) all have high Cronbach's α coefficients. An internal consistency of 0.735 was generated for customer retention. The Cronbach's α coefficients were above 0.600, and thus no factor was excluded from the measurement model. This paper examined the CEM components based on the EFA results using the multiple regression analysis/model measurement shown in Table 5 below.

Table 5. Summary of the regression result of CEM and customer retention

<i>R</i>	<i>R</i> ²	Adjusted <i>R</i> ²	Std. error of the estimate	Change statistics					Durbin-Watson
				<i>R</i> ² change	<i>F</i> change	df1	df2	Sig. <i>F</i> change	
0.286 ^a	0.613	0.582	3.261	0.613	5.238	4	349	0.000	1.736

^aPredictors: (constant), affective, cognitive, physical and social identity.

^bDependent variable: customer retention.

CEM, customer experience management.

Source: SPSS 27.

Table 5 shows that *R*², which measures the strength of the effect of the independent variable on the dependent variable, has a value of 0.613. This finding was supported by an adjusted *R*² of 0.582. This implies that CEM variables such as affective, cognitive, physical and social-identity variations predict 58.2% of the variation in customer retention. This is significant at 0.05, indicating a significant correlation between CEM's independent variables and customer retention's dependent variable. The change statistics show that a significant *F* change means that the variables added in that step significantly improved the prediction. To

check for autocorrelation, Durbin-Watson statistics were employed. Durbin-Watson statistics of 1.736 in Table 5 show that the model's variables are not autocorrelated, which entails that the model is reliable for predictions.

Table 6. Analysis of variance

Model	Sum of squares	Df	Mean square	F	Sig.
Regression	325.311	4	61.410	5.231	0.001 ^b
Residual	3,521.421	349	11.152		
Total	3,846.732	353			

^aDependent variable: customer retentions

^bPredictors: (constant), affective, cognitive, physical and social identity.

Source: SPSS 27.

The *F*-statistics value of 5.321 in Table 7 with a sig-value (*p*-value) of 0.001 revealed that the independent variable significantly affects the dependent. This shows that affective customer experience, cognitive customer experience, physical customer experience and social-identity customer experience can collectively explain the variations in customer retention in restaurants in Anambra State.

Table 7. Multiple regression analysis

Model	Unstandardised coefficients		Standardised coefficients	t	Sig.
	B	Std. error	Beta		
(Constant)	12.246	1.523		7.932	0.000
Affective customer experience	0.093	0.056	0.193	1.453	0.000
Cognitive customer experience	0.145	0.082	0.252	2.371	0.001
Physical customer experience	0.161	0.068	0.157	1.097	0.020
Social-identity customer experience	0.086	0.097	0.210	2.789	0.002

^aDependent variable: customer retention.

Source: SPSS 27.

Table 7 of the regression model exhibits the level of contribution CEM variables made to customer retention in restaurants in the Anambra State of Nigeria. The result shows that CEM is significant at $p < 0.05$. The result depicts that CEM significantly affects customer retention. Notably, the standardised β and the corresponding p-values for the affective customer experience ($\beta = 0.193$, $p < 0.000$), cognitive customer experience ($\beta = 0.252$, $p < 0.001$), physical customer experience ($\beta = -0.157$, $p < 0.020$) and social-identity customer experience ($\beta = 0.210$, $p < 0.002$) confirmed that cognitive customer experience has the most significant contribution to the model, followed by social-identity customer experience, affective customer experience and then physical customer experience.

Discussion of Findings

This study presents the dimensions of CEM. Adopting a multiple regression analysis, the contributory dimensions of CEM in relation to retaining restaurant customers in Anambra State were identified. The study investigated the effect of CEM on customer retention in restaurants in Anambra State, finding that CEM significantly affects customer retention in restaurant firms in Anambra State. This confirms the findings of many scholars that CEM has a significant influence on hotel management (Rahimi et al., 2019), the Iranian IT sector (Saeedi et al., 2021) and students' retention (Borishade et al., 2021).

Recall that customer experience comprises all cognitive, affective, social-identity and physical responses, as stated earlier in this paper. Thus far, the majority of CEM researchers have worked on the collective facets of market experiences that they estimate as being most worthwhile of consideration (Borishade et al., 2021). Puccinelli et al. (2009) state that services and verbal components as key CEM elements can improve firms' social relationships with participating customers. Ibrahim and Daha (2021) assert that managing customer experience and loyalty is a modern developing notion. They further maintained that the management of firms should entice, serve and preserve

customers by ensuring that the customers' desires, needs and opinions concerning their experiences are pre-determined and catered to effectively. CEM manages the touch points of participating customer interfaces throughout the customer's lifespan (Saeedi et al., 2021). Borishade et al. (2021) posit that CEM is concerned about those firms whose main aim is to develop a practical experience that will bring about distinct benefits and advantages for the participating customers/consumers. Verhoef et al. (2009) maintained that the superiority of experience perceived by the customer would be one of the utmost significant elements influencing customer satisfaction. The CEM strategies can be anticipated to result in values for most organisations, including higher education institutions.

Furthermore, it is evident that CEM dimensions such as cognitive, affective, social-identity and physical experiences individually contributed significantly to customer retention in restaurants. Cognitive customer experience was found to have a greater significant effect on customer retention in the restaurant industry. This finding agrees with the position of Saeedi et al. (2021) that cognitive experience of awareness includes information, spatiotemporal and confrontation dimensions, as well as their sub-dimensions. Attention includes such concepts as brand values in customer experience. The evaluation step in the customer journey provides service features and rendering arrangements. All these significantly affect customer buying decisions, which invariably affect customer retention.

In a similar vein, affective customer experience had a significant effect on customer retention in restaurants in Anambra State. This agrees with the position of Kavitha and Haritha (2018) that affective customer experience appeals to customers' inner feelings and emotions in a way that creates affective experiences ranging from mildly positive moods linked to a brand, to more long-lasting impressions that would likely make the customer return to the brand increasingly often and possibly for a lifetime. This agrees with the findings of Borishade et al. (2021) that humanic clues significantly influence students' retention.

The study further found that physical customer experience significantly affected customer retention in restaurants in Anambra State.

This agrees with the findings of Borishade et al. (2021) that mechanic clues greatly influence students' retention. This also agrees with the findings of Makudza (2020) that physical interaction was also statistically significant in explaining customer loyalty behaviour. Similarly, Kalungu (2019) found that a bank's physical surroundings significantly affect customer retention.

The results also indicate that social-identity customer experiences significantly influence customer retention in restaurants in Anambra State. This agrees with the findings of Makudza (2020) that there is a positive association between CEM and customer loyalty. This also agrees with the findings of Hasfar et al. (2020) that customer experience has a significant favourable influence on customer loyalty.

Conclusion

In recent years, several fundamental changes have occurred in the marketing environment that led to CEM's emergence as both a strategic discipline and a fast-growing industry, complete with a wide array of tools and solution sets. The changes have been fuelled by technological advancements, which have expanded the range of services available to customers, and simultaneously escalated customer expectations. The result is that there are now more services and products available than ever, yet customer satisfaction and retention are on a downward slide. CEM, since they establish a means for the availability of efficient business tools that make interactions between businesses and their customers more rewarding for both parties, are critical to the success of any business or commercial organisation. Based on these foregoing factors, the study examined the influence of CEM on customer retention in restaurants in Anambra State. The data generated from the filled-in questionnaires received from customers of selected restaurants in Anambra State were subjected to empirical analysis.

The study found that affective customer experience significantly influenced customer retention. The study also found that cognitive customer experience significantly influenced customer retention. Physical customer experience was found to have a significant influence on customer retention. Furthermore, social-identity customer experiences significantly affected customer retention in restaurants in Anambra State. Based on these observations, the study concludes that CEM greatly influenced customer retention in restaurants in Anambra State. The study offers a practical insight into how restaurants and other organisations gain competitive advantage by managing customers' experiences in a volatile marketing environment, leading to the suggestion that restaurants need to enhance experience management at all customer touchpoints.

Implication of the Study

By examining the degree and variables of restaurant consumer experiences, the present study adds to the already available knowledge pertaining to customer experience. Addressing current research gaps was another goal of this study. The results of this study can be applied in many ways by different stakeholders. Numerous managerial and theoretical implications stem from the findings.

Managerial implications

Delivering a remarkable and outstanding experience gives an organisation a competitive edge. There is a chance to turn customers' unfavourable experiences into positive ones, thus increasing total productivity. In the current environment of intense rivalry, it should be no surprise that marketers would consider ways to enhance the

consumer experience (Garg, 2014). Therefore, identifying these elements-that would enable the business to maintain the customer experience in a way that would be likely to encourage long-term patronage-and putting them into practice is essential for bringing about a positive transformation in the hospitality industry. Technology integrated with CEM can improve quality (Tarmizi et al., 2021). When it comes to the occasional offering of gifts to customers as one of the causes of a bad experience, managers must understand that doing so will not only increase financial costs for the company but also result in a situation wherein customers judge the business in a negative light owing to the perception of gifts being offered to obtain favourable reviews instead of allowing such reviews to arise spontaneously; accordingly, so far as the offering of gifts to customers is concerned, any decision regarding this should be left to the level of top management, who ought to carefully weigh the pros and cons before making a choice. Managers of restaurants should adopt technology to keep themselves abreast of the online activities of customers that would have a bearing on the reputation of the business, e.g. social media reviews, and ensure that customers' requirements are fully satisfied so that the online image of the business remains favourable on the whole. By rigorously keeping up such a course of action, it can be ensured that customers remain loyal to the firm, and are thus, in the long run, retained.

Theoretical implications

The customer experience of the service has been evaluated thoroughly and systematically in this study. Most studies have examined its applications in various industries to evaluate and improve the customer experience, but not in restaurants. This study aimed to assist restaurants in assessing and using customer experiences to increase sales, as well as to analyse the customer experience in a way that provides input for a thorough development of the concerned standards of improvement. The study contributes significantly to the

growing literature and offers valuable new insights. Regarding restaurants, it has found variables affecting customer experience. Future research in the field of customer experience will be guided by the consistent and dependable outcomes it has produced through empirical analysis.

References

1. Arnould, E., & Price, L. (1993). River magic: Extraordinary experience and the extended service encounter. *Journal of Consumer Research*, 20, 24–45.
2. Ascarza, E. (2018). Retention futility: Targeting high-risk customers might be ineffective. *Journal of Marketing Research*, 55(1), 80–98.
3. Becker, L., & Jaakkola, E. (2020). Customer experience: Fundamental premises and implications for research. *Journal of the Academy of Marketing Science*, 48, 630–648.
4. Berry, L. L., & Carbone, L. P. (2007). Build loyalty through experience management. *Quality Progress*, 40(9), 26–32.
5. Borishade, T. T., Worlu, R., Ogunaike, O. O., Aka, D. O., & Dirisu, J. I. (2021). Customer experience management: A study of mechanic versus humanic clues and students' loyalty in Nigerian higher education institution. *Sustainable Management*, 4(2), 67–73.
6. Brakus, J. J., Schmitt, B. H., & Zarantonello, L. (2009). Brand experience: What is it? How is it measured? Does it affect loyalty? *Journal of Marketing*, 73, 52–68.
7. Brunner-Sperdin, A., & Peters, M. (2009). What influences guests' emotions? The case of high-quality hotels. *International Journal of Tourism Research*, 11, 171–183.
8. Ceesay, L. B. (2020). Building a high customer experience management organisation: Toward customer-centricity. *Jindal Journal of Business Research*, 9(2), 162–175.
9. Chen, S. C. (2015). Customer value and customer loyalty: Is competition a missing link? *Journal of Retail Consumption of Service*, 22(1), 107–116.
10. Chepngetich, B. (2020). *Assessment of customer experience and its relative effects on customer emotions and purchase behavioural intentions in four and five star hotels in Kenya* [Ph.D Thesis, Maseno University].
11. Crosby, L. A., & Johnson, S. L. (2007). Experience required. *Marketing Management*, 16, 20–28.
12. De Keyser, A., Verleye, K., Lemon, K. N., Keiningham, T. L., & Klaus, P. (2020). Moving the customer experience field forward: Introducing the touchpoints, context, qualities (TCQ) nomenclature. *Journal of Service Research*, 23(4), 433–455.
13. Diller, S., Shedrof, N., & Rhea, D. (2008). *Making meaning: How successful businesses deliver meaningful customer experiences*. New Riders.
14. Fook, A. C. W., & Dastane, O. (2021). Effectiveness of loyalty programs in customer retention: A multiple mediation analysis. *Jindal Journal of Business Research*, 10(1), 7–32.

15. Garg, A. (2014). Mechanic clues vs. humanic clues: Students' perception towards service quality of fast food restaurants in Taylor's University Campus. *Social Behavioural Sciences*, 144, 164–175.
16. Gentile, C., Spiller, N., & Noci, G. (2007). How to sustain the customer experience: An overview of experience components that co-create value with the customer. *European Management Journal*, 25(5), 395–410.
17. Grewal, D., Levy, M., & Kumar, V. (2009). Customer experience management in retailing: An organizing framework. *Journal of Retailing*, 85, 1–14.
18. Hasfar, M., Theresia, M., & Gusti, N. A. (2020). Effect of customer value and customer experience on customer satisfaction and loyalty PT Meratus Samarinda. *International Journal of Economics, Business and Accounting Research*, 4(1), 84–94.
19. Holbrook, M. B., & Hirschman, E. C. (1982). The experiential aspects of consumption: Consumer fantasy, feelings and fun. *Journal of Consumer Research*, 9(2), 132–140.
20. Hong, T. (2016). *Customer experience as a competitive differentiator in subscription services — Thinking beyond the paywall* [Thesis, Helsinki Metropolia University of Applied Sciences, Helsinki Metropolia University, 5 May].
21. Ibrahim, M. G., & Daha, T. A. (2021). Effect of customer experience management on customer loyalty: A case study of Urim Minishop, Abuja. *Al-Hikmah International Journal of Finance*, 1(1), 53–65.
22. Imbug, N., Ambad, S. N., & Bujang, I. (2018). The influence of customer experience on customer loyalty in telecommunication industry. *International Journal of Academic Research in Business and Social Sciences*, 8(3), 103–116.
23. Jaya, K. V., & Kalai, L. (2019). Customer experience management in selected private banks in Chennai city. *International Journal of Recent Technology and Engineering*, 8(3S2), 168–172.
24. Kalungu, M. N. (2019). *Effects of customer experience management on customer retention: A study of Kenya commercial bank in Nairobi County* [MBA Thesis, United States International University].
25. Kavitha, S., & Haritha, P. (2018). A study on customer experience and its relationship with repurchase intention among telecom subscribers in Coimbatore district. *International Journal of Management Studies*, 5(3), 83–91.
26. Makudza, F. (2021). Augmenting customer loyalty through customer experience management in the banking industry. *Journal of Asian Business and Economic Studies*, 28(3), 191–203.
27. Mashingaidze, S. (2014). Customer experience management: New game strategy for competitiveness. *Journal of Governance and Regulation*, 3(3), 52–60.
28. McIlroy, A., & Barnett, S. (2000). Building customer relationships: Do discount cards work? *Managing Service Quality*, 10(6), 347–355.
29. Meyer, C., & Schwager, A. (2007). *Understanding customer experience*. Harvard Business.
30. Otnes, C. C., Ilhan, B. E., & Kulkarni, A. (2012). The language of marketplace rituals: Implications for customer experience management. *Journal of Retailing*, 88, 367–383.
31. Otto, J. E., & Ritchie, J. R. B. (1996). The service experience in tourism. *Tourism Management*, 17(3), 165–174.

32. Pine, B. J., & Gilmore, J. H. (1999). *The experience economy*. Harvard Business School.
33. Puccinelli, N. M., Goodstein, R. C., Grewal, D., Price, R., Raghubir, P., & Stewart, D. (2009). Customer experience management in retailing: Understanding the buying process. *Journal of Retailing*, 85, 15–30.
34. Rahimi Baghlamak, J., Haghghi, M., & Mira, S. A. (2019). Designing and explaining loyalty model based on customer experience in hotel management industry through usage made of grounded theory strategy. *Journal of Commercial Management*, 11(1), 125–140.
35. Reichheld, F. F., & Sasser, W. E. (1990). *Zero defections: Quality comes to services*. *Harvard Business Review*, [e-journal]. Available through: Isik University Library website. Accessed 11 February 2022.
36. Rooney, T., Krolikowska, E., & Bruce, H. (2020). Rethinking relationship marketing as consumer led and technology driven: Propositions for research and practice. *Journal of Relationship Marketing*, 19(2), 1–16.
37. Saeedi, F., Danaei, A., & Zargar, S. M. (2021). A stepwise model of customer experience management for Iranian ICT sector. *Journal of Money and Economy*, 16(1), 115–134.
38. Schmitt, B. H. (2010). *Customer experience management: A revolutionary approach to connecting with your customers*. Wiley.
39. Shavinina, L. V., & Kholodnaja, M. A. (1996). The cognitive experience as a psychological basis of intellectual giftedness. *Journal for the Education of the Gifted*, 20(1), 3–35.
40. Singh, R., Agarwal, S., & Pandiya, B. (2022). Customer experience in diagnostic centres: An empirical study. *Academy of Marketing Studies Journal*, 26(3), 1–15.
41. Songsak, W., & Teera, T. (2012). The impact of customer experience management on customer loyalty of Supercenter's Shopper in Thailand. *International Journal of e-Education, e-Business, e-Management and e-Learning*, 2(6), 473–477.
42. Tarmizi, R., Suhada, H., Apriani, D., Hasanudin, M., Kristiadi, D. P., & Hidayat, W. (2021). Customer experience management supports the quality of hospital services based on RFID. In *1st Paris Van Java International Seminar on Health, Economics, Social Science and Humanities*, 688–693, Atlantis Press.
43. Verhoef, P. C., Lemon, K. N., Parasuraman, A., Roggeveen, A., Tsiros, M., & Schlesinger, L. A. (2009). Customer experience creation: Determinants, dynamics and management strategies. *Journal of Retailing*, 85, 31–41.
44. Walls, A., Okumus, F., Wang, Y., & Kwun, D. J. W. (2011). Understanding the consumer experience: An exploratory study of luxury hotels. *Journal of Hospitality Marketing & Management*, 20(2), 166–197.
45. Worlu, R., Kehinde, O. J., & Borishade, T. T. (2016). Effective customer experience management in health-care sector of Nigeria: A conceptual model. *International Journal of Pharmaceutical and Healthcare Marketing*, 10(4), 449–466.
46. Yang, Y., Liu, X., & Li, J. (2015). How customer experience affects the customer-based brand equity for tourism destinations. *Journal of Travel and Tourism Marketing*, 32(1), 97–113.
47. Yilmaz, K. O., & Ferman, M. (2017). An applied study on the customer retention dynamics of organised ready-to-wear textiles retailers in real and virtual markets in Turkey. *Journal of Management, Marketing and Logistics*, 4(4), 366–383.

Cosmas Anayochukwu Nwankwo, (PhD University of KwaZulu Natal) — South Africa, is a research fellow at the University of KwaZulu Natal. Dr Cosmas has widely been involved in teaching Marketing and Entrepreneurship courses in different Universities in Nigeria and beyond. He is a member of some professional bodies and editorial boards. His research interests are on consumer and organisational behaviours; and strategic leadership in entrepreneurial small and medium enterprises.

MacDonald Kanyangale (Ph. D. University of Rhodes) — is a Professor at the Graduate School of Business and Leadership Studies, University of KwaZulu Natal, South Africa. Dr MacDonald has been extensively involved in teaching Strategic Leadership and Entrepreneurship courses. His research interests are strategic leadership in local contexts, especially the voluntary sector; strategic leadership in entrepreneurial small and medium enterprises; and leadership development.