# Business Education: A Tool for Imparting Customer Acquisition and Retention Skills for Business Growth in Nigeria

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## Abstract

The need for the growth and stability of businesses across Nigeria has continued to increase. This is because it is a panacea to the dwindling economy of Nigeria. However, on the contrary, businesses are rather folding up, and the rate at which they are being closed down is becoming a concern. Nonetheless, customer acquisition and retention are the solutions. It is therefore in exploring the important place customers occupy in the growth of businesses, the need for the acquisition and retention of customers, and promoting Business Education as the tool for imparting customer acquisition and retention skills on business owners/operators that this theoretical study was carried out. The study reviewed certain literatures that are concerned with customers and business growth, customer acquisition and retention, and Business Education as a tool for imparting customer acquisition and retention skills for business growth in Nigeria. It was found from the review that if customers are important to a business, acquiring and retaining them should be a topmost concern of businesses. Also, if customer acquisition and retention is a topmost concern of businesses, then the tool for imparting customer acquisition and retention knowledge, attitude, and skills on business owners/operators, which is Business Education, should be promoted across business organisations in Nigeria. It was based on these that the study made suggestions, among others, for business organisations in Nigeria to invest in their customers, make customer acquisition and retention a priority, and encourage, embrace and make provisions for Business Education in their organisations, in form of staff-support programmes, career advancement programmes, and short professional courses.

**Keywords:** **Business Education, Customer Acquisition, Customer Retention, Business growth, Business organisations**

## Introduction

Amongst the many challenges that are bedeviling Nigeria is the menace of an unstable economy. This has led to the closure of many businesses, retrenchment of staff, and increase in unemployment, as well as decrease in standard of living. However, the government on her part has continued to seek for ways to better the economy, among which is the encouragement of the growth of more businesses across the country. This measure is been adopted as it has being proven overtime that the growth of businesses is a measure and function of a stable economy, thus a veritable tool for the stability of the economy. This is true as the growth of businesses implies more employment opportunities, circulation of money in the economy, stable cash flow, and more earnings.

Nonetheless, even with the encouragement of the growth of businesses in Nigeria, the economy is still experiencing the shutting down of businesses across the country. Major enterprises are seen to be folding up. In same vein, Micro, Small and Medium Enterprises (MSMEs) are also folding up, and for those that are not folding up, some are been stagnated. This experience is not even limited to any industry or particular sector, but cuts across various industries and sectors of the economy, which does not portend well for a developing economy like Nigeria. To this end, measures should be geared towards business stability and sustainability, as this will go a long way in retaining, promoting and encouraging more businesses in the economy.

In doing that, it is noteworthy that the growth of a business is directly proportional to the strength of its customer base. By implication, a business with a poor customer base will definitely be stagnated and/or closed down someday. Hence, it can be said that amongst other factors, the closing down of businesses across the country is tied to their poor customer base. This is a true saying because a business that has customers patronising and re-patronising will definitely remain in business, as the patronage will amount to a stable or robust turnover, while those with a dwindling patronage due to poor customer base will tend to go out of business. No wonder Impact (2024) asserted that "by prioritising the customer experience, businesses can increase customer retention and loyalty, generate organic brand advocacy, expand their market share, and ultimately drive the bottom line." (para. 1) This, therefore, shows the existence of a link between the growth of a business and the growth of its customer base, and thus brings to mind the indispensable and invaluable role of customer acquisition and retention in the growth of a business.

## Customers and Business Growth

Customers are the lifeblood of every business. Without them an enterprise will go out of business. This is because the central theme of every business is profit-making, and profit-making is a function of the customer base. A business will only make profit if it makes sales through customer patronage, and it is the profit-making that determines the growth of the business. Therefore, customers are the backbone of businesses.

A business is any transaction or activity that is geared towards profit-making. It is an economic activity defined by Nwosu and Njoku (2010) as the totality of the organised efforts and procedures involved in providing people with goods and/or services for a profit. "It connotes a series of profit directed activities that are designed to supply and distribute useful or valuable goods and services to consumers." (Nwosu & Njoku, 2010, p. 1) It defines the efforts and activities of an individual to produce and sell goods and services for profit (Hayes, 2022). The definition implies that whatsoever someone does with the aim of making profit is a business. In view of this, Nwosu and Njoku asserted that profit making is amongst the objectives of the existence of a business. As such, profit is an important variable in the measurement of the performance of a business.

Consequently, it is the desire of every business owner to grow in business. No business owner wants to remain stagnated or even go out of business, but rather wants to grow and expand the business. Hence, every business owner will do all that is legitimately required to up-scale in business. Therefore, business growth is of essence to the business owner. It is concerned with the increase in turnover and profitability of the business. This increase is however dependent on the amount o/f patronage the business is receiving, whereas the patronage is a function of the customer base of the business. It is in line with this that Peter Drucker asserted that "there is only one valid definition of business which is to create customer" (Nwikiabeh, 2011, p. 54). Similarly, Uchehara in Nwikiabeh (2011) defined business enterprise as a public or private venture that is into the production of goods and services for the satisfaction of customers. She argued that modern business is customer-oriented. In same vein, Nwosu and Njoku (2010) opined that businesses succeed and are profitable when they efficiently meet and satisfy the customer's demand. These standpoints go a long way to buttress the indispensable and invaluable place customers occupy in a business. They show a link that exists between customers and the growth of a business. They emphasize the need for a business that desires growth to continually seek for customers' patronage and re-patronage, as the more the customer, the more the patronage, the more the turnover, and the more the growth of the business.

**Customer Acquisition and Customer Retention**

It has being established that customers remain central to the growth and stability of businesses, even as it has also been established that the growth of businesses will bring about a stable economy, especially in Nigeria. Therefore, there is no gainsaying in the need for business organisations across Nigeria to adopt, develop, and employ expertise in acquiring customers and retaining them, thereby growing their customer base and in turn, their businesses.

A customer, therefore, is someone or business that patronises a business by purchasing the products and/or services of the business. It can either be a person or a business. Where it is a person transacting business with a business organisation it is referred to as B2C (i.e. Business-to-Customer), but where a business organisation is transacting business with another business organisation, it is referred to as B2B (i.e. Business-to-Business). Thus, customer can be either an individual or a business organisation. However, there are other models like C2C (i.e. Customer-to-Customer) – an individual who is not in the business but is selling to another individual, and C2B (i.e. Customer-to-Business) – an individual who is not in the business but is selling to a business organisation (BigCommerce Team, n.d).

That notwithstanding, it is important to note that not all those who visit a business are customers. The customer is one who seals a deal, buys a product or pays for a service. In the marketing-sales framework, the Marketer goes out to talk to potential customers/clients about the business and attract them to the business organisation. The attracted potential customers/clients are known as Leads and not Customers. So, basically the work of the Marketer is to generate leads for the business organisation. It is not until the business deals that attracted the leads are sealed and closed out that they become customers. Hence, it is the work of the Sales team to convert the generated leads into customers by making sales from them. Therefore, there subsist Strangers who are being made aware of the business through various means of advertisement; they develop interest and become Visitors of the business by visiting the business organisation for enquiries; they get attracted by the information received and become Leads; the leads are then converted to Customers by making sales and closing out businesses; the customers who are satisfied become Promoters of the business through referral and affiliate marketing.

The importance, therefore, of customers in businesses can never be overemphasized. They are of grave importance that the concept of competition in business is geared towards attracting more customers ahead of other competitors. This is because they have the capacity to drive the revenue of businesses. It is therefore imperative that businesses understand their customers, as this will help them create an effective marketing and advertising campaign, deliver products and services that address the customers' needs and wants, as well as retain the customers for a repeat of the business transaction. It is also pertinent that a business maintains a good customer service, as this will distinguish the business from its competitors. It will also lead to the success of the customers, as well as bring about customer's growth. In all these therefore, if customers remain indispensable and invaluable in business, then it means that the mechanisms of acquiring and retaining these customers are of great essence to the business.

Customer acquisition, therefore, defines those processes, techniques and strategies used by a business to attract and drag customers to it. Ehrlich (2019) defined it as the process used by a business to bring customers down the marketing funnel from brand awareness to purchase decision. This means that customer acquisition attracts leads, nurtures the leads, and then converts the leads to customers by either sealing a deal or making sales. The scope extends from lead generation and activation to customers' loyalty and conversion rate optimisation. Furthermore, Keenan (2022) defined customer acquisition as the activities and actions taken by a company to gain new customers. It is important to business growth as it makes more money for the business, and serves as an evidence of business traction for outside parties to invest in the business. It increases recommendations, brand awareness, and sales. It also helps to win new businesses, retain loyal customers, and improve profits. As a matter of fact, acquiring new customers keep the business healthy and growing. Thus, "customer acquisition is the driving force behind improving your business' financial wellbeing." (Ehrlich, 2019, para. 6)

The central idea behind customer acquisition is to make businesses develop and follow systematic and sustainable methodologies in bringing customers to them, instead of waiting for the customers to come to them. The need arises as there is an increase in competition across various businesses, with the available customers being contested for in the market by the competitors. Therefore customer acquisition provides the business with opportunities to seek and gather customers without waiting for them to come to the business. It invariably entails taking the business to the customers.

However, Customer Acquisition Cost (CAC) is more expensive than Customer Retention Cost (CRC). To this end, Harvard Business Review posited that acquiring a new customer can be 5-25 times more expensive than holding on to an existing customer (Olson, 2022). Similarly, ProfitWell as cited in Keenan (2022) claimed that the cost has risen over 50% in the past five years. As a matter of fact, "studies show that it costs 6 or 7 times more to acquire new customers than it does to retain them" (Act, n.d, "Customer acquisition and retention", para. 1). In addition, Patel (2018) revealed that the probability of selling to an existing customer is 60-70% whereas selling to a new prospect is 5-20%; and existing customers are 50% more likely to try new products and spend 31% more than new customers. Thus, customer retention is less expensive and more profitable as compared to customer acquisition, although they both have their different but important roles they play in the growth of a business.

Customer retention implies engaging an existing customer to repatronise the business. It is in other words, holding on to your customer. Olson (2022) defined it as the ability of a company to turn customers into repeat buyers and prevent them from switching to a competitor. According to Gillis and Sachs (2021), it is a metric used to measure customers' loyalty, and also the ability of an organisation to keep its customers over time. It involves those strategies, techniques and methods that a business organisation uses to make an existing customer to continually do business with the organisation over and over again. This repetition of customers will increase the customers' lifetime value (CLV), boost the revenue of the business, and build amazing relationships with the customers. Hence Brian & Co. posited that "increasing customer retention by 5% correlates with at least a 25% increase in profit." (Ambavle, n.d, para. 3)

Customer retention indicates how pleasing a business' product or service is to its existing customer. At this point, the business has become more than just transaction to relationship. As such, the business does not need to spend much on marketing, advertising, or sales outreach. The satisfied loyal customer will become a promoter of the brand, giving free recommendations of the brand to others. It therefore entails that the fundamental element of customer retention is customer satisfaction, as a satisfied customer will be loyal and ready to stay back and transact more businesses. Other elements are good customer experience, customer growth and better customer service. To buttress this, 60% of business leaders agreed that customer service improves customer retention; 81% of customers confirmed that a positive customer service experience will increase their likelihood to make another transaction, while 76% of them said they would switch to a company's competitor if there are multiple bad customer service experiences (Olson, 2022). Empirically, a survey of forty (40) customers of Favourites Fast-Food in Asaba, Delta State, Nigeria carried out by Chibueze (n.d) revealed that customer service and quality of product have significant influence on customer retention which in turn has direct impact on business performance.

**Business Education as a Tool for Imparting Customer Acquisition and Retention Skills for Business Growth in Nigeria**

Customer acquisition and customer retention are therefore two variables that are of essence in the survival of any business. In achieving these variables, there are certain strategies and techniques which the business operator must employ. These strategies and techniques are exposed and known in an instructional process or programme of study known as Business Education. It is only in Business Education that the knowledge, skills, expertise needed to thrive in the world of business is acquired. In Business Education, the business operator is exposed to the knowledge of the mechanisms, metrics, and dynamics involved in the acquisition and retention of customer for the growth of the business. As a matter of fact, every business operator requires knowledge and skill to succeed and excel in the given business, and these knowledge and skill are only acquired in Business Education. Hence, Business Education is a prerequisite and necessity for everyone who desires to succeed, excel and grow in any business, including the business owners and operators.

Business Education is a profession or discipline that combines the fundamentals of business and that of education. It prepares its students to become Business Educators as well as equip them with the prerequisite knowledge, skills and expertise to undertake business transactions, as well as remain and grow in the business. It involves teaching students the fundamentals, theories, and processes of business (Wickramage, 2022). According to Lokhtina and Kkese (2022), it is an education that embraces teaching and learning the skills and knowledge applied in the business industry. Another definition is as given by Naeem (2019), who defined it as an education that is geared towards developing business acumen, capability, and skills in a person in order for him/her to work efficiently and effectively in the future. To Abdullahi as cited in Daniel (2021), Business Education is an aspect of the total educational programme which provides the recipient with the knowledge, skills, understanding, and attitude needed to perform well in the world of business as either a producer or consumer of goods and services. In all these definitions, it becomes clear that Business Education is not just only for acquiring expertise in teaching business related concepts, but also for acquiring expertise in venturing, executing and continuing in profitable business transactions.

As enshrined in the national policy of Nigerian education, the goals of Technical and Vocational Education (TVE), which Business Education belongs to, are to:

1. provide trained manpower in the applied sciences, technology and business particularly at craft, advanced craft and technical levels;
2. provide the technical knowledge and vocational skills necessary for agricultural, commercial and economic development; and
3. give training and impart the necessary skills to individual who shall be self-reliant economically. (Federal Republic of Nigeria [FRN], 2004, pp. 30-31)

Thus, the objectives of Business Education as contained in National Open University of Nigeria [NOUN] (2020) are to:

1. make and develop in all students the ability to choose discriminately and to use wisely the goods and services that business is to offer;
2. assist in developing the students' interest in the various occupations found in the world of business;
3. develop in all students the practical way of understanding and appreciating the actual functioning of our economic system;

4. enable students to acquire basic skills in business occupations;
5. prepare students to enter and succeed in business occupations;
6. prepare students to perform business activities common to many professional, industrial, agricultural services and, home-making careers; and
7. prepare students for more effective study in the fields of business and education beyond the secondary school education level.

In addition to these are to:

1. enable graduates of the programme to have an intelligent understanding of the increasing complexity of business;
2. equip students with the requisite skills for job creation and entrepreneurship; and
3. expose students to the knowledge of business.

Similarly, Ubulom cited in NOUN (2020) extracted the objectives from the curricula of the then Rivers State College of Education, now Ignatius Ajuru University of Education, and the then Rivers State University of Science and Technology, now Rivers State University, to include:

1. Production of well-qualified and competent graduates in business education who will be able to teach business subjects in the secondary schools;
2. Production of business graduates who will be able to inculcate the vocational aspects of business education into the society;
3. Production of graduate business teachers who will start the so much desired revolution of vocational development right from the Nigerian primary and secondary schools;
4. Production of teachers who will engage in professional studies of business education;
5. Produce strong advocates and promoters of viable industrial and business enterprises; and
6. Enabling graduates of the programme to have an intelligent understanding of the interesting complex nature of the business world.

From the foregoing, it becomes obvious that Business Education is both a business-teacher education and a business-practitioner education. Hence, operators of business organisations are expected to undergo a Business Education programme in order to equip themselves with the dynamics of the world of business, which include the acquisition and retention of customers. In support of this, Hell (n.d) wrote that "Business Education generally refers to the plethora of courses designed to provide students with any number of skills needed for success in business, especially those related to launching and running businesses" (para. 1). He continued by saying that Business Education classes are tended majorly to prepare students for real-life business situations, and emphasizes practical, utilitarian techniques and methods for conducting businesses. These practical, utilitarian techniques and methods include that of customer acquisition and customer retention.

Business Education, as a branch of Education, is taught from the secondary level of Nigerian education as business related subjects. At the tertiary level, it is being taught as a profession. However, due to the complexities and dynamics involved in the world of business, the programme has also being designed to offer career development and advancement programmes for pre-job, on-the-job, and post-job training for both individuals and organisations, which have led to professional advancement, as well as enlargement of the scope of Business Education. Today, Business Education comes in training packages such as staff-support programmes, short professional courses, certificate programmes, and so on. The curriculum has being unbundled into individualised professional courses of Digital Marketing, Human Resource Management, Customer Relationship Management, Document Control, Office Administration, Warehousing and Inventory Management, Logistics and Transport Management, and so on, that are tailored to meet the current demand of the world of business, as delivered in the courses. It is, therefore, with this kind of training from Business Education that the strategies, techniques, metrics, skills and expertise of customer acquisition and customer retention are transmitted to those who are committed to them. Thus, Business Education is the tool for imparting customer acquisition and customer retention skills on business owners/operators.

On that note therefore, it is pertinent that every business organisation across Nigeria should embrace Business Education in order to boost their customer base, increase their profitability, and maintain stability in the ever-competitive market. More so, it was to this end that Umar (2009) advocated for the inclusion of customer satisfaction and retention strategies and philosophy as an integral part of Library and Information Science (LIS) Education, to enable the graduates to be enriched and strengthened with marketing and entrepreneurship skills. Thus, he called for the teaching of marketing and entrepreneurship education, which are subsets of Business Education, with emphasis on customer relationship, customer satisfaction and retention, and customer behaviour in Library and Information Science (LIS) Education in Nigeria. This call confirms and buttresses the need for Business Education to be promoted across business organisations in Nigeria, not minding the type, kind, size, or nature of the business, in order for these businesses to acquire and retain customers, and upscale.

## Conclusion

As earlier stated, Business Education is the tool for imparting customer acquisition and retention skills on business owners/operators. If therefore customer acquisition and customer retention are keys to a business' success, then the tool for imparting them should be of topmost concern. Business Education, therefore, should be encouraged, embraced and promoted across business organisations in Nigeria. This will help the business organisations to be more intentional about their customers, develop and adopt result-oriented strategies to acquire new customers, as well as retain the already existing customers, which are necessities if their businesses must grow. Therefore, as businesses in Nigeria tend to seek for the satisfaction of their customers, as well as more customers, Business Education should be promoted across these business organisations in form of staff-support programmes, as well as short professional courses, to equip these businesses with all that is needed to maintain a stable customer base, increase profitability and possess enough traction to upscale.

## Suggestions

From the foregoing, the following suggestions are therefore put forward:

1. Business organisations in Nigeria should invest more in their customers, as they are what keep the business going.
2. Business organisations in Nigeria should make customer acquisition and retention a priority, in order to sustain their businesses.
3. Business organisations in Nigeria should make out time, as well as provide resources for the training and re-training of their members of staff in Business Education concepts such as Customer Relationship Management (CRM).
4. Business organisations in Nigeria should regularly carry out staff-support programmes for the career advancement and professional development of their staff, as well as encourage the members of staff to enroll in short professional courses in order to upscale and advance themselves.
5. The various training programmes from Business Education in Nigeria should be professionally developed, regulated, and organised to ensure uniformity, international acceptability and quality delivery of the contents.
6. Only Business Education professionals should be licensed to deliver, as well as be consulted in Business Education training programmes across business organisations in Nigeria, in order to ensure professionalism.

7. Departments of Business Education in tertiary institutions in Nigeria should develop and run certified but short professional programmes as a way of generating revenue to the department, and giving business owners/operators, as well as their staff, the ample opportunity to upscale even while on the job.

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