

## CUSTOMER RELATIONSHIP MANAGEMENT AS A CUSTOMER RETENTION TOOL: A CASE STUDY OF OK ZIMBABWE LIMITED

Vusumuzi Sibanda<sup>1\*</sup>, Malias Ndhlela<sup>2</sup>

<sup>1</sup>Graduate School of Business National University of Science & Technology P.O. Box AC Ascot, Bulawayo, Zimbabwe.

**\*Corresponding Author:-**

E-mail:- [vusumuzi.sibanda@nust.ac.zw](mailto:vusumuzi.sibanda@nust.ac.zw), [vusa\\_sibanda@yahoo.com](mailto:vusa_sibanda@yahoo.com)

---

### **Abstract:-**

*This study sought to establish Customer Relationship Management as a customer retention tool at OK Zimbabwe Limited in Bulawayo Metropolitan Province. The study investigated why organisations should care about existing customers and explored challenges on the implementation of Customer Relationship Management as a customer retention tool. The mixed research design was used to enable an in-depth qualitative establishment of Customer Relationship Management as a customer retention tool at OK Zimbabwe Limited. Convenient sampling and purposive sampling techniques were employed in the selection of a sample of 91 respondents out of a target population of 303 potential respondents. Open and closed ended questionnaires and interview schedules were employed for gathering data. Till operators responded to open ended questionnaires whilst customers responded to closed ended questionnaires through an online survey. Managers and marketing officers responded through guided interviews. Thematic analysis of data revealed that poor implementation of Customer Relationship Management concept contributed to the loss of market share, growth and profitability at OK Zimbabwe Limited in the Bulawayo Province. Till operators lack the basic knowledge about the purpose of CRM whilst managers had an idea theoretically but they lack application. The results further revealed that the absence of Customer Service Managers in all OK supermarkets in Bulawayo made it difficult for the branches to handle or manage customer issues at branch level. OK Zimbabwe Limited still lags behind in terms of technology and relies on manual documents. The study recommends that OK Zimbabwe Limited sources enough resources such as new machines, operates normal working hours for all employees, network management, provides training facilities for all employees including managers, decentralisation of procurement, maintenance, decentralises information and technology department into Southern and Northern regions to reduce workload at head office. It is further recommended that all OK Zimbabwe Limited supermarkets in Bulawayo should have Customer Service Managers as custodians of Customer Relationship Management at branch level and the Marketing Department should be operational in Bulawayo.*

**Keywords:** - Customer Relationship Management, Customer Retention Strategies, Customer Loyalty, Customer satisfaction, Customer Expectations.

## 1. INTRODUCTION

Customer Relationship Management involves creating, maintaining and enhancing strong relationships with customers and other stakeholders (Kotler and Keller, 2009). The goal is to deliver long-term value to customers and the measure of success is long term customer satisfaction. Customer Relationship Management requires that all of the company's departments work together with marketing as a team to serve the customer and it involves building relations at many levels—economic, social, technical and legal resulting in high customer loyalty (London Centre of Marketing, 2008). The study sought to assess and analyse Customer Relationship Management as a customer retention tool at OK Zimbabwe Limited. Retail organisations have for a long time struggled to trap and retain their customers. This has seen most companies venture into expensive strategies of intense marketing and comprehensive marketing. Customer Relationship Management enables the company to create or keep in contact with the customers (London Centre of Marketing, 2008). Customer Relationship Management consists of sophisticated software and analytical tools that integrate customer information from all sources analyse it in-depth and apply the results to build stronger customer relationships (Kotler and Keller, 2009). The competition to retain customers in Zimbabwe retail supermarkets is getting complicated everyday. OK Zimbabwe Limited has been running a lot of sales promotion such as Grand Challenge Jackpot promotion for the past 29 years, donating to the charitable organisations and other activities in order to market the organisational brand retain customers and increase the market share. However, customers are now freer to select companies offering quality products and services due to a number of emerging multi-national retail chain supermarkets. London Centre of Marketing (2008) revealed that it is more costly for a company to gain new customers than to maintain their loyalty. Kotler and Keller (2009) state that a company should use Customer Relationship Management (CRM) to manage detailed information about individual customers and carefully manage customer 'touch points'. Customer Relationship Management principles allow the company to be always present with the customer, to meet his needs, if possible to anticipate these needs and to propose offers that the clients may not have even thought about. Furthermore, customers who feel that they are given special treatment by a company are more likely to deal again with this company for the services delivered to them.

A study by Kotler and Keller (2009) revealed that customers form judgments about the value of marketing offers and make their buying decisions based upon these judgments. Customer satisfaction with a purchase depends upon the product's performance relative to a buyer's expectations (Kotler, 2009). Customer Relationship Management strategy of any retail organisation should focus on integrating people, process and technology to maximise the value of exchange. Many retail organisations have not understood the reason why customers do business with them. Possible reasons may include word of mouth referrals, provision of good and quality products and or services, competitive pricing or just being the only retail outlet found in that locality. The decrease of customers, low return on investment and the need for sustainability within tense competition has necessitated the retail organisation to adopt Customer Relationship Management as against transactional marketing. Although Customer Relationship Management has been implemented by OK Zimbabwe Limited, customers are still switching to other competitors. This study sought to achieve the following objectives: investigate why organisations should care about their existing customers; explore different strategies for building customer relationships and retention at OK Zimbabwe Limited; analyse the role of Customer Relationship Management on customer retention at OK Zimbabwe Limited; and explore challenges on the implementation of CRM as a customer retention tool at OK Zimbabwe Limited

## 2. THEORETICAL FRAMEWORKS

### 2.1 Conceptualisation of five main models of Customer Relationship Management

In this study, the role of Customer Relationship Management as a customer retention tool was guided by the theoretical framework of IDIC Model, CRM Value Chain, five process model, Gartner's competency model and QCi model

### 2.2 IDIC MODEL

The IDIC Model was developed by Peppers and Rogers Group and based on its main concept, companies should take four actions in order to build closer one-to-one relationships with their customers: Identify, Differentiate, Interact and Customise. Relations between mentioned actions are presented graphically in Figure 1 (Grazdane, 2013).

Figure 1: Model of Customer Relationship Management



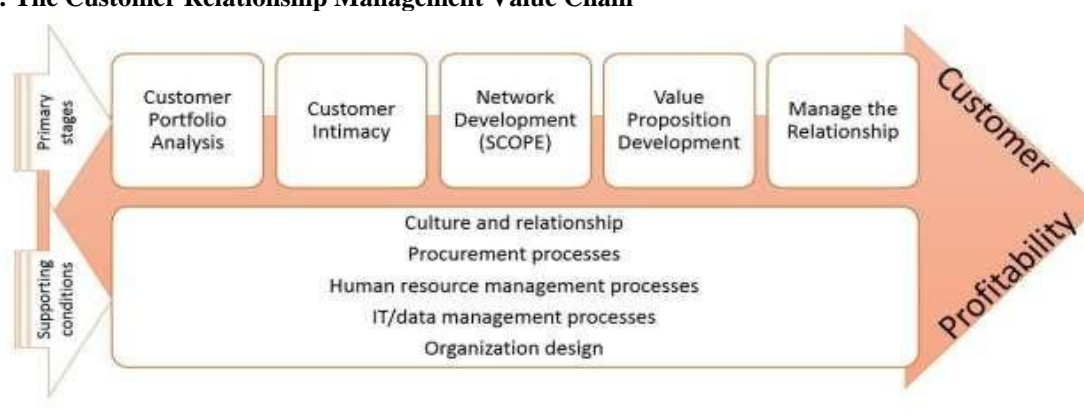
Source: [www.gartner.com](http://www.gartner.com)

The company should identify its customers and build a deep understanding of them. The company should differentiate its customers in order to identify those who have or who will have the biggest value. The differentiation allows the company to formulate and implement customer specific individual strategies for different customers or customer groups. The company should interact with its customers in order to ensure that customer expectations are understood. It also allows evaluation of customer relationships with other suppliers or brands. Each successive interaction with a customer should take place in the context of all previous interactions with that customer. A conversation with a customer should pick up where the last one left off. Effective customer interactions provide better insight into customers' needs (Grazdane, 2013). Based on Figure 1, the organisation should have more information about customers and their needs. It is our (researchers) point of view that Pepper and Rodgers (IDIC model) psychological legacy sets a course to follow for Customer Relationship Management in retail supermarkets and to be used as the yard stick to measure Customer Relationship Management as a customer retention tool at OK Zimbabwe Limited.

### 2.3. The CRM Value Chain

The Customer Relationship Management Value Chain is a model developed by Francis Buttle. According to Buttle (2009) the Customer Relationship Management Value Chain is a proven model which businesses can follow when developing and implementing their Customer Relationship Management strategies. The ultimate purpose of the Customer Relationship Management value chain process is to ensure that the company builds long-term mutually-beneficial relationships with its strategically-significant customers (Buttle, 2009). Figure 2 demonstrates five primary stages of Customer Relationship Management Value Chain namely: customer portfolio analysis, customer intimacy, network development, value proposition development and managing the customer lifecycle. These are supported by four conditions: leadership and culture, data and Information Technology, people; and processes.

**Figure 2: The Customer Relationship Management Value Chain**



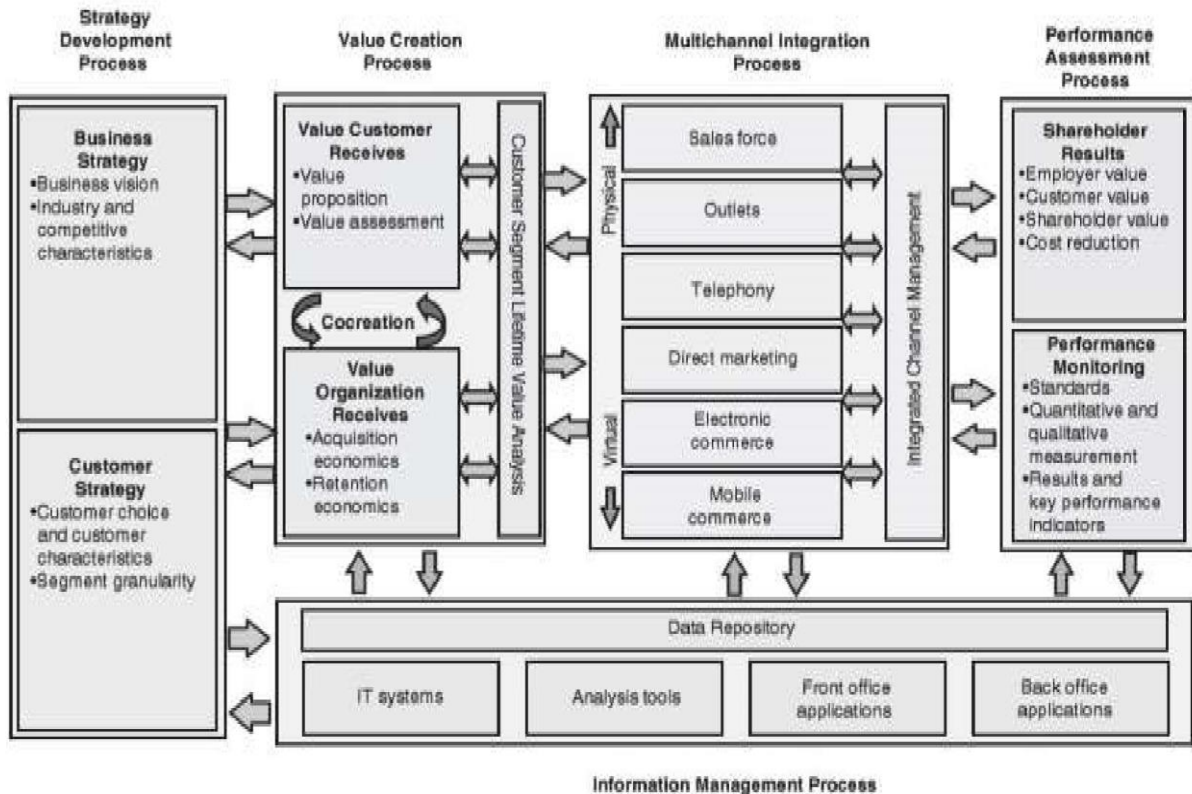
Source: (Grazdane, 2013 p.26)

Five primary stages create and deliver value propositions that acquire and retain profitable customers. Four supporting conditions enable the Customer Relationship Management strategy to function effectively and efficiently (Buttle, 2009). Furthermore, Buttle (2009) suggests that Customer Relationship Management solutions cannot be transplanted into any organisation with the absolute certainty that the business will flourish. Customer Relationship Management needs a supportive culture as it is unlikely to yield dividends in companies which only pay lip service to customer focus. Information technology, human resources and procurement processes should be aligned with the Customer Relationship Management agenda. One of arguments to support this view is that Customer Relationship Management implementation will not succeed in organisations wedded to product-based structures or reward systems based on sales volume (Buttle, 2009). Therefore, we argue that Customer Relationship Management strategies are very vital in retail organisations as stated by IDIC and value chain models. The models give focus and direction to a customer oriented organisation for competitive advantage.

### A conceptual framework for CRM strategy: The Five-Process Model

The model shown in Figure 3 was developed by Payne and Frow (2006) with an aim to identify the key generic processes relevant to Customer Relationship Management. In their interactive research, Payne and Frow integrated a synthesis of the literature with learning from field-based interactions with executives to develop and refine the Customer Relationship Management strategy framework. The conceptual framework based on five key cross-functional Customer Relationship Management processes (a strategy development process, a value creation process, a multichannel integration process, an information management process, and a performance assessment process) (Grazdane, 2013). The framework explores the role and function of each element in the framework.

**Figure 3: Customer Relationship Management Model**



Source: (Grazidane, 2013 p. 27)

Payne and Frow (2006) emphasise that a single process-based framework provides deeper insight into achieving success with Customer Relationship Management strategy and implementation (Grazdane, 2013). The strategy development process includes the business strategy and the customer strategy.

## 2.4 The Gartner's Competency Model

### Eight Building Blocks of Customer Retention Management

The Gartner Competency Model suggests that companies need competencies in eight main areas for company's Customer Relationship Management initiative to be successful (Gartner, 2013). It should provide objectives, segments and customers and it should define how resources will be used in interactions. This involves ensuring that the propositions have value to the customer and the enterprise, achieve the desired market position and are delivered consistently across channels. This involves the transformation of culture, structures and behaviours to ensure that staff, partners and suppliers work together to deliver what is promised. Critical to ensuring end user acceptance of new behaviours and enabling technology is a solid change management strategy. Successful enterprises leverage data and information management, customer-facing applications, and supporting IT infrastructure and architecture to enable Customer Relationship Management as shown in Figure 4.

**Figure 4: Customer Relationship Management Strategies**



Source: www.gartner.com



## **2.5 The QCi Model: The Customer Management Framework**

The QCi model is a product of consultancy firm "The Customer Framework". Authors of this model describe it as a customer management model, excluding the word "relationship". At the heart of the model they put "customer management activity", a set of processes that companies need to implement in order to acquire and retain customers. The model emphasises the significance of people performing "customer management activity" processes. Technology is used to assist in those activities. The main value of this model for present research is that it puts customer management activity at the heart of the model, with people and organisation as immediate supportive process. Another strong point is that the QCi model omits using relationship part of Customer Relationship Management. Ward and Dagger (2007) found that relationship strength varies significantly between service products and individual customers, and the impact of duration of relationship and the frequency of purchase on relationship strength depends greatly on the nature of the service product. Everything starts with understanding the value and behaviour of different customers and different customer groups. Once a clear and comprehensive understanding has been developed, customers and prospects need to be segmented so that planning activity can be as effective as possible. This planning will be focused on enabling the organisation to REAP the value of its customer base, focusing on retention, efficiency, acquisition and penetration (REAP) (Ward and Dagger, 2007).

## **2.6 Why organisations should bother about customer retention**

Retaining customers in organisations has been acknowledged as a key objective of relationship marketing, primarily because of its potential in delivering superior relationship economics, it cost less to retain than to acquire new customers (Piskar and Faganel, 2009). Kotler (2009) asserts that the most important consideration to attain high customer loyalty is for firms to deliver high customer value. Kotler stresses that high customer loyalty has been practiced by firms which devote much attention and effort to attracting new customers rather than retaining existing ones. In addition to that, firms traditionally emphasise more on making sales rather building relationships, on pre-selling and selling rather than caring for the customer afterward.

The measurement of customer retention rates for existing customers is the first step in improving customer willingness to buy on a monthly basis. It also involves measuring customer's retention rate over time and customer payment schemes. The outcome of this step should have a clear definition of customer retention, a measurement of current customer retention rate and understanding of the existing and future revenue stream that can be developed from each customer (Smith and Chang, 2009). The organisation that seeks to build the best customer relationships for customer retention should monitor its churn rate and prepare a proper plan to reduce it (Kotler, 2009). Kotler specifies five steps organisations can follow in order to reduce the loss rate. The company must define and measure its retention rate; distinguish the cause of customer attrition and identify those that can be managed better; estimate how much profit it loses when it loses customers; figure out how much it would cost to reduce the defection rate; and lastly, listen to customers.

## **2.7 Different Strategies for Customer Retention**

Customer retention is increasingly being seen as an important managerial issue, especially in the context of saturated markets or lower growth of the number of new customers. It has been also acknowledged as a key objective of relationship marketing, primarily because of its potential in delivering superior relationship economics, it cost less to retain than to acquire new customers. Buttle (2009) defines customer retention as focusing a firm's marketing effort towards the existing customer's base. This explain the view that instead of trying to acquire new customers, firms engulfed in customer retention efforts must make sure that existing customers are satisfied so as to create and maintain long term relationship (Faed, 2011). However, Kotler and Keller (2009), Peppers and Rogers Group (2007), Wong (2011) and Read (2009) came up with the following customer retention strategies: Customer identification and market segmentation; Introduction of loyalty programmes; Quality of products and services; Information exchange with customers; Meet customer expectations; Exceeds customer expectations; Post sales services; Service failure management; Service recovery operations; Customer complaint management; Identify the causes of defection; Measure customer retention rate; Management of customer to customer interactions or compatibility management. Furthermore, Kumar and Shah (2006) suggest that irrespective of the efforts of organisations to implement competitive strategies in order to attract customers and despite their efforts to manage supply, demand and productivity (with the goal of providing customers with more consistent, higher levels of service), customers do not generally, over time, stay loyal to the same organisation, or return to it.

## **2.8 The role of CRM Process in Customer Retention**

Customer Relationship Management (CRM) is a philosophy within the managerial arena that seeks to create a lasting relationship with customer. Customer Relationship Management is described as a strategic method which is concerned with creating enhanced shareholder value via the evolvement of suitable alignments with key customers and customer segments (Payne, 2009). Jobber (2007) commended that in order to enforce a strategy towards customer management, supermarkets have to be ready to invest in modern technology to assist them: understand the customer and their behaviour, put customers to identify groups with similarities that can be aimed jointly, assign values to segmented customer, predict behaviour of customers and implement techniques that accomplish satisfaction and retention of customers and identify and maximise cross-sell and up-sell opportunities to increase sales. Most retail supermarket companies are set up for new customer acquisition. However, a recent study by Mclauchlin indicated that customer retention plays a bigger role in profitability (Mclauchlin, 2010). According to the Database Marketing Institute, every \$1 paid toward customer retention

escalates profits more than every \$5 spent on acquiring new customer. Customer retention is extremely vital for business to remain competitive. It has recently become more significant compared to customer acquisition.

## 2.9 Challenges in implementing CRM in retail organisations

It is documented in a significant number of articles that most problems in Customer Relationship Management are not technical, instead common problems include organisational change and fluctuation, inconsistent and inaccurate customer data and changes which affect the business, for example mergers (Baron, Conway and Warnaby, 2010). Developing countries face different obstacles when implementing western technologies, management processes and information systems and techniques that have been created in developed countries (Foss, Stone & Ekinici, 2008). Other challenges are; skills of the implementation team, data migration, knowledge transfer, change management and evaluation of the system (Foss et al., 2008). Poor customer service such as unanswered and unreturned phone calls and e-mails, untrained call centre staff providing incorrect information, rude call centre staff will most certainly generate criticism from the customer (Faed, Ashouri, and Wu, 2010). There is no method of recording customer complaints with some of the complaints getting lost and no order in place for resolving customer complaints. Language barriers should not be taken too lightly; it's true that in the modern world you can find many team members with multilingual skills (Berry & Carbone, 2007). However, there is no substituting for native speakers in an experienced project team. Language nuances and colloquialism can lead to miscommunications and unintended consequences (Berry & Carbone, 2007). According to Datta, Coung and Nguyen (2007) cultural differences can also affect other factors of a software implementation such as data collection; in some countries customers are reticent to provide specific information including addresses and phone numbers. Grazdane (2013) has supported some of the previous failure reasons as he pointed out the following factors as causes: thinking of Customer Relationship Management as a pure 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 and lack of involving the final user in designing Customer Relationship Management solutions. Other evidence supporting previous factors are found in the work of Kale (2007) in Gartner (2013) where the author has named seven reasons for Customer Relationship Management (CRM) failure as the following: viewing CRM as a technology, lack of customer-centric vision, insufficient appreciation for customer life-time value, inadequate support by top management, underestimating the importance of change management, failing in re-engineering business processes, underestimating difficulties related to data mining and data integration.

## 3. METHODOLOGY

In this case study of OK Zimbabwe Limited, mixed methods approach was used in order to generate data from different dimensions that involve customers (survey) and OK Zimbabwe Limited employees on Customer Relationship Management as a customer retention tool (Kumar, 2011). A mixed approach provided an opportunity for more accurate and viable answers to the research questions posed in this study. A case study was considered the most suitable research design to assess and describe Customer Relationship Management as a customer retention tool at OK Zimbabwe Limited. Furthermore, this design allowed the researchers to gain a sharpened understanding of the challenges experienced by OK Zimbabwe Limited in implementing Customer Relationship Management (Creswell and Clark, 2013).

In this study, the population was drawn from 60 branches of OK Zimbabwe Limited nationwide (Mugenda and Mugenda, 2014). The target population was scaled down to the accessible or manageable study population (Johnson and Christensen, 2014) which involved OK Zimbabwe Limited branches in Bulawayo Metropolitan Province. The target population involved 20 managers, 3 marketing officers from head office, 80 till operators and 200 customers giving a total of 303 people. It was from this whole population that a sample was drawn as shown in Table 1. The retail managers, till operators, and marketing officers were used in this study because they are the implementers of Customer Relationship Management at OK Zimbabwe Limited whilst customers receive the service on offer. These informants were in a position to give the required information regarding the benefits and challenges experienced by OK Zimbabwe Limited in implementing Customer Relationship Management as a customer retention tool.

**Table 1: Total Population of OK Zimbabwe LTD Employees and Customers N = 303**

<b>OK Branches available</b>	<b>Managers</b>	<b>Till Operators</b>	<b>Customers</b>	<b>Marketing Team</b>
JASON MOYO	4	25	60	1
OKMART BULAWAYO	8	25	60	1
ENTUMBANE	4	10	40	
LOBENGULA	4	20	40	1
<b>TOTAL</b>	<b>20</b>	<b>80</b>	<b>200</b>	<b>3</b>

Source: field data

Six managers at OK Zimbabwe Limited branches in Bulawayo Metropolitan Province were interviewed. One marketing officer from Head Office was interviewed since each province is allocated three marketing officers. Permanent till operators with experience were drawn from each branch while customers were selected from the company customer database basing on availability and readiness to participate. Customers were contacted using emails (online survey) and hand delivery (questionnaire) through convenience sampling. The study was limited to a small group of retail managers, marketing officers, till operators and a large number of customers (customer survey) at OK Zimbabwe Limited which is acceptable and typical mixed research approach (Johnson and Christensen, 2014; Mugenda and Mugenda, 2014). A sample size of 30% of the population as postulated by Mugenda and Mugenda (2014) was applied. Purposive and convenience sampling were used on the case study of OK Zimbabwe Limited as shown in Table 2.

**Table 2: Sample Size and Sampling Frame**

<b>Ok Zimbabwe Limited Employees 4 Branches In Bulawayo Province</b>	<b>Target Population</b>	<b>Sample Size 30%</b>
<b>Retail Managers</b>	<b>20</b>	<b>6</b>
<b>Marketing Officers</b>	<b>3</b>	<b>1</b>
<b>Till Operators</b>	<b>80</b>	<b>24</b>
<b>Customers</b>	<b>200</b>	<b>60</b>
<b>Total Target Sample</b>	<b>303</b>	<b>91</b>

Source: field data

A questionnaire and an interview guide were used as key data collection instruments with a questionnaire being administered to till operators while an online survey was done with customers. Managers and marketing officers answered questions through guided interviews. Till operators were expected to provide information about the views, comments and feelings demonstrated by customers during service provision. Thirty individual customers responded via online survey whilst ten corporate customers and twenty individual customers responded via hand delivered questionnaires. Finally, to ensure trustworthiness and credibility of data, the researchers interacted with retail managers, marketing officers, customers and till operators and assessed their perception regarding Customer Relationship Management as a customer retention tool at OK Zimbabwe Limited. To help determine such consistency, Human (2010) notes that the qualitative researcher must describe the context and circumstances fully and also describe the data collection process and analysis clearly. The researchers asked the interview participants to check or verify if what was documented correctly interpreted their interviews (member checking) to achieve trustworthiness of data.

#### **4. FINDINGS AND DISCUSSION**

Out of 91 participants, 88 responses were successful representing 97% response rate, high enough to warrant validity of the study findings (Saunders *et al.*, 2016). The findings revealed that the majority (67%) of the till operators had no idea about Customer Relationship Management concept whilst 33% understood the concept. This lack of knowledge from till operators indicated that the organisation was potentially losing a lot of customers due to the weaknesses from till operators. Al-Khouri (2012) suggests that the key common component of CRM in an organisation is equipping employees with knowledge about the CRM principles for competitive advantage. Furthermore, up to 57% of the respondents felt that CRM is available in the organisation to increase sales, profitability and market share whilst 43% of managers said that CRM is instrumental for effective communication with customers. From the above findings, Richard and Jones (2008) commended that CRM is a set of business activities supported by the alignment of both technology and process directed by strategy and designed to enhance firm performance in an area of customer management.

The majority (46%) of the participants felt that the benefits of retaining customers to the organisation include being competitive on the market while 41 percent said that the reason was to increase revenue for the organisation. Only a few till operators were not sure about the purpose of retaining customers to the organisation. The international literature holds that it cost less to retain than to acquire new customers (Piskar and Faganel, 2009). All participants felt that retaining customers to the organisation ensures fixed amount of revenue and the majority of management felt that retaining customers to the organisation reduces the cost of acquiring new customers. These revelations are in line with Kotler (2009) view that retaining existing customer will ensure fixed amount of revenue for the organisation each month.

The majority (63%) of the participants were not sure about the current situation on customer retention at OK Zimbabwe Limited in Bulawayo Province. Up to 33 percent felt that the current customer retention system was good and only 4 percent said it was fair. However, the findings above indicate that the till operators were not concerned about the business performance and were unable to analyse the store traffic with the resources available. However, 29 percent of the managers and marketers revealed that the company should decentralise some of its activities in order to reduce the workload. The last group of managers felt that the company should engage local universities to come and train internal staff on customer service and other marketing concepts.

All management respondents agreed (100%) that there are loyalty programmes running in the organisation. The following extract from marketing officer confirms the above sentiments:

*“As an organisation, there is no-way we can run business without loyalty programmes. We cannot fight competition without such programmes” (PMO1).*

However, the marketing officer meant that OK Zimbabwe Limited cannot maintain or increase its market share base without investing in loyalty programmes such as Shop Easy Card, Money Wave Card and Token of Appreciation Club Card. The above findings concur with the findings by Long and Khalafinezhad (2012) that the company should introduce loyalty programmes to encourage customers to continue patronising a firm's goods and services over a long period of time and on a repeated and preferably exclusive basis and voluntarily recommending the firm's products to friends, relatives and associates. IDIC model supports the above sentiments from participant (PMO1) that the company should have loyalty programmes in order to identify its customers and build a deep understanding of them.

The study also revealed that management educates customers at branch level through awareness campaigns. Awareness campaigns are advertised in different media such as The Chronicle, The herald and The Sunday Mail newspapers to capture a bigger audience. Management invest much in training employees about loyalty programmes so that they also communicate with customers in the supermarket. The findings concur with Ward and Dagger (2007) who opined that customer management people (supermarket employees) need to be recruited, managed, developed and motivated within a supporting structure. The term 'customer management people' also needs to be considered in its widest context, extending to suppliers and channels as well. The main variables for people and organisation are organisational structure, role identification, competencies definition and gap analysis, training requirements and resources, objective setting and monitoring and supplier selection and management (Qci model).

The study also revealed that the majority of till operators (63%) were aware of only token of appreciation club card while 17 percent mentioned money wave card only. Only 20 percent had an idea about the available loyalty clubs. These results demonstrate a lack of coordination between management and till operators. There is lack of training in the organisation before providing services to the customers. CRM cannot be effective if the employees lack knowledge about the products they are selling.

A handful (43%) of the participants revealed that they were not sure about the purpose of loyalty products. Other participants (20%) stated that loyalty programmes give direction to the company as a whole, another group (20%) also mentioned that it helps to measure our customers and only 17 percent revealed that loyalty programmes are good for the health of the organisation to grow. The above findings also communicate that the organisation needs to put more effort in terms of training and development of till operators and the entire organisation. Up to 63 percent of the participants stated that they were not sure about how customer information is managed at OK Zimbabwe Limited while 20 percent of participants had an idea for customer database as they said that customer database needs to be updated with customer information. Furthermore, 17 percent revealed that they update managers with new information from customerse very time.

On the challenges encountered when implementing CRM, the study revealed that lack of resources and failure to define clear objectives was the main challenge when implementing CRM at OK Zimbabwe Limited in Bulawayo. This was buttressed by lack of co-ordination between management and employees, insufficient planning and inadequate support from management as the main cause of failure. The major pull factors for customers shopping at OK were, in order of importance, promotions (grand challenge) (35%), affordable prices (35%), quality and fresh products (18%) and lastly good customer service (12%). With respect to customers' experience shopping at OK, the majority (52%) of the participants indicated that the service was poor and discouraging, up to 11% of the respondents said it was good and only 2% indicated that it was excellent. However, the mixed feelings and thoughts from the above findings indicate that the service offered at OK Zimbabwe Limited does not show the existence of Customer Relationship Management (CRM). Buttle (2009) in support of the above findings holds that Customer Relationship Management describe a customer-oriented business strategy in relation to business and technology management processes used to implement it as a business philosophy fostering customer satisfying behaviour across all organisational levels as an approach used for development of relationships with profitable or strategically important customer segments. However, the findings above show that the majority of the respondents can easily switch to other competitors seeking excellent service leading to the downfall of OK Zimbabwe Limited in terms market share.

With respect to the extent to which loyalty programmes serve as a customer retention tool, the study revealed that loyalty programmes are indeed a good customer retention tool at OK Zimbabwe Limited. These findings are in line with (Tracy 2012) who states that loyalty programmes, well organised can be of great advantage to increase market share. Many customers regular and potential will continue to come specifically for the benefits attached to any loyalty programme until they become loyalty customers (Tracy, 2012).

Long queues were singled out as one of the major challenges (57%) when shopping at OK Zimbabwe Limited, 40% also agreed that poor service from till operators and the entire organisation was a challenge. From the above findings, 10 participants strongly agreed that poor service also contributed to the challenges they face when shopping at OK supermarkets in Bulawayo province. All the 57 customer participants revealed that cash back and network failure was a challenge when shopping at OK supermarkets which led to their dissatisfaction. These findings concur with Kotler and Keller (2009) arguments that Customer Relationship Management idea requires a cross-functional integration of processes, people, operations and marketing capabilities that is enabled through information, technology and applications. OK Zimbabwe Limited should treat customers as assets through implementing proper standards of CRM. Good relations with customers produce fruits to the organisation. Armstrong, Kotler, Harker and Brennan (2009) support the idea of



CRM in the organisation by describing relationship marketing as a business process of building mutually satisfying long term relationships with key parties in order to earn and retain their business.

The study revealed that as part of overcoming challenges, there is need as a pressing priority, for the provision of more tills, training of the employees on Customer Relationship Management, improved network management and a more equitable and fair way of allocating the available cash to the customers will make them happy when shopping at OK Zimbabwe Limited. The above suggestions were also supported by the ideas mentioned by managers, till operators and marketing team to overcome challenges experienced when implementing Customer Relationship Management.

## **5. CONCLUSION**

The purpose of the study was to assess and analyse the role of customer relationship management as a customer retention tool at OK Zimbabwe Limited in Bulawayo metropolitan province. From the findings of the study it can be concluded that OK Zimbabwe Limited till operators lack knowledge and understanding of customer relationship management as a customer retention tool. It is concluded that lack of basic skills and knowledge affected the effective implementation of CRM at OK Zimbabwe Limited. Findings from the customer survey concluded that poor customer service, poor handling of customer complaints and poor management of queues from OK Zimbabwe Limited are the potential loss of customers. Another conclusion drawn from the findings of the study is that network management is lacking as many customers end up failing to buy groceries after wasting time standing in long queues due to network challenges. From the results of the study, it can be concluded that majority of till operators had little knowledge about loyalty programmes running in the organisation though marketing officers and management confirmed that they provide training to all employees. The customers from the survey confirmed that till operators failed to explain with confidence loyalty club cards. It was therefore, concluded that the marketing department was not doing enough in promoting all loyalty programmes internally and externally leading to lack of knowledge on the customers.

## **6. RECOMMENDATIONS**

Considering the findings and analysis of data collected and theory in the literature review, the following suggestions are proffered to improve Customer Relationship Management at OK Zimbabwe Limited in Bulawayo Province:

Firstly, there is need to maximise the use of market research, implement a written marketing plan and as part of the plan focus on customer retention management and how marketing activities can link to retaining customers. OK Zimbabwe Limited should make the most of marketing training and advice available from marketing consultancy and local universities (employees training). When implementing CRM strategies OK Zimbabwe should measure their effectiveness and the financial benefits that they produce. We recommend that CRM strategies are measured considering their usage, the cost and the output from these strategies per given period. Data retrieved from customers should be analysed and used to determine why customers defect and strive to eliminate this cause. OK Zimbabwe Limited should strategically choose which customers are the most valuable and which customers they want to target with their CRM strategies. OK Zimbabwe Limited marketing department at national level should have an overall list of key customers from all branches collectively in order to communicate with them through emails, telephone, Face book and other social media so that they feel recognised and valued leading to loyalty. The marketing department should review their marketing plans regularly and revise them according to their success or the limitations at that time. It is also recommended that OK Zimbabwe Grand Challenge jackpot promotion be reviewed and be conducted provincially in order to avoid negative comments from regular and potential customers, this can reduce or scrap 'leaky bucket theory' and increase customer retention. Continuous visits and participation of marketing teams at branch level regularly through road shows, meeting customers (Conference, Family Fun Day) and corporate social responsibilities in all provinces for the benefit of all customers nationally. Customer Relationship Management can be improved through the effectiveness of technology (ICT) such as online media services, online shopping (transactions), every employee at OK Zimbabwe Limited should be ICT compliant (internal training) for competitive advantage. We also recommend that OK Zimbabwe Limited should have Customer Service Managers in all branches in order to specifically manage customer complaints, provision of customer feedback to the top management, to monitor the services on offer professionally and to remind and train other general staff at branch level. Cash sales, quotations, delivery note books and pro-forma invoices should be computerised and bear company logo (letterhead), avoid being done manually and presentable to corporate or individual customers in order to win orders as well as promoting repeat purchases. Finally, OK Zimbabwe Limited management should decentralise (reduce the workload) some of its activities into Northern and Southern region such as warehousing, maintenance, procurement and Information Technology Management and Marketing department in order to enhance the implementation of Customer Relationship Management.

## **7. REFERENCES**

- [1].AL-Khouri, A. M. (2012), Customer Relationship Management, proposed frame work from a government perspective.C.R.M Management and Strategy: United States of America.
- [2].Armstrong, G., Kotler, P.,Harker, M. and Brennan, R. (2009), Marketing Management 2. New Jersey: Financial Times Prentice Hall.
- [3].Baron, S., Conway, T. and Warnaby, G. (2010), Relationship Marketing: a consumer experience approach. London: SAGE.
- [4].Berry, L. L. and Carbone, L. P. (2007), Build Loyalty through Experience Management.
- [5].Buttle, F. (2009), Customer relationship management: concepts and technologies. 2nd ed. Great Britain: Elsevier Ltd.

- [6]. Creswell, J. W. and Clark, V. L.P. (2013), *Designing and conducting mixed methods research* 2<sup>nd</sup> Ed. Thousand Oaks. USA: Sage Publications.
- [7]. Faed, A., Ashouri, A. and Wu, C. (2010), The efficient bond among mobile commerce, CRM and E-loyalty to maximise the productivity of companies in information science. (ICIS) International conference.
- [8]. Foss, B., Stone, M. and Ekinici, Y. (2008), What makes for Customer Relationship Management system success or failure? *Database Marketing and Customer Strategy Management*.
- [9]. Gartner, Inc. (2013), *Gartner Research on Customer Relationship Management*, Available at [www.gartner.com](http://www.gartner.com) {Accessed 25 April 2013}.
- [10]. Grazdane, I. (2013), *Customer Resources Management approach for Optional Retail Business: Helsinki Metropolia University of applied Sciences*.
- [11]. Human, L. (2010), the social inclusion of learners with visual impairment in a mainstream secondary school in Namibia: UNISA. South Africa.
- [12]. Johnson, R. B. and Christensen, J. (2014), *Educational research: Quantitative, Qualitative and Mixed approaches* 5<sup>th</sup>. Thousand Oaks, CA: Sage.
- [13]. Jobber, D. (2007), *Principles and practice of marketing* 5<sup>th</sup> Ed: McGraw-hill Education – Berkshire.
- [14]. Kotler, P. (2009), *Marketing Management* 13<sup>th</sup> Ed. Pearson Prentice Hall.
- [15]. Kotler, P. and Keller, K. (2009), *Marketing Management* (14th Ed). New Jersey: Pearson International Edition.
- [16]. Kumar, R. (2011), *Research Methodology* 3<sup>rd</sup> Ed. Los Angeles, Washington, DC.
- [17]. Kumar, V. and Shah, D. (2006), Building and sustaining profitable customer loyalty for the 21<sup>st</sup> century. *Journal of Retailing (E-Journal)* (accessed 5 April 2017).
- [18]. London Centre of Marketing, (2008), *Principles of Marketing Module*. LCM, Press. UK.
- [19]. Long, C. S. and Khalafinezhad, R. (2012), Customer Satisfaction and loyalty: A literature review in the Perspective of Customer Relationship Management. *Journal of Applied Business and finance Researches {E-Journal}* accessed 18 March 2017}.
- [20]. Mugenda, M. and Mugenda, A. (2014), *Research Methods, Quantitative and Qualitative Approaches*. Nairobi: Acts Press.
- [21]. Mclauchlin, J. (2010), Retaining customers: It's not just about the renewal LIMRA's. *The Marketer Newsletter* Vol.17: 1-3
- [22]. Payne, A. (2009), *Strategic Customer Management*: Cambridge University Press.
- [23]. Payne, A. and Frow, P. (2006), Customer Relationship Management: From Strategy to Implementation, *Journal of Marketing Management*, vol. 22, and no. 1- 2 pp.135-168.
- [24]. Peppers and Rogers Group (2007), How to increase market share and maintain customer trust. <https://www.peppersandrogersgroup.com> {Accessed 28 December 2007}.
- [25]. Piskar, F., Faganel, A. (2009), A Successful CRM Implementation Project in a Service Company. Case Study, *Journal of Management, Informatics and Human Resources*.
- [26]. Richards, K. A. and Jones, E. (2008). Customer relationship management: Finding value drivers. *Industrial Marketing Management*, vol. 37, pp.120–130.
- [27]. Read, B. (2009), Top tips to build and keep customer loyalty with CRM Customer interactive solution.
- [28]. Saunders, M., Lewis P. and Thornhill, A. (2016), *Research methods for business students*. India: Pearson Education.
- [29]. Smith, M. and Chang, C. (2009), The impact of customer related strategies on shareholder value: evidence from Taiwan, *Asian review of accounting*. vol.17 no.3. pp.247-268.
- [30]. Tracy, B. (2012), Four rules of customer satisfaction and building customer loyalty. Brian
- [31]. Tracy International {accessed 15 March} Available: <http://www.briantracy.com/blog/business-success/four-rules-customer-satisfaction-customerloyalty/#comment>.
- [32]. Ward, T. and Dagger, T. (2007), The complexity of relationship marketing for service customers. *Journal of Services Marketing*. vol. 21. no.4. pp.281-290.
- [33]. Wong, K. (2011), *CRM in action: maximizing value through market segmentation, product differentiation, and customer retention*. Bloomington, IN: Universe.