



**CUSTOMER RELATIONSHIP MANAGEMENT AS A STRATEGIC TOOL FOR  
CUSTOMER RETENTION AT A SELECTED ICT COMPANY IN JOHANNESBURG**

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## ABSTRACT

In the aftermath of Covid-19 and its negative impact on business and profitability, many businesses are seeking innovative solutions to curb the loss of customers. The adoption of effective customer relationship management (CRM) initiatives is on the rise in many industries in South Africa. This is primarily characterised by the fact that it is now extremely difficult to secure new business when the company continues to lose its existing business to competitors.

The adoption of CRM has been profoundly successful because of its ability to synergise various units within the company to work together to achieve common goals. The goal is to provide quality customer service with the intention of achieving customer satisfaction that leads to customer retention. Through good CRM strategies, systems and processes, companies build strong organisational capabilities and competencies that enable them to create sustainable competitive advantages. This study focused on CRM as a strategic tool for customer retention at a selected Information Communication Technology company in Johannesburg.

The study adopted a quantitative method to collect data on the various factors influencing the use of CRM in the organisation. The population of the study consisted of 121 employees in the company from whom the data was collected using electronic questionnaires as the data collection instrument. The study population consisted of sales, marketing, business development, outbound logistics and finance teams. These participants were selected because of their engagements with current and potential customers.

The study used the Statistical Package for the Social Sciences (SPSS) version 26 software for data analysis. This software was used to produce graphs and tables to generate meaningful interpreted data. The demographic data was analysed using frequency distribution tables.

**Key words:** Customer Relationship Management, customer service, customer retention, engagement

## DECLARATION

I, Chris Sibisi, hereby declare that this mini dissertation is original, and all the contents are appropriately acknowledged and explicitly referenced. A bibliography is appended to the thesis. Furthermore, it represents my own opinions and not necessarily those of the Durban University of Technology.

I also certify that the thesis has not heretofore been submitted in any of its parts or entirety for a degree of Master of Business Administration (MBA) in any other institution of higher learning locally or internationally.

I hereby give permission for my work to be available for photocopying and/or re-printing, for inter-library loan, and for the title and abstract of this thesis to be made available to other educational institutions and students.

Chris Sibisi

30 June 2023

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DATE

## **DEDICATION**

This thesis is dedicated to my family for their kindness and hard work.

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## **LIST OF ABBREVIATIONS**

CRM	Customer Relationship Management
DUT	Durban University of Technology
ICT	Information Communication Technology
E-CRM	Electronic-Customer Relationship Management
SPSS	Statistical Package for the Social Sciences

## CHAPTER ONE: INTRODUCTION

### 1.1 INTRODUCTION

The Covid-19 onslaught on business activities has negatively affected many organisations and has resulted in many companies losing customers and struggling to secure and onboard new customers. Sofi and Hakim (2020) stipulate that some businesses may even have lost proper contact with their customers when key employees that were in daily contact with, retired or resigned from the system because of Covid-19 related disruptions. All these pressures, including market reduction and strong competition, have profoundly compelled companies to reinforce their customer engagement strategies to minimise and avoid customer turnover and integrate current and potential customers in their business plans.

More companies are speedily realising that there is a growing need to protect the existing market share and use it as a springboard into new areas of growth (Kumar & Reinartz, 2020). Until recently, businesses paid special interest to growing their business activities in new areas and markets somewhat neglecting existing customers for growth and retention. There is an increasing consciousness on the strategic contributions of customers that are already in the company database to grow revenue and market share (Chatura & Jaideep, 2022). This comes at a time when the costs of signing new customers are enormously higher than those of maintaining the existing customers and growing with them into new and diversified markets or areas of business. This is characterized by the importance of creating conditions that promote efficiencies and creating an environment for positive customer relations that focuses on strategic partnerships and growth for transacting businesses.

In the context of searching for business expansion attraction and stability, organisations that fully embrace CRM initiatives, systems and processes are better placed to withstand competition (Kampani & Jhambi, 2020). An increasing number of business organisations are embracing and willing to invest in integrated strategies that promote partnerships which adopt advanced customer relationship management strategies that seek to create the utmost value for companies conducting business (Li & Jia, 2021). Several integrated information technologies and innovations that support customer relationship management are now available to support engagements and build knowledge management techniques for future planning, efficient and real-time decisions to improve efficiency, thereby reducing waste and delaying operational processes (Chatura & Jaideep, 2022).

According to Al kharraz and Seçim (2023), businesses may use various innovative approaches in strengthening communication with its clients, and customer relations management can be systematically adopted to achieve this goal. Nowadays, CRM can be digitised and integrated into the

organisation's main computer systems for use in decision-making. CRM can be used by employees on their devices to capture strategic customer information while conducting business reviews with current or potential customers (Hallowell, 2022). Recently, CRM has been digitised to generate real-time data, prompt and direct focused engagements between employees and customers. The digital information required may be configured to provide valuable statistical data that assist during forecasting, planning and budgeting to improve customer needs, feedback and service levels. CRM is a strategic 360 degrees organisational improvement initiative aimed at optimising operational effectiveness and efficiency.

## **1.2 BACKGROUND**

Covid-19 related national lockdowns and the resultant economic slowdown have made it somewhat difficult for most organisations to sign new customers. This has forced many businesses to increase their efforts to improve value propositions through customer service and satisfaction. There is a growing realisation that products are pretty much similar, but the distinguishing dynamics are how companies engage with current and potential customers. CRM consists of organisational activities and the collection of electronic tools designed to control strategic areas of the company, such as clients' engagements, sales and marketing services (Olyaei, 2022). In addition, Khan and Salamzadeh (2020) postulate that electronic CRM is increasingly becoming the new paradigm shift when managing customer relations. An increasing number of companies understand the era of customer relations management as companies understand the necessity to evolve in a dynamic and sensitive business environment influenced by varying marketing approaches.

In a quest for business growth, the global acceptance of CRM comes with the key objectives of attracting and retaining profitable customers while moving away from those that are not generating sustainable revenue for the organisation. Many organisations are now deploying the use of technology to improve the quality of customer engagement and data collection, enabling them to respond better to customer needs and expectations.

## **1.3 PROBLEM STATEMENT**

It appears that some companies continue to lose customers to competitors, even when the competitors are offering similar products and prices to their customers. According to Chatura and Jaideep (2022), this has had a direct and negative impact on customer retention and significantly reduced revenue generation. This directly constrains growth and the sustainability of uninterrupted business activities. The adoption of CRM is a catalyst for change management that advances business capabilities whilst improving both organisational and employees' knowledge to manage customer relations. This creates a platform for customers' goals and expectations to be considered when the company plans its

activities. The exclusion of customers' expectations and needs when the organisation carries out its planning often has negative consequences for customer relations.

The enabling factors for improved customer relationship management directed towards ensuring growth and customer satisfaction is key to customer retention (Allee, 2020). Many organisations are faced with the challenge of keeping customers amidst rising competition and costs of conducting business. There is a growing realisation that no business can successfully grow into new markets while losing its current base (Ahmad, 2020). Customer retention endeavours are solidified through effective customer relations strategies.

In the context of competitive and responsive business environments, CRM design, adoption and execution may not be hard changes to measure and justify in terms of its value in business (Al kharraz & Seçim, 2023). The increase in competition has witnessed some customers moving from one supplier to another, and CRM adoption seeks to turn such customers into loyal customers. Sadiq and Khan, (2021) argue that organisations that have adopted CRM indicated that dealing with customers becomes more structured, less complex and goal oriented. Companies and customers who adopt CRM initiatives as a strategic enabler to optimise operational efficiency also convert their relationships into partnerships (Bansal's, 2022).

Challenges and different types of CRM systems may make it less effective if organisations do not conduct a thorough needs analysis before the correct system is implemented. Some research indicates that challenges of CRM are likely to derail any technological advances if employees are not upskilled to apply the system (Basson, et al., 2021). In a similar study, Weinstein (2020) argues that CRM has not been fully effective in some organisations because some companies' CRM plan is not incorporated into the organisational strategy. CRM should not be a tick-box exercise, but an organisational tool and strategy to synergise internal resources, collaborate better and enhance the customer experience.

Khan and Salamzadeh (2020) recommend that there is a necessity for companies to manage compliance and competence training programmes before the implementation of CRM initiatives. Kampani and Jhambi (2020) propose the skilling of manpower on how the CRM strategies should be administered to accomplish effectiveness. Bruce (2019) stresses the importance of preparation, skilling, and the advancement of internal stakeholders when CRM is introduced. This enhances the degree of compliance, quality of reporting and feedback to improve organisational systems. Employees'

commitment is an important element for the execution of successful CRM initiatives, and there is often a need for the company to orientate staff on CRM. This includes giving employees guidance on what and where to get assistance when they experience challenges or need clarity.

The study focuses on customer relationship management as an organisational tool for building sustainable customer relations within a selected ICT company. The study aims to encapsulate the opportunities that may be realised when CRM initiatives are adopted by organisations.

#### **1.4 AIM AND OBJECTIVES OF THE STUDY**

The study aims to examine how CRM may be adopted as a strategic instrument to develop sustainable client relations and promote the retention of customers at a selected ICT company in Johannesburg.

##### **1.4.1 Research Objectives**

The objectives of the study are:

- “To assess the influence of customer relationship management in developing sustainable customer relations.
- To analyse customer relationship management and customer service and customer needs; and
- To investigate if customer relations management can be adopted as a strategic tool for the retention of customers.

##### **1.4.2 Research Questions**

The questions of the study are:

- How does CRM influence the development of sustainable customer relations?
- What is the analysis of CRM and customer service and customer needs?
- How can CRM be adopted as a strategic tool for customer retention?

##### **1.4.3 Hypothesis**

This study will test the following hypothesis:

- A significant positive relationship exists between customer relationship management and sustainable customer relations.
- A significant positive relationship exists between customer relationship management and customer service and customer needs.
- Customer relationship management can be adopted as a strategic tool for customer retention.



## **1.5 RATIONALE FOR THE STUDY**

Some organisations are still struggling to hold onto their existing customers, even when the market consists of heterogenic products at competitive prices. The proper management of customer relations is not only characterised by pricing and the quality of products that the company offers, but other variables such as offering a solution to the everyday problems that the customer faces or is likely to experience due to an unpredictable event that surround supply chain changes are important. Global changes in supply chain logistics have been fast compelling business to share and integrate their business planning with those of their customers. The fact is that post Covid-19, the ability to sign new business has drastically been reduced, and companies should be increasing their efforts of keeping existing revenue generating customers.

This indicates a gap, such that customer relationship management processes and systems should be adopted to help companies in their quest to achieve high standards of customer service and satisfaction. The study by Belcourt (2021) indicates that customer relationship management has a positive effect on customer retention and enhances organisational capabilities.

## **1.6 STRUCTURE OF THE MINI DISSERTATION**

In Chapter One, the overview of the study is provided. This includes the context of the study, the problem statement, objectives the researcher intends to accomplish, goals and questions, contribution, methodology applied when conducting this study, the limitations encountered while completing the study and the execution process. Furthermore, this chapter described the dissertation structure.

In Chapter Two, the study's literature review outlined. Key issues like conceptualisation and the key words are addressed. It also reviews literature on the influence of customer relationship management in developing sustainable customer relations; the impact of customer relationship management and customer service and customer needs; and if customer relations management can be adopted as a strategic tool for customer retention. In addition, the conceptual and theoretical framework that underpins the adoption of CRM in a business is presented.

Chapter Three outlines the methodology adopted when conducting this study. The important procedural questions of the research are addressed, such as the design, philosophy, approach, the design, strategy, population, sample size and strategy, validation of the research instrument, controlling of data quality and consideration of ethics when conducting the study. In addition, it describes the

adopted data collection techniques and sampling methods. It also highlights the statistical techniques for data analysis.

In Chapter Four, the researcher presents the findings and analysis of the empirical study. The discussion of research links the current literature to assess if the findings are supported by other studies. In addition, the use of graphs and tables help to present the results. The interpretation of results was applied through relevant statistical calculations.

Chapter Five presents the summary, conclusion, and recommendations of the study in line with the results. Some recommendations are suggested for consideration by the ICT company in question, or probably other organisations. This chapter also presents a possible foundation for more research in similar fields or settings. The chapter discusses the results and significant findings considering the literature.

## **1.7 CONCLUSION**

Chapter One outlined the research overview of the study, focusing on CRM as a strategic tool to for engagement with customers to create sustainable customer relations. The chapter identified an ongoing necessity for the creation of a climate for continuous research on customer relationship management, which creates the foundation for this current study. In addition, the study aims, objectives and questions are evidently outlined. The influence that this study has was clearly outlined. The chapter also provided a summary of the research methodology adopted. The limitations and the organisation of the study were also indicated in the chapter.

The next chapter will provide a literature overview on the influence of CRM to develop sustainable customer relations, its impact on customer services and needs, and the creation of a customer retention environment.

## **CHAPTER TWO: OVERVIEW OF CUSTOMER RELATIONSHIP MANAGEMENT**

### **2.1 INTRODUCTION**

The aim of this study is to investigate how CRM can be adopted as a strategic tool to develop sustainable customer relations and promote customer retention at a selected ICT company in Johannesburg. This chapter presents an overview of CRM as a strategic tool to achieve sound customer relations. It further assesses the influence of customer relationship management; analyses CRM, customer service and customer needs; and investigates if customer relationship management can be adopted as a strategic tool for customer retention at the selected ICT company in Johannesburg.

The adoption of CRM has had a profound impact on many organisations' operational systems and processes. When implemented effectively, CRM creates synergy amongst teams, and they form sub teams that work together to achieve organisational goals. CRM's successful implementation has been characterised by its ability to synergize organisation's functions to plan, execute and feedback to achieve efficiency. This improves organisational effectiveness, which leads to better products and services to satisfy its customers.

### **2.2 CONCEPTUALISATION OF CUSTOMER RELATIONSHIP MANAGEMENT**

The term has varied definitions. According to Kumar and Reinartz (2020), CRM is the organisational programme and systems that generate a customer database that is used to customise products and communications with customers. The goal of CRM is to improve business engagements with target markets, with the aim of improving sales, growth, and market share. In a similar vein, (Ledro, Nosella, & Vinelli, 2022) considers CRM as an innovative technologically driven design that enhances the direct response marketing to customers without the use of other channel members. The implementation of CRM is aimed at achieving focused and satisfactory delivery of company products /or services, intended to fulfil customers' needs and guarantee customer retention (Morgan & Hunt, 2021). On the other hand, CRM enables organisations to improve their capabilities and create functional synergy amongst various company units while maximising returns.

Juanamasta (2020) defines CRM as a set of innovative ideas, practices or intentions aimed at getting a customer more involved in one's business by planning and managing customer needs with the business to create sustainable business relations. innovation abilities refer to the company's use of technological advances to enhance customer experience while improving overall organisational efficiency. Customer experience is an important element of successful companies, as customers provide continuity and stability on business activities since there is no business that would sustain its activities and remain

competitive while losing customers. All structured and planned customer communications must be planned and conducted as efficiently as possible to establish sound co-operation with customers. According to Blanchard (2022), CRM can be characterised as an integral part of supplier knowledge of relationship marketing concerned with maintaining customers that are already conducting business with the company and use a good image to enter new markets.

The customer relationship is configured to benefit both organisations to achieve smooth operations that eliminate risk and waste and promotes sustainable business conditions. An effective CRM should turn products and services into relationships, as parties develop mutually strategic and collaborative relationship through working in partnership. This is a positive for growth, and supply chain challenges are minimised when working together (Goldman, 2021). CRM initiatives should be aimed at customer retention through quality products, services, and planning. These initiatives are aimed at providing total quality assurance to the customers. This should increase the retention rate of customers in the organisation. CRM enables businesses to generate a competitive advantage through ideas that are gathered from customers. Weinstein (2020) concurs that through the integration of advanced and innovative systems and expertise in many organisations, employees can improve customer relations effective engagement and sustain good customer service by planning well.

CRM systems should help the business to manage all its customer relationships and partner with customers to provide solutions to the problems relating to products or services that the business offer (Bowen & Chen, 2020) . The system should allow for tracking, optimising, and personalising of all customer interactions with the business to improve the customer experience with the business. In some cases, changes in sales process, customer support, marketing initiatives and customer satisfaction would have to be introduced. All these make a direct contribution towards customer retention, and CRM can also help the company to accomplish several process improvements across the entire business, not only within the sales function.

Customer Relationship Management (CRM) is a vehicle that allows corporations to interact effectively with various customers, who increasingly view themselves as "active co-creators" of corporate programs (Alshurideh & Al Kurdic, 2023). CRM uses social media platforms to facilitate the formulation of opinions, perceptions, and gaining or repression of knowledge. The use of social media by various companies during the Covid-19 epidemic raised exponentially, as it became a convenient and cost effective medium to communicate with customers and the public about the companies' activities.

According to Morgan and Hunt (2021), customer relationship management is a convergence of processes, human resources and technology aimed at achieving the best possible understanding of a company's consumers. Furthermore, if one focuses specifically on customer retention and relationship management, CRM is the most modern integrational solution for relationship management accessible. CRM's conceptualization and implementation have given both organizations and their customers a direct voice and priority information on each other's future business orientation. CRM is revealing supply chain issues and looking for methods to find a solution before it has a detrimental impact on business operations.

### **2.3 DEFINITION OF CUSTOMER RELATIONSHIP MANAGEMENT**

According to Ledro, Nosella and Vinelli (2022), CRM is an activity that comprises gathering, managing and intelligently utilising data with the assistance of technology solutions in order to establish long-term customer connections and excellent customer experiences. When data from all clients' touch points is correctly handled, it can help businesses generate tailored marketing replies, generate new ideas, and customize products and services. In the long run, this will provide high consumer value whilst also providing the organization with a competitive advantage (Kumar & Reinartz, 2020). Al kharraz and Seçim (2023) regard that the implementation of customer relationship management strategies in many firms and organizations has had a fundamental and progressive shift in the way businesses interact with their customers.

The availability of modern technological tools has advanced the capturing of real customer data experience and expectations that can be customised to improve customer experience (Petri Helo & Yuqiuge, 2021). The CRM technology enables sales and business development teams to feedback customer information into the organisations. The feedback is then shared through the organisation to empower internal divisions such as production, outbound logistics and finance support to forecast and execute customer requirements without delays (Juanamasta, 2020). E-CRM enables companies to capture business reviews and digitise them to collect real-time information. The information is then analysed to respond to customer needs and service expectations. CRM also provides terms of trade are conducted.

According to Olyaei (2022), the recent slowdown in global business activities has necessitated that many organisations investigate and adopt various strategies to sustain and grow revenue generation. Amongst these strategies, CRM has become a central point of customer retention and is widely credited for organisational efficiency. One of the strategic areas of growth is through a sustainable retention of the existing customer base. The existing customers can be systematically and purposefully used as a

point of reference when the organisation pursues growth into new segments and markets. The importance of customer relationship management is that it improves the company image. Good company image is an essential element when businesses pursue a growth strategy and constant revenue generation. No business would effectively increase its market share while losing its current customer base. In context, CRM is an integrated customer relations solution that is designed for assisting organisations to resolve any issues that may affect productivity.

#### **2.4 SIGNIFICANCE OF CUSTOMER RELATIONSHIP MANAGEMENT**

CRM involves the integration all customer information into one record, empowering the company's internal stakeholders to dispose of unreliable information, and to have one source of data to use (Sephen, 2022). The main reason is to enhance operational efficiency, eliminate unnecessary costs and generate its own customer data mining. The customer data is then analysed and exploited for managing customer expectations, improve planning and decision-making processes within the company. Today's CRM consists of technology which can be used to empower company stakeholder to access the strategic customer and industry knowledge necessary to provide solutions to customer and business challenges.

CRM and innovation are intertwined, and can be characterised as set of thoughts, practices, or objects perceived as ground-breaking by organisations and customers in a quest to streamline process aimed at enhancing efficiency and effectiveness. The organisation's application of technology to improve the customer experience is at the centre of CRM strategies, and such capabilities should be entrenched through the company's systems and process and appreciated by internal stakeholders. The CRM systems are evolving, companies should continuously their innovation capabilities that help to improve customer communication and establish effective co-operation with clients. The CRM systems are an essential tool regularising and synergising business activities between organisation and its customers. In some companies, CRM is run by the customer service department which generates reports and shares with other functions to improve customer service.

Customer Relationship Management is critically important in building and maintaining customer relationships that generate high-value customer satisfaction to be able to enhance customer loyalty. CRM enables companies to identify key issues that are important to both parties, acquire knowledge to provide solutions, retain knowledge for decision-making and develop good communication. Good communication is an essential part of successful CRM processes, it develops understanding and creates

a good impression about the company, creating a positive image about the company with external stakeholders and partners.

Khan and Salamzadeh (2020) hypothesize that effective CRM should generate a positive company image in the eyes of its current customers. Such customers become the marketing ambassadors and generate business leads for company. The image formed on the customers' perception of the performance of integration will have an impact on customer loyalty, as a good image creates loyalty and continued business. Such talents also include a company's ability to absorb and apply external data to obtain customer success-oriented data records and privileged business information (Allee, 2020).

Customer relationship management seek to build trust between the organisation and its customers. Trust is regarded as the key factor affecting the current relationship between companies and their customers in recent times. There is a growing realisation that business relationships thrive when businesses value their customer as strategic stakeholders. The CRM process builds and entrenches high levels of trust and working together to find solutions to business challenges. Most of these challenges are supply chain related and they tend to challenge policies and procedures for many organisations. The current supply challenges are complex, unpredictable, and require strategic partnering, especially with suppliers and customer. Morgan and Hunt (2021) indicate that there is an effective connection between CRM, customer satisfaction and customer loyalty that exists with a strong influence on customer behaviour when dealing with CRM oriented organisations. Customers assumes the role of a stakeholder and have a direct input in the business.

## **2.5 DEFINITION OF CUSTOMER RETENTION**

The term customer retention has many definitions. A simple definition is when current customers continue purchasing other company's products or materials in similar or more quantities or the likelihood of potential customers to procure goods from the company for a period (Hallowell, 2022). Stephen (2022) defines customer retention as the sum of customer purchases in monetary value in the beginning of a determined period, and the remaining sum or value of the same customers at the end of the term. Customer retention is characterised by the customers' commitment to re-purchase or patronise products and/ or services similar or varied according to changing requirements preferred by the customer (Ahmad, 2020). CRM is developing customer focused relations that promote customer service, aimed at addressing customer needs and thus improving customer loyalty so that the customer decides to continue buying company products.

## **2.6 CUSTOMER RELATIONSHIP MANAGEMENT AS A STRATEGIC CUSTOMER RETENTION TOOL**

The sudden growth of the ICT industry in South Africa and other parts of the developing economies has attracted great interest. New players (both customers and suppliers) are entering this sector of the economy, this is due to growth of information communications in all economies (Allee, 2020). According to Sephen (2022), there is a need for companies to strategically adopt new initiatives to keep clients engaged and work with them to improve service levels. Companies realise that customers are not only buying products alone, but a combination of value adding services that are offered as part of the value proposition to the customer (Boadu, 2019).

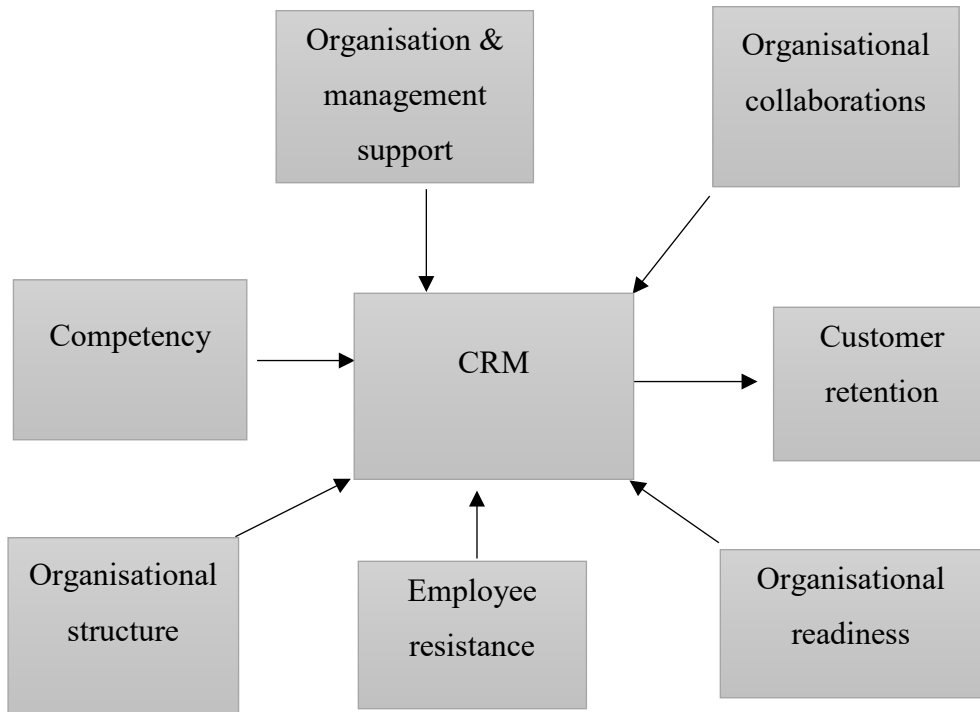
The growing number of suppliers and service providers that participate in every sector of business demands better offerings and high service levels. This has a direct influence on customer satisfaction, relations and retention rates that must be significantly enhanced. Customer retention provides a good base for sustainable business growth and stable revenue generation that ensures uninterrupted organisational goals (Chatura & Andy, 2021). Customer retention is a key variable in customer relationship management, especially when the industry is characterised by most of the companies offering similar products or services with less or no variations. In highly competitive, evolving and innovative markets driven by information communication technology, South African companies aim to keep customers past the duration of their initial contract period. Keeping customers beyond their initial contract period ensures highly sustainable business returns. When customers are kept in the company books beyond the contract period, minimal investment is required when the customer is retained (Akgemci & Yilmaz, 2020,) When customer are retained for longer than the initial contract period, the company achieves better profit margins. Therefore, CRM a retention strategy provides sustainability and positive growth for the company.

## **2.7 THE BASIS FOR A CRM CUSTOMER RETENTION STRATEGY**

Customer relations management is a critical part of achieving long-term customer satisfaction that enhances the retention of customers in any organisation. Customer retention essentially ensures that the organisation continues to harness the business benefits of transacting with current customers while pursuing new opportunities available in the market (Li & Jia, 2021). Amongst other things, CRM has every intention of strengthening engagements between businesses and their customers to extend the lifetime of their relations (Hallowell, 2022). CRM seeks to improve the company's image and confidence on the side of the customer while enabling the company to tap into shopper insight to



enhance its value proposition. The diagram below shows the stimulating effect of CRM on various factors and capabilities in the organisation. It highlights variable that are dependent or have an effect on a successful CRM initiative in the organisation.



**Figure 2.1: The Relationship between CRM and Customer Retention** (Hallowell, 2022)

## 2.8 THE COMMITMENT-TRUST THEORY OF RELATIONSHIP MARKETING

According to Weinstein (2020), trust is achieved when parties in a relationship are convinced that the others party will not harm or compromise the party’s position. This is developed when organisations stand behind their promised deliverables. The commitment is a long-term desire to fulfil and uphold an appreciated strategic corporation in business (Kumar & Reinartz, Customer relationship management ,concept, strategy, and tool, 2020). These commitments should trigger a continual investment to develop and maintain relationship valued by existing and potential customers.

The defining effect of the relationship is premised on commitment and trust that the fulfilment of committed responsibilities will be honoured by both parties. Customers are valued and the business receives customer loyalty (Khan & Salamzadeh, 2020). Trust is created when customers are satisfied with the customer service and customer needs are met. Belcourt (2021) states that businesses should not only satisfy customers current needs but should also forecast future needs and adopt the operations to deliver those needs. Successful organisations use market intelligence to predict future trends and

customer needs, thus CRM is central to gather such important information directly from industry players.

## **2.9 GOALS OF CUSTOMER RELATIONSHIP MANAGEMENT**

Strong customer service and support are other market aspects that CRM may improve by fostering a deeper awareness of consumer wants, thus leading to new ways to provide them (Basson, et al., 2021). CRM, in fact, helps streamline a company's remote order receiving, updating, and placement operations. Companies retain a constant record of project investment, including materials, expenses, and time consumption, using CRM methods and technologies. It also gives access to a database of customer service agreements, which is a useful tool for reference and justification for adhering to client promises. All these expanded capabilities are combined to keep consumers where they belong: at the centre of the company's strategy (Alshurideh & Al Kurdic, 2023).

There are several goals and reasons why businesses adopt customer relations management as a functional tool in the organisation (Alshurideh & Al Kurdic, 2023), namely:

- Reduction in the costs of sales as customers tend to respond better on the product offering and they become more involved in the product and service architecture. The market feature subject of CRM is service and support of customers through understanding their needs and respond appropriately. Amongst other things that the business may consider are forecasting and scheduling of orders to mitigate delivery delays. CRM is not only about technological innovations but ideas that add value and provide solutions to the challenges faced by a customer.
- Creation of sustainable revenue streams and growth through the retention of existing customers while pursuing new customers. As much as a company signs new customers, the existing base of customers forms part of market share, hence considerable efforts must be made to keep profitable customers in the database. CRM ensures that the set of routine of customer relationship requirements are carried out and managed through concerted programmes agreed by both parties.
- To increase market share through customer service and increase the possibilities of achieving some competitive advantage. Companies that provide good customer service are in a stronger position to create customer loyalty, and CRM seeks to attain this. The implementation of CRM establishes effective customer communication for delivering expected services to customers.

Providing good service to existing customers creates a good company image and becomes a good marketing tool for most companies.

Juanamasta (2020) states that there are many challenges faced by a company that create a bad image, which has a direct negative effect on service to customers. CRM seeks to prevent this by proactively engaging customers on key issues that affect the satisfaction of customers.

## **2.10 CRM CONTRIBUTION TOWARDS DEVELOPING SUSTAINABLE CUSTOMER RELATIONS**

The strength of CRM processes is that it customises and improves the workflow between the organisation and its customers. CRM can also be used for gathering market intelligence on potential and/or targeted customers and markets, thus enabling the company to respond better. There are various software applications and technology that the company may implement to customise workflow and interaction with its customers. This helps to effectively organise business activities to service customers effectively while segmenting them to provide improved customer service. CRM practices recognise the uniqueness of each customer, and the system seeks to gather information useful to improve customer experience, and both customers and the company achieve their goals more efficiently. Some companies adopt a standardised CRM template for all its categories and segment of customers but providing flexible options for varying customers to register customer specific data (Hakim & Rahman, 2020).

According to Weinstein (2020), valuable customer information gathered through CRM interactions and practices becomes more effective for marketing. CRM enables the gathering of more recent information about customer activities and this information may be useful for customer decision-making prediction and the improvement of customer satisfaction. Information gathered through the adoption of CRM practices can be translated to customised marketing campaigns to effect increased sales and profitability for companies (Allee, 2020). Customer information gathered through CRM engagements can be used for the segmentation of customers to make it more effective for targeted marketing and to reach target groups through tailored marketing. Alshurideh and Al Kurdic (2023) postulate that the adoption of CRM encourages a thorough understanding of customer needs, and results in better ways of meeting them. CRM enhances customer service and support, thus entrenching it in the organisation's systems and becoming the market feature.

There has been a tremendous amount of focus on customer satisfaction and revenue growth, which has necessitated many organisations and companies to look at better methods to manage relations with their customers (Clow & Baack, 2019). Creswell (2017) advances that in recent times, there has been a strategic change in the way companies administer customer engagements and customer information management for future decision-making. The use of CRM in an organisation enables managers to generate an important dashboard of activities. This gathered information is recycled to analyse trends, and behaviours of customers on products. The results of this are then used to create value add activities and improve the customer value proposition as a selling point (Kampani & Jhambi, 2020) .

Basson, et al.( 2021) argued that by aligning company policies, systems and practices to integrate customer relationship management, the company can be customer focussed and increase its performance. This creates sustainability through targeted product marketing, minimising production costs, and improves the flow of new organisational processes. Businesses that implement CRM processes capitalise on strong relations with customers and optimise on the privileged information that emanates from customer engagements. Such information can be used to create products and services that customers want and move ahead of competitors. Such valuable customer and industry information shared by customers can be used for the generation of a competitive advantage.

Marketing activities are highly effective when CRM initiatives are implemented to retaining customer information gathered through engagement (Petri Helo & Yuqiuge, 2021). Such information is useful for decision-making such as planning, forecasting, and re-allocation of other business resources in line with the order of priorities. CRM is strategically used to create a dashboard of customer patterns and record behaviours to predict future behaviours to create a customer-centric business environment. Using CRM generated data, companies can easily customise, categorise, and segment their marketing campaigns in line with the target markets. This is an effective and more precise way to make business communications successful and increase sales. Ideally, Weinstein (2020) concludes that customer information can effectually enable a greater customer-focused approach to dealing with customer complaints.

CRM is an important business tool for the management of sales and market intelligence that is strategic for the company to keep up with customer expectations and market development (Kumar & Reinartz, 2020). The CRM system enables managers in other department such as finance to have the bird's eye view of customer activities and use CRM information to take decisions that support sales targets without having to meet or sit down with them (Sofi & Hakim, 2020). The adoption of CRM in the

development of sustainable customer relationships assists organisations to continuously achieve efficient planning and execution of sales strategies that lead to improved customer satisfaction, retention, and revenue growth (Sadiq & Khan, 2021).

The business option to use CRM assists organisations to capture important information about customer leads, and to digitise the information for instant marketing communication. Customer information is used to stay on top and in touch with clients and potential customers in strategic categories of interest to the company. CRM is a useful tool for compacting customer and industry information to create a pipeline of actionable business activities with timelines that sales and development teams should aim to achieve to enhance customer service and satisfaction (Yuri & Alberto, 2020).

## **2.11 USEFULNESS OF CRM IN DEVELOPING A COMPANY'S COMPETENCIES**

The adoption of CRM promotes collaborations amongst employees and functions inside the organisation. It also encourages strategic partnering and openness between the company and its customers. A number of both organisational and human capital competencies are built when CRM is implemented – organisational systems and processes are improved. CRM practices and systems help organisations to optimise the use of limited resources that are aimed at enhancing the efficiencies of the value-chain, building the brand, producing revenue, and improving the organisational synergy (Darmawan & Azizah, 2020). CRM is the organisational collaborative effort aimed at getting various units to work together for the betterment of the customer value proposition (Allee, 2020).

According to Khan and Salamzadeh (2020), the use of E-Commerce has aided companies in reaching their goals while adopting the use of E-CRM as one of the tools for reaching and increasing customer bases by providing customised services, maintaining long-term relationships, and providing convenience that is possible in a digital environment (Blanchard, 2022) . E-CRM gives companies a competitive advantage currently because digital customer relationship software keeps track of customer purchase history and data at every purchase, recommending new ways for companies to serve customers better based on their current purchasing trends and references. This is necessary for the supplying organization to forecast properly based on the given data if another variable remains constant.

In most organisations, CRM is regarded as the sales and marketing tool of engaging customers and managing their orders (Ahmad, The effect of service and food quality on customer satisfaction and

hence customer retention, 2020). However, according to Kampani and Jhambi (2020), CRM is much more than a sales tool, as it enables all units to collaborate and plan together to ensure that the organisation's competencies are improved and used optimally to retain existing customers and attract potential customer to buy from the company. Khan and Salamzadeh (2020) argue that the on-boarding of new customers alone is a very critical step in customer retention. This process often involves many departments such as administration support, which ensures that the customer database is correctly captured. The Contact Centre ensures that orders are properly processed with correct quantities and products, and the distribution's function plays an important role in ensuring that correct quantities and product handling is maintained in order to eliminate returns. Therefore, CRM is an integrated organisational effort that should be entrenched throughout all units in the company (Hakim & Rahman, 2020).

The use of CRM and other related initiatives improves the quality of decision-making in the organisation (Sadiq & Khan, 2021). It is often argued that organisations that have adopted CRM strategies and processes are far more effective and strategic in decision-making and the deployment of resources (Hunter, 2020). The use of CRM data to analyse business trends and customer insights has equipped companies with industry intelligence to be more focused and take well informed decisions (Allee, The knowledge evolution - expanding organisational intelligence, 2020). The adoption of effective CRM improves the level of business teamwork and synergy in the organisation. This creates an enabling environment for the company to understand industry dynamics and compete better (Akgemci & Yilmaz, Impact of CRM usage on organisational efficiency and employee performance, 2020,).

## **2.12 THE INFLUENCE OF CRM ON CUSTOMER RETENTION**

Companies are hugely reliant on existing customers to continuously do business and buy their products repeatedly. This guarantees a continued revenue stream that leads to long-term business growth (Weinstein, 2020). In a competitive space, many suppliers may enter the industry with similar or better product offerings and other variables. These alone make it easy for customers to switch suppliers if there are no other distinct characteristics. Sadiq and Khan (2021) state that the adoption of good CRM principles has a far-reaching consequence for the organisation that wants to keep its customer base and grow into new markets. The impacts of CRM on customer retention stretches beyond current customers purchasing the company's current product ranges, but gives customers confidence to willingly buy the company's new products (Kampani & Jhambi, 2020).

Sofi and Hakim (2020) postulate that companies that administer effective CRM practices and systems find it easier for customers to participate in the development of new products or change with their new product offerings. Kampani and Jhambi (2020) argue that current customers are always likely to refer new customers to the company if they get good service and feel that they are treated as important stakeholders rather than buyers of commodities that the company offers. Effective CRM should build a credible database for the organisation about customers, market trends and intelligence that equips the company with a 360-degree view of customers' data (Hallowell, 2022). This would enable the company to plan, manage and re-focus its resources to improve its value proposition to all its customers, existing and potential. CRM analytics are then used for customer engagements and retention efforts (Ahmad, The effect of service and food quality on customer satisfaction and hence customer retention, 2020).

### **2.13 THE ORGANISATIONAL FACTORS INFLUENCING THE USE OF CRM**

Integrating CRM is an important project in the business. The transition that should be planned and facilitated correctly as it affects individuals' roles in an organisation and management support is critical (Bowen & Chen, The relationship between customer loyalty and customer satisfaction, 2020). Several conditions may affect the smooth implementation of CRM in the organisations. Some employees and managers may resist changes and it is imperative that the organisation is prepared to deal with the resistance (Chatura & Jaideep, 2022). Kampani and Jhambi (2020), in their study, identified the internal and external environment that influences the adoption of CRM in an organisation, namely: organizational readiness and competency; structure and levels of education; and the size of the organisational state of readiness.

The implementation of CRM must be a collaborative strategy that ensures that all employees, through their various units, break silos and work together for the benefit of customers and their own organisation (Kampani, et al., 2020). CRM is an excellent springboard and platform for organisations to synergise resources to work towards a common goal and reduce wastefulness (Sofi, et al., 2020). In some instances, CRM is viewed as a tool to interface with customers, thus expecting Sales and Marketing to manage it with no involvement of other organisation's function such as Distribution. The success of CRM is dependent on the involvement of all employees in the organisation and should assist employees and customers to manage their business relations better and improve it (Chatura & Jaideep, 2022).

## **2.14 THE EFFECT OF CRM ON ORGANISATIONAL EFFICIENCY**

There is a risk of not realising the full benefit of CRM if the organisation is not fully digitised with the current technology required to store information (Robert, Roath, Adam, & Wieland, 2021). Hakim and Rahman (2020) concur that more companies are still unaware of the financial benefit that CRM information system may have in their business and is probably not easy to quantify. The efficiency of CRM is largely dependent on the system's ability to generate reliable data that will be useful to improve and fast-track the important tasks and achieve efficiency (Bowen & Chen, 2020). However, Wisner, Tan and Leong (2020) highlight the need for implementing CRM as a profound organisational decision that improves customer focus and effects management decisions that are directed at effective customer involvement and increasing loyalty.

Khan and Salamzadeh (2020), add that the role of CRM in recent business-to-business relations management is unimaginable to exclude. Most companies include elements of CRM in their contracts to ensure that engagements are carried out even when the business relations are running smooth. Probably, most direct CRM initiatives and engagements occur during business reviews. The minutes of business meetings or reviews are documented as actionable points where customers' challenges and compliments are channeled through the business for rectification or as business learnings. This becomes useful to gather information that is required to formulate decisions using real-time customer information. CRM is strongly regarded as a strategic tool that creates a bond between the company and its customers. This bond shields the company from competitors who would not be afforded similar time by the customer. Chatura and Andy (2021) concur that CRM is a significant tool that enhances organisational performance and the effectiveness of supply chain capabilities that increase customer satisfaction and customer retention.

CRM is viewed as one of the most significant factors that positively influence the supply chain relationship. Stephen (2020) stated that adopting CRM is likely to enhance customer relations to the expected position of being a strategic partner in the organisation. Effective CRM supports the implementation and planning of key managerial processes in the organisation such as decision-making, selection of technology and organisational reporting (Fitz-enz, 2020). Hence, some CRM systems help employees to engage effectively with customers and other employees in other departments in the organisation, thereby promoting greater productivity and business execution (Chase, 2019).



## **2.15 EMPLOYEE REACTIONS TOWARDS THE ADOPTION OF CRM**

There could be some tendency that under an urgent change period, employees' views and needs are overlooked. Basson, et al. (2021) argue that the employees' consultation may sometimes delay the implementation of new systems and processes in the organisation, and this is not a reason for exclusion. The state of organisational preparedness goes beyond the procurement of new equipment, systems and processes that are required for effective CRM adoption. Employees' state of mind, training and buy-in are also fundamentally important for the success of CRM. Employees should become the change agents for the company during any critical and strategic change and intervention. Skilling of employees should be conducted on time, with precision that requires competency and confidence to execute CRM initiatives. The lack of employees' embracement of CRM may result in total failure or deliver unintended consequences for the programme. However, if employees are recognised and rewarded for the success of the initiatives, there would be an elevated desire and rate of success.

## **2.16 OTHER INTERNAL STAKEHOLDERS' RESISTANCE TO CRM INITIATIVES**

Studies indicate that employees are likely to resist or reject new initiatives that are not communicated well. Bruce (2019) argues that the adoption of CRM is a change management system, and the organisations should plan well for such change, and affected employees must be informed and made aware of the benefits such change brings in the organisation. Preparing employees for change addresses the behavioural element and provides a sense of security and buy-in while minimising reluctance to adopt the new systems and tools.

According to Darmawan and Azizah (2020), employees' resistance to change is caused by a lack of awareness about the reason and purpose for change. This is often caused by the organisational leadership's failure to communicate details and business reasons for change. There is a lack of clarity about the employees' varying roles in the change success. According to Petri, Helo and Yuqiuge (2021) people who lack opportunities to engage in decision-making, are uninformed about the state of the organization, and have supervisors with poor communication skills often take longer to adopt and accept change. CRM implementation is an important change tool that should be properly managed to ensure its effectiveness and success.

## **2.17 CONCLUSION**

The customer relationship management system literature was evaluated and assessed in terms of its impact on customer retention and organizational competence. The chapter began by evaluating numerous definitions of CRM by famous researchers from around the world and presented a discussion

on a global overview of CRM. The chapter went on to discuss the role of CRM in increasing customer retention and achieving high levels of business growth and sustained revenue with profitability. It also explored the significance and advantages of CRM. This includes creating new customer reports and allowing staff to enter data directly, as well as the ability to build the organization's customer service and management capabilities continuously and regularly.

The chapter further discussed the role of CRM towards developing sustainable customer relations building; the positive relationship between CRM and customer service and customer needs; and the adoption of CRM strategies to achieve the strategic retention of customers while making in-roads into new markets. Furthermore, it also discussed targeted needs to deal with employee reactions and resistance when new initiatives are implemented to manage customer relationships. The chapter continued to discuss the influence of CRM in realizing organisational capabilities and capacity to manage its key accounts while adding value to customers.

Finally, the chapter discussed extensively the necessities of implementing CRM as a strategic tool towards achieving customer retention and sustainable revenue growth in organisations. The next chapter will deal with the methodology that the study adopted to look at CRM as a strategic tool of intervention by using the literature review to devise an instrument to investigate how CRM can be adopted as a strategic tool to develop sustainable customer relations and promote customer retention:

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 INTRODUCTION**

The previous chapter provided the CRM literature of the study. The main research issues covered in this chapter are the research design, research philosophy, research approach, the study site description, the study population, sampling strategy and size, instrument used for data collection, pilot study, data measuring tool, data quality control, data analysis model, ethical compliance, limitations, and delimitations of the study.

### **3.2 RESEARCH PHILOSOPHY**

The term 'philosophy' refers to a set of views about how evidence about a topic should be obtained, analyzed, and consumed to further knowledge. According to Bansal (2022), the researcher adopts many assumptions (epistemological, ontological, or axiological assumptions) at all stages of the research investigation, either deliberately or unknowingly. Welman, Kruger and Mitchell (2020) state that these theories influence in manner in which the researcher regards the study objectives, the methodologies used, and the interpretation of the findings. Epistemology, ontology, and axiology are the three major forms of study philosophies. Each of these ideologies has important differences that influence how the researcher thinks about the research process.

According to Creswell (2019) epistemology is what generates standard data in a study. When compared to axiology, which is what is believed to be true, the theory of knowing, known as epistemology, is supposed to be true. There are several types of epistemologies, including positivism, realism, interpretivism and pragmatism. However, after analyzing each of these paradigms' strengths and flaws, the study used pragmatism to investigate the research phenomenon.

### **3.3 RESEARCH DESIGN**

The research design is a comprehensive framework that this study adopted, and it encompasses the way in which the researcher has gone about answering the research questions, specifically: the study process, research approaches used, the mechanism for information gathering and the way data was administered and analysed. This research has adopted descriptive study methods to achieve its goals.

Descriptive research is fully associated within quantitative research and has its foundation in quantitative study. Bansal (2022) outlines that descriptive research provides a characterisation of the phenomenon that is being studied. A descriptive study is carried out primarily to effectively depict the studied phenomena in its current state. Descriptive research seeks to describe a phenomenon and its characteristics. This style of research is more concerned with the 'what' rather than the 'how' or 'why'

of an event (Sekaran & Bougie, 2019). A descriptive study was carried out since it required less time than other research designs. Furthermore, this approach allowed for the collection of quantifiable material that could be tabularised in arithmetic form along a continuum.

A descriptive study allows the researcher to experiment with quantitative data collection approaches. Furthermore, the descriptive component of this study sought to describe the adoption of CRM approaches in connection with the impact of CRM on developing long-term customer relationship capabilities for customer service efforts. The impact of CRM on developing long-term customer relationship capabilities for customer service efforts and client retention is an important element for organisational sustainability (Hallowell, 2022). As such, there would be an improved understanding of the CRM throughout the company processes to anticipate emerging customer trends. Moreover, this would improve human capital skills and competencies to predict possible information communication technology trends that may have impacts on the organisational success.

### **3.4 THE RESEARCH SETTING**

This study was conducted at a selected Information Communication Technology company in Johannesburg. This ICT company was selected because of its diverse clientele ranging from SMMEs, to private, state-owned enterprises to government departments such as health, hospitals and roads. The Johannesburg headquarters house over 500 employees with additional 27 sales and business developments employees operating in various centres outside the Johannesburg office, but report directly to the head office structure.

### **3.5 TARGET POPULATION**

The target population refers to the whole number of events, groups, people or units from which information or data is gathered for the study (Sekaran & Bougie, 2019). This study's prime focus was the head office-based employees of a selected ICT company in Johannesburg. The total population is approximately 121 employees in the sales, marketing and supply chain departments.

The target population included employees in hybrid marketing sales and business development employees who report directly to the head office structure. The study excluded those employees in departments that do not have direct interaction with customers.

### **3.6 SAMPLING STRATEGIES AND PROCEDURE**

In research, varying sampling strategies and procedures may be applied to collect data from the respondents, and the two most popular are probability and non-probability sampling strategies (Creswell, Research Design: qualitative, quantitative & mixed methods approaches, 2019). This study

used a probabilistic technique to collect data from participants. The sample size was determined using the 95% confidence level and 5% confidence interval (margin of error) in the study. The exact sample size was then determined using the sample size estimation calculator. A sample size of 93 will be chosen for the study based on the study's population (N= 121). The sample size is sufficient for the researcher to acquire detailed information about the phenomena from the participants.

### 3.6.1 Probability Sampling

According to Welman, Kruger and Mitchell (2020) probability sampling is in reference to selecting a sample from a population based on the randomization principle to afford every unit in the study an equal chance of being chosen. This sampling strategy allows for simplification, stratification, systemisation, and clustering of units to achieve reliability and valid inferences from a sample. The probability sampling techniques is considered as the most suitable in achieving a high degree of generalisation, and objectivity in studying a phenomenon. This study has conveniently adopted a simple random sampling strategy and procedure to achieve its research goals.

According to Al kharraz and Secim (2023) a simple random sampling is a strategy that allows each unit of the population to be chosen for the study. A table of random numbers was utilized to select the sample using this sampling technique. This sampling strategy assisted in removing bias related to participant selection.

### 3.6.2 Sample Size

The sample size is a symbolic number of units devoted to the research (Welman, Kruger & Mitchell, 2020). Based on the study's population (N= 121), a sample size of 93 was chosen (Sekaran & Bougie, 2019). Since the study used a quantitative method, all participants will get an email with a questionnaire. The sample size is described in detail in Table 3.1.

**Table 3.1: Description of the sample size**

Sample categories	Number of sample size
Sales	43
Business Development	32
Marketing	14

Other: Logistics & Finance	33
<b>Total</b>	<b>121</b>

### 3.7 DATA COLLECTION

In this study, questionnaires were the primary data gathering instrument. Bansal (2022) define questionnaires as a series of items administered to participants in order to elicit information relevant to the study. Due to scheduling constraints, only a remote data-gathering approach was used. In this regard, the questionnaires were uploaded on Google Forms, and the link was then emailed to the research participants via their separate emails. The questionnaires were divided into six sections: Section "A" (participant demographics); Section "B" investigates how CRM can be adopted as a strategic tool to develop sustainable customer relations; Section C: Analyse the Customer relationship management and customer service and customer needs; Section D: Analyse the fulfilment of targeted training employees' needs for CRM implementation; Section E: Investigate if customer relationship management can be adopted as a strategic tool for customer retention.

### 3.8 PILOT STUDY

A pilot study, according to Welman, Kruger and Mitchell (2020), is a mini study that assesses the adaptability and practicality of the research study, research procedures, research strategies and mechanisms for data collection. In terms of the quantitative investigation, a pilot study was conducted with 7 participants from the chosen ICT company. These individuals were not included in the actual study. Prior to data collection, the pilot study assisted in determining the reliability and validity of the research instrument. Some of the items were discarded after the pilot research, while others were altered. The research instrument was deemed accurate, and no major changes were made as there was no inappropriate question wording. Prior to data collection, the confusing questions were eliminated from the list of questions.

### 3.9 DATA MEASUREMENT SCALE

A Likert scale is a psychometric scale commonly involved in research and was used to represent participants' opinions and attitudes on a specific subject matter. It uses questionnaires although there are other types of rating scales to measure participants' opinions. The measurement scale for this study was the five-point Likert scale. The response scores are: Disagree Strongly =1; Disagree = 2; Neutral

= 3; Agree = 4; and Strongly Agree = 5. The five-point Likert scale was used because it is relatively easy for respondents to understand. Moreover, the five-point Likert scale was adopted given the fact that it tends to produce better distributions of data, as in the case of this study (Bansal's, 2022).

### **3.10 RELIABILITY AND VALIDITY**

Reliability indicated the degree to which the research instrument measurement provides consistent and dependable results in a research study. It simply indicates or estimates the degree to which the scale measures the construct's consistence when used under the same conditions with the same or different subjects (Suresh, Thomas & Suresh, 2011). This study used Cronbach's Coefficient Alpha statistical tool to measure the reliability of the research instrument. Sekaran and Bougie (2019) suggest that the Cronbach's alpha coefficient score of 0.631 and above is considered reliable.

Validity, on the other hand, is defined as the degree to which the investigative goals are measured accurately. Thus, it is the degree to which the research truly measures what it is intended to measure (Golafshani, 2003). The validity of the self-constructed questionnaire was determined through Factor Analysis. Two sets of Factor Analysis, the Rotated Component Matrix and Kaiser-Meyer-Olkin measure of sampling adequacy, were computed to the determine the validity of the questionnaire.

### **3.11 DATA ANALYSIS**

Data analysis was conducted for quantitative data and the data analysis process is discussed. The quantitative data was administered through the Statistical Package for the Social Sciences (SPSS), version 26.0. Descriptive and inferential statistics were used for the analysis and interpretation of data. In addition, the descriptive statistics were employed for the provision of summarised data in this study. The summarised statistics were used to display simple summaries on the sampled data and production of graphic analysis.

The importance of descriptive statistics is that it provides the demography of the population and measures the central tendency and the mean to reduce errors in predicting data value. The kinds of descriptive statistics applied on this study were frequency, percentage, range, minimum, maximum, mean and average deviance. On the other hand, inferential statistics were used to make inferences and draw valid conclusions from the study based on the research findings. Inferential statistics were used to make sound interpretations of data to generalise on the whole population. In accordance with

Bansal's (2022), the common inferential data used were correlation, t-test, regression, Post Hoc Scheffe's Test, and analysis of variance-Anova to test multiple comparisons amongst respondents.

### **3.12 ETHICAL CONSIDERATIONS**

DUT IREC processes were followed, and full ethics approval was received before data was collected from the participants. The DUT IREC approval letter with IREC 080/23 was issued by the Chair of the Committee. All applicable formalities and requirements, including the Gatekeeper's letter, Letter of Information, and consent form, were attached to the application. Ethics Clearance such as written informed consent, anonymity and confidentiality were addressed in the application. The researcher:

- Ensured that the identity of participants was protected and remained confidential.
- Safeguarded the use of the study findings to the detriment of participants.
- Acknowledged material, journalists and writers referred to in this study.
- Afforded interested parties with the findings of the study, particularly persons seeking to benefit their operations through the study results.
- Included a confidentiality clause in the informed consent form to assure the participants of the privacy of the data; and
- Substituted the participants' personal identities, such as names, with pseudonyms in the final dissertation and future publications.

### **3.13 CONCLUSION**

This chapter detailed the research methods and strategies used for this study, including the measuring instrument employed for data collection. In addition, the statistical methods used for data analysis and purposes of questions for the research instrument were outlined. The next chapter will effectively deal with the research results and findings of the study.



## **CHAPTER 4: RESULTS AND DISCUSSION**

### **4.1 INTRODUCTION**

The previous chapter outlined the research design and approach used in this study. This chapter deals with the analysis and presentation of the quantitative data. In this study, a sample size of 121 was selected to participate in this quantitative study. In this regard, 93 participants were chosen for the quantitative phase of the study, while due to time constraints only a remote data collection process was adopted. The questionnaires were captured on Google Forms, where the link was sent to the participants via their respective emails. Sixty-nine (69) participants completed the online questionnaire. The analysis and presentation of the data was based on the number of participants (N = 69) who took part in the study and this over 74% participation rate.

### **4.2 THE RESEARCH OBJECTIVES**

The following stated research objectives were used to guide the fieldwork:

- “To assess the influence of customer relationship management in developing sustainable customer relations.
- To analyse the customer relationship management and customer service and customer needs.
- To investigate if customer relationship management can be adopted as a strategic tool for customer retention.

The Statistical Package for the Social Sciences (SPSS), version 26.0 was the main statistical tool used to analyse the quantitative data.

The questionnaire was distributed to ninety-three (93) online respondents, but only sixty-nine responded. The 69 responses represent an 86.25% response rate, whereas the 11 represent 13.75% of the non-active response rate. The data analysis was based on only the active response rate. The Statistical Package for the Social Sciences, version 26, was used to analyse the data. The findings are presented in two folds or phases. The first part of the chapter deals with measuring the reliability and validity of the questionnaire. The second aspect of the chapter covers the presentation of the findings related to the respondents' bio-data. The third part involves the presentation of results based on the research objectives.

### 4.3 MEASURING THE RELIABILITY OF THE QUESTIONNAIRE

The reliability of the research questionnaire was first evaluated before engaging in the inferential statistics. This study adopted the Cronbach's Coefficient Alpha statistical tool to measure the reliability of the research instrument. According to Bansal (2022), the Cronbach's alpha coefficient score of 0.60 and above is considered as reliable, and the Table 4.1 below shows the coefficient score for this study:

**Table 4.1: Reliability score**

<b>Constructs</b>	<b>Number of Items</b>	<b>Cronbach's Coefficient Alpha</b>
Sustainable customer relations	5	0.857
Customer centric employee attitudes	3	0.731
Targeted training needs of employees	3	0.661
Customer retention	3	0.782

The results showed that the Cronbach's Coefficient Alpha score for the various constructs that form part of the investigation. The Cronbach's Coefficient Alpha values range from 0.661 (for customer centric employee attitudes) to 0.857 (for sustainable customer relations). Statistically, the variables measured in this study had Cronbach's alpha scores exceeding the threshold ( $\alpha = 0.60$ ). The results supported the recommendation made by Taherdoost and Group (2017) that the reliability result should be equal to or above 0.60. Said (2018) also expressed a similar view that the value of Cronbach's alpha should be between 0.6 and 0.8 to be acceptable. From the statistical standpoint, the Cronbach's Coefficient Alpha score indicates that the questionnaire used was reliable, and hence can be accepted.

### 4.4 MEASURING THE VALIDITY OF THE QUESTIONNAIRE

The validity of the self-constructed questionnaire was determined through Factor Analysis. Two sets of Factor Analysis, the Rotated Component Matrix, and Kaiser-Meyer-Olkin Measure, were computed to determine the validity of the questionnaire. Factor Analysis was performed to simplify the complex variables or items using statistical procedures to explore the underlying dimensions that explain the relationships between the multiple variables. In this study, items with a loading of 0.40 and above were extracted and retained. This is consistent with Sekaran and Bougie (2019), who recommends that, in an empirical approach and as a rule of thumb, if the score of the item-to-total correlations is more than 0.50 and the inter-item correlations exceeds 0.30, the construct validity is satisfied.

The Kaiser-Meyer-Olkin Measure (KMO) was used to determine the sample adequacy. Statistically, KMO values between 0.8 and 1 indicate that sampling is adequate (Welman et al., 2020). KMO values less than 0.6 indicate the sampling is not adequate and that remedial action should be taken. The interpretations of the KMO scores are, namely:  $\geq 0.80$  (meritorious);  $\geq 0.70$  (middling);  $\geq 0.60$  (mediocre);  $\geq 0.50$  (poor);  $< 0.50$  (unacceptable). The findings are shown in Tables 4.2 and 4.3 respectively. The instrument used in this study is therefore considered statistically valid, acceptable and may be adopted for other studies like this one.

**Table 4.2: Factor Analysis-Component Matrix<sup>a</sup>**

	Component		
	1	2	3
CCRMSCR3	.602		
CCRMSCR5	.591		
CRMSCR2	.528		
CCRMSCR4	.462		
TARTN1		.721	
TARTN2		.499	
TARTN3		.425	
CRMACR2			.587
CRMACR2			.0483
<b>Eigenvalue</b>	<b>2.65</b>	<b>1.86</b>	<b>1.39</b>
<b>% of Variance</b>	<b>18.34</b>	<b>14.22</b>	<b>10.22</b>
Extraction Method: Principal Component Analysis.			
a. 3 components extracted.			

The results of the correlation matrix suggested that the 9 items have a correlation coefficient exceeding the threshold. To interpret the findings, the factor loading matrix was rotated to bring the smallest loadings close to zero and its largest loading towards unity. The correlation coefficients for the principal component analysis showed a strong relationship between several variables or items measured in the study. From Table 4.2, it can be observed that all the factor loadings were above 0.40. However, 5 items that do not meet the threshold were removed. The screen plot revealed that three factors could be extracted. Factor 1 relates to the relationship between CRM and customer relations;

Factor 2 is called the relationship between CRM and customer service and needs; and Factor 3 is known as the relationship between CRM and customer retention. These three factors explained 42.78% of the variance of the question. Statistically, it can be argued that the questionnaire is valid and therefore enhanced the research findings. Moreover, the items retained showed high level of reliability. This questionnaire can be utilised by different researchers in a similar study.

**Table 4.3: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.615
Bartlett's Test of Sphericity	Approx. Chi-Square	138.552
	Df	91
	Sig.	<.001

From Table 4.3, the KMO Measure of Sampling Adequacy was 0.61, and Bartlett's Test of Sphericity was 138.552, which is significant at 1%. The results suggested that the sample size is moderately adequate and can be accepted for the study.

#### 4.5 RESPONDENTS' BIOGRAPHICAL DATA

The research findings relating to the respondents' bio-data are presented in Table 4.4.

**Table 4.4: Respondents' data**

Constructs	Bio-Data	Frequency	Percentage (%)
<b>Gender</b>	Male	45	65.2
	Female	24	34.8
<b>Total</b>		<b>69</b>	<b>100</b>
<b>Age</b>	20-25 years	3	4.3
	26-30 years	8	11.6

	31-35 years	17	24.6
	36-40 years	19	27.5
	41-45 years	14	20.3
	> 46 years	8	11.6
<b>Total</b>		<b>69</b>	<b>99.9</b>
<b>Race</b>	African	34	49.3
	Indian	10	14.5
	Coloured	11	15.9
	White	12	17.4
	Other	2	2.9
<b>Total</b>		<b>69</b>	<b>100</b>
<b>Highest qualification</b>	Diploma	12	17.4
	Undergraduate	28	40.6
	Honours	21	30.4
	Masters & above	8	11.6
<b>Total</b>		<b>69</b>	<b>100</b>
<b>Role</b>	Sales Account Manager	21	30.4
	Marketing Practitioner	11	15.9
	Business Development Manager	19	27.5
	Other: Outbound & Finance	18	26.1

<b>Total</b>		<b>69</b>	<b>99.9</b>
<b>Tenure</b>	< 2 years	7	10.1
	2-5	24	34.8
	6-10 years	23	33.3
	11-15 years	9	13.0
	> 16 years	6	8.7
<b>Total</b>		<b>69</b>	<b>99.9</b>
<b>Employment status</b>	Full-time	37	53.6
	Fixed term	13	18.8
	Contract	15	21.7
	Other	4	5.8
<b>Total</b>		<b>69</b>	<b>99.9</b>
<b>Function</b>	Sales	20	29.0
	Marketing	10	14.5
	Distribution and Logistics	3	4.3
	Business Development	24	34.8
	Finance and Logistics	12	17.4
<b>Total</b>	<b>Total</b>	<b>69</b>	<b>82.6</b>

The findings revealed that males represented 65.2% of the respondents, while females represented 34.8% of the sample. This implies that there is gender imbalance in the company. The workforce of

the ICT firm is mainly male and therefore the views expressed in this study are predominantly those of men. This may have presented a different result if the gender spread was equal.

In terms of age, 4.3% of the respondents feel between 20-25 years of age, 11.6% were between 26-30 years, 24.6% were between 31-35 years, 27.5% were between 36-40 years, 20.3% were between 41-45 years and 11.6% were above 45 years old. This indicates a very positive age spread of employees in this company, and goes very well for continuity and ideological balance for the company. Such age diversity creates vibrancy of innovative and creative solutions and dynamism in the workforce.

Concerning race, 49.3% were Africans, 14.5% were Indians, 15.9% were Coloureds, 17.4% were Whites and 2.9% were others. Different races are fairly represented in the structures of the company, and such diversity provides a rich understanding of the varying South African context, which is invaluable for good decision-making and market intelligence and environmental analysis. Regarding educational qualifications, 17.4% hold a Diploma, 40.6% hold an Undergraduate degree, 30.4% hold an Honours degree, and 11.6% hold Masters and other qualifications.

Furthermore, the results indicate that 30.4% were Sales Account Managers, 15.9% were Marketing Practitioners, 27.5% were Business Development Managers and 26.1% were Outbound and Finance Managers. Regarding tenure, the results indicated that 10.1% of the respondents had worked below 2 years, 34.8% had worked between 2-5 years, 33.3% had worked between 6-10 years and 13% had worked between 11-15 years. The tenure results indicate that only 13% of respondents have spent 10 years and more in the company employ. This is the common feature for companies in the ICT sector, they are currently faced with high movement of skilled employees as they are on high demand.

Furthermore, it was found that 53.6% of the respondents were full-time employees, 18.8% were fixed-term employees, 21.7% were contract employees and 5.8% were engaged in other employment. The fact that 44.4 of the respondents were not considered as full-time employees of the company may be upsetting for this part of the workforce. Khera and Gulati (2019) postulate that workforce stability and continuity are an essential element of a growing and evolving organisation. A certain percentage of staff turnover is important for new ideas to join the company. Finally, the results suggested that 29% of the respondents worked in the Sales Department, 14.5% worked in the Marketing Department, 4.3% worked in the Distribution and Logistics Department, 34.8% worked in the Business Development Department and 17.4% worked in the Finance and Logistics Department. Sales and Business

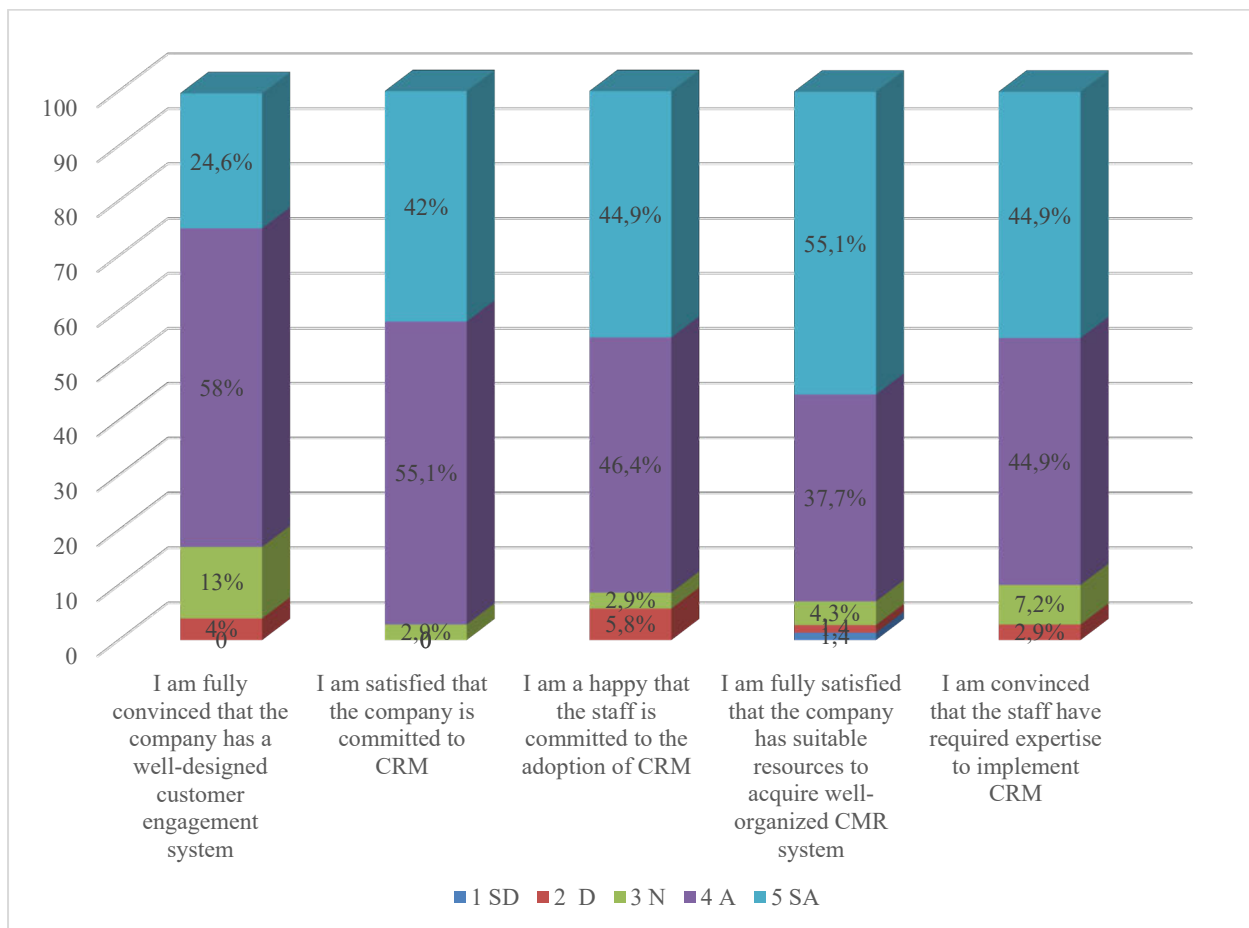
developments are largely at the forefront of customer engagement, as 47.5 % respondents came from the two department, but if the participation of the workforce was high, a different picture may have emerged.

#### 4.6 BIO-GRAPHICAL DATA

The study employed basic descriptive statistics such as frequency and percentage to interpret the research findings. The findings are discussed as follows:

##### 4.6.1 Contribution of CRM towards developing sustainable customer relations

The respondents were asked to respond to each item on a scale of 1-5. The results concerning the contribution of CRM towards developing sustainable customer relations are shown in Figure 4.1.



**Figure 4.1: Influence of CRM in developing sustainable customer relations**

The results showed that 4.3% of the respondents disagreed that the company has a well-designed customer engagement system; 13% neither agreed nor disagreed that the company has a well-designed customer engagement system; 58% agreed that the company has a well-designed customer engagement system; and 24.6% strongly agreed that the company has a well-designed customer engagement

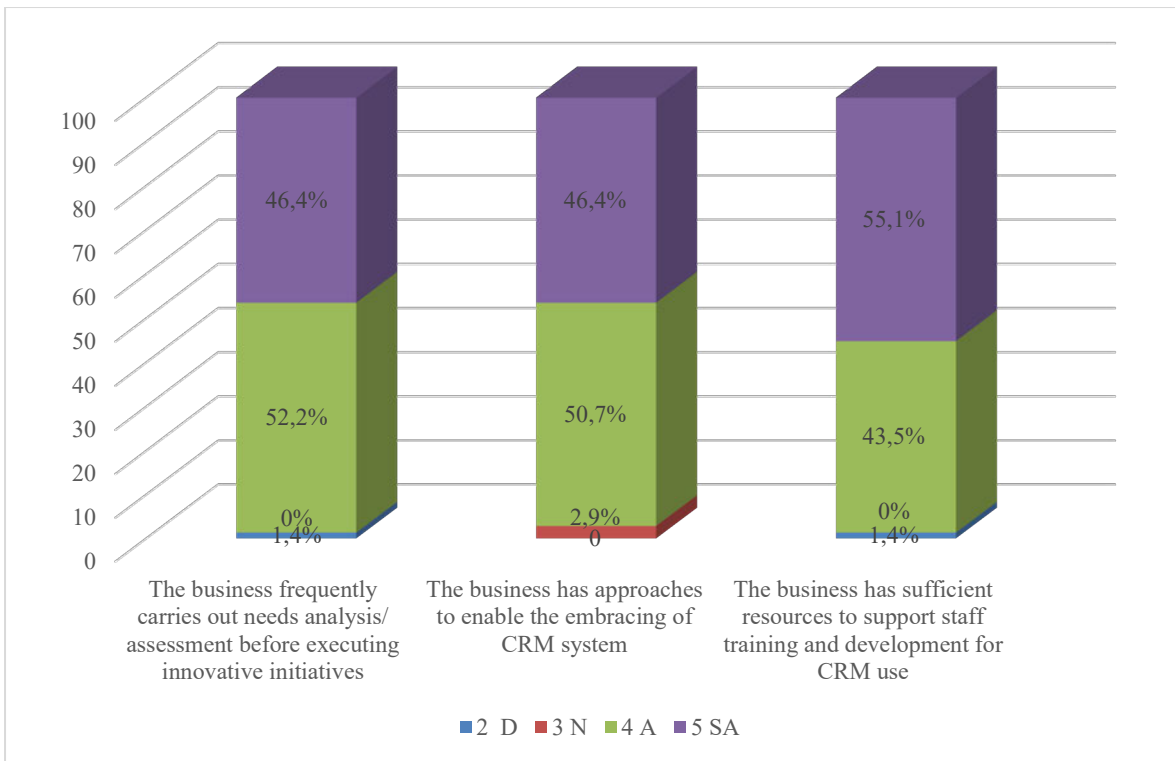


system. The results further suggested that 2.9% of the respondents neither agreed nor disagreed that the company was committed to CRM and 55.1% agreed that the company was committed to CRM; whereas 42% strongly agreed that the company was committed to CRM. Moreover, it was found that 5.8% disagreed that the staff was committed to the adoption of CRM, 2.9% neither agreed nor disagreed that that the staff was committed to the adoption of CRM, 46.4% agreed that the staff was committed to the adoption of CRM and 44.9% strongly agreed that the staff was committed to the adoption of CRM.

In addition, 1.4% strongly disagreed that the company had suitable resources to acquire a well-organised CMR system, 4.3% neither agreed nor disagreed that the company had suitable resources to acquire a well-organized CMR system, 37.7% agreed that the company had suitable resources to acquire a well-organized CMR system and 55.1% strongly agreed that the company had suitable resources to acquire a well-organized CMR system. Lastly, 2.9% disagreed that staff had the required expertise to implement CRM, 7.2% neither agreed nor disagreed that staff had the required expertise to implement CRM, 44.9% agreed that staff had the required expertise to implement CRM and another 44.9% strongly agreed that staff had the required expertise to implement CRM.

#### **4.6.2 The analysis of CRM and customer service and customer needs**

Figure 4.2 displays the results of the relationship between customer relationship management and customer service and customer needs.

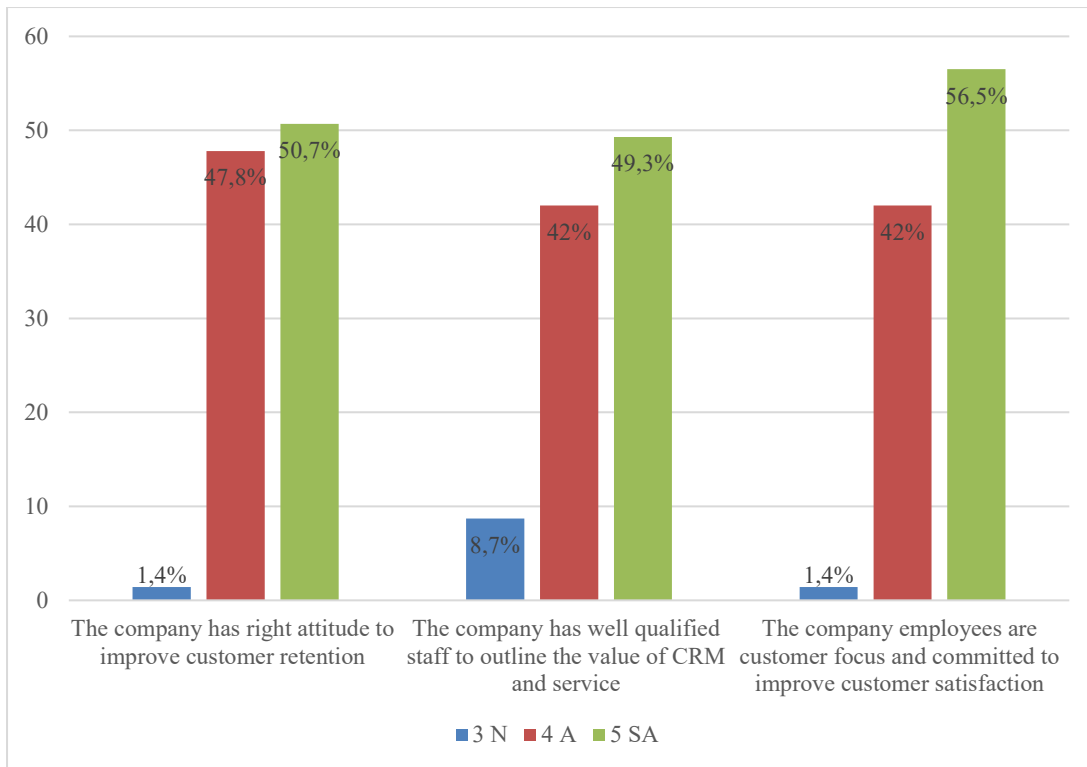


**Figure 4.2: The relationship between CRM and customer service and customer needs**

It emerged that 1.4% of the respondents disagreed that the business frequently carried out a needs analysis/ assessment before executing innovative initiatives; 52.2% agreed that the business frequently carried out a needs analysis/ assessment before executing innovative initiatives and 46.4% strongly agreed that the business frequently carried out a needs analysis/ assessment before executing innovative initiatives. Furthermore, 2.9% neither agreed nor disagreed that the business had approaches to enable the embracing of a CRM system; 50.7% agreed that the that business had approaches to enable the embracing of a CRM system and 46.4% strongly agreed that the business had approaches to enable the embracing of a CRM system. In addition, 1.4% disagreed that the business had sufficient resources to support staff training and development for CRM use, 43. % agreed that the business had sufficient resources to support staff training and development for CRM use and 55.1% strongly agreed that the business had sufficient resources to support staff training and development for CRM use. There is a strong belief that the company’s financial resources are sound to prepare the staff for the adoption of CRM.

#### 4.6.3 The relationship between CRM and customer retention

The results regarding the relationship between customer relationship management and customer retention are shown in Figure 4.3



**Figure 4.3: The relationship between customer relationship management and customer retention**

It was established that 1.4% of the respondents neither agreed nor disagreed that the company had the right attitude to improve customer retention. This could have been respondents that were new or not fully engaged on the phenomenon. A further 47.8% agreed that the company had the right attitude to improve customer retention, while 50.7% strongly agreed that the company had the right attitude to improve customer retention. The two percentages of respondents show that the company is on the right path when implementing CRM initiatives. Additionally, 8.7% neither agreed nor disagreed that the company had well-qualified staff to outline the value of CRM and service. Another 42% agreed that the company had well-qualified staff to outline the value of CRM and service, and 49.3% strongly agreed that the company had well-qualified staff to outline the value of CRM and service. Lastly, 1.4% neither agreed nor disagreed that the company employees were customer-focused and committed to improving customer satisfaction, 42% agreed that the company employees were customer-focused and committed to improving customer satisfaction, whereas 56.5% strongly agreed that the company employees were customer focused and committed to improving customer satisfaction.

#### 4.7 CENTRAL TENDENCY AND MEASURES OF DISPERSION

In addition to the above, the study employed descriptive statistics such as central tendency (mean, median and mode) and measures of dispersion to provide a meaningful conclusion of the data. The results are shown in Table 4.5.

**Table 4.5: Central tendency and measures of dispersion**

Variables	Mean	95 % Confidence Interval		Std. Dev.	Minimum	Maximum
		Lower Bound	Upper Bound			
CRM & customer relations	4.36	4.25	4.48	0.47266	1.00	5.00
CRM and customer service and needs	4.43	4.31	4.54	0.46125	1.00	5.00
CRM & customer retention	4.48	4.39	4.57	0.37719	1.00	5.00

The results showed that using a scale of 1-5, the relationship between CRM and customer retention had the highest mean value (Mean = 4.48), followed by the relationship between CRM and customer service and needs (Mean = 4.43), and the relationship between CRM and customer relations (Mean = 4.36). The mean score values for all the constructs measured in the study exceed the threshold (Mean = 3.00). Therefore, the respondents have strong positive perceptions about the impact of CRM on customer relations, customer service, customer needs and customer retention.

#### 4.8 INFERENCE STATISTICS

To draw a more valid conclusion about the data, inferential statistics such as Pearson's correlation and linear regression were performed. The results of these statistical tests are presented as follows.

##### 4.8.1 Pearson's product-moment-correlation

Pearson's  $r$  assesses the strength, direction and probability of the linear association between two variables (Chee, 2015). In this study, the Pearson's correlation was used to assess the inter-correlation between CRM and customer relations, customer service and needs and customer retention. The results are shown in Table 4.6.

**Table 4.6: Pearson's correlation**

Constructs		1	2	3
CRM & customer relations	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	69		
Customer service and needs	Pearson Correlation	.202	1	
	Sig. (2-tailed)	.095		
	N	69		
Customer retention	Pearson Correlation	.310**	.094	1
	Sig. (2-tailed)	.010	.442	
	N	69	69	69
*. Correlation is significant at the 0.05 level (2-tailed).				
**. Correlation is significant at the 0.01 level (2-tailed).				

The results showed a positive relationship between CRM and customer relations at the 1% significance level. Given this, hypothesis 1 is accepted. The findings are not supported by existing research. Evidence suggest that an increasing number of business organisations are embracing and willing to invest on integrated strategies that promote partnering relations through the adoption of advanced customer relationship management strategies that seek to create utmost value for companies conducting business (Gao et al., 2021). According to Khan and Salamzadeh (2020), electronic CRM is increasingly becoming the new paradigm in the era of customer relationship management as companies understand the necessity to evolve in an environmentally sensitive way to succeed with marketing strategies. Bowen and Chen (2020) conclude that the CRM system should help the business to manage all is customer relationships and partner with customers to provide solutions to the problems relating to the products or services that the business offers.

Furthermore, the results showed that there was no relationship between CRM and customer service and needs. Therefore, hypothesis 2 is rejected. The results contradict the results of previous studies. According to Weinstein (2020), valuable customer information gathered through CRM interactions and practices becomes more effective for marketing. CRM enables the gathering of more recent information about customer activities, and this information may be useful to customer decision-making predictions and improvements of customer satisfaction. Customer information gathered through CRM engagements can be used for segmentation of customers to make it more effective for targeted marketing and to reach target groups through tailored marketing. Alshurideh and Al Kurdic (2023) postulated that adoption of CRM encourages a thorough understanding of customer needs, and results in better ways of meeting them.

Moreover, the study established a moderate positive relationship between CRM and customer retention at the 1% significance level. Hence, hypothesis 3 is accepted. According to Weinstein (2020), firms are hugely reliant on existing customers to continuously do business and buy their products repeatedly, which guarantees a continued revenue stream that leads to long-term business growth. In a competitive space, many suppliers are entering the industry with similar or better product offerings and other variables, and these alone make it easy for customers to switch. Sadiq and Khan (2021) argue that the adoption of good CRM principles has a far-reaching consequence for the organisation that wants to keep its customer base and grow into new markets. Another study suggests that the impacts of CRM on customer retentions goes beyond current customers purchasing the company's current product ranges but gives customers confidence to willingly buy the company's new products (Andreyera & Long, 2021).

The following section describes the results of the linear regression.

#### **4.8.2 Linear regression**

According to Bansal's (2022), regression analysis is a common inferential statistical tool used by quantitative researchers to assess relationships amongst multiple variables. In this study, linear regression was used to assess the interplay between the dependent (CRM) and independent variables (customer relations, customer service and needs and customer retention). The findings are shown in Table 4.7.

**Table 4.7: Regression analysis**

Independent variables	R	R-squared value	Adjusted R-squared value	F	Beta	T	P
	0.393 a	0.154	0.115	-	-	-	0.012 <sup>b</sup>
Customer relations	-	-	-	-	0.179	1.464	0.148
Customer service & needs	-	-	-	-	0.142	1.218	0.228
Customer retention	-	-	-	-	0.240	1.990	<b>0.051</b>

The results showed an R-squared value of 0.154 and an adjusted R-squared value of 0.115. This suggests that the model (CRM) predicts 11.5% of the variations in customer relations, customer service and needs and customer retention. The results indicated a significant positive relationship between the independent and dependent variables ( $p > 0.010$ ). The standardised Beta and the corresponding P values for the relationship between CRM and customer relations ( $\beta = 0.179$ ,  $p > 0.001$ ) were statistically insignificant. This implies that CRM had no direct influence on customer relations in the company. These findings are not consistent with previous research. It has been found that an increasing number of business organisations are embracing and willing to invest in integrated strategies that promote partnering relations through the adoption of advanced customer relationship management strategies that seek to create the utmost value for companies conducting business (Gao et al., 2021). Likewise, Khan and Salamzadeh (2020) agree that electronic CRM is increasingly becoming the new paradigm in the era of customer relations management as companies understand the necessity to evolve in an environmentally sensitive way to succeed with marketing strategies.

The standardised Beta and the corresponding P-values for the relationship between CRM and customer service and needs ( $\beta = 0.142$ ,  $p > 0.001$ ) were statistically insignificant. The results implied that there was no statistical relationship between CRM and customer service and needs. The results of this study disagreed with previous studies that established a positive link between CRM and customer service and needs. Weinstein (2020) points out that valuable customer information gathered through CRM interactions and practices becomes more effective for marketing. Additionally, Alshurideh and Al

Kurdic (2023) concurred that the adoption of CRM encourages a thorough understanding of customer needs, and results in better ways of meeting them.

Furthermore, the standardised Beta and the corresponding P-values for the relationship between CRM and customer retention ( $\beta = 0.240, p < 0.010$ ) was statistically significant. These findings are supported by existing research. For instance, Blanchard (2022) states that CRM can be characterised as an integral part of supplier knowledge of relationship marketing concerned with maintaining customers that are already conducting business with the company. Sofi and Hakim (2020) postulate that companies that administer effective CRM practices and systems find it easier for customers to participate in the development of new products or change with their new product offerings. Kampani and Jhambi (2020) argue that current customers are always likely to refer new customers to the company if they get good service and feel that they are treated as important stakeholders, rather than buyers of the commodities that the company offers.

#### **4.9 CONCLUSION**

The results of the Pearson's correlation showed a positive relationship between CRM and customer relations at the 1% significance level. However, there was relationship between CRM and customer retention at the 1% significance level. The regression analysis results suggested that the relationship between CRM and customer relations was insignificant. Moreover, the regression analysis showed that the relationship between CRM and customer service and needs was statistically insignificant. Nonetheless, it was established that the relationship between CRM and customer retention was statistically significant. The next chapter presents the summary, conclusion and recommendations for the study relating to the contribution of CRM to develop sustainable customer relations and customer service. In addition, the chapter highlights the training requirements for achieving effective CRM.



## **CHAPTER 5: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 INTRODUCTION**

The previous chapter discussed the quantitative results which emerged from the study. The aim of this chapter is to draw valid conclusions as well as provide recommendations for the study based on the key findings. The first section of the chapter summarises the key findings that emanated from the study. This section is followed by the recommendation of the study. Directions for future research are also outlined in this chapter. The conclusion and recommendations are in line with the research objectives, namely: to assess the influence of customer relationship management in developing sustainable customer relations; to analyse the customer relationship management and customer service and customer needs; and to investigate if customer relationship management can be adopted as a strategic tool for the retention of customers.

### **5.2 CONTRIBUTION OF CRM TOWARDS SUSTAINABLE CUSTOMER RELATIONS**

The results indicate that CRM contributed to the creation of sustainable customer relations. The findings showed that the ICT company had a sound CRM policy that positively contributed to sustainable customer service. The ICT company is also creating an environment conducive and enabling for the improvement of organisational competencies and skilling employees to advance CRM processes and systems. The results are reflective of the need to achieve satisfactory customer levels through the improvement of enabling factors aimed at customer faction.

In addition, the results show that the company is investing resources in the implementation of CRM systems while securing the employees' commitment and support towards CRM. The study results indicate that the company has deployed the necessary expertise to ensure that the CRM adoption succeeds for the betterment of sound customer service. The study indicates that CRM success is the corroboration of various internal stakeholder and collaborations with customer to improve efficiency in the systems.

### **5.3 TRAINING REQUIREMENTS OF EMPLOYEES**

The study further investigated the targeted training needs of employees that were undertaken at the company. The overall results of the study indicated that CRM helped the company meet the targeted training needs of all staff members. The results further indicate that training needs to execute the CRM were adequately carried out and employees were comfortable with the systems and processes and new roles that they had to fulfil. Besides this, the results of the study showed that the selection of employees

for the programme rolled out to various departments whose employees were dealing or had some engagement with customers. The target training was based on the employees' roles and business needs to make the system produce results.

#### **5.4 ROLE OF CRM TOWARDS CUSTOMER-CENTRIC EMPLOYEE ATTITUDES**

The role of CRM towards customer-centric employee thinking was also probed. This is an essential pillar in ensuring that positive energy is transferred to customers when monthly reviews or routing engagements were conducted. The results further indicated that the CRM goals are directed at key organisational activities aimed towards creating a customer enabling experience. This clearly outlines the value of remodeling correct attitudes during the need for change. The results indicate that CRM was applied to attain customer service. In addition, study results showed that CRM enabled the ICT company to retail and source new customers while increasing its sales or revenue.

#### **5.5 RECOMMENDATIONS OF THE STUDY**

The following recommendations of the study are based on the key findings:

##### **5.5.1 Recommendation 1: The Need to Improve Customer Service and Needs**

The importance of customer service and needs have gained momentum in the service industry, with customers' satisfaction with their experience being perceived as a critical factor, especially in the service industry. Thus, customer service and needs are emerging as vital components of superior customer experiences. Evidence from empirical studies suggest that CRM helps organisations to improve their relationships with individual people, such as customers, service users, colleagues and suppliers throughout their life-cycle with them. However, the findings suggested no relationship between CRM and customer service and needs. Therefore, this study recommends the need for ICT companies to improve their customer service and needs through the adoption of CRM. When adopted, the findings could help ICT companies to enhance their services and customer needs, thereby increasing their profit margin.

##### **5.5.2 Recommendation 2: The Need to Improve Customer Relations**

From the empirical standpoint, building positive customer relations helps an organisation to connect with its customers on a much more personal level. From this perspective, one fundamental factor in building a successful business or organisation is building a trustworthy customer relationship. Moreover, it is suggested that building a positive customer relationship leads to new customer attraction, retention and satisfaction. Unfortunately, the research findings showed no relationship

between CRM and customer relations. Against this background, the study recommends building positive customer relations, which will strengthen the organisation's reputation, increase profitability and build a network of brand advocates.

### **5.5.3 Recommendation 3: The Need for Mixed-Methods Research**

The adoption of mixed-methods research has shown that it provides a broader spectrum of ways to understand complex research problems in different contexts, better than could be done through either quantitative or qualitative methods alone. Mixed methods have proven to increase the robustness of research findings because findings can be strengthened through triangulation. However, this study adopted only the quantitative research approach, providing little insight into the thoughts, motivations and drivers of the research participants. Against this backdrop, the study suggests the need for mixed-methods research to ensure validation and address the weakness in each research approach.

## **5.6 DIRECTIONS FOR FUTURE RESEARCH**

This study was only conducted in one organisation: the ICT company in Johannesburg. Therefore, generalizing the results in a different context with no manipulations is suggested. More studies combining multiple companies and in other industries is also advocated. Another limitation of the study was the research title, which focused on CRM as a strategic tool for customer retention. There may be a need to conduct research that involves multiple variables in varying settings.

## **5.7 LIMITATIONS OF THE STUDY**

The study was located at a single institution and subjected to specific and controlled conditions. This implies that the results and conclusions drawn from this study may invariably differ in other populations and contexts and may be difficult to generalise. Nevertheless, the findings could be generalized, given the size of the sample. The study was conducted during a very short period which may have had influence on the data collection process. However, more efforts were put into the data collection process to ensure timely responses. Another limitation of the study is that it adopted only the quantitative research method. Generally, quantitative research cannot capture the complexity, diversity, or richness of the phenomena under study. Therefore, future studies should adopt the mixed-methods approach to gain a more complete picture of the subject matter than a standalone quantitative or qualitative study.

## **5.8 CONCLUSION OF THE STUDY**

This section of the chapter draws the conclusions of the study in accordance with the key findings. Moreover, the conclusion is drawn in line with the research objectives, which include: to assess the influence of customer relationship management in developing sustainable customer relations; to analyse the customer relationship management and customer service and customer needs; and to investigate if customer relationship management can be adopted as a strategic tool for customer retention.

The study found that there is a profound relationship between the customer relationship management and customer retention. CRM promotes a greater understanding, co-planning, and co-operative engagements between transacting companies. It can also be argued that CRM practices, when adopted and embraced by all parties, generated positive results and synergy which enables companies to work positively optimise on the achievement of organisational goals and reduce waste and costs. CRM assists companies to build a reservoir of knowledge about their customers, and other stakeholders such as suppliers to develop trends and analysis that fundamentally guide them for future decision making and resources allocation.

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## ANNEXURE 1: CONSENT LETTER



### CONSENT

**Full Title of the Study:** Customer relationship management as a strategic tool at a selected petroleum company in South Africa

**Names of Researcher/s:** Chris Sibisi

#### Statement of Agreement to Participate in the Research Study:

- I hereby confirm that I have been informed by the researcher, Chris Sibisi about the nature, conduct, benefits, and risks of this study - Research Ethics Clearance Number: \_\_\_\_\_,
- I have also received, read and understood the above-written information (Participant Letter of Information) regarding the study.
- I am aware that the results of the study, including personal details regarding my sex, age, date of birth, initials and diagnosis will be anonymously processed into a study report.
- In view of the requirements of research, I agree that the data collected during this study can be processed in a computerised system by the researcher.
- I may, at any stage, without prejudice, withdraw my consent and participation in the study.
- I have had enough opportunity to ask questions and (of my own free will) declare myself prepared to participate in the study.
- I understand that significant new findings developed during the course of this research which may relate to my participation will be made available to me.

\_\_\_\_\_  
**Full Name of Participant  
Thumbprint**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Time**

\_\_\_\_\_  
**Signature / Right**

I, Christopher herewith confirm that the above participant has been fully informed about the nature, conduct, and risks of the above study.

Christopher Sibonelo Sibisi  
**Full Name of Researcher**

14 February 2023  
**Date**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Full Name of Witness (If applicable)**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Full Name of Legal Guardian (If applicable)**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Signature**

## ANNEXURE 2: LETTER OF INFORMATION



### LETTER OF INFORMATION

**Title of the Research Study:** Customer Relationship Management as a Strategic Tool at a Selected Petroleum Company in South Africa.

**Principal Investigator/s/researcher:** Chris Sibisi, Master of Commerce – Human Resources

**Co-Investigator/s/supervisor/s:** Professor Jeeva Govender / Professor Veena P Rawjee, PHD

**Brief Introduction and Purpose of the Study:** This study aims to establish the influence of Customer Relations Management as a strategy tool at a selected petroleum (Sasol) in South Africa, The company has its headquarters in Sandton and has various operations throughout South Africa servicing a wide range of customers in a higher competitive petrochemical sector. A wide-ranging discussion in many companies is characterised by the pursuit of customer retention and innovative methods and tools that may be employed to satisfy current customers and grow their current market share sustainably. The study investigates the use of technology to capture, analyse, store data to build market intelligence for effective use.

Dear Management

My name is Chris Sibisi, and I am a Master of Business Administration student at Durban University of Technology (DUT). I am conducting research to establish the influence of Customer Relations Management as a strategic tool in a petroleum company in South Africa. The purpose of this research is to fulfil the Masters of Business Administration at DUT and to contribute towards assisting the company with knowledge that may assist in its pursuit for growth and customer retention strategy..

The study's goal is to establish the influence of Customer Relations Management as a strategy in a petroleum company in South Africa. The questionnaires shall not consume too much time of the company. You are kindly requested to respond to all questionnaires with honesty and integrity.

You may be interested to know that the study has no unpredictable risks and is fully voluntary. However, if you are uncomfortable answering any of the questions, you may not proceed with the interview.

You may withdraw from the study at any time for any reason, including non-compliance, illness, or adverse effects. Your removal from the study, will have no negative implications.

Your responses on the interviews question will be kept confidential, and data from this study will only be reported in aggregate. Your information will be encrypted and kept private. The Durban University of Technology will protect confidentiality and anonymity. All information gathered will be stored in a secure location for five years before being destroyed. Under these conditions, only authorised individuals will have access to the data.

**Persons to contact in the Event of Any Problems or Queries:**

Supervisor: Professor Veena Rawjee

Co-Supervisor Professor JP Govender

Please contact the researcher Cell No: 082 300 7436; my supervisor Cell No. 084 310 2590; co -supervisor 0835551026 the DUT- Institutional Research Ethics Administrator on 031 373 2375. Complaints can be reported to the Acting Director: Research and Postgraduate Support on [researchdirector@dut.ac.za](mailto:researchdirector@dut.ac.za)

Thank you for your time and participation

Yours sincerely

Chris Sibisi (researcher)

## ANNEXURE 3: QUESTIONNAIRE

Durban University of Technology

Faculty of Management Studies

DUT Business School

Customer Relationship Management as a strategic tool for customer retention at a selected ICT company in Johannesburg

### Section A: Demographic Characteristics

This section of the questionnaire contains questions on the demographical data of the respondents in terms of gender, age, race, educational qualification, position currently occupied, tenure, employment status, and department.

#### A.1 What is your gender?

1	Male	
2	Female	
3	Other	

#### A.2 Which age group do you belong to?

1	20-25 years	
2	26-30 years	
3	31-35 years	
4	36-40 years	
5	41-45 years	
6	> 46 years	

#### A.3 What is your race?

1	African	
2	Indian	
3	Coloured	
4	White	
5	Other	

#### A.4 What is your highest educational qualification?

1	Diploma	
2	Undergraduate	
3	Honours	
4	Masters & above	
5	Other	

**A.5 What role do you occupy?**

1	Sales Account Manager	
2	Marketing Practitioner	
3	Business Development Manager	
4	Other: Outbound & Finance	

**A.6 What is your tenure?**

1	< 2 years	
2	2-5 years	
3	6-10 years	
4	11-15 years	
5	> 16 years	

**A.7 What is your employment status?**

1	Full-time	
2	Fixed term	
3	Contract	
4	Other	

**A.8 Which function do you belong to?**

1	Sales	
2	Marketing	
4	Distribution and Logistics	
5	Business Development	

**Section B: Contribution of CRM towards developing sustainable customer relations**

This section of the questionnaire focuses on the contribution of CRM towards developing sustainable customer retention. Please indicate with a cross (X) the extent to which you agree or disagree with the following statements using the 5-point Likert scale. Strongly Disagree (SD) = 1; Disagree (D) = 2; Neutral (N) = 3; Agree (A) = 4; and Strongly Agree (SA) = 5.

No.	Statement	1 SD	2 D	3 N	4 A	5 SA
B9	I am fully convinced that the company has a well-designed customer engagement system					
B10	I am satisfied that the company is committed to CRM					
B11	I am a happy that the staff is committed to the adoption of CRM					

B12	I am fully satisfied that the company has suitable resources to acquire well-organized CMR system					
B13	I am convinced that the staff have required expertise to implement CRM					

### Section C: Role of CRM towards of customer centric employee attitudes

No.	Statement	1 SD	2 D	3 N	4 A	5 SA
C14	I am convinced that customer focused employee competencies will be developed using CRM					
C15	The company encourages staff to adopt new ideas					
C16	There is enough support for staff members to take part in the adoption of CRM initiatives					

### Section D: Targeted Training Needs of Employees Are Undertaken

No.	Statement	1 SD	2 D	3 N	4 A	5 SA
D17	The business frequently carries out needs analysis/ assessment before executing innovative initiatives					
D18	The business has approaches to enable the embracing of CRM system					
D19	The business has sufficient resources to support staff training and development for CRM use					

### Section E: CRM is used to achieve customer retention and improve service levels

No.	Statement	1 SD	2 D	3 N	4 A	5 SA
E20	The company has right attitude to improve customer retention					
E21	The company has well qualified staff to outline the value of CRM and service					
E22	The company employees are customer focus and committed to improve customer satisfaction					

## ANNEXURE 4: GATEKEEPER PERMISSION

**ALTRON**  
NEXUS

Altron Nexus (Pty) Ltd  
Block D, 16 Woodlands Drive, Woodlands  
China Park, Woodmead  
PO Box 3574, Ryeveld, 2126, South Africa  
Tel: 427 51 031 4900  
www.altron-nexus.com

Mr. Chris Sibisi  
Student Number: 21449490  
86 Maxwell Drive  
Buffs  
4052

By email: [chris.sibisi@yosol.com](mailto:chris.sibisi@yosol.com)

Dear Mr. Sibisi

**RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH ON CUSTOMER RELATIONSHIP  
MANAGEMENT AS A STRATEGIC TOOL AT ALTRON NEXUS**

1. The above subject bears reference and your request letter dated 14 February 2023 is hereby acknowledged.
2. This letter serves to inform you that your request to conduct research on Altron Nexus as articulated on the subject line has been granted.
3. I hope you find this in order.

Miss Silungile Mlambo  
Head: Marketing Services  
Email: [Silungile.mlambo@altron.com](mailto:Silungile.mlambo@altron.com)  
Direct Line: 087 821 4938

Page No. 3505020630/07  
Duduzile R. Chinganya: Head of HR, Altron Nexus (Pty) Ltd  
Company Secretary: Altron Management Services (Pty) Ltd

## ANNEXURE 5: ETHICAL CLEARANCE



**Institutional Research Ethics Committee**  
Research and Postgraduate Support Directorate  
2<sup>nd</sup> Floor, Berwyn Court  
Gate 1, Steve Biko Campus  
Durban University of Technology  
P O Box 1334, Durban, South Africa, 4001  
Tel: 031 373 2375  
Email: [irec@dut.ac.za](mailto:irec@dut.ac.za)  
[http://www.dut.ac.za/research/institutional\\_research\\_ethics](http://www.dut.ac.za/research/institutional_research_ethics)  
[www.dut.ac.za](http://www.dut.ac.za)

8 June 2023

Mr C Sibisi  
Department of Business and Entrepreneurial Studies  
Faculty of Management Sciences

Dear Mr Sibisi

**Customer relationship management as a strategic tool for customer retention at a selected information communications technology company in Johannesburg**  
**Ethics Clearance Number: IREC 080/23**

The DUT-Institutional Research Ethics Committee acknowledges receipt of your notification regarding the piloting of your data collection tool.

Kindly ensure that participants used for the pilot study are not part of the main study.

Please note that **FULL APPROVAL** is granted to your research proposal. You may proceed with data collection.

Any adverse events [serious or minor] which occur in connection with this study and/or which may alter its ethical consideration must be reported to the DUT-IREC according to the DUT-IREC SOP's.

Please note that any deviations from the approved proposal require the approval of the DUT-IREC as outlined in the DUT-IREC SOP's.

**It is compulsory for a student or researcher to apply for recertification on an annual basis. The failure to do so will result in withdrawal of ethics clearance. It is the responsibility of the researcher and the supervisor to apply for recertification.**

**Please note that you are required to submit a Notification of Completion of Study form together with an abstract to the DUT-IREC office on completion of your study.**

Yours Sincerely

Prof J K Adam  
Chairperson: DUT-IREC



## ANNEXURE 6: LANGUAGE EDITORS' CLEARANCE LETTER

### EDITOR'S LETTER

Researchers Beyond-Borders (PTY) LTD  
Umhlanga, Durban  
South Africa  
29 June 2023

i

To whom it may concern

**Editing of Masters (MBA) Dissertation: Christopher Sibisi (Student number - 21449490)**

**Title:** Customer relationship management as a strategic tool for customer retention at a selected ICT company in Johannesburg.

This letter serves as confirmation that the aforementioned dissertation has been language edited.  
Any queries may be directed to the author of this letter.



Regards

Maleni Pillay  
Researchers Beyond-Borders  
[consult@researchersbeyondborders.com](mailto:consult@researchersbeyondborders.com)  
[www.researchersbeyondborders.com](http://www.researchersbeyondborders.com)

## ANNEXURE 7: TURNITIN REPORT

### CRM as a strategic tool for customer retention

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