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CUSTOMER RELATIONSHIP MANAGEMENT AND COMPANY REVENUE GENERATION: A CASE STUDY OF FIRST MICRO CREDIT FINANCE MUTARE.

BY

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A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER IN EXECUTIVE BUSINESS ADMINISTRATION IN THE COLLEGE OF BUSINESS, PEACE, LEADERSHIP AND GOVERNANCE

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Abstract

The main objective of the study was to investigate on the impact of customer relationship management strategies employed by First Micro Credit Finance (FMC) on its revenue generation. The study adopted a descriptive research design which used both primary and secondary data as well as qualitative and quantitative methods. Primary data was collected using questionnaires and interviews while the secondary data was obtained from newspapers, journals, magazines, internet and other published reports The study was based on a population of 100 respondents in the form of employees and customers of FMC Finance (30 FMC Finance staff drawn from the employees' database of FMC staff based in Mutare and 70 customers in the Mutare customer database) who were later sampled to a size of 80 respondents. A regression analysis and correlation matrix was performed to test the relationship between customer relationship and revenue and descriptive statistics. The study found out that customer relationship strategies were adopted to a moderate extent at FMC Finance. The study also found out that a significant positive relationship existed between customer relationship strategies at FMC Finance and revenue. The study also found out that pricing models, services improvement, responsiveness, tangibility and reliability of brand were the factors that could be flexed to improve customer relationship. The study also found out that improving customer relationship requires a focus on continuous customer surveys, process management, updating of customer files, early identification of dissatisfied customers, tracking of dissatisfied customers. The study concluded that loyalty programs, service quality programs and extra ordinary customer services constituted the most widely used relationship strategies at FMC Finance and strategies which were adopted to a moderate extent included monitoring customer services, effective communication, customer clubs and effective recovery systems. The least adopted customer relationship strategy was promotions. The study also concluded that improving customer relationship strategies at FMC Finance required a focus on continuous customer surveys, process management, updating of customer files, early identification of dissatisfied customers, tracking of dissatisfied customers. The study recommended that FMC Finance should strengthen its customer bonds as it enables the firm and its customers to both commit resources to the relationship built on high levels of trust and commitment. The study recommended that in order to increase customer relationship rates, FMC Finance should continue providing extraordinary customer service. The study also recommended that FMC Finance should allocate budgets to promotional activities to boost its public image.

Key Words: Customer relationship management, Revenue, FMC Finance

Declaration Page

I declare that this dissertation is my original work except where sources have been cited and acknowledged. The work has never been submitted, nor will it ever be submitted to another university for the award of a degree.

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Dedication

To my mom, my husband Sydney and my two lovely sons Leeroy and Rodney.

List of Acronyms and Abbreviations

AU	Africa University
FMC	First Micro Credit Finance
CRM	Customer relationship management
ZAMFI	Zimbabwe Association of Microfinance Institutions
RBZ	Reserve Bank of Zimbabwe
CK	Customer Knowledge
TQM	Total quality management
BPR	Business Process Re-engineering
IT	Information Technology

Definition of Key Terms

Customer Relationship Management: The Customer relationship management (CRM) concept refers, to a business strategy focused on the customer, to the extensive process that integrates sales, marketing and clients service, that creates value for both the company and customers (Kotler & Amstrong, 2008).

Revenue: This refers to income to a business through sales or the value of all sales of goods and services recognised by a company in a period (Investopedia).

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CHAPTER 1 INTRODUCTION

1.1 Introduction

The study investigated the impact of customer relationship management strategies that are being employed by players in the Microfinance industry with particular reference to First Micro Credit Finance (FMC) on revenue generation. The study was compelled by the fact that in today's competitive arena, organizations need to strategically shift their focus from primarily concentrating on their products and rather to realize the importance of improving customer defections, thus looking at strategically retaining the existing customer base. This chapter therefore presents the background to the study, statement to the problem, objectives of the study, research questions, research proposition, and scope of the study and significance of the research.

1.2 Background to the Study

In today's market conditions, with the rapid growing of technology and the need for value for money customers demand better service and expect more from companies. Companies are now required to understand the needs preferences, and buying behaviour of customers; in order to plan and execute interactions that create best possible experience for their customers. As Peppers & Rogers Group (2009) indicated, the landscape of marketing is being reshaped and in this new landscape, power shifts to customers and companies lose their control. Customer relationship management (CRM) is increasingly important to firms as they seek to improve their profits through longer-term relationships with customers. In recent years, many have invested heavily in information technology (IT) assets to better manage their interactions with customers before, during and after purchase (Bohling *et al*., 2006).

Gaining sustainable competitive advantage over competitors through satisfying customer relationships has become one of the strategic weapons for a modern day service firm (Zeithaml *et al.*, 2000). Taking into account the Pareto Principle, which states that 80 percent of a company's revenue will be generated by 20 percent of its customers (Waithaka, 2014), customer relationship management is a significant tool in improving overall company revenue. The quality of relationship with their customers has been established as an important criterion of success of service providers (Panda, 2003) which stimulates customer satisfaction and loyalty (Jones, 2003).

The environment today is characterized by hyper competition that affects every life aspect (Al-Qeed *et al.*, 2017). In the era of knowledge economy, globalization and development of information and telecommunication technologies where customers have become more aware of their needs, desires, preferences, and priorities, (Ngambi *et al.*, 2015), customer relationship management has grown not to be an aim, but more like a necessity for businesses. Customer relationships are important for the organizations' competitive advantage sustainability, and depending on new technologies, business corporations use different tools and techniques to interact with prospector customers and clients in order to attract, satisfy, and retain them. Furthermore, employees should be more knowledgeable, courteous, customer-focused, and service-oriented (Long *et al.*, 2013).

In any organisation, customers are the reason for existence, hence there is need to create relationships that will help the organisation achieve its strategic objectives.

According to J. Mack Robinson and Charles H. Kellstad, the Robinson Research of marketing (2013), more and more companies are adopting customer centric strategies, programs, tools, and technology for effective and efficient customer relationship management. They are realising the need for an in-depth and integrated customer knowledge in order to build close cooperative and partnering relationships with their customers (Schubert, 2003).

The Zimbabwe Microfinance field has over the last decade witnessed the entry of a significant number of players which has seen intense competition dominating the credit industry. As at 31 December 2018, the Zimbabwe Association of Microfinance Institutions (ZAMFI) reports that there are 203 micro financiers and 6 deposit taking microfinance institutions in Zimbabwe who are registered with the Reserve Bank of Zimbabwe (RBZ, 2018). Most product and service developments in the lending industry are easy to duplicate and when microfinances provide nearly identical services, they can only distinguish themselves on the basis of customer relationship management. Therefore, customer relationship management is potentially an effective tool that microfinances can use to gain a strategic advantage and survive in today's ever-increasing competitive environment.

FMC Finance Zimbabwe was established and registered as a microfinance institution in January 2010. It has now grown across borders with a branch network of 25 represented in all the four corners of Zimbabwe, Headquarters being in Harare and its four branches being in Zambia where it started operating in 2016. FMC Finance's core business is micro-financing offering financial assistance to individuals and Small and Medium Enterprises alike. FMC Finance employs over 150 staff, and places strong focus on fostering a culture of learning (www.fmcfinance.com).

1.3 Statement of the Problem

In today's era of liberalization and globalization, every industry faces increasing competition and the microfinance industry is no exception. Rather, the recent proliferation of Microfinances and the presence of so many banks in the market which offer similar products ensures that the level of competition remains considerably higher than many other service industries. It becomes increasingly difficult to keep one's market share intact for a long time and also to keep the target of revenue. Harrison and Ansell (2002), in their study noted that businesses in the service industry generally suffers losses of between 15 to 20 percent of their customer base each year. According to the RBZ Performance Report of the Microfinance Sector as at 31 December 2018, microfinance sector reported reduced level of revenue and profitability as demonstrated by an aggregate net profit of $11.13 million as at 30 December 2018, compared with $20.5 million in December 2017. The negative effect is more pronounced with respect to the fall of Operational self-sufficiency ratio to 118.5 % as a 31 December 2018, compared with 151.6% for December 2017 and 124% for September 2018. Return on equity deteriorated to 16% compared with 41.9% in December 2017. The top 10 microfinance companies have in the period between 2017 and 2018 lost approximately 3% of their customers with such a drop, negatively affecting their revenues (RBZ, 2018). With customers having an option of hopping from one fund to another at any given time customer relationship management has become a substance of immense concern in the industry (Agnihotri *et al.*, 2015). Hence, there is need for retaining regular customers, attracting new customers through maintaining customer satisfaction and relationships. Evolving from this backdrop these facts highlight the need for the study to investigate and assess on the existing Customer Relationship Management (CRM) Practices at FMC Finance to know about the impact of CRM Practices at FMC on their revenue.

1.4 Research Objectives

The primary aim of the study is to assess the customer relationship management strategies employed by FMC Finance on its revenue generation. The objectives of the study were to:

1.4.1 Examine the existing Customer Relationship Management practices and extent of the adoption of these practices at FMC Finance.

1.4.2 Analyze the impact of Customer Relationship Management Practices on the revenue of FMC Finance.

1.4.3 Suggest how Customer Relationship Management can be enhanced to improve FMC Finance revenue generation.

1.5 Research Questions

1.5.1 What are the customer relationship management practices and services and to what extent have these been adopted at FMC Finance?

1.5.2 What is the impact of customer relationship management strategies on revenue generation at FMC Finance?

1.5.3 How can the customer relationship management strategies at FMC Finance be enhanced to improve revenue generation?

1.6 Hypotheses

The hypothesis for the research is stated as follows:

H0 Customer Relationship Practices and strategies at FMC finance have a significant impact on FMC Finance’s revenue generation.

H1 Customer Relationship Practices and strategies at FMC finance do not have a significant impact on FMC Finance’s revenue generation.

1.7 Significance of the Study

The results of the study will have a positive impact on FMC Finance and its staff, its customers and the Micro finance industry as a whole by providing additional knowledge in relation to the customer relationship issues that need to be addressed. If FMC Finance utilises the results of this study they can overcome the competition posed by other microfinance companies. Management at FMC Finance were also adequately informed on what strategies to be adopted by the organisation to achieve good customer relationship strategies. The findings, therefore, will be of great importance in strategic planning on customer relationship management by enabling the microfinance industry to be better equipped in delivering superior services to their customers. This study will also assist most companies in finding new ways and means of satisfying customers through attracting customers and building long term relationships with customers, suppliers, employees, distributors and the general public.

Several businesses have benefited from investing in CRM systems. Hassan and Parvez (2013) found that CRM systems have become a powerful marketing tool. Marketing leaders use CRM systems as a means to communicate with and retain existing customers. Similarly, the driving factor for CRM growth is that companies are finding it more profitable to retain existing customers rather than attract new ones

(Moreno *et al*., 2011). In addition to communicating with customers, CRM provides a means to enhance business relationships with existing customers.

The study focused on customer relationship management, a concept which has become topical in modern day businesses and in this regard, scholars and future researchers in this area will have a basis for using this study as a reference in their studies.

1.8 Delimitation of the Study

The study was conducted at FMC Finance Pvt Ltd, Mutare division, although the microfinance institution is headquartered in Harare and with branches nationwide. The study was based on a population of 100 respondents in the form of employees and customers of FMC Finance (30 FMC Finance staff drawn from the employees' database of FMC staff based in Mutare and 70 customers in the Mutare branch client database respectively).The study mainly included employees and customers as FMC Finance is a client facing business and it was considered that a relationship between the company and its customers existed, and therefore employees had a direct association with the customers therefore these two groups could provide the much needed information for the study. Due to cost constraints the study was conducted in Mutare where the researcher was based and could not be extended to other branches of FMC around Zimbabwe. The study was therefore taken as a representation of FMC businesses in Zimbabwe as similar customer relationship methods were applied within the FMC group. Primary data (questionnaires and interviews of FMC staff and customers) and secondary data was used. Participants were from the minimum age of 18 years up to 65 years.

1.9 Limitation of the Study

Data availability and accessibility is a challenge to most organizations. Empirical literature on the customer relationship management with particular attention to the microfinance industry in Zimbabwe was scanty and this became a limitation. The study, due to budget constraints of the researcher, could not be conducted in other branches of FMC Finance and this could have presented a wide array of findings. Had it not been for these reasons, and the locality in geographical distance, the study was to include staff from other towns and cities where the organisation has branches. However, despite this, the study maintained that the findings were a representation of FMC finance group as all branches adhered to the same culture of customer relationship practices. Another limitation was access to certain information which was considered private and confidential and which management may have not wanted to be disclosed for fear of counter competition.

CHAPTER 2 REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter focused on the link of theoretical and empirical literature so as to analyse the customer relationship management strategies used by FMC Finance and to assess the effectiveness and impact of the strategies. It comprised of three main proponents, theoretical, empirical literature reviews and the conceptual framework so that the study gap was revealed.

2.2 Theoretical Literature Review

This study explored the intricacy of customer relationship management strategies in the microfinance field. The theoretical evidence discussed the theoretical factors that explained customer relationship management practices and its impact on revenue generation.

2.2.1 The Concept of Services Marketing

Services Marketing is defined by the American Marketing Association as cited in (Adidam *et al*., 2005), as an organisational function and a set of processes for identifying or creating, communicating, and delivering value to customers and for managing customer relationship in a way that benefit the organisation and stakeholders. Services are usually intangible economic activities offered by one party to another (Amoako *et al*., 2012). Kotler (2010) defined service as any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything and its production may or may not be tied to a physical product.

2.2.2 The concept of Relationship Marketing

Relationship marketing is a facet of customer relationship management (CRM) that focuses on customer loyalty and long-term customer engagement rather than shorter-term goals like customer acquisition and individual sales (Bendapudi *et al.*, 2002). The goal of relationship marketing (or customer relationship marketing) is to create strong, even emotional, customer connections to a brand that can lead to ongoing business, free word-of-mouth promotion and information from customers that can generate leads (Bendapudi *et al.*, 2002) as noted in (Ottosson, 2018). According to Heiman (2005) and Dortyol (2009), relationship marketing has its key concept of customer retention through varying means and practices and the aim is to ensure repeated purchase from the already existing customers. Relationship marketing involves understanding the needs, goals and desires of the key stakeholders that include the customers, employees and marketing partners and all these have a direct impact on the success of the firm.

2.2.3 The concept of Customer Relationship Management (CRM)

Customer Relationship Management (CRM) is a concept that combines software and management practices to service the needs of the customer from the time they place an order through to the after sales service stage (Wright *et al.*, 2002). CRM is a technology that blends sales, marketing, and service information systems to build partnerships with customers (Rodriguez *et al.*, 2011). CRM technology is designed to support customer relationships at customer touch points where the buyer and sales firms interact (Zenkhe, 2009).

Kotler and Armstrong (2004) defined CRM as the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. According to Parvatiyar and Sheth (2001), CRM focuses on a cooperative and collaborative relationship between organisations and customers as an individual (Buttle, 2008). Cooperative and collaborative relationship on the hand, refer to the interdependent and long term orientation that gives mutual benefits to both parties (Agnihotri *et al.*, 2015).

The Customer relationship management (CRM) concept refers, to a business strategy focused on the customer, to the extensive process that integrates sales, marketing and clients service, that creates value for both the company and customers. CRM is a strategy based on developing relationships with clients. In recent years, CRM has flourished and now can be considered necessary for any company that wants to succeed (Ismaili, 2015). CRM is focused on retaining customers by collecting data from any contact with them by phone, e-mail, Internet.

2.3 Dimensions of Customer Relationship Management

2.3.1 Customer Satisfaction

This is an emotional reaction or positive feelings of expressing the difference between perceived service and customer expectations regarding specific product or service (Parvatiyar *et al.*, 2001). The customer's satisfaction is the most important criteria by which the organization can judge the quality of a product or service and is a source of loyal to the organization and thus its survival in the market (Al Qeed *et al.*, 2017). Accordingly, many organizations currently trying to build a permanent correlation with the customers to convince them that the product or service perfectly matching their expectations and needs, and it is of mutual benefit between the customer (complete satisfaction) and organization (high profits) (Al Qeed *et al*, 2017).

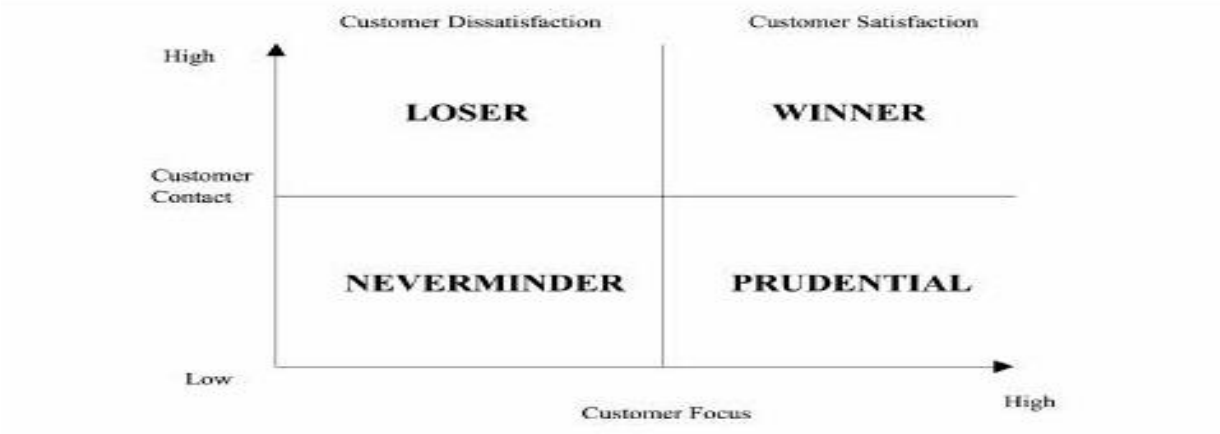


Figure 2.1: Customer Focus matrix

Source: Nasser *et al.*, (2003)

According to the Customer Focus Matrix, high customer satisfaction can be attained where there is high customer contact and high customer focus. The customer satisfaction matrix enables one to evaluate an organisation's strengths and weaknesses (Peppers *et al.*, 2009). This self-assessment will enable the company to know where there is need for improvement in customer satisfaction.

2.3.1.1 Reasons why customers leave the organization

Customers are fragile and always look for value of money and anticipate to get exceptional services in return. When they are dissatisfied, they move from one organization to another. Therefore, the duty of ensuring customer satisfaction lies with every employee within the organization.

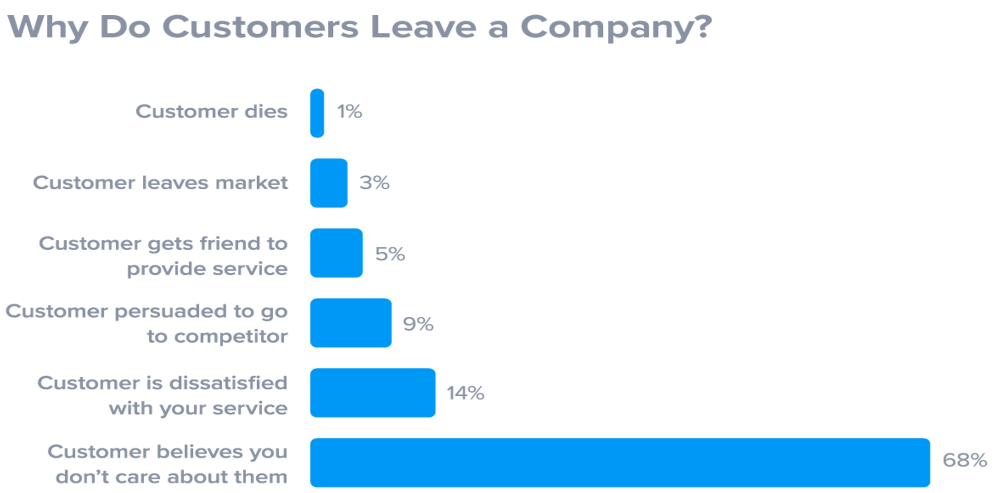


Figure 2.2 Reasons why customers move across organizations. Source: Kulbyte (2018)

2.3.1.2 Customer satisfaction and repurchase intentions

According to Peppers *et al* (2005), it should be noted that customer satisfaction cannot have any direct impact on customer profitability. It is the behaviour of the customer, which may follow from a certain level of satisfaction that affects customer profitability. Consequently, a number of variables which are assumed to be consequences of customer satisfaction and predictors of profitability have been suggested in the literature and these include loyalty, word-of-mouth, price sensitivity, feedback to the supplier, and job satisfaction among the supplier's personnel (Söderlund *et al.*,1999).

In the customer satisfaction literature, one particular purchase-related variable dominates and this variable is repurchasing intentions. Several studies have shown that a positive association is at hand between customer satisfaction and intentions to purchase again from- the supplier who was responsible for the initial level of satisfaction (Söderlund *et al.*, 1999).

The main rationale behind this link may be that a behavioural intention is a function of the customer's expectation that the performance of a specific behaviour will lead to a certain outcome and the positive or negative evaluation of this outcome (Ryan 1982). With this view, there are two ways in which satisfaction may affect repurchase intentions (Söderlund *et al.*, 1999). First, given that the customer is satisfied, satisfaction serves to narrow the variance in expectations (Thomke *et al.*, 2003). This, in turn, is likely to reduce uncertainty and provide cognitive economy in future choices, which may be important objectives (Thomke *et al.*, 2003). Second, given again that the customer is satisfied, the result is positive evaluations and hence a positive association between customer satisfaction and repurchase intentions is assumed.

2.3.2 Customer Loyalty

This is a positive (or negative) attitude of the customer toward the business organization and its products and services. It is considered important because the loyal customer will contribute to organization in long-range (Al Queed *et al.*, 2017). Therefore, customer loyalty is basically related to provider's ability to retain customers and persuade them to recommend its products and services to potential customers (Al Queed *et al.*, 2017). Often, there are three levels of loyalty according to the model of customer loyalty; strong loyalty where the customer is willing to buy all the times, moderate loyalty where the customer has a loyalty to more than two trademarks, and weak loyalty where the customer's preferences are varied from brand to another. The purpose of customer loyalty is to retain the customer as long as possible if not always-preserved.

2.3.3 Customer Value

This is the process of exchange or swap conducted by the customer between the benefits obtained from the product or service and the cost of obtaining in terms of product benefits, services attribution, the parties involved the purchase, the time and effort to obtained the product, and the risk perceived (Vingirayi *et al.*, 2019). Understanding customer's needs, desires, and preferences is one of the organizations' core priorities that helps them to find out their product's uniqueness and also helps them to unique values and ultimately increases sales volume, revenue, market share, and exploit the opportunities (Yi, 2003) as cited in (Al-Qeed *et al*, 2017). Eventually, to create customer value more apparently, three main aspects should be dealt carefully; targeting customers, create consensus, and organize the organization's capabilities.

2.3.4 Customer Attraction

This refers to the organization's ability to highly possess new prospectus customers, and that is to focus on quality standards, which positively reflected on the change in customer behavior and met the needs and desires of the customer (Vingirayi *et al.*, 2019). Satisfying customer's needs and desires and considering their suggestions and opinions gives a strong push to improve the product and/or service that drive a customer loyalty to the brand and organization, in other words it's about exceeding customer's expectations so that they become loyal advocates for your brand (Sugandhi, 2002).

2.3.5 Customer Retention

Customer retention is the solid activities a firm undertakes to prevent customers from defecting to alternative firms (Vingirayi *et al.*, 2019). Successful customer retention starts with the first contact and continues throughout the entire lifetime of the relationship (Staus *et al.*, 2013). It refers to keeping customers loyal to the brand and the organization on a long range (Gerrard, 2001).

2.3.6 Customer Culture

This refers to the values, knowledge, experiences and behaviors customers hold about the products and services provided in terms of quality either low or high (Atem, 2019). Thus many studies have shown a relationship between customer culture and market strategies.

2.3.7 Customer Knowledge

Al-Qeed *et al* (2017) mentions that customer knowledge refers to the dynamic combination of experience, value and insight information which is analyzed, interpreted, and converted to know how to exchange of knowledge between business organizations and their customers.

2.4 Models of Customer Relationship Management

2.4.1 Operational CRM

According Dyche (2002) an operational CRM is also known as front office CRM. It includes points in which achieved direct contact with the customer, which is also known as touch points (Ismaili, 2015). A touch point may be an interior touch or a contact from the outside (e.g. a sales call or a face to face promotion email to customers). In other words, an operational CRM used to capture customer data (Ismaili, 2015). An operational CRM also enables and streamlines communications to and from customers, but it does not mean necessarily optimization of service (Healy *et al.*, 2009). Just because a bank client controls his / her balance on a website, does not finally decide that he / she prefers not to carry out the transaction of his / her branch. Operational CRM include:

Operating systems: the application of systems (e.g. sales, resales, rental management systems) that support customer interactions with Front Office processes (processes visible to customers) and back office processes (processes not directly visible to customers).

Databases: consolidated and dependent databases (e.g. client, customer interaction, sales) that support a variety of system applications (Healy *et al.*, 2009). A key aspect of CRM is to ensure that both as clients and the company have a particular view of each other. It is important that the different departments share information for consumers. Therefore, in the functional structure of CRM, consumer information stored in the database to facilitate business transactions (Ismaili, 2015).

Figure 2.3: Operational CRM: Touching the Customer (Source: Dyche', 2002)

2.4.2 Analytical CRM

An analytical CRM is also known as a back office CRM which involves understanding the customer activities that occurred in the front office (Ismaili, 2015). Analytical CRM requires technology (to compile and process the huge of customers' data to facilitate analysis) and new business processes (proportioned practices dealing with customers to increase loyalty and profitability). Under pressure from analysts and industry experts, today most vendors of CRM are either creating analytical capabilities CRM or partnerships with retailers of intelligence business (BI business intelligence) to incorporate analysis into their offerings (Feclikova, 2004). Similarly, Adebanjo (2003) describes an analytical CRM is used mainly for the building of the data warehouse, improving relationships, and analyzing customers' data.

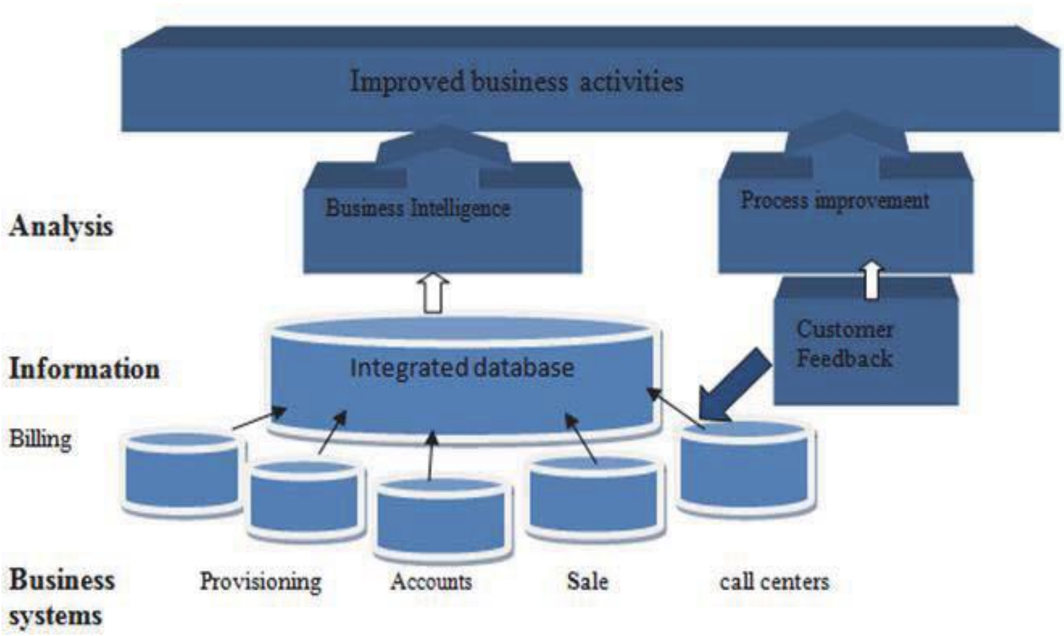


Figure 2.4: Analytical CRM: Understanding the Customer (Source: Dyche', 2002)

2.4.3 Collaborative CRM

According to the provisions of (Vesel, 2009), a collaborative CRM is a CRM approach whereby different departments of a company such as sales, technical support and marketing etc., share any information they collect from interactions with their customers. For example, customer feedback gathered by a session of technical support staff can inform marketing staff about products and services that may be interesting to the customer (Ismaili, 2015). The aim of this cooperation is to improve the quality of customer service in order to increase customer satisfaction and loyalty (Ismaili,2015). Minna and Aino (2005) and Adebanjo (2003) explained that a system of collaborative CRM is mainly used for construction online communities, the development of business -to-business transactions, and personalization of services.

2.4.4 Strategic CRM

Ismaili (2015) posits that strategic CRM is focused on developing a culture of customer-centric business within an organization. This Culture is committed to gaining and maintaining customers by creating and disseminating better value than competitors (Rodriguez, 2011). Also, according to such a culture, the resources are allocated where they will enhance customer value, the system of rewards to encourage behaviour of employees that increase customers’ satisfaction and retention. In this way, the heroes of business will be them that distribute better value or service to customers.

2.5 Components of Customer Relationship Management

The components of CRM as discussed below include customer prospecting, relations with customer, interactive management, understanding customer expectations, empowerment, partnership, personalization and loyalty

2.5.1 Customer Prospecting

The term customer prospecting refers to all the various means employed in business to track, locate, and attract new customers (Reinart & Kumar, 2003) as noted in (Lawson-Body *et al*., 2004). Many firms have developed databases that contain detailed interaction data on prospects as well as customers (Thomas, 2001) as noted in (Lawson-Body *et al*., 2004). Payne (1994) described a process where a loyalty scale is used to describe the concept of CRM and also mentioned that customer prospecting plays a key role at the beginning of the CRM process. Thomas (2001) examined a methodology for linking customer acquisition to customer retention and found out that customer acquisition and retention are not independent processes. Using the model described in his study, he shows the financial impacts of not accounting for the effect of acquisitions on customer retention.

2.5.2 Relations with Customers

The "relations with customers" component of CRM concerns the extent to which firms initiate, develop, maintain, and improve relationships with other firms (Lawson-Body *et al.*, 2004). Most definitions that can be found in the literature regard "relations with customers" as representing the keystone of CRM. The concept of relations with customers also relates, according to the literature, to customer loyalty. Chow and Holden (1997), for example, estimate that firms are oriented towards the benefits that can be reaped from the construction of customer loyalty. In addition, these authors specify that there has been a paradigmatic change so that the relationship with the customer is now seen as the unit of value (Lawson-Body *et al.*, 2004).

2.5.3 Interactive Management

Interactive management is a key aspect of CRM functions (Mbizi *et al.*, 2019). It comprises all actions designed to transform the prospective client who enters into contact with the business representatives into an active and effective customer (Awwad *et al.*, 2012). It is conceptually based on reciprocity, which constitutes one important dimension of CRM (Wanninayake, 2019), and feedback is an important part of the core of interactive management (Evans & Laskin, 1994). Indeed, Evans & Laskin (1994) consider customer feedback as a key step of the CRM process and define it as the best way for firms to keep in touch with their customers' perceptions.

2.5.4 Understanding Customer Expectations

This concept stresses the importance of identifying the customers' desires and supplying to those customers' products and services that meet their expectations. Lawson-Body *et al* (2004) describe understanding customer expectations as the strategy adopted by firms to generate more knowledge of customer expectations and needs and to provide customers with the best services in order to win their loyalty.

2.5.5 Empowerment

Empowerment is a process in which an organisation encourages and rewards its employees who do activities such as exercising initiatives, making valuable and creative contributions to help customers in solving their problems (Saranyarajkala, 2012). Reichheld (2001) reports that, he has yet to encounter a company that has achieved extremely high customer loyalty without fostering similarly high loyalty among employees. Most business representatives prefer to deal with regular customers because they are easy to serve, they understand the firm's preoccupations, and make only a few requests (Lawson-Body *et al*., 2004).

2.5.6 Partnership

Partnerships are created when suppliers work closely with customers and add desired services to their traditional product and service offerings (Gbadeyan, 2010) and (Mbizi, 2013). Payne (1994) puts partnering at the extreme end of his loyalty scale, regarding it as an important step that usually leads to the development of a close and durable relationship between supplier and customer. Wilson (1995) has developed an integrated model devoted to the explanation of CRM process phases. In this model, partner selection is considered to be the first step in the CRM process (Lawson-Body *et al*., 2004).

2.5.7 Personalisation

Schubert (2003) defined personalization as the extent to which a firm assigns one business representative to each customer and develops or prepares specific products for specific customers (Eng *et al.,* 2003). Personalization is about selecting or filtering information for a company by using information about the customer profile. A major component of personalization is the distribution of customized mail to a customer or customization of the relationship between firm and customer. This concept outlines a clear distinction, established by Gronroos (1994), between CRM and the management mix. The latter is a far more clinical approach in which the seller, or business representative, plays an active role, while the buyer, or customer, takes up a more passive position (Anggreni, 2012). In such a scenario, there is no personalized relationship between customer and business representative and personalization, rather, is only included in CRM.

2.5.8 Loyalty

The development of loyalty involves building and sustaining a relationship with a customer, which leads to the repeated purchase of products or services over a given period of time (Bardauskaitė, 2014). A loyal customer base allows companies to devote their energies to other business matters. Customers can demonstrate their loyalty in several ways that can be staying with the firm or discontinue from the firm or both (Lawson-Body *et al.,* 2004). For the purposes of this research, loyalty will be considered as the final result, or the key element, of effective CRM. Since many authors have suggested that loyalty is a relational phenomenon.

2.6 Customer Relationship Management Practices

2.6.1 Monitoring Customer Relationships

Monitoring and evaluating relationships is one of the basic strategies employed by firms to retain customers over time (Vingirayi *et al*., 2019). Zeithalm and Bitner (1996) postulated that firms can employ monitoring customer relationships through two ways which are the use of relationship surveys and customer databases. There is need to survey on current customers of a firm and this helps to establish their perceptions on the received quality, value, satisfaction with services, satisfaction with the service provider as opposed to competitors. Constant good communication should be established between a firm and its most valued customers. As argued by Zeithalm and Bitner (1996) a well-established customer database is a foundation to creating effective customer retention strategies. Customer databases could mainly include information on the firm's current customer's personal details, purchasing behaviors, their income levels, their employment details, their related costs and their preferences. Information on the termination relationship should be included in the data base when customers also leave the firm.

2.6.2 Loyalty Programs

Loyalty programs are aimed at increasing customer retention in profitable segments by providing increased value and satisfaction to customers and Yi *et al* (2003) argue that the main aim of loyalty programs is to reward customers for repeated purchases thereby building customer retention. Fornell & Reichheld (1996) further cited that increased satisfaction and loyalty leads to increased profitability. Managers usually believe that it is desirable and expected for the loyalty reward program to be properly executed in order to increase customer retention rate (O'Brien & Jones, 1995). Therefore, organizations need to quantify the influence on future purchase behavior of loyalty programs. In addition, firms need to verify that the investments made in the programs is exceeded by financial outcomes of the rewards programs. O'Brien & Jones (1995) also suggested that successful loyalty programs schemes deliver five types of value to participants and these include cash value which involve a comparison of the worthiness of the reward when compared to the amount spent to obtain that reward. Successful schemes must also have redemption value which is basically a quantification of how wide the range of rewards offered is; aspiration value which is an attempt to determine how much the customer want the reward;

relevance value which is a determination on the achievability of the rewards and convenience value which determines how easy it is to collect the credits and redeem them for the reward.

2.6.3 Customer Clubs

Organizations establish customer clubs which are meant to deliver a range of benefits to their members. Here the organization create more or less formalized gatherings of its customers where the common basis for membership is that the individual is a current or has been a customer to the company (Omwebu, 2015). Stauss (2001) posits that the effects of customer retention through customer clubs comes through customer interaction, customer knowledge and customer benefit. Customer interaction, which is done by creating contact and feedback opportunities refers to the frequency of the interactions between the firm and its customers. Stauss (2001) further argues that close contact around the client throughout the customer relationship life cycle is crucial in increasing the customer retention rate. The customer knowledge criteria is a process whereby the firm increases its knowledge about the customer through obtaining detailed information about its members directly from the beginning of the relation (Stauss, 2001). A central database is then used to collect this information and such information is in the database is constantly updated. The customer benefit criteria is a process whereby individuals, by being members of the club receive a specific advantage or over certain period of time entitled a specific benefit from the firm.

2.6.4 Effective Recovery Systems

Organisations may sometimes fail to provide service the right way the first time, due to inevitable failures or mistakes that occur, Zeithalm *et al* (1996) argue that effective recovery becomes essential in maintaining the relationship between the organization and its customers. In creating an effective delivery, the essentials include tracking and anticipating recovery opportunities, listening to the customers and being proactive in searching for potential failure points (Zeithalm *et al.*, 1996). Also essential and most effective is taking care of customer problems on the front lines. Solving problems promptly, learning from recovery experiences and empowering the front line staff to have authority to make decisions and be motivated to engage in effective recovery are also vital tools.

2.6.5 Sales and Product Promotions

Whilst loyalty programs and clubs tend to have a long life sales and product promotions offer temporary enhancements to customer values. Promotions that are centred on customer retention encourage the customer to repeat purchases. Examples of these promotions include customers who buy the product receiving an entitlement to a discount and promotions also include rebates which are refunds that the customer receives after purchase and may also include free premium for continuous purchase (O’Brien & Jones, 1995).

2.6.6 Creating bonds binding the customer to the firm

Many different forms of bonds between customers and suppliers have been identified by researchers and these include interpersonal bonds, legal bonds, technology bonds such as electronic data interchange (EDI) and process bonds. These different forms of bonds can be split into social and structural bonds and social bonds are found in positive interpersonal relationships characterized by high levels of trust and commitment (Omwebu, 2015). On the other hand, structural bonds are established when companies and customers commit resources to the relationship as noted in (Ahmad *et al.*, 2002).

2.6.7 Build Commitment

Moorman, Zaltman, and Desphandé (1992) defines commitment as the extent to which an exchange partner desires to continue a valued relationship. The affective component of commitment is the psychological attachment, based on loyalty and affiliation, of one exchange partner to the other (Omwebu, 2015). Various studies have indicated that customer satisfaction is not enough to ensure customer longevity (Buttle, 2009). Reichheld (1996) argues that 65 to 85 per cent of recently defected customers claimed to be satisfied with their previous service provider. Committed customers are very satisfied customers; customers who believe that the organization's brand, offer or company is superior to other competitors; customers who are involved in the organization's brand, offer or company and customers who have strong intention to buy that overrides promotional offers from competitors (Ulrich, 1989).

2.6.8 Extraordinary Customer Service

Researchers have also discovered that organizations need to deliver higher than expected levels of service to each and every customer and provide extraordinary services, (moving the products or services they deliver into the realm of the extraordinary).The key facets to extra ordinary business should include customer satisfaction dedication by all employees; prompt and immediate response provision;

delivery that is consistent; going above and beyond the call of duty; delivering as per the promise before and after the sale; maintaining a zero-defects and error-free-delivery process and recruiting outstanding people to deliver your customer service. Sharma and Patterson (1999) suggested that service quality is divided into two components which are the technical quality and functional quality components. While functional quality is concerned with what is delivered and mainly deals with how the service is delivered, technical quality, on the other hand is related to the actual outcomes or the core service as perceived by the client and it is relevant to the promised service. Trust, on the other hand, has a great impact on how quality is delivered, both in terms of functional and technical quality (Sharma & Patterson, 1999).

2.7 Customer relationship management and Revenue

Customer relationship management has been known to be the major driver of revenue and profit in organizations through retaining customers. When customers feel satisfied with the services they get, they are willing to pay more to the organization and the rate of default in premiums will thus be reduced. It has been proven in literature that there is a link between customer loyalty and organizational profitability (Reichheld, 2006). This is as a result of reduced cost of retaining a customer and the achievement of a zero defection of profitable customers.

Figure 2.5 Most significant revenue drivers. Source: Kulbyte (2018)

2.8. Ways of enhancing customer relationship management

This section provides literature on the ways that can be adopted in order to improve customer relationship management. The section begins by defining service quality since it is the main component of service delivery.

2.8.1 Service quality

Service quality relates to quality of customer service, quality of service design and quality of service delivery (Ruturi, 2011). In a competitive business environment achieving customer satisfaction is the primary objective. Hart, Chiang and Tupochere (2009) observed that most managers believe that service quality is critical to the operational success of an organisation. In the service literature, strong emphasis is placed on the importance of service quality perceptions and the relationship between customer satisfaction and service quality (Alqeed *et al.*, 2013).

Service quality has four characteristics, namely: intangibility, heterogeneity (no two service experiences are alike), inseparability (supplying services is inseparable from consuming services) and perishability (services cannot be inventoried). Service quality, as perceived by consumers, stems from a comparison of what they feel service providers should offer with their perceptions of the performance of service provided by service providers (Parasuraman *et al.*, 1988). According to Parasuraman (1988), there are ten determinants of service quality and these are: Reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customer and tangibles (Wilson, 2010). These are the individual elements that make up the service provided to customers.

A service exists during time of delivery to a customer (Thomke, 2003). Just like the product, the intangible service is equally important to the customer. It is experienced the moment it is delivered that is before, during, or after a sale. It cannot be recalled. It is the most difficult to define, but for practical purposes quality can be viewed in light of the following: attention to the customer, atmosphere of hospitality, employee's knowledge of the product helpfulness or assistance to customers an interest in customers' opinions and feedback, complaints resolution and company policies that work for customers and not against them (Vesel, 2007).

Client relationship management can be improved by offering 24*7 (24 hour) toll free services, transaction alerts through SMS and Email, easy loan application and settlement policies and procedures, improving on Know Your Customer initiatives so that member intimacy is also built with individual members, being more aggressive in CRM to both corporate and individual members and increasing on road shows to create brand awareness and interest, that way it creates visibility and also builds confidence to clients.

2.8.2 Responsiveness

In terms of responsiveness, customer relationship can be improved by addressing all customer queries and complaints, fulfilling all commitments, welcoming feedback from customers, having trained and expert advisory services, quick response to messages that come through the various platforms.

2.8.3 Tangibility

Easy Accessibility of services, availability of branch offices and sufficient number of network branches also help to build a good rapport with clients as they can easily access the organisation for loans.

2.8.4 Reliability

Customer relationship is also enhanced by ensuring reliability of brand name, confidentiality of personal information and easy and secure repayment mode. This should also include transparency in interest charges, competitive interest and other charges as well as offering discounts for early settlements.

2.8.5 Other Strategies for Enhancing Service Delivery

2.8.5.1 Total quality management (TQM)

TQM has been recognised as a Japanese approach toward quality improvement, (Yi, 2003). Other scholars view it as a collection of principles, techniques, processes and best practices that over time have proven to be effective (Eng, 2003). TQM is a management philosophy that seeks to satisfy customers through continuous improvement processes (Rust, 2003). TQM is a necessary tool in achieving quality service as it brings a dramatic increase to institutional effectiveness. To ensure a successful quality management implementation, TQM must be seen and practiced holistically. Fragmented implementation of TQM will ultimately lead to failure (Rust, 2009). An organisation must therefore establish its quality management strategy. Top management must determine which core values should characterise the organisation then the methodologies that support these values in order to achieve the aim of increased external and internal customer satisfaction with a reduced amount of resources. In the rapid changing and extremely competitive environment, the focus of the organisation has changed from profit maximisation to maximising profits through increased customer satisfaction. Therefore, total quality management is a necessity in an organisation (Seth *et al*., 2005).

2.8.5.2 Benchmarking

Benchmarking is a means by which targets, priorities and operations are established to achieve competitive advantage through comparison of process or practise with target company's best in- class process or practice (Ruturi, 2011). Some organisations use benchmarking strategy to be able to catch up in the market by comparing their performance to that of leading and successful organisations. Benchmarking helps to establish how effective and efficiently the business is managed with regards to costs, activities and processes (Panda, 2003). The essence of benchmarking practice is to analyse the products, services and techniques that are being used by other competitors in the same industry or other industries to gain competitive advantage. Cost savings, process efficiency, employee satisfaction and customer satisfaction are among several criteria that can be benchmarked by an organisation. Benchmarking is a technique with benefits of creating a better understanding of the current position of the firm, heightened sensitivity to customer needs, develops realistic stretch goals and encourages innovation (Ruturi, 2011). Thompson and Strickland (2003) identified three objectives of benchmarking as: To identify best practices in performing an activity, learning how other companies actually achieved lower costs or better results in benchmarking activities and improving the company's competitiveness. Benchmarking is therefore a tool that enhances service delivery of a firm if implemented well.

2.8.5.3 Business process reengineering

Business Process Re-engineering (BPR) is the fundamental re-think and radical redesign of business processes, its structure and associated management systems to deliver major improvements in performance (which may be in process, customer or business performance terms) (Reichheld *et al.*, 2010). BPR can be used to enhance service delivery if it is implemented well. BPR is part of a continuous improvement culture with the following benefits: improved customer services, speedy processes and increased quality leading to increased sales and revenue.

2.8.5.4 Call centres

A call centre is a service network that provides telephone based services and online services whereby the customer and the servers will be remote from each other (Baum, 2004). Call centres offer wide range of services, ranging from customer queries, telesales, marketing and information to reservations and balance enquiries (Mabel, 2004). Organisations that use call centres benefit in that there is speedy service and feedback on service delivery may be obtained timely and queues become manageable.

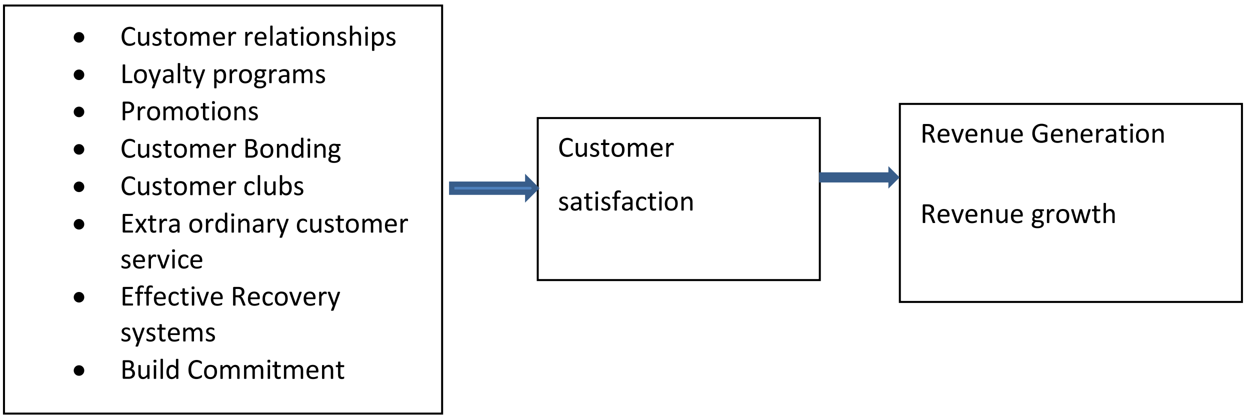
2.8.5.5 Queuing theory

Queuing theory can be used as a solution to long queues. Long queues hinder effective service delivery.

In a queuing theory customers requiring service are generated at different times by an input source known as a population. The rate of arrival is determined by the arrival process. Customers may arrive for services individually or in groups and may enter at random points in time (Khan, 2010). There are various queuing models for example a single server has several queues and one service facility, a several parallel servers with a single queue uses one queue for all customers, a several servers with several queues consists of several servers serving different queues. A service facility in a series is another model where customers enter the first station and get a portion of service then move on to another queue for another portion and will leave the system after receiving a completed service (Lin *et al.*, 2006). This model is not ideal as clients lose patients quickly. Customers would rather be served at once than in stages. In a queuing system the speed can be expressed in two ways namely service rate and service time. The service rate describes the number of customers serviced during a particular time period while service time indicates the amount of time needed to serve a customer (Kotler, 2005). For example, if a cashier attends on average to five customers in an hour then the service rate is expressed as five customers per hour and the service time will be twelve minutes per customer. The queuing theory is an essential tool to service delivery because proper management of tools can improve business performance (Lin *et al.*, 2006).

2.9 Conceptual Framework

These components of CRM are customer relationships, loyalty programs, promotions, customer bonding, customer clubs, extra ordinary customer service, effective recovery systems and build commitment. Based on the discussed background of the study, problem of the statement and literature review the study adopted the conceptual framework below.



Independent Variables Dependent Variable

Figure. 2.6: Conceptual Framework on customer relationship management.

2.10 Empirical Studies

Various studies have been carried out by various scholars on customer relationship management and their frameworks. These include studies on the consequences of CRM by Ryals & Knox (2001) and Ryals & Payne (2001). Studies have also been conducted on the CRM’s impact on organizational performance and these include studies by Reinartz, Krafft & Hoyer (2003) and a study by Day & Van den Bulte (2002). Empirical studies also include a study by Bolton (1998), a study by Rust & Chung (2006) and a study by Villanueva & Hanssens (2007) and a study Salihu *et al* (2017).

Zeithaml *et al* (2000) in his study observed that gaining sustainable competitive advantage over competitors through satisfying customer relationships has become one of the strategic weapons for a modern day service firm. Researchers have also explored and established significant relationship between service quality and profit (Kish, 2000), service quality and customer retention and these include a study by Ranaweera & Neely (2003), a study by Caruana (2002), a study by Bei & Chiao (2001), a study by Anderson & Srinivasan (2003) and a study on service quality and repurchase intention by Levesque, McDougall & Newman (2001).

Peppers & Rogers (2009) conducted a research on the effects of CRM on the return on investment (ROI) of an organization in financial services. They found that firms with high CRM practices generate more profits than others with low CRM practices (Agnihotri *et al*., 2015). Zablah *et al* (2004) in a related study showed that perceiving relationships with customers as a continuous process helps maximize and save the profits from declining.

Coltman, Devinney & Midgley (2011) examined the impact of customer relationship management (CRM) on firm performance using a hierarchical construct model. The results revealed a positive and significant path between a superior CRM capability and firm performance. In turn, superior CRM capability is positively associated with human analytics and business architecture (Coltman *et al.*, 2010). The study also found out that CRM initiatives jointly emphasizing customer intimacy and cost reduction outperform those taking a less balanced approach.

Agnihotri (2015) studied on Customer Relationship Management (CRM) Practices in UAE Banks with certain objectives i.e. to examine the existing Customer Relationship Management practices and services in Banking Sector, to analyse the effect of CRM Practices on the profitability of banks and to identify the challenges faced by the banks in the implementation of CRM practices (Bhavani *et al.*, 2013). This study indicated that most of the banking sector is losing 17 per cent of their customers mainly because they are not aware of CRM Practices provided by the banks. Market shares do not drop because competitors are usually in the same position and are losing customers (Bhavani *et al.*, 2013). The study found out that banks need to be proactive to convert this particular percentage of the customers into satisfied customers. Developing close relationship with customers will be very helpful to decrease the level dissatisfaction among customers in all categories. This study proved that the CRM practices followed by the selected banks are useful to increase the profitability of the banks but care should be taken by the banks to reach those offers to the customers on time and accurately.

Ampoful (2012) revealed in his thesis “The Effect of Customer Relationship Management (CRM) on the Profitability of Financial Institutions - A Case Study of Barclays Bank Limited, Takoradi Branches” that only 1% of customers from high CRM providers are likely to swift away one or more products as compared to others with medium 10% and low 26%. The study of CRM and its effect on profitability in Barclays Bank Ghana Ltd showed a positive relationship between customer relationship management and profitability. Staff of the bank clearly pointed out that customer retention was a key to the bank's success. Moreover, it was discovered and agreed by the staff of the bank that, the bank had procedures of handling customers’ complaints. This result also indicated that, the initiatives of the management had led to an increase in profit for the bank. This was as a result of the discussion of customer retention and as well as satisfying the needs of customers.

Fluss (2010) in his study on the effects of customer relationship on revenue noted that competitors are always on the look out to steal customers through better service delivery and better deals. According to Fluss (2010) annual customer attrition rates range from 7% in industries that have high exit barriers such as banking and insurance, to almost 40% in the mobile phone industry. He also observed that customer relationship has a direct impact on the long term customer lifetime value which is a more profitable avenue for firms that seek to pursue growth and sustainability or those that seek to protect themselves from market shrinkage resulting from a contracting economy.

Saaty (2012) in his study investigated on the measures used by insurance companies in Saudi Arabia in enhancing the customer loyalty and customer retention. The study was based on primary data collected from 80 employees of insurance companies in Saudi Arabia. The study observed that the insurance companies in Saudi Arabia were using appropriate incentives to build customer relationship to enhance customer loyalty and customer retention and that the main reason for concentration of demand to motor insurance and health insurance is other than loyalty and retention measures taken by the insurance companies (Saaty, 2012).

An empirical evidence was also provided by Lombard (2009) who investigated on the impact of customer relationship in organisations using qualitative and quantitative techniques. The study found out that in the modern day, the pressure on companies to retain customers is fuelled by the market where customer acquisition is low.

Previous researchers have also identified the benefits that customer retention delivers to an organization. Reichheld & Sasser (1990) in their study discovered that the longer a customer stays with an organization the more utility the customer generates.

This, according to the study, is an outcome of a number of factors relating to the time the customer spends with the organization. These factors relate to costs which are high such as those of attracting a new customer, or introducing a new customer. Apart from the benefits that the longevity of customers brings, the study also suggest that the costs of customer retention activities are less than the costs of acquiring new customers.

Simmons (2015) conducted a correlational research that investigated potential relationships between customer satisfaction and CRM utilization as the independent variables and revenue being the dependent variable (Simmons, 2015). The study population of the study included 203 service branches for an industrial equipment manufacturer in North America. The results of a multiple linear regression analysis showed that both CRM use and customer satisfaction were statistically significant, with CRM use (beta = .488, $p < .001$) showing a higher contribution than customer satisfaction (beta = -.152, $p = .021$) (Simmons, 2015). This study provides evidence to business executives that CRM use has a strong positive influence on revenue. Additionally, this study supports the findings of other studies that show a point of diminishing returns in improved customer satisfaction (Simmons, 2015).

Rust & Zahorik (1993) in their study on customer retention argue that the financial implications of attracting new customers may be five times as costly as keeping existing customers. However, maintaining high levels of satisfaction will not, by itself, ensure customer loyalty. The study also discovered that banks lose satisfied customers who have moved, retired, or no longer need certain services. As a consequence, retaining customers through customer relationship management becomes a priority and also longevity does not automatically lead to profitability.

Waithaka (2014) also accrued a study aimed at determining the influence of customer relationship management strategies on the performance of insurance companies in Nairobi, Kenya. The study was a cross-sectional descriptive survey design which used quantitative methods (Waithaka, 2014). The study found that a unit increase in monitoring customer relationships will increase market share by 0.223, loyalty programs will increase market share by -0.148, customer clubs will increase market share by 0.044, effective recovery systems will increase market share by 0.251, sales promotions will increase market share by 0.145, creating customer bonds will increase market share by 0.317, building commitment will increase market share by 0.29, market intelligence will increase market share by 0.247, and lastly extraordinary customer service will increase market share by 0.331. When testing the relationship between customer relationship management strategies and gross profit, the study revealed that; a unit increase in monitoring customer relationship strategies will result to increase in gross profit. Based on research findings and conclusions, the researcher recommended that companies should strengthen their customer bonds to increase customer retention, increase market share as well as grow their sales volumes.

Xaluva (2012) investigated on the impact internal service quality and customer relationship management have on revenue using a SERVQUAL model as a measuring tool in establishing the relationship. The study investigated how revenue (the dependent variable) is influenced by the different elements of internal service quality, namely assurance, empathy, service reliability, responsiveness, tangibles and relationship management, which represented the independent variables. The study discovered that there is a strong positive relationship between customer relationship and revenue.

However, there has been very little empirical research that investigates the impact of customer relationship management on revenue in the microfinance field in Zimbabwe. Previous empirical work has focused on identifying constructs that are precursors to customer retention and the main focus has been in the retail industry. Other studies have focused on developing measures of customer satisfaction, customer value and customer loyalty without specifically looking into their effects on revenue generation and revenue growth. More studies and frameworks have been developed on customer relationship management but there has been limited academic effort about the issue of the CRM process and revenue generation in Zimbabwe and particularly at FMC Pvt Ltd. This forms the basis for the present investigation, for if customer relationships criteria are not well managed, customers might still leave their usual micro financiers, no matter how hard the organisations try to retain them and thus affect revenue generation.

2.11 Summary

The chapter has reviewed the relevant literature on customer relationship management and revenue. A number of relevant theories have been discussed and the chapter covered the theoretical framework which provided a snapshot of the constituents on customer relationship. The chapter has defined the concept of customer relationship and revenue. The chapter also provided an analysis of previous research work on the subject by empirical scholars in an attempt to identify the gap which formed the basis of this study.

The chapter also provided the conceptual framework showing the variables (dependent and independent) of the study. The dependant variable was revenue while the independent variable customer relationship was proxied by loyalty programs, monitoring customer relationships, extraordinary customer services and promotions.

The next chapter presents the research methodology.

CHAPTER 3 METHODOLOGY

3.1 Introduction

This chapter described the methodology of the study. Research methodology is a set of systematic technique used in research, a guide to research and how it is conducted (Igwenagu, 2016). Labaree (2009) provides that a research methodology involves all the techniques that are adopted in research process to collect, assemble and evaluate data and defines those tools that are used to gather relevant information in a specific research study. Presented under this chapter is the research design, population and sample, data collection, data analysis techniques, research instruments, data collection method, data analysis and ethical consideration.

3.2 The Research Design

A research design is a plan, structure, and strategy of an investigation so conceived as to obtain answers to research questions or problems (Morake, 2013). Saunders *et al* (2009) defined a research design as a general plan for answering research questions. Burns and Grove (2003) viewed research design as "…a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings. This study adopted a descriptive case study research design to investigate the impact of customer relationship management on revenue generation of FMC Finance. Yin (2014) posits that by using descriptive studies, the researcher would be able to get an in-depth understanding of subject matter. This method was adopted because it gave greater room to study the subject matter and ensured that inferences could be made about some characteristic attitude or behaviour of the population in the study. Moreover, case studies place more emphasis on a full contextual analysis of fewer events or condition and the inter relations (Cooper & Schindler, 2006) and provide focused and valuable insights to phenomena that may otherwise be vaguely known or understood (Okeyo, 2015). The chief benefit of a case study was that an entire organization could be investigated in depth and with careful attention to facts (Morake, 2013). This focus enabled the researcher to cautiously study the order of events as they occurred or to concentrate on identifying the relationships among functions, individuals or entities (Robinson, 2003).

3.2.1 Research Approach

In this study, to yield the maximum benefits of both approaches, the researcher used both qualitative and quantitative research approaches. Burke *et al* (2005) viewed the mixed research method as a class where both qualitative and quantitative methods and approaches are used in a single study. Denzin & Lincoln (2005) stated that qualitative research emphasises on the qualities of entities and on processes and meanings that are not experimentally examined or measured. Creswell (2014) on the other hand observed that quantitative research basically deals with numeric data and makes use of data collection methods that produces numerical data. As a mixed approach, it combined both numeric information and text information as posited by Creswell (2014). Creswell (2014) pointed that for a research to be effective, both approaches needed to be employed. Furthermore, Cresswell, *et al* (2004) also concluded that the main aim to mixing was that neither qualitative nor quantitative methods were sufficient to capture trends of the situation. Both methods complemented each other when used together.

3.3 Population and Sampling

Cresswell (2003) defined population as a group of potential participants to whom the results of a study were generalised. Salkind (2012) further defined population as a group of potential participants to whom the researcher wants to generalize the results of a study. The study was based on a population of 100 respondents in the form of employees and customers of FMC Finance (30 FMC Finance staff drawn from the employees' database of FMC staff based in Mutare and 70 customers in the Mutare branch client database respectively.

Table 3.1 Target Population

Respondents Class	**Target Population**
FMC Staff	30
Customers	70
Total	**100**

3.3.1 Sampling techniques

Sharma (2017) defined sampling as a technique or a procedure to select systematically a relatively small number of representative items or individuals (subset) from a pre-defined population to serve as subjects (data source) for observation or experimentation as per the objectives of the study. Moette *et al*. (2011) defines sampling as "a process of selecting a sample as a small portion or subset from a defined population to represent the particular population". Selecting a sample was also advocated by Hall (2014) who posited that it was not possible to get views from everyone in the population so using a sample was logical.

3.3.2 Sampling Design

In this study purposive sampling and convenience sampling techniques were used to select the respondents. According to the purposive sampling method, sample members are selected on the basis of their knowledge, relationships and expertise regarding a research subject (Freedman *et al*., 2007). Miles and Huberman (2001) describes purposive sampling as “a method of sampling where the researcher deliberately chooses who to include in the study based on their knowledge and ability to provide the necessary data. The rationale for choosing this approach was that the researcher was seeking knowledge about customer relationship which respondents (FMC Finance Staff and Customers) provided by virtue of their knowledge of the organisation. Convenience sampling (also known as availability sampling) is a detailed type of non-probability sampling method that relies on data collection from population members who are suitably available to participate in the study (Saunders, 2003). Under convenience sampling, respondents who were available during the days of carrying out the interviews were selected. These methods were adopted because they were cost effective as they enabled the researcher to assemble a sample with no cost and saved time for the researcher for selecting a sample than studying the whole population which was going to be time consuming.

3.3.3 Sampling Size

Tomer (2012) defined a sample size as the number of individual units of data that was collected in a survey. For the purpose of this study the researcher selected a sample detailed using Yamani Taro’s formula. According to this formula the desired sample size is a function of the target population and the maximum acceptable margin of error and is expressed mathematically thus:

$$n = \frac{N}{1 + N_e^2}$$

Where:

n = sample size

N = target population (100)

e = maximum acceptable margin of error (5%)

Sample size calculation

$$n = \frac{100}{1 + 100(0.05)2}$$

n = 80

The sample size calculation produced 80 respondents drawn from the total population of 100 respondents where the population consisted of FMC Finance employees and customers. The targeted key respondents included the marketing, sales and customer services and finance personnel from all levels from low management staff, middle management, senior management and executive management such as marketing directors due to the role they play in marketing strategies.

3.4 Data Collection Instruments

Burns and Groove (2003) defines research techniques as the tools used in the collection of data which is relevant in substantiating the research. Milne (2012) defined research instruments as tools used to obtain information to be analysed in a study. Questionnaires and interviews were used in this research.

3.4.1 Questionnaire

Bulmer (2004) defined a questionnaire as a research tool for collecting information on participant's social characteristics, behaviour, beliefs and reasons for action in relation to a topic under investigation. Moreover, Monette *et al* (2011) identified a questionnaire as an instrument that contains recorded questions that people respond to directly on the questionnaire form itself and there will be no interference of the interviewer. In this research, the questionnaire had four different sections. The first section consisted of demographic information such as the age, gender, income, and education of the respondent. Section B to Section D of the questionnaire covered on customer relationship management strategies adopted at FMC Finance, the impact of customer relationship management strategies on revenue and ways to enhance customer relationship management at FMC Finance.

The Likert scale was used because the research found it easy to be understood by respondents, easy to analyse data statistically, made question answering easier for respondents, responses were easy to be quantified, does not require respondents to provide a 'yes' or 'no' answer and was a quick, efficient and inexpensive method for data collection

A questionnaire was used in this study because questionnaires gave respondents the liberty to be honest in their answers since they would remain anonymous and not held liable for answers or opinions they gave. They also gave time to think through the questions before answering and the questions guided them in the lines of thought of the researcher. The use of a questionnaire was also justified in this study as it was a low cost data collection instrument. Further, a self-administered questionnaire assisted to enhance self-reporting on the samples opinions, attitudes, beliefs and values (Mwambota *et al*., 2016).

3.4.2 Interviews

Goure (2011) defined an interview as a conversation between people where an interviewer asked question to the interviewee in order to get information about a certain subject. The researcher managed to get detailed information through the use of this type of interview since there was room for the interviewer to clarify some facts or information from the respondent. The researcher used this type of data collection because it allowed the perceptions to be voiced out. Moreover, interviews provided a platform of clarification on ambiguous questions or answers therefore enabling the collection of relative and useful data. They also enabled the researcher to detect issues of concern through impromptu speeches by the interviewee as well as emotion or attitude towards certain questions. Continuous probing to get information could also be exercised on intricate matters unlike through other instruments such as questionnaires.

3.5 Pilot Study

A pilot study is a small scale preliminary study conducted in order to evaluate feasibility, time, cost, adverse events, and improve upon the study design prior to performance of a full-scale research project. This pre-exercise study orientated the researcher to the research project and provided her with invaluable insight into the phenomenon. The pilot study ensured the rectification of errors at little cost. Welman *et al.* (2005) posits that in a pilot study the researcher essentially administers the questionnaire instrument to a limited number of participants from the target population. Welman *et al* (2005) also summarised the purpose of a pilot study as being to detect possible flaws or errors in the measurement procedures and to identify unclear or ambiguously formulated items. A pilot study was conducted to pre-test the practicability of the study and to detect flaws in the data collection process. This helped to discover errors on the issues raised such as ambiguous instruction or wording, inadequate time limit and measurability of variables defined. In this study questionnaire and interview guide were circulated to a colleague who was requested to make recommendations and amendments in the layout, contents and instructions. The necessary changes were made to the questionnaire and interview guide in line with the applicable recommended feedback.

3.6 Data Collection Procedure

The researcher distributed a total of 80 questionnaires to the respondents who were given a maximum of forty-eight hours to complete the questionnaires since they are also committed to their work schedules. A follow up was done using telephone calls and emails to the respondents. A five point Likert scale was used to capture the opinion of the respondents on a scale of one to five. Respondents were also interviewed through face to face interviews and eight interviews were scheduled. Each session took at least thirty (30) minutes.

3.7 Analysis and Organization of Data

3.7.1 Data Analysis

Data analysis is the procedure of processing the raw data into information that can be used for decision-making (Sanders, 2015). In this research data analysis was done through SPSS Version 23. The analysis of the data was done in relation to each research objective. The descriptive statistics such as mode, mean, skewness, percentages and frequencies was used and output presented in tables and figures. Qualitative data was organized into categories based on the themes used in analysis (Mwambota *et al*., 2016). Descriptive analysis was important since it provided the foundation upon which correlation and experimental studies emerged.

The Regression model adopted for the study to determine the impact of customer relationship on revenue generation, as used by Vingirayi *et al* (2019) is as follows:

$$Y = A + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + \beta 6X6 + \beta 7X7 + \beta 8X8 + \beta 9X9 + e$$

Where: X1= Customer Relationships, X2 = Loyalty Programs, X3 = Customer Clubs, X4 = Effective Recovery Systems, X5 = Promotions, X6 = Creating bonds with customers, X7= Building Commitment, X8 Extraordinary Customer Service.

β = Beta Coefficient.

A = Constant and

Y= (Revenue)

3.7.2 Data presentation

Burns & Groove (2003) defined data presentation as the process of transferring data from the instruments used with the aim to qualify and quantify that information collected. Tables, pie charts, bar charts and graphs were used in the presentation of the data. Tables are good for presenting large amounts of data that would otherwise be very unwieldy and confusing to be described in the textual format and graphs helps readers understand and remember the data, better (Bavdekar, 2015).

3.7.3 Validity and Reliability of Findings

Validity is defined by Brynard & Hanekom (2006) as "the ability of the instrument to measure what it is supposed to measure". Validity is a measure of the soundness of the interpretation of scores from a test. Eachus (2002) posits that reliability is about the instrument being able to produce same data when the phenomena are measured at different times.

In this study developing the questions based on the respective objectives ensured validity. Long technical and unambiguous questions were avoided as they may not solicit valid data as respondents are likely to be confused. Reliability was ensured through a test-retest where the researcher administered a questionnaire to a sample of respondents selected. In addition, piloting was also used to enhance and verify validity by detecting possible flaws or errors in the measurement procedures and to identify unclear or ambiguously formulated items. Errors were discovered and ambiguous instructions were eliminated.

Data triangulation, which involves the use of multiple data collection methods and use of both qualitative and quantitative approaches (Robson, 2002) was also used to enhance validity and reliability of data in this research.

3.8 Ethical Considerations

Resnik (2015) defined ethics as norms for conduct that distinguish between acceptable and unacceptable behaviour. The major ethical issues addressed in this study related to lack of informed consent, invasion of privacy, and deception (Bryman & Bell, 2011). To avoid lack of informed consent it was important to clearly state the purpose of the research, present how the data would be analysed and how it would be presented, as well as to whom and where. All the respondents were informed that the study was purely for academic purposes and participation to the study was voluntary. The researcher ensured that confidentiality and anonymity of the participants was maintained and that no participants name or information that reveals their identity will be shared. Regarding the issue of invasion of privacy, the case study company was asked if it was willing to display their name in the study.

3.9 Summary

The chapter has highlighted the research design used in this study, which was a descriptive case study. The study used a mixed method research approach. The main research instrument used was a self-administered questionnaire although revenue figures were also obtained from the company’s annual reports. The target population and its composition was also explained in this chapter which consisted of 100 respondents in the form of employees and customers.

Ethical issues were also discussed in this chapter where the major ethical issues addressed in this study related to lack of informed consent, invasion of privacy, and deception. To avoid lack of informed consent all the respondents were informed that the study is purely for academic purposes and participation to the study was voluntary. The next chapter provides a discussion and interpretation of the research findings.

CHAPTER 4 DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents an analysis of the study results. The main objective of the study was to analyse customer relationship strategies being employed by FMC Finance. The chapter is organised into two sections; one which presents data on the demography of respondents, and the other section that focuses on the customer relationship strategies and their impact and effectiveness on revenue generation.

The research objectives which determined the sequence of the presentation of the findings were presented in Chapter 1.4, namely:

- To examine the existing Customer Relationship Management practices and services and assess the extent of adoption of these practices at FMC Finance.
- To analyze the impact of Customer Relationship Management Practices on the revenue of FMC Finance.
- To suggest how Customer Relationship Management can be enhanced to improve FMC Finance revenue generation.

4.2 Data Presentation and Analysis

4.2.1 Response rate

Table 4.1: Response rate

Instrument	Frequency	Successful	Success Rate
Questionnaires	80	65	81%
Interviews	10	7	70%

The success rate for questionnaires as shown in Table 4.1 reflected an 81% success rate with 19% of the respondents failing to participate. Babbie and Mouton (2001) pointed out that a response rate of 50% is adequate to conduct an analysis, while 60% and 70% are considered as good and very good respectively (Sivo, 2006). With an 85% response rate, it was deemed necessary to continue with the study. Of the 10 scheduled interviews,7 were successful giving a 70% success rate.

4.2.2 Reliability Statistics

The Reliability statistics of the data used in this study are presented in table 4.2 below:

Table 4.2 Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.745	0.787	65

The respondents were given a scale of 1-5 indicating how they view a given variable of the research instruments that is, Customer Relationships, Loyalty Programs, Customer Clubs, Effective Recovery Systems, Promotions, Effective communication, Service Quality, Extraordinary Customer Service. The reliability analysis was done on the 65 items of this study where an acceptable value above 0.7 indicated the respondents' consistency with the information they provided. From the analysed data a Cronbach alpha of 0.745 was obtained which was above the acceptable mark thus indicating consistency in ratings. Muhunyo (2018) contends that a Cronbach Alpha of above 0.70 indicates that the research instruments employed by the study are reliable.

4.2.3 Gender of respondents

To avoid gender bias towards the study subject, a consideration was made on the respondents' gender to incorporate the views of both male and female participants. A presentation of the respondents' gender distribution is shown below on Fig 4.1 below.

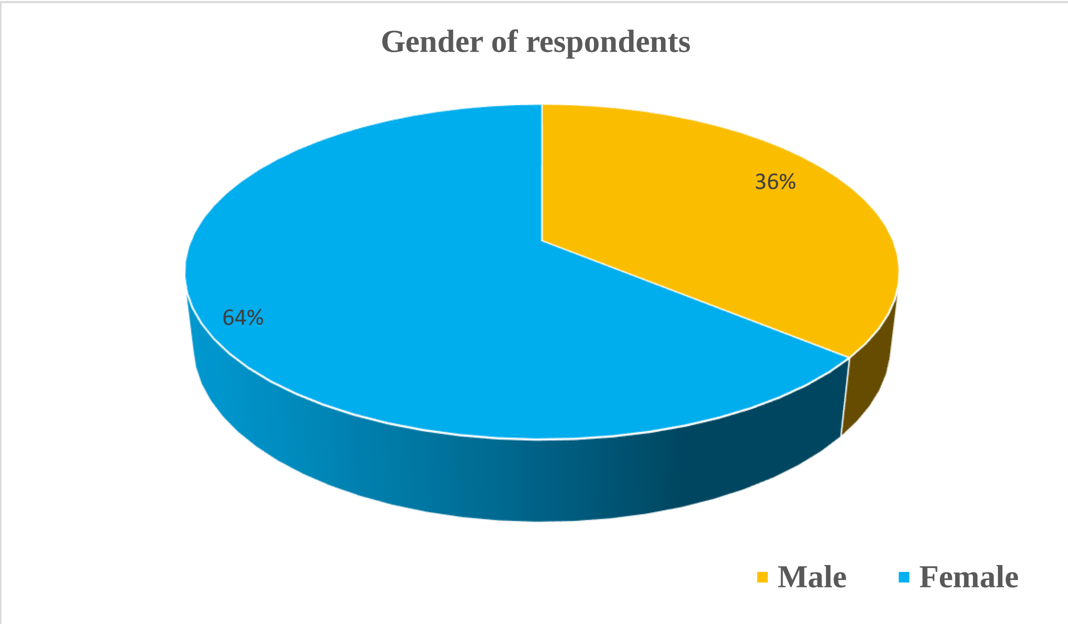


Figure 4.1 Gender of Respondents

A greater proportion of the respondents (64%) were female while male respondents consisted of 36% of the sample. From the study it was evident that there was a gender imbalance with females dominating the sample. It was resolved that the gender imbalances were a representation of imbalances in the general population of FMC customers which comprises more females than males.

4.2.4 Age of Respondents

With regards to age groups, all the respondents stated their age group. Table 4.3 below shows the age distribution of the respondents.

Table 4.3: Age of respondents

Age	Percentage %	Cumulative Frequency
20-30	29%	29%
31-40	42%	71%
41-50	21%	92%
50 and above	8%	100%
Total	**100%**	**100%**

The study findings showed that the majority (42%) of the respondents were between the age group of 31 to 40 years, followed by 20 to 29 years (29%), and 41-50 years with (21%). The lowest was 8% in the age group of 50 years and above. The results signify that all age groups were represented in the study and it was concluded that the respondents were mature enough to handle and respond to the issue of customer relationship and the subject matter under review.

4.2.5 Level of Education of Respondents

General information of respondents also included their highest level of education. Table 4.4 below is a presentation of the findings on respondents' education.

Table 4.4: Level of education of respondents

Description	Percentage %	Cumulative Frequency
Diploma	20%	20%
Undergraduate Degree	40%	60%
Master's degree	35%	95%
Doctorate	5%	100%
Total	**100%**	**100%**

The majority of the respondents were graduates, holding undergraduate and master's degrees as their highest academic qualification constituting 40% and 35%

respectively. Diplomas holders constituted 20% while holders of Doctorate degrees constituted 5%. From this observation, it was concluded that all the respondents had sound basic education with a greater proportion having attained tertiary education and thus were sufficiently qualified to interpret and address the research questions. Meaningful conclusions and recommendations could be derived from the data gathered from qualified personnel hence the data could be relied upon.

4.2.6 Respondents Class

Respondents were asked to indicate whether they were outside customers or employees as it may have a bearing on their perception of the firm's customer relationship strategies. Individuals who are privy to the designing of customer relationship strategies may find it difficult to criticize their own work, hence there was need to incorporate employees from all levels to obtain a balanced view. Figure 4.5below is a presentation of the findings that were obtained.

Table 4.5: Respondents Class

Respondents' Class	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Customers	63	79%	79%	71%
FMC employees	17	21%	21%	21%
Total	**80**	**100%**	**100**	**100%**

Based on the above figures, a greater proportion was from the customers of FMC and a smaller proportion being FMC employees. The researcher got a variety of information on the concept under study by having views from respondents from different class of respondents.

4.2.7 Experience at FMC Finance as either Customer or Employee

This section focused on the respondents' experience with FMC Finance as either a customer or employee. The researcher felt that the time spent by the respondents under the employment of the company under study or as a customer was crucial. This is because it was logical to assume that the more years a person was employed by the company or the more the person had experience as a customer the more they were well versed with the organisation strategies. Fig 4.4 below shows the results.

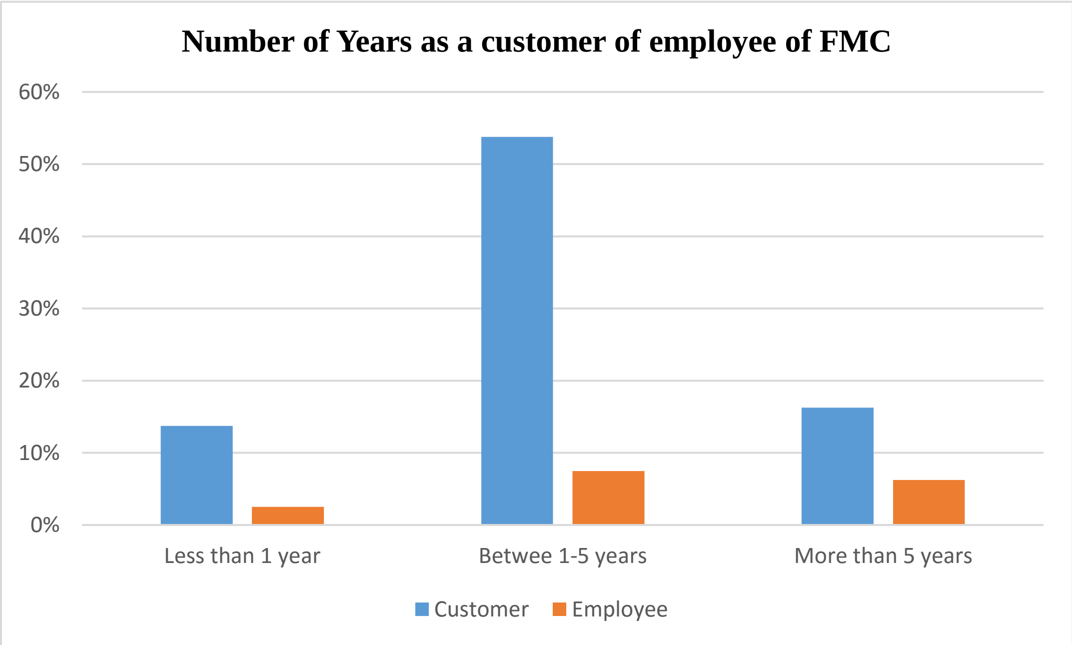


Figure 4.2: Experience as a customer or Employee

Therefore, the respondents had been customers or employees for a considerable period hence they were better placed to contribute meaningfully towards the subject under study.

4.2.8 Knowledge of Customer Relationship Management

The researcher also sought to establish respondents' understanding of customer relationship management. The results are presented below.

Table 4.6: Knowledge of Customer Relationship Management

Understanding of CRM	Total	Y	N
Customers	63	52	11
FMC employees	17	17	0
Total	**80**	**69**	**11**

The study noted that 52 customers (83% of the customers and 65% of the total respondents in terms of percentage) understood customer relationship management and all employees of FMC (100%) had knowledge of CRM. Only 11 of the total customers were not aware of what customer relationship is (17% of the total customers and 13% of the total population in terms of percentage).

4.3 Discussion and Interpretation

4.3.1 Customer Relationship Management Strategies at FMC Finance

This section describes in detail the customer relationship management practices and the extent of the adoption of these customer relationship management strategies at FMC Finance.

Table 4.7: Customer relationship management strategies at FMC Finance

Customer Relationship Management Strategies	N	Min	Max	Mean	Std Dev
Monitoring Customer Relationships	65	1	5	3.79	0.81
Loyalty Programs	65	1	5	4.36	0.63
Customer Clubs	65	1	5	3.55	0.54
Effective Recovery Systems	65	1	5	3.29	0.49
Service Quality	65	1	5	4.67	0.28
Promotions	65	1	5	2.43	0.71
Effective communication	65	1	5	3.48	0.62
Extraordinary Customer Service	65	1	5	4.45	0.67
Average				**3.7525**	**0.59375**

The findings, as shown in Table 4.3 highlights that monitoring customer relationships were adopted to a moderate extent with a mean of 3.79. FMC Finance maintains databases that keep track of customer's preferences, complements and complaints and keeps constant communication on the latest updates to members through messages and emails. The organisation also adopted the use of relationship surveys and through its website undertakes analysis to understand what customers are looking for and why.

The findings also showed that loyalty programs were adopted to a large extent at FMC Finance, with study results showing a mean of 4.36. Loyalty programs adopted at FMC Finance included building customer loyalty programs of awarding most loyal clients and sending birthday messages to members and for the big corporates including sending birthday cakes for the executives and rewarding longest members since fund inception; for both corporates and individuals with memorable gifts. The findings are in consistent with those of Mecha *et al* (2015) who in their study also found that banks use loyalty programs on a larger scale to maintain their relationship with clients, thus loyalty programs are an effective way of managing customer relationships.

Customer clubs were also adopted to a moderate extent at FMC Finance with a mean of 3.55. These clubs included activities such as having luncheons or cocktails with the clients and holding events like wellness days and fun runs for club members. These were meant to maintain relationship between the firm and its clients.

The study findings also detailed that effective recovery systems were adopted to a moderate extent at FMC Finance (mean=3.29). FMC Finance has done fairly well in terms of expanding distribution channels as a way of increasing accessibility to its members, increasing visibility and improving its service delivery.

The findings from the study also revealed that improving Service Quality as a means of customer relationship management was adopted to a larger extent at FMC Finance with a mean of 4.67. This means the company had made significant efforts to ensure quality service provision. The turnaround period for loans is 24 hours and prompt services were provided for emergency loan needs by its customers. The organisation also lives by the quality policy and service charter. A similar study conducted by Kheng (2010) revealed that service quality results in customer loyalty and thus improving service quality in tangibles, reliability, responsiveness, assurance and courtesy is vital for good firm-customer relationship (Kheng *et al*., 2010).

The study results also showed that promotions were also used at FMC Finance, on a lower extent with a mean of 2.43. The reason why promotions have not been largely adopted is because they swallow from company resources and thus needed more resources to be funded. Discounts for long membership, rebates and lower interest rates for customers for continuous membership were the promotional activities undertaken by FMC Finance. The company also rewarded members for good credit rating and repayment performance and gave out corporate branded wear to its customers such as caps, hats, T-shirts and shirts, umbrellas and hampers. It also gave out small giveaways that were usually handed out to walk in members at the reception such as ball point pens and keys holders.

Effective communication as a customer relationship management strategy was adopted to a moderate extent with a mean of 3.48.FMC uses its website and brochures as well as emails, telephones and SMS texts to update its customers on new loan products. It also constantly sends reminders to its clients on repayments deadlines, changes in interest rates and any other necessary information thus its clients are always up to date with current news. A similar study by Bhavani *et al* (2015) revealed that Customer Feedback and Call Centre Automation each are the useful CRM Practices for an organisation (Mahesh *et al*., 2015).

The study findings detailed that extraordinary Customer Service as a customer relationship management strategy was adopted to a large extent at FMC Finance (mean=4.45). This entails that FMC Finance tries to offer services that goes above and beyond the call of duty and providing quality in all its activities. FMC also provides customer feedback surveys, provision of immediate response, consistent on-time response, call centre automation and also boasts of professionally trained staff who provides excellent services.

The results also indicated that customer relationship strategies were adopted to a moderate extent at FMC Finance. The findings were consistent with a study by Payne and Frow (1999) who posited that very few organizations had adopted customer relationship management strategies. Kotler (2003) also observed that in recent times more companies are recognizing the importance of satisfying and retaining customers because they constitute the relationship capital (Waithaka,2014). Omwebu, (2012) also observed that companies, in a more different industry, in the insurance industry were now recognizing the need for customer relationship management.

4.3.2 Impact of Customer Relationship Management Practices on the revenue of FMC Finance.

The study also sought to analyse the extent to which the customer relationship management practices used by FMC contribute to the performance of the company terms of revenue generation. A correlation matrix was performed and the results are presented below.

Descriptive Statistics and Correlation Matrix

The researcher analysed the data using the descriptive statistics to test for the normality of the data used in the study. The descriptive statistics of the respective variables are show below:

Table 4.8: Descriptive Statistics

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.981a	0.933	0.925	0.31200

a. Predictors: (Constant), Customer Relationships, Loyalty Programs, Customer Clubs, Effective Recovery Systems, Promotions, Effective communication, Service Quality, Extraordinary Customer Service

b. Dependent Variable: Revenue generation

The wide variation of the study of the showed an R square of 0.933 implies that in an attempt to carry out regression estimates would yield reliable results.

Table 4.9: Correlation Matrix

		RG	CR	LP	CC	ERS	PR	EC	SQ	ECS
Revenue Generation		1								
Customer Relationships	Pearson Correlation	.310**	1							
	Sig (2 tailed)	0.003	0.11							
Loyalty Programs	Pearson Correlation	.679**	.378**	1						
	Sig (2 tailed)	0.004	0.002	0.01						
Customer Clubs	Pearson Correlation	.346**	0.062**	0.843**	1					
	Sig (2 tailed)	0.031	0	0.006	0					
Effective Recovery Systems	Pearson Correlation	.447**	0.843**	0.873**	.201**	1				
	Sig (2 tailed)	0.001	0.274	0.006	0	0				
Promotions	Pearson Correlation	.191**	.247**	.201**	0.873**	0.366*	1			
	Sig (2 tailed)	0	0.274	0.006	0	0				
Effective communication	Pearson Correlation	.336**	.291**	.193**	.180*	.231*	.160*	1		
	Sig (2 tailed)	0.003	0.123	0	0.12	0	0	0		
Service Quality	Pearson Correlation	.686**	.279**	.247**	.274*	0.873**	0.362*	.624*	1	
	Sig (2 tailed)	0	0.274	0.006	0	0	0	0.002	0	
Extraordinary Customer Service	Pearson Correlation	.801**	0.843**	.336**	.180*	.193**	.279**	.179*	.152*	1
	Sig (2 tailed)	0	0.064	0.014	0	0	0.008	0.001	0	0

* Correlation is significant at the 0.05 level (2-tailed)
** Correlation is significant at the 0.01 level (2-tailed)

The results of the correlation matrix shown in Table 4.9 above, indicates that customer relationship management strategies had a positive correlation with revenue generation. The results of the correlation matrix presented in table 4.8 above revealed that monitoring customer relationships was positively correlated with the revenue generation, r =0.310, p<0.01 thus indicating a significant relationship. Loyalty programs was also strongly and significantly correlated with revenue generation, r =0.679, p<0.01. Customer Clubs also shows a positive but moderate correlation at

0.346 with significant level of 0.031. The results also showed that effective recovery systems were moderately correlated to the variables, r=0.447 with a 0.001 significant level. Effective communication also showed a positive but moderate correlation at 0.336 with significant level of 0.003. The results also showed a weak positive association between promotions and revenue generation r =0.191. Service quality was also strongly and significantly correlated to revenue generation r =0.686, p<0.01. The results also showed a strong positive association between extra ordinary services and revenue generation r =0.801.

The results are consistent with the findings by several authors who found a strong positive relationship between customer relationship management strategies and revenue generation and these include Amoako *et al* (2012), Agnihotri *et al* (2015), Rodriguez and Honeycutt (2014), Waskito (2018) and Coltman, Devinney and Midgley (2011) who carried studies on the relationship between customer relationship management and firm performance.

Regression Analysis

The researcher conducted a regression analysis based on the regression equation highlighted in chapter 3. The dependant variable (revenue generation) was regressed with the independent (Customer Relationships, Loyalty Programs, Customer Clubs, Effective Recovery Systems, Promotions, Effective communication, Service Quality, Extraordinary Customer Service).

The results of the relationship between customer relationship management and firm revenue generation are shown in table 4.10 below:

Table 4.10 Regression of Coefficients

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	1.551	0.423		-0.678	0.504
	CR	0.735	0.144	0.966	8.705	0
	LP	0.636	0.003	0.003	0.026	0.979
	CC	0.319	0.423	-0.07	-0.355	0.725
	ERS	0.335	0.144	0.132	1.802	0.075
	PR	0.068	0.003	.750	1.582	0.128
	EC	0.323	0.223	0.694	-0.02	0.984
	SQ	0.659	0.423	0.047	5.602	0
	ECS	0.863	0.067	0.047	0.633	0.529

a Dependent Variable: Revenue

From the regression findings, the substitution of the equation (Y = A+ β1X1 + β2X2 + β3X3 + β4X4+ ……………. e) becomes:

Y= +1.551+0.735X1+ 0.636X2+ 0.319X3+ 0.335X4+ 0.068X5+ 0.323X6+ 0.659X7+ 0.863X8. Where: Y is the dependent variable (Revenue), X1 is Monitoring customer relationships, X2 is Loyalty Programs, X3 is Customer Clubs, X4 is Effective Recovery Systems, X5 is Promotions, X6 is Effective Communication, X7 is Service Quality, X8 is Extraordinary customer service.

The study findings indicated that an increase in monitoring customer relationships (CR) would lead to a 0.735 increase in revenue generation; a unit increase in loyalty programs (LP) will lead to a 0.636 increase in revenue generation; a unit increase in customer clubs (CC) will lead to a 0.319 increase in revenue generation; a unit increase in effective recovery systems (ERS) will lead to a 0.335 increase in revenue generation; a unit increase in promotions (PR) will lead to a 0.068 increase in revenue generation; a unit increase in effective communication (EC) will lead to a 0.323 increase in revenue generation; a unit increase in service quality (SQ) will lead to a

0.659 increase in revenue generation and a unit increase in extraordinary customer service (ECS) will lead to a 0.863 increase in revenue generation.

On the whole, the study observed that most of the customer relationship strategies at FMC Finance has a positive effect on increasing the revenue generation. The findings in detail however indicate that the most significant customer relationship strategies are monitoring customer relationships and extraordinary customer service followed by loyalty programs. The least significant customer relationship management strategies are customer clubs and promotions.

The study detailed that the customer relationship strategies at FMC Finance were significant in increasing the revenue of the organisation. Monitoring customer relationships and extra ordinary customer services are an important tool at FMC Finance for increasing revenue. The findings therefore become consistent with a study by Kotler (2003) where he observed that top management in organisations are widely extra ordinary customer service as an effective tool to increase their customer loyalty which definitely improves revenue.

The study, from the results therefore accepted the null hypothesis (H0) which stated that Customer Relationship Practices and strategies at FMC finance have a significant impact on FMC Finance's revenue generation.

4.3.3 Ways on enhancing customer relationship to improve FMC Finance revenue generation.

The study sought to establish the ways on which FMC Finance can enhance its Customer Relationship Management to improve FMC Finance revenue generation. Table 4.11 below shows the various ways in which customer relationship management practices at FMC Finance can be improved. The major ways detailed in the study findings focus more on customer satisfaction to ensure customer retaining which ultimately leads to continuous revenue streams.

Table 4.11: Enhancing customer relationship to improve FMC Finance revenue generation.

Determinants	Strategy	N	Mix	Max	Mean	Std Dev
Price	Transparency in charges	65	1	5	3.7	0.685
	Competitive interests and other charges	65	1	5	3.8	0.503
	Discounts	65	1	5	3.8	0.503
Services Improvement	24*7 (24 hour) toll free services	65	1	5	4.5	0.785
	Notifications and alerts to customers through SMS and Email	65	1	5	4.9	0.503
	Easy loan application and settlement policies	65	1	5	4.5	0.704
	Improve on Know Your Customer initiatives to build member intimacy	65	1	5	3.7	0.544
	Be more aggressive in CRM to both corporate and individual members	65	1	5	3.6	0.544
	Increasing in road shows to create brand awareness and interest and visibility	65	1	5	3.6	0.536
	Reducing waiting period between loan application and disbursement	65	1	5	3.8	0.736
Responsiveness	Addressing all customer queries and complaints	65	1	5	4.8	0.677
	Fulfil all commitments	65	1	5	3.5	0.714
	Welcoming feedback from customers	65	1	5	4.2	0.544
	Trained and Expert advisory services	65	1	5	3.5	0.673
	Quick response to customer queries that come through the various platforms.	65	1	5	4.8	0.574
Tangibility	Easy Accessibility of services	65	1	5	4.1	0.811
	Availability of wide network of branch offices	65	1	5	4.5	0.403
Reliability	Reliability of Brand name	65	1	5	4.1	0.611
	Confidentiality of personal information	65	1	5	4.7	0.302
	Easy and secure loan repayment mode	65	1	5	3.6	0.361

The results shown in Table 4.11 indicated that the pricing model is a very important dimension of retaining customer which ultimately leads to revenue yielding. Pricing is a very important determinant in customer relationship. If prices are not competitive enough FMC Finance can face problems in self-marketing and selling its products. In Table 4.11, three important parameters are taken under this dimension and these include transparency in charges, competitive interests and other charges and offering discounts which from the study results shows a mean of 3.7,3.8 and 3.8 respectively indicating a significant relationship with revenue generation.

The study findings showed that providing 24-hour toll services (24*7) is important for maintaining customer relationships (mean of 4.5), while notification and alerts through SMS and emails to customers and ensuring easy loan application are highly important with a mean of 4.9 and 4.5 respectively. Increasing brand awareness and reducing waiting period between loan application and loan disbursement are also ways of ensuring customer satisfaction and ultimately leads to improved relations between the firm and its customers.

Bennett and Higgins (1993) in their study observed that improved level of service quality is related to higher revenues, higher customer relationship and expanded revenue generation. Thus, companies must understand that customer will be loyal only if the greater value is provided by them as compared to competitors. Parameters like twenty-four hours (24*7) toll free services and notifications to customers play critical role in retaining customers.

Addressing all customer queries and complaints (mean=4.8), fulfilling all commitments(mean=3.5), welcoming feedback from customers (mean=4.2) and quick response to customer queries that come through the various platforms(mean=4.8) are important factors in improving customer relationship. Customers are also thrilled when the organisation goes far to providing expert advisory services for the loans the customers seek and obtain from FMC. Amoako *et* *al* (2012) posits in his study that managing customer relationship effectively builds customer trust in the organization and customer value therefore benefits in making another purchase (Amoako *et al.*, 2012).

Easy accessibility of services and availability of wide network of branch offices are also important in improving customer relationship with a mean of 4.1 and 4.5 respectively. For microfinance business, customer values services need to be easily available in form of company offices for easy access, hence tangibalizing the services to ensure easy access of loans is important.

The study found out that maintaining a good brand name (brand image) is very important for a customer as it is an identification of the company. Customers need to have trust in the brand and this is usually when the it is stabilized in the market because of its prompt and reliable services. Moreover, customers want confidentiality of their personal information and security of transactions specifically in loan repayments hence these parameters score high on the subject of customer relationship management.

Customer relationship requires continual attention and interviews responses pointed out that management can use strategies such as continuous customer surveys, process management, updating of customer files, early identification of dissatisfied customers, tracking of dissatisfied customers and this could be achieved through updated records, constantly improving organisational objectives on customer satisfaction and process improvements, and going beyond insurance, personalizing follow-ups and continued rewarding of the firm’s most profitable customers to improve customer relationships.

The findings from the study also points out that customers have different perceptions about the organisation and the perception they hold is vital in them choosing on which organisation to buy products and services from. It is therefore important for the various firms in the to continually develop, enhance and improve on customer relationship strategies.

4.4 Summary

The chapter has presented the results in examining the impact and relationship of customer relationship on revenue. The chapter first presented the demographic information of the respondents and the findings in both qualitative and quantitative techniques were presented. Cronbach's Alpha was used to test for the reliability of the Data and Pearson correlation was also employed to test the correlation of the regressors. The study also adopted the multiple linear regression analysis to test the relationship between the dependent variables and the independent variables.

The chapter detailed that customer relationship strategies were adopted to a moderate extent at FMC Finance and that there existed a significant positive relationship between customer relationship strategies at FMC Finance and revenue generation. The chapter also detailed that pricing models, services improvement, responsiveness, tangibility and reliability of brand are the various factors that can be flexed to improve customer relationship management and ultimately revenue. The next chapter provides the summary of findings, conclusion and areas for further research.

CHAPTER 5 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The main focus of this chapter is to present a summary, conclusions and recommendations of this study.

5.2 Discussion

The main objective of the study was to analyse the customer relationship strategies at FMC Finance and assess their effectiveness in improving revenue generation. To achieve this objective, the study population comprised of employees and customers of FMC Finance to establish the extent to which the organisation was adopting customer relationship strategies. Previous researchers on customer relationship, and customer care and empirical marketing writers' work helped to cement the study by providing an in-depth analysis. The study used descriptive research design and both qualitative and quantitative research methods were employed to ensure a comprehensive data collection. The study used mainly the questionnaire technique and both qualitative and quantitative analysis techniques were adopted. Questionnaires were administered and supported by interviews to assess the views of the respondents. Interviews were used to compliment on the shortcomings of questionnaires to ensure that adequate data was collected. The study analyzed customer relationship strategies being adopted and their relationship or impact on revenue generation. On assessing the relationship between the customer relationship strategies and revenue generation the study used the regression analysis using a software namely SPSS Version 23 to ascertain the relationship. The study's challenges included time and financial resources, but researcher had to flex the available time and resources in order to achieve the objective needs of the study.

The major findings of the study were that:

5.1.1 Customer relationship strategies were adopted to a moderate extent at FMC Finance.

5.1.2 There existed a significant positive relationship between customer relationship strategies at FMC Finance and revenue generation.

5.1.3 Pricing models, services improvement, responsiveness, tangibility and reliability of brand are the various factors that can be flexed to improve customer relationship. Moreover, improving customer relationship requires a focus on continuous customer surveys, process management, updating of customer files, early identification of dissatisfied customers, tracking of dissatisfied customers.

5.3 Conclusions

In view of the above stated findings, the following were the research conclusions:

5.3.1 Customer relationship strategies adoption at FMC Finance

The study concluded that loyalty programs, service quality programs and extra ordinary customer services constituted the most widely used relationship strategies at FMC Finance. Strategies which were adopted to a moderate extent included monitoring customer services, effective communication, customer clubs and effective recovery systems. The least adopted customer relationship strategy was promotions.

5.3.2 Impact of customer relationship strategies on revenue generation, profit and sales turnover.

The study conclusion was that there existed a significant relationship between customer relationship strategies at FMC Finance and revenue generation. The study concluded that a unit improvement in all of the strategies of customer relationship management practices (Monitoring Customer Relationships, Loyalty Programs, Customer Clubs, Effective Recovery Systems, Promotions, Effective communication, Service Quality, Extraordinary Customer Service) led to an improvement in revenue.

5.3.3 Ways by which customer relationship strategies at FMC Finance can be enhanced

The study concluded that improving customer relationship strategies at FMC Finance required a focus on continuous customer surveys, process management, updating of customer files, early identification of dissatisfied customers and tracking of dissatisfied customers. In terms of price there is need to be transparent in charges and setting up competitive interest rates and other charges. In terms of services, improve on know your customer initiatives, easy loan application and reducing waiting periods between loan application and disbursement, 24-hour toll services and notifications to clients for any changes in loan products is important. In terms of responsiveness there is need to address all customer queries and complaints, fulfilling all loans commitments, quick response to customer queries that come through the various platforms. In terms of tangibility there is need for easy accessibility of services, availability of a wide network of branch offices. Enhancing customer relationship should embrace decisions about product, price, services, responsiveness, tangibility and reliability of the brand name.

5.4 Implications

The study has benefited management at FMC Finance, marketing professionals and customer relationship management practitioners by providing insights on customer relationship management practices and strategies available for adoption in retaining customers in an environment dominated by intense competition. To this effect, this study serves as a wakeup call for organisations to strengthen their customer relationship management practices as customers have increasingly become more aware of what services they should get from organisations.

5.5 Recommendations

5.5.1 Based on the study findings and conclusions, the researcher recommended that FMC Finance should strengthen its customer bonds. Improving customer bonds enables the firm and its customers to both commit resources to the relationship built on high levels of trust and commitment. Having a relationship based on trust and commitment will improve and increase customer relationship, revenue generation and brings a growth in sales volumes.

5.5.2 Moreover, in order to increase customer relationship rates, FMC Finance should continue providing extraordinary customer service. This means it must go above and beyond the customers' expectations. In that regard it can achieve that by having a dedicated outstanding team to ensure customer satisfaction that provide instant and or immediate response to customer complaints and queries, deliver consistently on-time on all services and fulfilling all the promises to its customers in terms of loans disbursements. From the study findings, these methods will result to significant increases in revenue generation, turnover as well as gross profits to the firm.

5.5.3 The researcher also recommended that FMC Finance should allocate budgets to promotional activities. In a study by Stauss (2011) it was noted that increasing the customer relationship rate requires promotional activities around the clients throughout the customer relationship life cycle. The study observed that promotions was among the least adopted customer relationship strategy at FMC Finance. Therefore, the researcher recommends that in order for FMC Finance to improve the customer relationship rate it must expand its strategies and incorporate promotions in order to capture the minds of its customers.

5.5.4 Moreover, FMC Finance must continue to adopt customer relationship strategies and ensure they are effective. The costs of customer relationship activities are less than the costs of acquiring new customers and financial implications of attracting new customers may be five times as costly as keeping existing customers. The researcher further recommends that firms need to analyse their customers before coming up with strategies of retaining them. FMC Finance need to come up with ways of rewarding the marketing and sales staff for retaining customers.

5.6 Suggestions for further research

This study covered only the microfinance services and also in particular reference to a single organisation. A comprehensive study on a comparative basis of all companies in the microfinance industry on strategies to retain customers should be done to ascertain the varying relationship strategies adopted. The sample size and the number of actual respondents were limited to only employees and customers at FMC Finance. Further studies incorporating other stakeholders such as investors and shareholders, creditors, regulators and CRM practitioners and advocates must be conducted to ascertain their views on CRM. Further research should also be conducted to assess factors affecting or inhibiting the effective implementation of customer relationship strategies in the microfinance industry. Moreover, a greater analysis is needed to ascertain in the value of customer relationship strategies to organisational performance with key focus on profit and market share.

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www.rbz.co.zw

APPENDICES

APPENDIX 1: LETTER OF CONSENT

Dear Sir/Madam

My name is Yvette R Mberi, a final year (EMBA) student from Africa University (AU). I am carrying out a study on “The impact of customer relationship management on company’s revenue generation: a case study of First Micro Credit Finance (FMC), Mutare”. I am kindly asking you to participate in this study by filling in the questionnaire.

The purpose of the study is to assess the customer relationship management strategies employed by First Micro Credit (FMC) Finance on its revenue generation. If you decide to participate you will be given ample time to give your opinion. It is expected that this will take about forty-eight hours to fill in the questionnaire.

You may have discomfort in giving out information perceived confidential with fear of victimisation, or inconveniences in own time allocation-these are normal feelings. However, the researcher guarantees confidentiality and to add on to that, no mention of own name will be requested and will remain anonymous. The requested information will not take long to fill in but ample time is given so that it does not put pressure on the part of the participant

The information requested for is expected to be given on a willing to basis without expectation of payment in return. However, should the participant want to know the results of the survey the researcher is willing, after completion, to share the results with the participants.

Participation in this study is voluntary. If, as a participant you decide not to participate in this study, this will not affect the future relationship with the researcher nor FMC Finance Limited. If you chose to participate, you are free to withdraw your consent and to discontinue participation without any harm or penalty.

Before you sign this form, please feel free to ask any questions on any aspect of this study that may seem not clear to you.

If you have decided to participate in this study, please sign this form in the space provide below as an indication that you have read and understood the information provided above and have agreed to participate.

--- --------------------------------

Name of Research Participant (please print) Date

Signature of Research Participant or legally authorised representative

Should you have any questions concerning this study or consent form beyond those answered by the researcher including questions about the research, your rights as a research participant, or if you feel that you have been treated unfairly and would like to talk to someone other than the researcher, please feel free to contact the Africa University Research Ethics Committee on telephone (020) 60075 or 60026 extension 1156 email aurec@africau.edu

Name of Researcher –Yvette R Mberi

APPENDIX 2: QUESTIONNAIRE FOR EMPLOYEES AND CUSTOMERS OF FIRST MICRO CREDIT FINANCE (FMC Finance).

Dear Respondent,

My name is Yvette Mberi. I am a final year student at Africa University studying for an Executive Masters in Business Administration. I am currently carrying out a research on 'The impact of customer relationship management on company's revenue generation: - A case study of FIRST MICRO CREDIT Finance Mutare. You have been selected to participate in this study. The Information you provide will be used solely for the production of my academic project and your response will be treated with confidentiality.

<u>SECTION A: Demographic Information</u>

1.GENDER

MALE	**FEMALE**

2. AGE GROUP

20- 30 years	**31- 40 years**	**41- 50 years**	**50years and above**

3. HIGHEST QUALIFICATION

Diploma	
Undergraduate Degree	
Master's degree	
Doctorate	

4. **Respondents Class**

Employee	
Customer	
Other (specify)	

5. For how long have you been an employee or customer to FMC Finance? *Please tick the applicable box*

(a) less than a year [ ]

(b) between 1 and 5 years [ ]

(c) more than 5 years [ ]

6. How would you describe the customer relationship management of FMC Finance?

   Very good [ ] Good [ ] Poor [ ]

7. Do you understand what Customer relationship is?
   Yes [ ] No [ ]

Section B: Customer relationship management strategies at FMC Finance

Using the five-point rating scale where; 1 = strongly agree, 2 = Agree, 3 = Neutral, 4 = disagree 5 = strongly disagree. Indicate by ticking (√) the appropriate box.

a) To examine the existing Customer Relationship Management practices and services and extent or degree of adoption of CRM practices at FMC Finance

Use the five-point rating scale where 5 = to a very large extent, 4 = A Large extent, 3 = Moderate extent, 2 = Small extent, 1 = Not at all; indicate by ticking (√) the appropriate box

	Extent of adoption of CRM practices at FMC Finance	Not at All Extent	Little Extent	Moderate Extent	Large Extent	Very large
1	**Monitoring Customer Relationships** • Databases that keep track of customer's purchases, preferences, complements and complaints. • Constant communication on the latest updates to members through messages and emails • Relationship surveys. • Website traffic analysis to understand what customers are looking for and why.					
2	**Promotions** • Corporate discounts- rewarding customers for repeated contracts. • Rewarding members for non-defaulting in loan payments • Production of small giveaways that are handed out to walk in members at our reception e.g. ball point pens, key rings etc.					
3	**Effective Recovery Systems** • Internal systems that identify failures. • Listening to customers and proactive search for potential failure points. • On spot problem solving by frontline staff. • Acting and solving problems quickly. • Training of staff: empower frontline staff to solve problems					
4	**Loyalty Programs** • Building customer loyalty programs of awarding most loyal clients • Sending birthday messages to loyal members • Social Media Relation- There is good interaction of customer and FMC Finance					
5	**Customer Relationships and Clubs** • Having luncheons or cocktails with the clients. • Close contact with clients throughout the customer relationship life cycle. • Attractive offers and services for members of the club • Holding events like wellness days, fun runs • Partnership-FMC Finance has customer clubs to formalise their relations with the customers.					
6	**Build Commitment** • Offering best product, best access, best processes, best reputation • Values of the firm aligned with those of customers –family centeredness • Expanding branch networks channels as a way of increasing our accessibility to our members, increasing visibility and improving our service delivery.					

7	**Creating bonds with the customers** • personalized customer information systems • Advisory services to clients for free on their loans					
8	**Extraordinary Customer Service** • Customer feedback surveys • Provision of Immediate response • Going above and beyond the call of duty • Consistent on-time response • Professionally trained staff • Live by the quality policy and service charter • Call Centre Automation					

b) To find out the impact of CRM on revenue generation

	Impact of CRM Practices on the revenue of FMC Finance	**SA**	**A**	**NS**	**D**	**SD**
1	FMC Finance is Customer service focused and therefore retains most customers					
2	Effective communication at FMC helps to increase customer satisfaction therefore revenue increase					
3	FMC Finance services and products are accessible to all users and thus increases revenue					
4	Continued improved service delivery attracts more customers and results in more revenue					

c) Enhancing Customer Relationship Management to improve FMC Finance revenue generation.

Strategy	**SA**	**A**	**NS**	**D**	**SD**
1. Pricing policies • Transparency in charges • Competitive interest and other charges • Discounts					
2. Services Improvement- Business process reengineering • 24*7 (24 hour) toll free services • Transaction alerts through SMS and Email • Easy loan application and settlement policies and procedures • Improve on Know Your Customer initiatives so that member intimacy is also built with individual members.					

• Be more aggressive in CRM to both corporate and individual members • Increasing on road shows to create brand awareness and interest, that way it creates visibility and also builds confidence to clients. • Reducing Waiting Period between loan application and disbursement					
3 Responsiveness • Addressing all customer queries and complaints • Fulfil all commitments • Welcoming feedback from customers • Trained and Expert advisory services ▪ Quick response to queries that come through the various platforms.					
4. Tangibility • Easy Accessibility of loans • Availability of wide network branch offices					
5. Reliability • Reliability of Brand name • Confidentiality of personal information • Easy and secure loans repayments mode					

Any other recommendations to FMC Finance in order to maintain good relationships with its customers?

…………………………………………………………………………………………………
…………………………………………………………………………………………………

End of questionnaire

Thank you for your time and effort

APPENDIX 3: INTERVIEW GUIDE

Interview sheet

[a] What are the most widely used customer retention strategies at FMC Finance?..

....

[b] Do you think the strategies employed by FMC Finance increases customer retention..

....

[c] Do you think the strategies employed by FMC Finance increases revenue?..

....

[d] Are the customer relationship management strategies employed by FMC Finance effective in general in improving the revenue generation of the organisation?

....

....

[e] How can the customer relationship strategies employed by FMC Finance be improved?

....

....

(THE END)

APPENDIX 4 DATA FOR REGRESSION

Month	Interest on loans	Loans Administration Fees	Exchange Rate Gains from Bureau De Change	Other Revenue	Total
	ZW$	**ZW$**	**ZW$**	**ZW$**	**ZW$**
January	2,232,530.00	111,626.50	-	101,230.00	2,445,386.50
February	2,236,995.06	111,849.75	67,109.85	77,074.36	2,493,029.02
March	2,241,469.05	224,146.91	67,244.07	94,801.46	2,627,661.49
April	2,375,957.19	237,595.72	71,278.72	71,119.46	2,755,951.09
May	3,326,340.07	332,634.01	66,526.80	145,668.46	3,871,169.34
June	3,332,992.75	333,299.28	66,659.86	121,986.46	3,854,938.34
July	3,339,658.74	333,965.87	66,793.17	98,304.46	3,838,722.25
August	3,606,831.43	360,683.14	72,136.63	74,622.46	4,114,273.67
September	3,339,658.74	333,965.87	100,189.76	147,792.46	3,921,606.83
October	2,824,251.00	282,425.10	84,727.53	124,110.46	3,315,514.10
November	3,897,466.38	389,746.64	233,847.98	100,428.46	4,621,489.47
December	3,905,261.32	390,526.13	312,420.91	76,746.46	4,684,954.82
Total					**42,544,696.92**

Source: FMC Management Reports (2019)

APPENDIX 5 AUREC APPROVAL

AFRICA UNIVERSITY
(A United Methodist-Related Institution)
INVESTING IN AFRICA'S FUTURE

AFRICA UNIVERSITY RESEARCH ETHICS COMMITTEE (AUREC)

P.O. Box 1320 Mutare, Zimbabwe, Off Nyanga Road, Old Mutare-Tel (+263-20) 60075/60026/61611 Fax: (+263 20) 61785 website: www.africau.edu

Ref: AU1141/19

14 January, 2020

Yvette Rufaro Mberi
C/O CBPLG
Africa University
Box 1320
Mutare

RE: THE IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT ON COMPANY'S REVENUE GENERATION: A CASE STUDY OF FIRST MICRO CREDIT FINANCE MUTARE

Thank you for the above titled proposal that you submitted to the Africa University Research Ethics Committee for review. Please be advised that AUREC has reviewed and approved your application to conduct the above research.

AFRICA UNIVERSITY
RESEARCH ETHICS COMMITTEE (AUREC)
14 JAN 2020
APPROVED
P.O. BOX 1320, MUTARE, ZIMBABWE

The approval is based on the following.

a) Research proposal
b) Questionnaires
c) Informed consent form

- **APPROVAL NUMBER** AUREC1141/19

This number should be used on all correspondences, consent forms, and appropriate documents.

- **AUREC MEETING DATE** NA
- **APPROVAL DATE** January 14, 2020
- **EXPIRATION DATE** January 14, 2021
- **TYPE OF MEETING** Expedited

After the expiration date this research may only continue upon renewal. For purposes of renewal, a progress report on a standard AUREC form should be submitted a month before expiration date.

- **SERIOUS ADVERSE EVENTS** All serious problems having to do with subject safety must be reported to AUREC within 3 working days on standard AUREC form.
- **MODIFICATIONS** Prior AUREC approval is required before implementing any changes in the proposal (including changes in the consent documents)
- **TERMINATION OF STUDY** Upon termination of the study a report has to be submitted to AUREC.

Yours Faithfully

Mchinzou

MARY CHINZOU – A/AUREC ADMINISTRATOR
FOR CHAIRPERSON, AFRICA UNIVERSITY RESEARCH ETHICS COMMITTEE

APPENDIX 6 APPROVAL LETTER FROM FMC FINANCE

fmc FINANCE
(Registered Microfinancier)

18 November 2019

AFRICA UNIVERSITY

College of Business, Peace, Leadership and Governance

Mutare

Dear Mrs. Yvette Mberi

RE: APPROVAL FOR CONDUCTING STUDY

The above matters refers, please note that we have approved your request to carry out your research at FMC Finance, entitled "The impact of customer relationship management on company's revenue generation: A case study of First Micro Credit Finance Mutare".

May you at end of research share the results of your study as management is eager to know the results of the study.

Please contact the undersigned for more information.

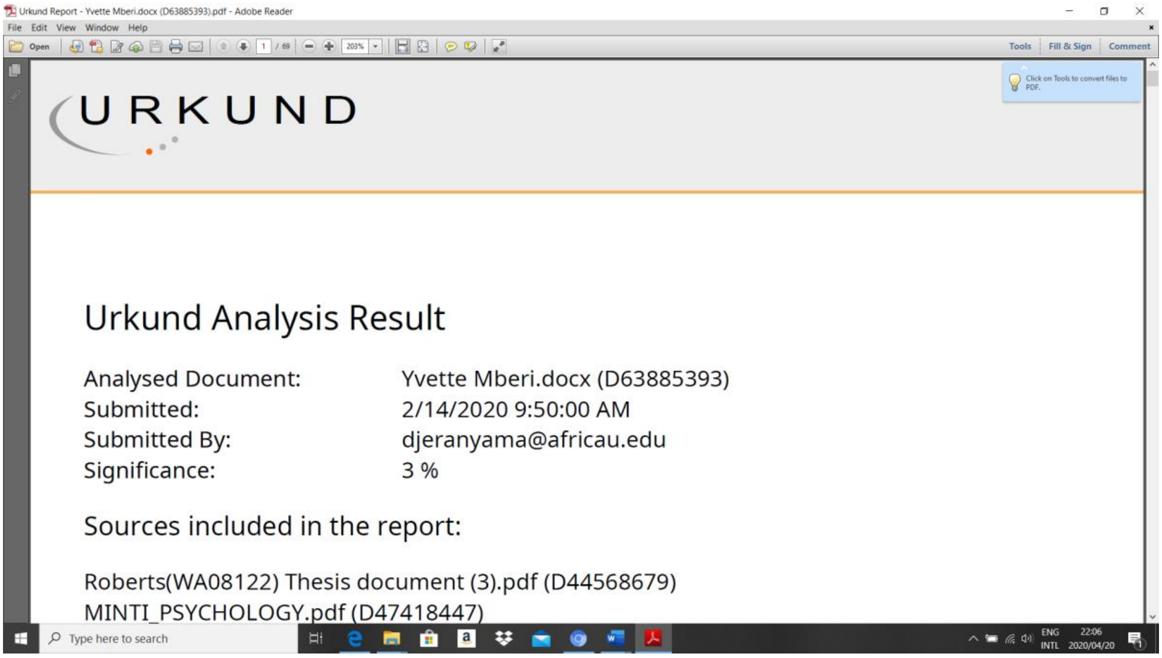
Yours faithfully

Mr Mawadze

(Branch Manager)

FMC FINANCE
50B HERBERT CHITEPO AVENUE, MUTARE
TEL: +263 772 145 001
www.fmcfinance.com

Mutare Branch: Ground Floor, 50B Herbert Chitepo Avenue, Mutare
Tel +2637721455001.
Directors: J. Hussein. L. Manao. R. M. Mavhunaa (CEO). P. M. Phillips. B. Rofemovo (Chairman)*



Urkund Analysis Result

Analysed Document: Yvette Mberi.docx (D63885393)
Submitted: 2/14/2020 9:50:00 AM
Submitted By: djeranyama@africau.edu
Significance: 3 %

Sources included in the report:

Roberts(WA08122) Thesis document (3).pdf (D44568679)
MINTI_PSYCHOLOGY.pdf (D47418447)