CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES AND PERFORMANCE OF SAFARICOM LIMITED IN KENYA

PHOEBE KARIMI GITONGA

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

OCTOBER 2016

DECLARATION

This research project is my original work and has never been submitted for examination to any other University.

Signature…………………………..   **Date…………………………………**

PHOEBE KARIMI GITONGA

D61/77222/2015

This project has been submitted with my authority as the university supervisor.

Signature………………………………. Date..

DR. MARY KIMONYE

SENIOR LECTURER,

SCHOOL OF BUSINESS,

UNIVERSITY OF NAIROBI.

ACKNOWLEDGEMENTS

I wish to express my gratitude to a few individuals and groups without whom this project could not have been a success. Special appreciation goes to, Dr. Mary Kimonye for her professional guidance and advice when I was pursuing this project. I also wish to thank Safaricom Limited for the assistance that they accorded to me during date collection and the School of Business, University of Nairobi for their various contributions when I was pursuing the study. To my family and relatives, thank you so much for the great support and encouragement.

DEDICATION

This research project is dedicated to my parents for their moral support and sacrifice to see me through my educational journey.

ABSTRACT

In Kenya, Safaricom being one of the firms in the Telecommunication sector uses Customer Relationship Management to allow customers to easily interact with the firm. This is aimed at enhancing efficiency in managing responses and service quality. This study was set out to achieve the following objectives to determine the customer relationship management practices adopted by Safaricom Limited and to establish whether customer relationship management practices used by Safaricom Limited improved performance. The study adopted a case study research design of Safaricom Limited was because it is the leading Telecommunication firm in Kenya with over 25.1 million subscribers where majority of them were old customers. The study used primary sources of data which was collected using an interview guide using open-ended questions. Primary data was collected by interviewing three heads of marketing and one head of finance at Safaricom Limited. They include Head of department Consumer Sales, Head of department Mass Market, Head of department Enterprise Sales and the Head of Finance. Data was analyzed using content analysis. The study found that customer relationship management practices used by Safaricom Limited were: one-on-one interaction with the customers, customer follow-ups through use of calls, loyalty schemes such as 'bonga points', use of social media platforms such as Facebook, Twitter, direct emails, online partnerships and search engine optimization. The company had team of competent staff who were well trained in handling matters to do with customer care and use of customer database for gathering customer information. The study also found that customer relationship management practices impacted positively on performance of Safaricom Limited. This was achieved through improved efficiency in customer feedback, reduction in communication costs, customer retention, efficient processes and procedures and reduced customer complaints. The study recommends that Safaricom Limited should frequently monitor and evaluate the current CRM practices. It is essential to regularly monitor, analyze and assess the existing CRM practices so as to tell if they are effective and they should increase their capacity to allow more customers to gain access to the company's products and services. The study was limited to time and cost which necessitated a case study of Safaricom Limited. The results obtained in this study are therefore exclusive to Safaricom Limited and cannot therefore be used for either direct application or comparison to another study. The other limitation was that some interviewees perceived the process of being interviewed as tedious and non-paying and thus a few Heads of departments delegated the interview process to their juniors who represented them. The Heads of departments are directly involved in decision making concerning customer relationship management and thus they are best suited to give accurate and reliable information as compared to their juniors. Future researchers should consider conducting a similar study in all the three Mobile Telecommunication firms in Kenya to establish the most common customer relationship management practices used by Mobile Telecommunication firms and how these practices relate to performance of Mobile Telecommunication firms.

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS

BSC   Balanced Score Card

CA   Communications Authority

CRM   Customer Relationship Management

KP &TC   Kenya Posts and Telecommunications Corporation

ROA   Return on Assets

ROCE   Return on Capital Employed

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The business environment is becoming increasingly competitive and most firms are devising ways to cope with the rapid changes in the environment such as technology. One of the aspects that has compelled all these changes is the endless change and evolution of technology. Customer needs keep on changing and firms have to look for ways to accommodate these needs. Hunt (2009) indicates that a good customer relationship management program helps the firm to satisfy customer needs. Furthermore, Customer Relationship Management (CRM) concept has evolved in such a way that it must be viewed as a strategy to maintain a long-term relationship with the customers. Relationship building and management, or what has been labeled as relationship marketing, is a leading approach to marketing (Kotler, 2005).

The study will be guided by three theories namely Commitment trust theory, Institutional theory and Knowledge-based view. Commitment trust theory posits that two important factors, trust and commitment must prevail for the firm to establish a good relationship with its customers (Hunt, 2009). Institutional Theory holds that institutionalized symbols define a cultural validation; they include values, meanings and rules among others (DiMaggio & Powell, 1983). Cognitive firms derive their authority from a shared conception of social reality for fear of sanctions. Knowledge-based view focuses on the economic aspects of the operations in the firm. This theory maintains that both intangible and the tangible resources of the firm are essential assets of the firm (Nickerson & Zenger, 2004).

Telecommunication firms in Kenya have shifted their focus from marketing to customer relationship management as a strategy to improve sales growth and performance. Safaricom Limited is one of the leading Telecommunication firms that provide communication solutions to its customers; the company seeks to establish a good relationship with its customer to achieve customer retention. Safaricom Limited has a social media platform that handles customer matters in a more accessible and efficient matter for improved customer response (Kagendo, 2015).

1.1.1 Customer Relationship Management Practices

Scholars have put forward various definitions of Customer Relationship Management practices. Stone, Woodcock & Machtynger (2005) define CRM as a management approach that enables the firm to identify, attract and increase of profitable consumers by managing relationships with them. According to Sugandhi (2007) CRM involves establishing and maintaining long-term mutually beneficial relationships with strategically significant customers and managerial efforts to manage business interactions with the customers by combining business processes and technologies that seek to understand the firm's customers.

Peck, Payne, Christopher & Clark (2014) posit that CRM is a business strategy for engaging customers through building trust and brand loyalty. Sugandhi (2007) opines that CRM aims at ensuring that business connects with the customer conversations and establishing long-term relationships with the customers. It forms an integral part in establishing a close connection with the customers. A better understanding of the customers enables the firm to formulate ways to effectively meet those needs. This reduces complaints hence boost customer satisfaction With CRM, the firm can easily

understand the customers much better by addressing their needs in the most efficient manner, this enables the firm to attract and acquire new customers (Hunt et al., 2008).

Customer relationship management practices include information technology, knowledge management, customer communication, customer acquisition, customer interactions and customer response and customer transaction. Knowledge management application, customer response and customer interaction are the most commonly used (Peck et al., 2014).

1.1.2 Firm Performance

According to Kleijnen & Smits (2008) performance is the execution of a given task. Performance measurement is important to the firm in determining areas that requires improvement. When measuring performance the firm focuses on achieving the set targets, feedback and reward. Performance evaluation utilizes both financial and non-financial measures, although most firms do not use a balanced framework for financial and non-financial indicators.

Performance seeks to establish the manner in which the management of the firm utilizes the human, physical and financial resources to achieve efficiency of the firm. Performance measurement enables the organization to assess its current status of performance and to establish areas that needs improvement. To improve a firm's performance, regular assessments should be made to establish the current performance of the firm. Performance assessment involves the use of tools such as questionnaires, Strength, Weaknesses, Opportunities and Threats (SWOT) analyses and diagnostic models. When deciding to use either financial or non-financial measures, the management of the firm should ensure that the right measures are used to suite the current needs of the organization (Kleijnen et al., 2008).

The key financial indicators that are used to assess the overall performance of the firm include Return on Assets (ROA), Return on Investment (ROI), Return on Equity (ROE) and Sales Growth. ROA is measured using net income divided total assets. ROI is measured using gain from investment minus cost of investment divided by cost of investment. ROE is the amount of net income returned as a percentage of shareholders equity. Sales growth is measured using the annual increase in sales (Neely, Mills & Platts, 2010). This study will utilize non-financial measures to measure performance which include customer satisfaction, efficiency, effectiveness and customer retention.

1.1.3 Telecommunication Sector in Kenya

In 1999, Kenya Posts and Telecommunications Corporation (KP & TC) was disbanded to give room for reforms in the Telecommunication sector in order to allow fair competition (Okuttah, 2016). Between 1994 and 2004 Kenya experienced an outstanding development in the proportion of mobile subscribers among its population. In the year 2006, use of mobile phones escalated and out of the Kenya population of 37 million then, 6 million people had a cell phone. This affected the use fixed lines telephony also known as landlines. In 2009, the costs of mobile services went up to 27 percent of monthly income in Kenya (Dholakis & Kshetri, 2005).

In 2012, Kenya recorded mobile penetration of 75.4% which is higher than the African average of 65%. The increase in the use of mobile phones is evident even for those at the lower end of the economic spectrum. Kenyans living on less than $2.5 USD/day, 60.5 percent used a mobile phone (Arunga & Kahora, 2007). Communication Authority of Kenya has accelerated a massive 25 percent increase in internet subscriptions in which Safaricom Limited commands a market share of 70 per

cent. Today, Kenya has 37.8 million active mobile phone numbers with the Internet-cum-data market registering 21.6 million users (Scott, Batchelor, Ridley & Jorgensen, 2007).

Telecommunication sector consists of three key players which include Safaricom Limited, Airtel Kenya and Orange. The Communications Authority of Kenya has so far licensed four mobile operators namely: Safaricom Limited, Airtel Kenya and Essar (Yu); (all of which are global operators) and several internet service providers like Wananchi and Jamii Telkom. This has happened in a period of fifteen (15) years (Omae, Langat & Ndung'u, 2015).

The introduction and use of mobile phones led to reforms in the Telecommunication industry; where the two main providers were Telkom Kenya (the former state-owned monopoly) and Safaricom Limited. Telecommunications firms have enhanced their services to include the provision of internet services. This has led to private investment in Telecom firms such as Vodafone, France Telecom's and Essar Communications. Telecommunication firms are undergoing through significant changes as a result of advancement in the technology and regulatory reorganization (Toili, 2010).

1.1.4 Safaricom Limited in Kenya

Safaricom Limited begun its Global systems for Mobile Communications (GSM) operations 16th of May, 2002 when it became a public company with Limited liabilities and stopped being a private company under the Company Act. Safaricom is partially owned by the Kenya government (35 percent), Vodafone (40 percent),) and 25 percent is in the hand of other independent investors. Safaricom being a leader and

a provider of converged communication solutions offers voice, video and data requirements (Omae et al., 2015).

The firm provides a broadband high-speed data to its customers through its 3G network. It also provides products such as Mpesa and internet services. Safaricom subscribers has increased overtime from 865,000 in 2003 to around 23 million in August 2015, and the market share of the firm has increased tremendously ranging from 56 percent in 2001 to 80 percent in 2015 (Toili, 2010).

The main factors that influenced this growth is customer relationship management, larger coverage and network excellence, extensive distribution channels, a good understanding of customer needs, a resilient management team, and a resilient brand. Presently, Safaricom's network is estimated to be 80 percent with over 550 dealers that are exclusive to the firm and a further 36.000 sub-dealers who only sell Safaricom products. The firm's ability to appreciate the diverse nature of their customers and to provide different products and services to different market segments have played a key role in maintaining customer loyalty (Odeon & Aligula, 2006). Currently, Safaricom has an integrated social media website as part of its customer relationship management strategy that is aimed at attracting new and retaining existing customers by enhancing access to efficient customer service platforms such as social media for improved response. This coincides to a study by Kamau (2015) who indicate that customer relationship management play an integral role in attracting new customers and retaining existing ones.

1.2 Research Problem

Peck et al. (2014) note that firms have realized the significance of CRM and hence they are developing capabilities to sustain competitive advantage in the delivery of superior products and service, distinct selling prepositions and maintaining long-term relationships with the customers (Peppers & Rogers, 2004). In Kenya, Safaricom being one of the firms in the Telecommunication sector uses Customer Relationship Management to allow customers to easily interact with the firm. This is aimed at enhancing efficiency in managing responses and service quality.

CRM has been a subject for conceptual discussion and empirical investigation. Although some studies have endeavored to investigate the relationship between CRM and performance: Waqas & Muhammad (2015) studied the link between customer relationship management and performance. The results found that CRM was an important tool in enhancing performance. Werner Reinartz & Wayne (2012) found that customer relationship management had a positive effect on performance. In their study, Khodakarami & Chand (2014) found that CRM contributed to sales growth and performance.

Makau (2013) studied the effect of customer relationship management in the commercial banks in Kenya. It was found that the use of customer relationship management enhances interaction and relationships between the customers and banks. Kibera (2012) investigated the link between customer relationship management practices and the marketing productivity of commercial banks in Kenya. It was found that customer relation management practices were positively related to marketing productivity. Gatobu (2012) found that customer relationship management impacted positively on the firm's market share and competitiveness. Limited focus was given

on the link between CRM practices and performance. Therefore, this study attempted to address this gap by seeking an answer to the research question: What are the customer relationship management practices and how do they influence performance of Safaricom Limited?

1.3 Research Objective

The objectives of the study were:

i. To determine the customer relationship management practices adopted by Safaricom Limited.

ii. To establish whether customer relationship management practices used by Safaricom Limited improves performance.

1.4 Value of the Study

Firms in the telecommunications industry will benefit from this study since they will understand how customer relationship management enhances performance. Telecommunication firms will learn more about the best Customer Relationship Management practices that suit the needs of their customers.

Communications Authority (CA) will use the findings for this study formulating policies that encourage Telecommunication firms to practice CRM to effectively manage their customer relationships.

The findings of this study will be beneficial to the researchers. It will provide more knowledge on the role of customer relationship management on performance. In addition, future researchers will learn about the theories that guide this study, their relevance and application in the field of marketing. The findings obtained from this study may be used as a platform for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter consists of the theoretical framework, customer relationship management practices, the link between customer relationship management and performance, performance concept and the summary of the literature review.

2.2 Theoretical Foundation

This section consists of the theories that guide this study these theories include Commitment Trust Theory, Customer Relationship Model and Knowledge-based View. These theories support the study variables which are customer relationship management and organizational performance.

2.2.1 Commitment Trust Theory

The Commitment-trust theory posits that two important factors, trust and commitment must prevail for the firm to establish a good relationship with its customers (Cook, Karen & Richard, 1992). Day (1989) postulates a good relationship between the customer and the firm builds strong bonds between the customers through satisfying their needs and honoring their commitments. Unlike concentrating on short-term profits businesses is more concerned about retaining their customers by providing quality services that meet their needs. Trust is confidence between two parties in a relationship. Firms develop trust by building a level of confidence with their customers. This is based on a number of factors such as reliability, consistence and satisfaction. Stone, Woodcock & Machtynger (2007) explains that a customer is confident about a firm from the various interactions and relationships that they have

had in the past. This assists the firm to attract more customers, increase sales and enhance organizational performance.

Commitment is a long-term need to maintain a good relationship. This need is essential in motivating the firm to develop and maintain its relationship with the customers. This is consistent to Hunt (2009) who argued that better relationships are defined through continuous provision of services to the consumers. This improves customer loyalty and confidence. This involves ensuring that the customers are satisfied with the services or the products offered and an understanding of their needs.

Moorman, Rohit & Gerald (2008) posits that customers should be treated in a manner that makes them feel valued; this helps in retaining existing customers and attracting new ones. This can be achieved by being responsive to the needs of the customers when designing products and services. Trust is enhanced by the partner's goodwill, reputation, actions and behaviours, shared values, norms and benevolence. Some studies have referred to 'benevolence trust' as friendship that involves friendship between two parties and making sacrifices for the other party. Relationship commitment is part of customer relationship management which is perceived as a critical component in establishing long-term relationships between parties. Morgan, Robert & Shelby (2005) posit that affective commitment is a kind of commitment that is more personal, it involves social interactions among individuals. The attitudinal aspect of affective commitment is important in developing trust, mutuality, integrity and solidarity which is essential in sustaining long-term relationships between two parties. This contributes positively to improved performance. Social interaction minimizes uncertainty between individuals; this improves the quality of the relationship between the firm and the customers hence contribute to improved customer satisfaction and performance (Stone et al., 2007).

2.2.2 Institutional Theory

This theory holds that institutionalized symbols define a cultural validation; they include values, meanings and rules among others (DiMaggio & Powell, 1983). Cognitive firms derive their authority from a shared conception of social reality for fear of sanctions. Scott (1995) posits that normative roles are rules of facts about a society, assumptions and natural ways of doing business or activities. Goodstein (1995) maintains that institutional development is envisaged when rules and beliefs are accepted but remain unseen to the actors and firms which they influence.

Meyer and Scott (2011) emphasize that firms must comply with pressures from the environment to survive. Pressures in this case involve the environmental challenges that inhibit the survival of firms. In line with this study, it is important for a firm to effectively manage its customers in order to retain them and attract new customers. Scott (1995) insists that when the organization has not otherwise other than to conform to institutional pressures, it is forced to adopt and implement institutional norms and values when carrying out business (DiMaggio & Powell, 1983). This legitimizes the actions of the firm and integrates these practices into the firm's strategic goals and objectives to realize improved performance. The arguments are consistent to Goodstein (1995) who insists on the importance of the firm to abide with the societal norms and beliefs that are incorporated into the firm's strategic goals. This makes it easier for the firm to execute its business in accordance with the set rules and regulations and thus save a lot of costs associated with violating institutional norms. For instance use of customer relationship management practices such as social media platforms will enable the firm to save huge costs and enhance efficiency and effectiveness in providing superior products and services to meet customer needs.

2.2.3 Knowledge-based View

Resource-based view focuses on the economic aspects of the operations in the firm. This theory maintains that both intangible and the tangible resources of the firm are essential assets of the firm. The theory emphasizes on the significance of knowledge as an essential component of enhancing organizational performance. Nickerson & Zenger (2004) identified two main schools of thought in the development of resource-based view. These schools of thought are as follows; modern schools of thought and classical thought of thought. The classical school of thought describes that to achieve a competitive edge against competitors' firms must develop core competencies by making maximum use of the available resources. This can be achieved by developing core competencies which is realized by making maximum use of available resources. Information is an essential resource to the organization, it can be used to tailor products and services that seek to address specific needs of the customers.

Intangible resources are things like trust which is built by establishing relationships between the organization and its customers. This makes the organization reputable since it's able to gain and win trust and confidence from its competitors (Alavi & Leidner, 2009). Tangible resources such as Information Communication Technology (ICT) to integrate and enhance cost reduction which leads to improved organizational performance. Use of modern technologies allows the firm to easily access and share information about customers. This information is helpful in tailoring superior products and services for improved customer satisfaction. This retains existing customers while attracting new ones which eventually results into improved market share and organizational performance (Nickerson et al., 2004).

2.3 Customer Relationship Management Practices

Communication with customers is an important development of relationship marketing. This helps in developing relationships, fostering trust and providing information that is needed to undertake the cooperative and collaborative activities of relationship marketing. In several ways, it is the life force of relationship marketing. By establishing proper communication channels to share information with the customers of a firm enhances their relationship with them (Moriarty & Jones, 2008).

Other than communicating with customers, it is important to create intra-company communication, especially among all the individual and company functions that directly play a major role in handling the relationship with an exact group of customers. Communicating with the customers not only helps in fostering relationships and creating strong bonds with the company, it also has a more sustaining effect on such relationships. Knowledge management is one of the dimensions of CRM. Useful information about customers is gathered through interactions with them however the criterions for deciding whether CRM is successful or not, is to effectively transform customer information into customer knowledge. Managing knowledge effectively can helps the organization to be successful in building better customer relationship which results in a positive impact on organizational performance (Morgan & Mason, 2010).

The realization of relationship management is determined by how the customer information is collected and analyzed. This is because the information is utilized for developing highly personalized offerings. This is important for firms to stay competitive, and this cannot be accomplished except they have a wide knowledge concerning their market, search and make use of their current information about

customers. Dutu and Halmajan (2011) opine that the suitable use of technology in marketing is a key enabler in assisting the organization to get the right information from the right people at the right time, so that the right decisions can be made and services can be rendered (Moriarty et al., 2008). In support with that view, Kasim and Minai (2009) found that CRM technology dimension improved performance of telephony firms .In this regard, new technologies are seen as key drivers for change. Consequently, CRM based technology allows the firm to plot and implement fruitful marketing activities for retaining customers with the help of customer database and other information-sharing systems (Roberts, Liu, and Hazard, 2011). Chang, Park, and Chaiy (2010) observe that CRM technology heightens marketing proficiencies by providing valuable information about customers, which, in turn, will assist the management and the employees to realize definite marketing goals more excellently.

Customer interaction requires a two-way communication between two parties. Customers should be listened to and continuous solutions provided to them. This kind of relationships increases value proposition to the customer solutions which results into customer retention. This involves offering customers quality products and services. Morgan et al. (2010) posit that social CRM is able to fine-tune relationships, to achieve loyalty; the firm should gauge its actions against the needs of the customers. Utilization of CRM tools allow the firm to exploit on their resources and to work in the direction of new models of customer closeness. This makes it easier for the firm to transform its customer relationship say for example vendor into supplier and ultimately to partner (Minghetti, 2013).

2.4 Relationship between Customer Relationship Management and Performance

Reimann, Lunemann & Chase (2008) studied the relationship between CRM and performance of firms in American service firms. The study used in-depth field interviews and a large-scale, cross-industry survey. CRM dimensions such as communication, CRM technology, interaction and CRM orientation were embraced by most services firms. The results revealed that CRM did not affect firm performance directly however; it led to improved sales growth and reduction of cost.

Coltman, Devinney & Midgley (2011) studied the link between Customer relationship management and firm performance of services firms in Europe. The study adopted a cross-sectional survey of 100 banks. Primary data was collected using questionnaires. Data was analyzed using descriptive statistics which include mean and standard deviation. The results of the findings concluded that CRM led to an increase in customers which resulted into increase sales and performance.

Hyung–Su (2012) studies the impact of CRM as a strategy on performance of service firms in Shanghai, China. The study adopted a cross-sectional research design. Primary data was collected using questionnaires and interviews. The results revealed that CRM technology and knowledge management were popular CRM strategies used by service firms. Further, it was revealed that CRM as strategy improved efficiency and reduction in marketing costs which contributed positively to towards improved organizational performance.

Shavazi, Moshabaki & Hoseini & Naiej (2013) examined the relationship between customer relationship management and different measures of performance in the banking sector. Data was collected from banks in Iran, the sub-process of

implementing CRM was extracted and also four measures of balanced scorecard were applied to measure performance. The findings revealed that has a positive impact on sales growth, reduced marketing costs and hence improved organizational performance.

2.5 Summary of the Literature Review and Knowledge Gaps

From the study, the conceptual discussion indicates that effective implementation of CRM improves the firm's relationship with its customers; this attracts new customers and retains existing ones. The empirical findings concludes that a positive relationship exist between customer relationship and performance. Examples include Reimann et al. (2008) and Shavazi et al.(2013) however few studies insists that CRM does not affect performance directly, there are other moderating factors that enhance this relationship for example reduction in marketing costs and sales growth. These findings are unfailing with the hypothesis of this study which predicts a positive relationship between customer relationship and performance. This is also supported by the study theories, commitment trust theory and customer relationship model that insists on the importance of establishing good relationships with the customers.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter consists of the research methodology that was adopted to address the research problem. The chapter comprised of the research design, data collection tools and data analysis techniques.

3.2 Research Design

The study adopted a case study research design. Creswell (2009) posits that a case study research design is an in-depth examination of an institution or phenomenon whose key objectives is to establish the relationships that contribute to the behaviour under investigation. This design is appropriate when focusing on a single organization because it can analyze information in a systematic way to arrive at a reasonable conclusion. A case study tends to be restricted in some distinct way by probing a precise or a set of organizations, departments, or individuals. It presents data that is typically collected through a range of ways including interviews, observations, audio and video data and document gathering. The reason why the researcher chose Safaricom Limited was because it is the leading Telecommunication firm in Kenya with over 25.1 million subscribers where majority of them were old customers (Omae et al., 2015).

3.4 Data Collection

Primary data is raw information that is obtained from the field. The importance of primary data is that it concentrates on specific areas of the study. An interview guide is a tool used for data collection, it provides answers for open-ended questions which are designed and prepared by the researcher for interview purposes.

Primary data was collected by interviewing three heads of marketing and one head of finance at Safaricom Limited. They include Head of department Consumer Sales, Head of department Mass Market, Head of department Enterprise Sales and the Head of Finance. The choice of these interviewees was because they were directly involved in crafting CRM strategies, formulating CRM response strategies and implementation of CRM practices and thus understood how CRM improved performance.

The interview guide comprised of three sections: Section A will consist of questions on the demographic information about the company and the interviewees. Section B will consist of questions on customer relationship management practices adopted by Safaricom Limited to retain their customers. Section C consisted of questions about customer relationship management and performance.

A face-to-face interview was carried out with four heads of departments. Prior arrangements were made through seeking appointments from the relevant authorities to ensure that the interview sessions took place at the convenient of the interviewees for them to have adequate time to respond to all the questions.+

3.5 Data Analysis

Content analysis was used to relate the results of the study with the appropriate literature review to establish consistency of the findings of the analysis. The objectives of the study were analyzed using content analysis. To establish whether customer relationship management enhances organizational performance, the study utilized both interviews and company records on customer loyalty and sales growth. Creswell (2009) indicates that content analysis is a process that is designed to summarize primary data into categories based on valid inference and interpretation.

.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter covers of data analysis which was guided by the objectives of the study which were to determine the customer relationship management practices used by Safaricom Limited and to establish whether customer relationship management practices used by Safaricom Limited improved performance. The sub-headings in this study were as follows: Response Rate, Demographics, Customer Relationship Management Practices and Customer Relationship and Performance.

4.2 Response Rate

The researcher was able to interview all the four targeted respondents who were the Head of department Consumer Sales, Head of department Mass Market, Head of department Enterprise Sales and the Head of Finance. A response rate of a 100% was considered appropriate in enabling the researcher to collect sufficient and accurate data to achieve quality findings.

4.3 Demographics

With regard to the length of service in the company and the position held by the interviewee, the findings revealed that the interviewees: Category Product Manager, Head of Department Territory Management, assistant Head of Department in Consumer Sales and the assistant Head of Finance had served in Safaricom Limited for more than five years. This meant that the interviewees had a vast experience in matters of customer service management and performance at Safaricom Limited.

The results found that Safaricom Limited target audience was amorphous because the company targeted those who did not own Telecommunication devices and those who already owned these devices. The interviewees pointed out instances of rivalry among their competitors who offered similar products and services at a more competitive price and as a result, the company lost some of their customers to their competitors although most of these customers preferred Safaricom Limited.

4.4 Customer Relationship Management Practices adopted by Safaricom Limited

The customer relationship management practices utilized by Safaricom Limited involved one-on-one interaction with the customers which involved customer service management skills such as, listening to customer problems, advising them and solving their problems. The company actively sought customer feedback through the use of social media platforms such as Facebook whereby customers could raise issues and get almost instant feedback.

Customer follow-ups were made through calls to ensure that the customers were satisfied with the services offered by Safaricom Customer Care Centres across the country. The interviewees indicated that it was a sign of commitment by the company to its customers in ensuring that they got satisfactory services and that they would refer their friends and colleagues to enjoy the company products and services.

The company had loyalty schemes such as '*bonga points'* where customers who used more airtime accumulated the highest number of 'bonga points' , this made it hard for existing customers to switch to competitors because they risked losing points.

These points were redeemable and substitutable to company products such as mobile phones. This was one of the most commonly used strategies by Safaricom Limited to retain their customers in order to continue using their products and services.

The company utilized research on customer tastes and preferences to establish customer preferences on account of their priorities this enabled the company to modify their products and services to specifically meet customer the requirements of their consumers. The company divided its customer segments through differentiating their products and services. The company used business intelligence systems to store their clients' databases for purposes of aligning the company's products and services to customer needs.

Safaricom Limited utilized various technology platforms to effectively manage its customer relationships these include social media platforms such as Facebook, direct emails, online partnerships, search engine optimization. These technologies were aimed at increasing access and flexibility to the company's products and services through real-time communication and system integration to boost sharing of information and feedback. This improved communication between the company and the customers and thus improved efficiency in customer feedback.

The most effective customer relationship management practices utilized by Safaricom Limited included use of social media platforms. The findings revealed that social media targets a large number of customers and provides a large access to customer services. This makes it easier for the company to reach out to so many customers within the shortest time possible. Use of social media platforms was found to be very effective in allowing sharing of information between the company and its customers which significantly resulted into reduced communication costs.

The other strategy involved direct communication with customers through solving their problems, providing professional advice and giving solutions to customers. This made the customers to feel appreciated and this attracted them to the company's products and services.

The customer response mechanisms put in place by Safaricom Limited to enhance customer satisfaction involved the use of social media platform where customers can gain access to live chats and real-time responses to issues. This gives customers flexibility and convenience in accessing the company's products and services. This enhances efficiency in providing customer feedback and impacts positively on customer retention.

The other strategy which was adopted by Safaricom Limited to was the use of follow-up calls where the agents called the customers after vising the Customer Care Centres. These calls were aimed at ensuring that the clients were pleased with the services offered by customer care representatives in all Safaricom Limited outlets. All complaints were handled instantly and appropriate action was taken against the customer care representatives who failed to meet the customer expectations.

The employees were highly trained how to handle customers and the approach to use to address the diverse customer needs. Customers were directed on the appropriate areas to be served in the Customer Care Centres, the services were efficient and effective to ensure that the customers were satisfied. This strategy was intended to minimize the number of complaints registered annually and boost the level of customers' satisfaction.

Use of customer relationship management practices improved customer database in assisting the company to gather data on customer information, their buying habits and registered number of customer complaints. This data was important in making budgetary allocation, establishing customer trends and behaviour as well as making future projections. Before introducing a product or a service the company examined its database to establish its customer needs, taste and preferences as well as their buying behaviours. This information was considered essential in decision making.

4.5 Relationship between Customer Relationship Management Practices and Performance of Safaricom Limited

Use of customer relationship management has improved the company's relationship with the customers. It has made it easier for the company to interact with its customers and maintain long-term relationships that are beneficial. Effective implementation of customer relationship management has shaped managerial efforts in managing business dealings with the customers by integrating business processes to integrate all the company's stakeholders. These findings are supported by Reimann et al. (2008) who indicated that implementation of customer relationship management is an essential in improving the customer's relationship with the firm and ensuring that the interests of all the stakeholders are represented.

The company has been able to build trust and loyalty to customers, the company has been able to connect with the conversations and establishing long-term associations which are equally helpful. The interviewees indicated that this gave the company a better understanding of the customers that enabled Safaricom Limited to formulate effective ways to effectively meet customer needs. This also minimized customer complaints and impacted positively towards customer satisfaction.

These findings conform to Commitment Trust theory pointed out by Day (1989) who posited that an effective relationship with the customers establishes strong bonds between them by ensuring that the needs of the customers and their expectations are met. Trust and confidence play an integral role in strengthening this kind of a relationship.

Through use of customer relationship management practices the company was able to engage its customers fully and to understand their unmet needs. In so doing, the company tailored its products and services to meet the changing needs of the customer on the basis of priority and market trends. This made it easier for the company to satisfy their customers in the most efficient way which attracted more customers. These involved the use of real-time responses, online calls and emails to respond efficiently to customer needs.

The company through its Research and Development department conducted in house surveys from customers who sought services in Customer Care Departments to find out the unmet needs of the customers. This made it easier for the company to have a deeper understanding of diverse customer needs through feedback. From the report, the most common needs by majority of the customers were given first priority in ensuring that the products and services offered met specific customer needs.

The interviewees indicated that the use of customer relationship management practices changed the customers' perception with regard to the products and services offered, this influenced the buying behaviours, commitment and trust by the employees.

These results are consistent to Commitment Trust Theory by Cook et al. (1992) who maintains that commitment-trust theory posits that two important factors that include trust and commitment must for the firm to establish a good relationship with the customers.

The interviewees indicated that with the advent of modern technology, management of customer services was linked to the company's website for example Facebook account which was linked to Safaricom website. This gave customers more flexibility and convenience in accessing customer services through live chats and emails. The findings indicated that majority of the customers preferred raising their concerns on social media platforms which they trusted most, this enhanced customer loyalty.

Use of customer relationship management practices influenced decision making processes and procedures and strategic changes to ensure that the decisions made by the top management were aligned to strategic goals and objectives. This was aimed at ensuring the company was working towards the right direction and the employees shared in the same goals and objectives.

The company adopted a two-way communication approach in its decisions especially in matters that concerned implementation of customer relationship management. This approach aimed at ensuring that all the stakeholders including the employees were involved in key decisions and their interests was represented. The top management acted as a role model in encouraging and motivating the employees to work harder towards realization of strategic goals. The interviewees pointed out that top management held consultative meetings with the employees and the managers to strategize on the change process while taking into account customer needs and complaints.

This assisted the top management to make decisions on the appropriate ways to deal with customer service management which has improved ways of doing things for example customer feedback and efficiency in handling customer matters. This has improved the manner in which the company manages its relationship with the customers.

The interviewees indicated that customer relationship management practices improved customer retention. They indicated that a wider penetration of sales and marketing promotions enhanced customer retentions and sales growth. Through the use of customer relationship management Safaricom Limited was able to reach out to a wider scope of audience through the use of social media platforms which enabled the company to attract prospective customers and retain new ones. These results are consistent to Reimann, Lunemann & Chase (2008) who argued that the implementation of CRM practices enhanced interaction between the firm and customers and thus created strong bonds between the customers and the firm.

The findings observed that Safaricom Limited had recently launched a new network: Blaze targeting the young people between the ages of 18 years to 26 years to give them an opportunity to utilize Safaricom products and managing their airtime by creating a financial plan. This network has attracted majority of the youth who were subscribers of other networks, this is because they can budget for their airtime and get access to Safaricom services conveniently.

Majority of the interviewees indicated that most users stuck to Safaricom Limited because they lacked an alternative, they indicated that the company had several innovative mobile communication strategies including the infamous MPESA which had been adopted in different parts of the world such as United Kingdom.

The fact that Safaricom Limited was leading in terms of innovative solutions gave it a competitive edge against its competitors such as Orange and Airtel Kenya. This resulted into increased trust and confidence from the customers and hence making Safaricom Limited a strong brand in the market. These results are consistent to Waqas & Muhammad (2015) who argued that innovation played an important role in managing customer relationships; this gave firms a competitive advantage against their competitors.

The results found that the implementation of customer relationship management practices minimized customer complaints. The results showed that the company was able to handle customer inquiries through telephone and short messages, managing and resolving customer complaints, providing customers with products and service information by explaining to them procedures, answering questions and providing necessary information. The interviewees noted that the company through its customer service personnel identified and prioritized issues where it was necessary by making follow-ups on customer concerns, documenting customer interaction information based on the standard operating procedures and maintaining quality results by sticking to the standards and guidelines and proposing improved procedures.

The findings revealed that customer care personnel showed empathy, created rapport and built trust through contact with Safaricom customers. This was achieved by answering incoming calls and short messages which entailed answering enquiries and questions, handling complaints, troubleshooting problems and giving information, solutions and advice. In so doing, the company was able to minimize customer complaints significantly.

The results found that customer relationship management practices improved value addition for products and services. Implementation of CRM practices enabled the company to classify its customers on the basis of the relationships which they had with the company for instance prospective customers, existing customers, sales partner and vendor and the status of each relationship for instance active, inactive or archive. Then these relationships were clustered with respect to the industry, company size, geography, products and services used. The company documented history, returned orders, referral businesses and other important events that affected the value of the relationship with its customers. The company classified every relationship in accordance to the current value and gain and identified three important elements of the relationship from the other party's perspective whereby every relationship was categorized base on its current value and the potential for increasing long-term value.

The company considered to grow and expand its keepers through regular interaction and establishing marginal relationships which received follow-up contacts quarterly. The company contacted its customers with whom it had average relationships monthly and the relationships that the company valued the most received weekly attention. This was achieved mostly through the use of text messages.

The company classified every relationship with its customers and this was loaded into the company's interaction database and information was made available to everyone who needed its access.

The customer care personnel were engaged in constant training and development programmes on how to use the database and the information effectively to ensure that the company offered the right products and services to the respective target markets based on their needs.

These employees made sure that the integrated phone system was easy for callers to use and minimize wait time to one minute on average. This was intended to ensure that calls were handled efficiently and were not transferred upon requests or for problems to be handled. The main goal was to ensure value addition of every relationship whenever a customer interacted with the company.

Safaricom Limited being a leader in Mobile Telecommunication was truly customer-driven because of how information was managed and the manner in which the information was availed to the right people when it was needed. This was achievable since the company was equipped with competent staff who used this information to enhance value in managing customer relationships.

4.6 Discussion of Findings

The results found that Safaricom Limited adopted various customer relationship management practices good relationships with the customers. These include one-on-one interactions with the customers such as listening to customer problems and looking for efficient ways to deal with those problems. The customer service personnel also gave advice to customers. The other practice was making follow-ups through use of calls to ensure that the customers got satisfied with the quality of services offered by Safaricom Customer Care Centres across the country.

The company had loyalty programmes whereby customers used more airtime and accumulated points that were redeemable. These results are consistent to Hunt (2009) emphasized on the importance of establishing good relationships with the customers by finding appropriate ways of retaining them.

These programmes were meant to retain existing customers. The company utilized social media platforms such as Facebook and Twitter and online emails which were aimed at enhancing access and flexibility to the firm's products or services using real-time communication and sharing of information. This improved efficiency in customer feedback and response strategies. These findings are consistent to Hyung-Su (2012) who indicated that the use of modern technologies enabled firms to effectively manage their relationships with the customers more efficiently.

Safaricom Limited engaged its employees in constant training and development programmes to improve their skills and knowledge in handling customer issues and solving their problems with empathy and care. These findings are consistent to Werner Reinartz & Wayne (2012) who indicated that employees played an important role in managing customer relationships with the company.

Customer relationship management improved performance of Safaricom Limited through effective interaction with the customers and establishing long-term relationships with them. Implementation of customer relationship management practices enabled the firm to easily communicate with the customers and share important information for decision making. This minimized communication costs and enhanced speed in decision making. These findings are supported by Shavazi et al. (2013) who insisted on the significance of using CRM as a strategy to enhance performance.

Through managing customer relationships, Safaricom Limited was able to establish trust and confidence to its customers as a strong brand compared to its competitors. This attracted many customers while it retained existing ones and this enabled the company reduce on its marketing costs.

These findings conform to the observations of Stone et al. (2007) who explained that firms developed trust and confidence from customers. Use of modern technologies has enabled firms to get to out to an extensive scope of customers and to gain access to the company products and services in more flexible and convenient manner. This improved the firm's efficiency in giving responses through use of real-time chats, making online calls and emails. These results are supported by Hyung–Su (2012) indicated that modern technology played an important role in effective implementation of CRM.

CHAPTER FIVE
SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.1 Introduction

The chapter covers summarized findings that have been drawn from chapter four on Customer relationship management practices and the relationship between customer relationship management and performance of Safaricom Limited. The chapter consists of the following sub-headings; Summary of findings, Conclusion, Recommendations, Limitations for the Study and Suggestions for Further Research.

5.2 Summary of Findings

With regard to the objective of the study, Safaricom Limited adopted a one-on-one interaction with the customers which involved listening to customers, handling customer complaints and showing them empathy. Safaricom Limited utilized social media platforms for example Facebook where most customers especially the youth rose issues, got information, and access to the company products and services. Customer Care personnel at Safaricom Care Centres made follow-ups calls to ensure that customers were satisfied with the services offered. This strategy was aimed at increasing value for services offered and customer retention. Loyalty programmes attracted most customers who substituted their points for mobile phones and other products.

Safaricom Limited had a Research and Development department that gathered important information about customers to understand the market trends, consumer buying behaviour and tastes. This information was important in helping the company to innovate products and services targeting to address specific needs of the customers.

The top management involved all its stakeholders in decision making to ensure that their interests was represented and minimize instances of resistance whenever the company anticipated to introduce change. The company was working in the same direction to make sure that customers got value for their money. Safaricom Limited adopted a two-way communication approach to achieve efficiency in decision making and to improve efficiency in business processes and procedures.

Change processes and ensured that all innovations were executed on time to ensure that the needs were addressed efficiently. The company had a competent team of employees who were efficient and professional in their work. The company offered efficient services to their customers and thus minimized waiting time for their customers leading to improved customer satisfaction. These findings are consistent to Werner et al. (2012) who argued that competent staff and technology were important factors to consider in managing customer relationships.

On whether customer relationship management practices improved performance of Safaricom Limited, the findings showed that the adoption of customer relationship management practices enabled the firm to improve sharing of information with the customers through use of social media platforms: Facebook and Twitter. This saved the company saved a lot of costs through marketing and communication which resulted into improved performance. Utilization of social media platforms enabled the company to provide efficient feedback and responses to customers which increased their satisfaction. Innovative technologies such as MPESA have attracted many customers making the Safaricom Limited a competitive brand; this has impacted positively on increased sales. The findings are supported by Coltman et al. (2011) who argued that indicated that customer relationship management contributed to an increase in customers and this resulted into increased sales and performance.

5.3 Conclusion

The study concluded that customer relationship management practices used by Safaricom Limited were one-on-one interaction with the customers, customer follow-ups through use of calls, loyalty schemes such as 'bonga points', use of social media platforms such as Facebook, Twitter, direct emails, online partnerships, search engine optimization, the company team of competent staff who were well training in handling issues to do with customer care and use of customer database for gathering customer information.

The study further concluded that customer relationship management practices impacted positively on performance of Safaricom Limited. This was achieved through improved efficiency in customer feedback, reduction in communication costs, customer retention, efficient processes and procedures and reduced customer complaints.

5.4 Recommendations

The study recommends that Safaricom Limited should frequently monitor and evaluate the current CRM practices. It is essential to regularly monitor, analyze and assess the existing CRM practices so as to tell if they are effective.

Safaricom Limited should also launch networks targeting other ages other than the young people this will attract a large number of customers and enable them to fully utilize the Safaricom products.

The top management should provide adequate support to the employees in terms of resources and facilities to provide an enabling environment for the employees to perform their duties and motivate them to work harder and improve organizational performance.

Communications Authority of Kenya should formulate policies that encourage Mobile Telecommunication firms to implement customer relationship management practices to improve their customer services and impact positively towards improved performance.

Safaricom Limited should integrate customer feedback mechanism to improve the efficiency in customer response to issues and thus enhance flexibility and access to customer response services. This will increase customer satisfaction and retention and impact positively towards improved performance.

5.5 Limitations of the Study

The study was limited to time and cost which necessitated a case study of Safaricom Limited. The results obtained in this study are therefore exclusive to Safaricom Limited and cannot therefore be used for either direct application or comparison to another study.

Some interviewees perceived the process of being interviewed as tedious and non-paying and thus a few Heads of departments delegated the interview process to their juniors who represented them. The Heads of departments are directly involved in decision making concerning customer relationship management and thus they are best suited to give accurate and reliable information as compared to their juniors.

The study was limited to primary sources of data that is used to depict the current and the existing conditions concerning the study variables. Secondary data is historical in nature and can be utilized to compare findings and make relevant assumptions and projections about the outcome of a study.

The other limitation for this study was that a case study research design was adopted involved an in-depth investigation of Safaricom Limited. Open-ended questions only were utilized to collect primary data. This kind of a research design cannot be applied to establish a hypothetical relationship between the study variables and thus cannot be used to test a hypothesis.

5.6 Suggestions for Further Research

Future researchers should consider conducting a similar study in all the three Mobile Telecommunication firms in Kenya. This will allow the researchers to establish the most common customer relationship management practices used by Mobile Telecommunication firms and how these practices relate to performance of Mobile Telecommunication firms.

A similar research should be conducted using both primary and secondary sources of data whereby the researchers can use financial measures of performance such as sales growth, market share and return on assets. This will enable the researchers to estimate and quantify the amount of sales growth which is realized as a result of adoption of customer relationship management practices.

The same study should be carried out using a descriptive research design of all Mobile Telecommunication firms to establish the relationship that exists between customer relationship management practices and performance. This will enable the researchers to test the study hypothesis and compare findings with the empirical studies.

The study suggests that a similar study should be conducted in another sector that faces stiff competition such as the banking sector. The researchers will establish the most popular customer relationship management practices adopted in the banking sector then findings can be compared and a more reliable conclusion can be drawn.

Finally, a similar study should be conducted using a longitudinal research design that will allow the researchers to find out the 'cause and effect on the relationship between customer relationship management and performance for a long period of time like 15-20 years. This will lead to conclusive findings supported by facts and figures.

REFERENCES

Alavi, M. & Leidner, D.E. (2009). Review knowledge management and knowledge management systems, *MIS Quarterly,* 25 (1): 107–136.

Arunga, J. & Kahora, B. (2007). Cell phone revolution in Kenya, Available at: *http://www.brunoleoni.servingfreedom.net/Papers/IBL_Arunga_Kenya.pdf. Accessed: 2016-08-09*

Chang, W., Park, E. J., & Chaiy, S. (2010). How does CRM technology transform into organizational performance? A mediating role of marketing capability, *Journal of Business Research*, 63, 849-855.

Coltman, T., Devinney, T. M. & Midgley, D. F. (2011). Customer relationship management and firm performance*, Journal of Information Technology*, 26 (3), 205-219.

Cook, Karen, S. & Richard, M. E. (1992). Power equity and commitment in exchange networks, American *Sociological Review*, 43, 721-39.

Cresswell, J. W. (2009). *Research design qualitative and quantitative approaches*. Sage Publications.

Day, G. S. (1989). Buyer altitudes and brand choice behaviour, New York: The Free Press

Dholakis, N. & Kshetri, N. (2005). The global digital divide and mobile business models:*http://www.ritim.cba.uri.edu/working%20papers/Global-Digital-Devide-e-Development-Models- v7%5BI%5D.pdf*

DiMaggio, P. J., & Powell, W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields, *American Sociological Review*, 48, 147-160.

Dutu, C., Halmajan, H. (2011). The effect of organizational readiness on CRM and business performance, *International Journal of Computers*, 1(2), 106-114.

Gatobu, A. M. (2012). The role of customer relationship management in building competitive advantage: the case of mobile phone operators in Kenya, *Unpublished Project*, University of Nairobi

Goodstein, J. D. (1995). Institutional pressures and strategic responsiveness: Employer involvement in work-family issues, *Academy of Management Journal*, 37(2), 350-380.

Hudson, M., Smart, A. & Bourne, M. (2011). Theory and practice in performance measurement systems, *International Journal of Operations & Production Management*, 21, 8, 1096-115.

Hunt, S. D. (2009). A Commentary   on an empirical   investigation of a general theory of marketing ethics, *Journal of tile Academy of Marketing   Science*, 18, 737

Hunt, S., Arnett, D.B. & Madhavaram, S. (2008). The explanatory foundations of marketing theory, *Journal of Business & Industrial Marketing*, 21(2); 72-87.

Hyung -Su, K. (2012). How CRM strategy impacts organizational performance: Perspective of customer equity drivers, *Journal of data base marketing and customer strategy management*, 19, 4, 233-244

Kagendo, R. (2015). Electronic marketing practices and customer retention, *Unpublished MBA project*, University of Nairobi

Kamau, T. (2014). Customer relationship management practices adopted by Safaricom to Sustain Competition, *Unpublished thesis*, United States International University-Africa,

Kaplan, R.S. & Norton, D.P. (2009). The balanced scorecard: measures that drive performance, *Harvard Business Review*, 70, 1, 71-9

Kasim, A., & Minai, B. (2009), Linking CRM strategy, customer performance measure and performance in hotel industry, *International Journal of Economics and Management*, 3(2), 297 – 316.

Khodakarami, F. & Chand, Y. E. (2014). Exploring the role of customer relationship management (CRM) systems in customer knowledge creation and performance in China, *Information and Management*, 51, pp.27-42.

Kibera, F. (2012). Customer relationship management practices and the marketing productivity of Commercial Banks in Kenya, *Unpublished Project*, University of Nairobi

Kleijnen, J.P. & Smits, M.T. (2008). Performance management, *Journal of the Operational Research Society*, 54. 5, 507-14.

Kothari, C. R. (2005). *Research methodology: Methods & techniques*. New Delhi: New Age International (P) Ltd.

Kotler, P. (2005). *Marketing management, pearson education*, Upper Saddle River, NJ.

Makau, R. M. (2013). The effect of customer relationship management in the banking sector in Kenya, *Unpublished MBA Project*, University of Nairobi

Meyer, J.W. & Scott, W.R. (2011). Institutionalized organizations: Formal structure as myth and ceremony, *American journal of sociology,* 83: 340–363.

Minghetti, V. (2013). Building Customer Value in the Hospitality Industry: Towards the Definition of a Customer-Centric, *Journal of Information Technology and Tourism*, 6(2), 141-152.

Moorman, C., Rohit, D. & Gerald, Z. (2008). Factors affecting trust market research relationships, *Journal of Marketing*, 57, 81-101

Morgan, N.A., & Mason, C.H. (2010). Market orientation, marketing capabilities and firm performance, *Strategic Management Journal*, 30(8), 909 -920.

Morgan, Robert, M. & Shelby, D. H. (2005). The commitment-trust theory of relationship marketing, *Journal of Marketing*, 58, 20-38.

Moriarty, J., & Jones, R., (2008). Marketing in small hotels: a qualitative study, *Marketing Intelligence and Planning*, 26(3), 293-315.

Neely, A., Mills, J., & Platts, K., (2007). Performance measurement system design: developing and testing a process-based approach, *International Journal of Operations & Production Management*, 20 10, 1119-45.

Nickerson, J. & Zenger, T. A. (2004). Knowledge-based theory of the firm: the problem-solving perspective, *Organization Science*, 15, 6, 617-632.

Odeon, G. & Aligula, E. M. (2006). Trade liberalization and poverty in Kenya, *A Case Study of the Telecommunications Sub-sector*, Kenya Institute for Public Policy Research and Analysis (KIPPRA), Nairobi.

Okuttah, M. (2016). *The history of postal corporation of Kenya*, Nairobi, Postal Corporation of Kenya (PK), Retrieved on 9, September, 2016

Omae, M.O., Langat, P.K., & Ndung'u, E. N. (2015). Mobile Subscription, Penetration and Coverage Trends in Kenya's Telecommunication Sector, *International Journal of Advanced Research in Artificial Intelligence*, 4(1),1-7

Ong'a ng'a, J. P. (2014). Safaricom limited strategic analysis, Accessed from, *https://www.linkedin.com/pulse/big-career-transition-problem-we-dont-talk-christie-mims,* on 6th of April 2015

Peck, H., Payne, A., Christopher, M. & Clark, M. (2014). *Relationship Marketing: Strategy and Implementation*, Oxford: Butterworth-Heinemann.

Peppers, D. & Rogers, M. (2004). *Managing Customer Relationships: A Strategic Framework, New Jersey:* John Wiley and Sons Inc.

Reimann, M., Lunemann, U., & Chase, R. B. (2008). Uncertainty avoidance as a moderator of the relationship between perceived service quality and customer satisfaction, *Journal of Service Research*, 11(1), 63–73

Roberts, M., Liu, R., & Hazard, K. (2011), Strategy, technology and organizational alignment: key components of CRM success, *Journal of Database Marketing and Customer Strategy,* Management, 12(4), 315-26.

Scott, N., Batchelor, S., Ridley, J. & Jorgensen, B. (2007).*The Impacts of Mobile PhonesinAfrica,from,www.commissionforafrica.org/english/report/backgroun d/scott_et_al_background.pdf. [Accessed: 2007-11-11]*

Scott, W. R. (1995). *Institutions and organizations*, Thousand Oaks, CA: Sage Publications.

Shavazi, E.T., Moshabaki. A, & Hoseini, S.H.K., & Naiej, A.K. (2013). Customer relationship management and organizational performance: a conceptual framework based on the Balanced Scorecard (Study of Iranian Banks), *Journal of Business and Management*, 10, 6, 18-26

Stone, M., Woodcock, N. & Machtynger, L. (2005). *Customer Relationship Marketing: Get to know your customers and win their loyalty (2nd eds.).* Kogan Page Ltd. ISBN: 0-7494-2700-0.

Stone, M., Woodcock, N. & Machtynger, L. (2007). Social Customer Relationship Marketing: Get to know your customers and win their loyalty (2nd eds.). Kogan Page Ltd. ISBN: 0-7494-2700-0.

Sugandhi, R. K. (2007). *Customer relationship management*, New Delhi: New Age International.

Toili, E. (2010). *Collymore next Safaricom CEO. Daily nation, Retrieved on 25th of August 2016*, 5:00pm

Waqas, D. M., & Muhammad, A. (2015). Impact of customer relationship management capabilities on organizational performance with CRM Technology as Mediator, *Arabian Journal of Business and Management Review (Oman Chapter)* 4.10 (May 2015): 30-41

Werner Reinartz, M. K. & Wayne, D. H. (2012). The customer relationship management process: its measurement and impact on performance, *Journal of Marketing Research,* 41, 3, 293-305

APPENDICES

APPENDIX I: INTRODUCTION LETTER

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE.........................

TO WHOM IT MAY CONCERN

The bearer of this letter ....

Registration No..

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

08 OCT 2016

PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS

APPENDIX II: Interview Guide

Goal of the interview Process

The broad objective of the study is to determine the influence of Customer Relationship Management and Performance at Safaricom Limited, Kenya.

Section A. Respondent Background Interview

1. For how long have you been in this organization and which position are you holding currently?

2. Please comment on your target audience in relation to your competitors

Section B. Customer Relationship Management Practices

1. What are some of the customer relationship management practices used by your organization?

……………………………………………………………………………………………

……………………………………………………………………………………………

……………………………………………………………………………………………

……………………………………………………………………………………………

2. Please explain how technology has been utilized to enhance customer relationship management practices

3. Please tell me which of the customer relationship management practices used by your company most effective?

4. Outline some of the customer response mechanisms put in place by your company to improve customer satisfaction?

5. Please explain whether the use of customer relationship management practices has improved customer database?

Section C. Customer Relationship Management Practices and Performance

1. Please explain to me how the use of customer relationship management practices has improved your relationship with the customers?

2. In your own opinion, how has the use of customer relationship management practices enabled your company to address customer needs?

3. How has the use of customer relationship management practices changed the perception of your customers with regard to your services?

4. Please tell me how the use of customer relationship management practices has influenced decision making processes and procedures?

5. (a). Please tell me whether the use of customer relationship management practices has improved customer retention? Yes or No

(b). If yes, please explain in details

6. (a). Kindly tell me whether the use of customer relationship management practices has minimized customer complaints? Yes or No

 (b) If yes, please explain in details

7. Please explain whether the adoption of customer relationship management practices by your company has improved value addition for products and services offered?

8. Has the use of customer relationship management practices improved information sharing between the company and customers? If yes, explain how