

**Influence of Customer Relationship Management Practices on  
Customer Satisfaction among Internet Service Providers in  
Nairobi**

Agnes Murugi Mwangi

A Management 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

November 2010

## DECLARATION

This research is my original work and has never been presented in any other University or college for the award of degree or diploma or certificate.

Signature: AMM

Agnes Murugi Mwangi

Reg. NO: D61/70090/2007

Date: 17. 11. 2010

This research project has been submitted for examination with my approval as the University supervisor.

Signature: M Kinoti

Mary Kinoti

Lecturer, Department of Business Administration

School of Business

University of Nairobi

Date: 17/11/2010

## DEDICATION

This project is dedicated first and foremost to the Almighty God whose providence, grace and care I cherish. Secondly, to my parents for their overwhelming support and encouragement.

## ACKNOWLEDGEMENT

This project is written as part of the Master of Business Administration program at the School of Business, University of Nairobi. There were many people who contributed towards the success of this research study and we would like to thank for their valuable time, efforts and well wishes.

First of all, we would like to thank my supervisor Mrs. Mary Kinoti, without whose guidance a successful completion of this research project would have been a very difficult task to complete. Her critique and helping ideas showed me the way to proceed. I am really grateful for that. I would also like to thank all respondents who gave me their valuable time during the data collection phase. I really appreciate their cooperative attitude towards research.

Finally I would like to thank my parents, sister and brother for their love, affection, prayers and endless support.

## ABSTRACT

The purpose of this study was to establish the customer relationship management (CRM) practices that are adopted by internet services providers operating in Nairobi and their effect on customer satisfaction. In this context, the study examined the practices based on customer knowledge/insight, people, process and technology. The study was descriptive in nature. The population of interest consisted of all internet services providers in Nairobi which according to a list obtained from the Communications Commission of Kenya (CCK) as at 2009 numbered 73 with only 51 of them fully operational. Given the small number of firms, a census study was conducted. Primary data was collected using a semi structured questionnaire. The questionnaire was administered to the respondents through drop and pick later method. However, in most instances, the researcher was there to clarify on issues, not well understood by respondents.

Primary data was collected using a semi structured questionnaire and from the 51 ISPs identified, only 36 organizations participated in the study and which was a 70.5% response rate.. Data was analyzed using mean and standard deviation. The results showed that a majority of internet services providers are small scale locally run businesses. This is indicative that the industry is still at its infancy. The CRM practices are based on three broad categories of knowledge & insight, process & technology and people. The companies surveyed carry out CRM practices were highly practiced with storing customer personal and contact information adopted widely. The findings also indicated that the CRM practices influenced customer satisfaction. The practices based on people

influenced customer satisfaction to a large extent while the practices based on process & technology influenced customer satisfaction to a moderate extent.

In line with the research, it is recommended that a similar study be done as a case by case study that would help bring out some unique findings about specific ISPs organization. It is also recommended that a similar study to be done on purely the challenges of implementation of customer relationship management practices.

4

# TABLE OF CONTENTS

Declaration.....	ii
Dedication.....	iii
Acknowledgements.....	iv
Abstract.....	v
Table of Contents.....	vii
List of Tables.....	x
Abbreviations.....	xi
<b>CHAPTER 1: INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the Study.....	1
1.1.1 The Concept of Customer Relationship Management.....	2
1.1.2 The Concept of Customer Satisfaction.....	3
1.1.3 Internet Service Providers.....	4
1.2 Statement of the Research.....	6
1.3 Objective of the Study.....	8
1.4 Importance of the Study.....	9
<b>CHAPTER 2: LITERATURE REVIEW.....</b>	<b>10</b>
2.1 Introduction.....	10
2.2 Customer Relationship Management.....	10
2.3 Overview of Customer Relationship Management Practices.....	12
2.4 Customer Relationship Management Practices.....	13
2.4.1 Knowledge & Insight .....	13
2.4.2 Process &Technology.....	14

2.4.3 People.....	15
2.5 Factors to consider when implementing CRM Features.....	16
2.5.1 Customer oriented business strategies.....	17
2.5.2 Restructuring of the business.....	17
2.5.3 Technological capabilities.....	18
2.6 Customer Satisfaction.....	18
2.7 Benefits of Implementing CRM Practices.....	20
2.7.1 Conceptual Framework.....	21
<b>CHAPTER 3: RESEARCH METHODOLOGY.....</b>	<b>23</b>
3.1 Introduction.....	23
3.2 Research Design.....	23
3.3 Population of the Study .....	23
3.4 Data Collection Methods.....	23
3.5 Data Analysis Techniques.....	24
<b>CHAPTER 4: DATA ANALYSIS, FINDINGS AND INTERPRETATION.....</b>	<b>25</b>
4.1 Introduction.....	25
4.2 Organization Bio Data.....	25
4.2.1 Organizational Size.....	26
4.2.2 Classification of companies.....	26
4.2.3 Scope of Operations.....	27
4.2.4 Types of Internet Services Provided.....	28
4.3 Customer Relationship Management Practices.....	29
4.3.1 Knowledge & Insight.....	30



4.3.2 Process & Technology.....	32
4.3.3 People.....	34
4.4 Customer satisfaction practices.....	36
4.5 Influence of CRM Practices on Customer Satisfaction.....	39
4.5.1 Knowledge & Insight.....	40
4.5.2 Process & Technology.....	42
4.5.3 People.....	44
<b>CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATIONS.....</b>	<b>48</b>
5.1 Introduction.....	48
5.2 Summary.....	48
5.3 Conclusion.....	51
5.4 Recommendations from the Study.....	52
5.5 Limitations of the Study.....	53
5.6 Suggestion for further Research.....	54
<b>REFERENCES.....</b>	<b>55</b>
<b>APPENDICES.....</b>	<b>58</b>
<b>APPENDIX I: Introductory Letter.....</b>	<b>58</b>
<b>APPENDIX II: Questionnaire.....</b>	<b>59</b>
<b>APPENDIX III: List of Internet Services Providers.....</b>	<b>65</b>
<b>APPENDIX IV: CRM Software Used by Firms.....</b>	<b>66</b>

## LIST OF TABLES

Table 4.1: Number of employees.....	26
Table 4.2: Classifications of companies.....	27
Table 4.3: Scope of Operations.....	28
Table 4.4: Types of internet services provided.....	29
Table 4.5: CRM Practices based on knowledge & insight.....	31
Table 4.6: CRM Practices based on process & technology.....	33
Table 4.7: CRM Practices based on people.....	35
Table 4.8: CRM Customer satisfaction practices.....	38
Table 4.9: CRM practices based on knowledge & insight.....	41
Table 4.10: CRM practices based on process & technology.....	42
Table 4.11: CRM practices based on people.....	44
Table 4.12: CRM software used by firms.....	66

## **ABBREVIATIONS**

<b>ADSL</b>	Asymmetrical Digital Subscriber Line
<b>CCK</b>	Communications Commission of Kenya
<b>CDMA</b>	Code Division Multiple Access
<b>CRM</b>	Customer Relationship Management
<b>ICT</b>	Information & Communications Technology
<b>ISDN</b>	Integrated Services Digital Network
<b>ISP</b>	Internet Service Providers
<b>IT</b>	Information Technology
<b>TSP</b>	Telecommunications Services Provider

# CHAPTER ONE: INTRODUCTION

## 1.1 Background

The emergence of new channels of communications and technologies is significantly altering how companies interface with their customers, a development bringing about a greater degree of integration between marketing, sales, and customer service functions in organizations. Customer relationship management (CRM) is a broad strategy that covers the managing and nurturing of customers' relationship with the company. It's a relatively new concept in marketing that represents an enterprise approach to developing full-knowledge about customer behavior and preferences and to developing programs and strategies that encourage customers to continually enhance their business relationship with the company. The focus can shift when in a business to business relationship and the composition of the CRM systems will be different in big as compared to small companies.

Gordon (2002) infers that CRM is a series of strategies and processes that support and execute a relationship vision for the enterprise. It creates new and mutual value for individual customers, builds preference for their organizations and improves business results over a lifetime of association with their customers. According to Parvatiyar & Sheth, (2002), customer relationship management and relationship marketing are used interchangeably in that the goal is to move the customer from a transactional interaction to an emotional relationship. The two components most often missing in relationship marketing are technology and the management of relationships with other members of the company network. Baran (2008) further deduce that relationship marketing with its focus

on maintaining a continuous relationship with customers and building long term bond is a strategic foundation of CRM. Chen & Popovich (2003) propose that some organization view CRM as simply a technology solution that extends separate databases and sales force automation tools to bridge sales and marketing functions in order to improve targeting efforts. Other organizations consider CRM as a tool specifically designed for one-to-one customer communications, a sole responsibility of sales/service, call centers, or marketing departments. A bridge between marketing and IT, therefore an IT-enabled sales and service function. The major focus of CRM is that it's about developing appropriate relationships with customers through communications to create long-term profits.

### **1.1.1 The Concept of Customer Relationship Management**

According to Chaffey (2009), CRM is a marketing led approach to building and sustaining long-term business with customers. It's a new marketing paradigm created through the combination of relationship marketing, direct marketing and database marketing. There was an explosion of customer data in the 1980s, as result there was a need to organize these data for analytic purposes as many firms were overwhelmed by the onslaught of potentially useful information. The concept of database marketing was introduced at this point. It is a form of direct marketing that involves the use of databases of current and potential customers to generate personalized communication for marketing purposes (Boulding et al, 2005). According to Berry (2002) relationship marketing involves attracting, maintaining and enhancing customer relationships. The marketing mind-set is that the attraction of new customers is merely the first step in the marketing

process. Cementing the relationship with the current customer base is the focus of relationship marketing. CRM represents a metamorphosis from using customer databases to conduct marketing communications into an enterprise wide approach that incorporates building lasting customer relationship.

Bauer (2006) defines customer relationship management is the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. It is proposed that there are three concepts that are prerequisites for the success of relationship management. These are trust, commitment and satisfaction. Stair and Reynolds (2008) deduce that the goal of CRM is to understand and anticipate the needs of current and potential customers to increase customer satisfaction, retention and loyalty while optimizing the way that products and services are being sold. Consequently, when there is increased customer satisfaction, retention and loyalty, the company will become profitable. Hence customer relationship management practices increases the profitability of the company.

### **1.1.2 The Concept of Customer Satisfaction**

Kotler & Armstrong (2008) define customer satisfaction as the extent to which a product's perceived performance matches a buyer's expectation. If the product or service falls short of expectations, the customer is dissatisfied. If the product or service exceeds expectations then the customer is highly satisfied. From the definition, customer satisfaction is necessary for the company as it determines its profitability. If the customers are not satisfied then the company suffers huge losses. He further ascertains

that customer value and satisfaction are the necessary factors needed in the developing long-term customer relationships.

Britner and Zeithaml (2003) define customer satisfaction as the customer's evaluation of a product or service in terms of whether that product or service has met their needs and expectations. Failure to do so results in dissatisfaction. According to them, there is a strong link between dissatisfaction and disloyalty. This ultimately results in customer defection to the competition hence the loss of business profits for the company. Customer satisfaction can be achieved when the company has a good relationship with their customers. Companies conduct customer satisfaction surveys in order to optimize their relationships with customers. They can carry out feedback survey to measure customer satisfaction levels, improve customer retention, gauge interest in new product and services and identify areas for improvement. Such surveys identify areas of the business that do not meet customer expectations.

### **1.1.3 Internet Service Providers (ISPs) in Kenya**

Kenya has one of the highest internet users in Sub-Saharan Africa with users of over 1 million and internet connections in major towns such as Mombasa, Kisumu and Nakuru. Internet services have permeated almost all sectors of economies. Advances in communication technologies and the rapid communications equipment cost reductions, coupled with market innovations, have created many opportunities for increasing access to the Internet in rural and urban areas. Telkom Kenya was given the monopoly to operate the internet backbone up until 1999 when the telecommunications industry was

liberalized. This led to the formalization of market structures and advent of activities geared towards the development of the telecommunications markets in total. As a result various ISPs have emerged in the Kenyan market. The Communications Commission of Kenya (CCK) regulates the internet market, a part of the communications industry (Netcom Information Systems LTD, 2008).

An internet service provider is any company that provides people and organizations with access to the internet. Charging a monthly fee, the service provider gives you a software package, username, password and access phone number. Equipped with a modem, you can then log on to the Internet and browse the internet, send and receive e-mail. In the past most ISP's were run by the phone companies, but now ISP's can be started by just about anyone. Services offered by ISPs include wireless broadband, a fairly new technology that provides high-speed wireless internet and data network access over a wide area. Dial-up Internet access is another service offered. It is a form of Internet access that uses the facilities of the public switched telephone network to establish a dialed connection to an internet service provider (ISP) via telephone lines. Integrated Services Digital Network (ISDN) is also offered; it is a set of communications standards for simultaneous digital transmission of voice, video, data, and other network services over the traditional circuits of the public switched telephone network. The key feature of ISDN is that it integrates speech and data on the same lines, adding features that were not available in the telephone system. Additional services are domain name registration and web hosting. (Communications Commission of Kenya, 2008).



The CCK has registered up to 73 ISPs companies in Kenya with only 51 of them being operational. Some of the major ISPs companies in Kenya are Africa Online Kenya, a subsidiary of Africa Online which is the premier provider of Internet communication services throughout Africa, bringing Internet users a level of technical expertise and breadth of service unequalled by any other on the continent. It is the largest ISP with about 3000 users. Access Kenya was founded in 1995 under the name Communications Solutions Limited. In 2000, the name Access Kenya was adopted after the founding brothers realized the imperative need for an ISP that specialized in providing Corporate Internet Services. Swift Global Kenya Limited is one of the first licensed "Telecommunications Service Providers" (TSP) in Kenya. It has traditionally focused on data communications and networking among the business community. More recently, it begun to accommodate the dramatic increase in demand from domestic and home users for Internet and e-mail services. Wananchi Online was founded in 2000 with its headquarters in Nairobi. It offers products that are designed to support business growth through managed mail services, dedicated access, managed security and web presence (Communications Commission of Kenya, 2008).

## **1.2 Statement of the Research**

The internet is a worldwide, publicly accessible series of globally interconnected computer networks that allows users access resources and information within the network. The impact of development within the ICT industry has resulted in faster growth and expansions as well as intense competition among ISPs in the country. According to Metters (2006), customers tend to choose products or services on the basis

of a certain criteria that would enable them discriminate one company from another. In addition to that, customers have more choices than ever, and are more frugal. This affords them the luxury of demanding more. The liberalization of the telecommunications sector and subsequent shift of government's role from that of provider of ICT services to a more regulatory one has seen tremendous growth of ISPs in Kenya. Consumers are now faced with a wide variety of ISPs to choose from. For the ISPs to become more profitable, they need to stand out in the market place and draw customer attention as well as to offer an opportunity to try out their services thus creating repeat purchase and positive influence on customer satisfaction.

Customer relationship management practices play an important in the running of any business. In today's economy companies can't exclusively rely on their strength to maximize the value of their customer relationships they need enabling technologies and tools as well. The practices are vital for the attraction, retention and ultimate satisfaction of customers. The ability to maintain close customer relationships is fundamental to business growth. Basically, CRM is a way ISPs can use to increase profitability, guarantee survival and attract customers. Ultimately, CRM allows companies to better acquire, manage, serve, and extract value from their customers while improving operational efficiency, something that is critical in today's economy. Research has been done internationally on CRM but the findings cannot be generalized due to the differences in the economic, social, cultural and technological environment. There are few researches however, done locally (Kagia, 2006 and Jerono, 2008). These researches focused on relationship marketing practices effects on customer retention in insurance

and the banking industry respectively. It is not known however to what extent ISPs practice customer relationship management practices to influence customer satisfaction. ISPs play a major role in the Kenyan economy therefore a need to understand CRM practices and formulate them into the overall company strategy.

The overall research problem that will be addressed in this study is that despite the studies done on customer relationship management as a whole, little has been done to clearly understand the influences of customer relationship management practices on customer satisfaction within companies in Nairobi especially Internet Service Providers companies.

This study is therefore intended to answer the following questions

- i. What are the customer relationship management practices carried out by Internet Service Providers in Nairobi?
- ii. What is the influence of customer relationship management practices on customer satisfaction?

### **1.3 Objective of the study**

In this study, the objectives are;

- i. To establish the customer relationship management practices that has made Internet Service Providers a success among its customer base.

- ii. To determine the impact these practices have on customer satisfaction.

#### **1.4 Importance of the Study**

The results from the study will be of interest and beneficial to the following;

Academicians/ Researchers: Can use the study as a reference on the CRM practices adopted by internet services providers and can also be basis for further research.

ISPs: To enable them maintain, abandon or enhance the study findings in the management of the companies.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

Customer relationship management provides the centerpiece of strategy discussions as firms embrace relationships. It can be defined as a continuing dialogue with customers across all their contact and access points with personalized treatment of the most valuable customers, to ensure customer retention and the effectiveness of marketing initiatives (Hutt & Speh, 2007). They further explain that customer relationship management as the building of customer strategy and processes, supported by relevant software, for the purpose of improving customer loyalty and eventually corporate profitability. Building customer relationships is a continuous trend in the modern business environment.

From an earlier definition, customer relationship management enables a company to invest the right amount in the right customers. It also goes beyond customer focus. It not only build relationships and use systems to collect and analyze data, but it also includes the integration of all these activities across the firm, linking these activities to both firm and customer value, extending this integration along the value chain, and developing the capability of integrating these activities across the network of firms that collaborate to generate customer value, while creating shareholder value for the firm (Boulding et al, 2005).

### **2.2 Customer Relationship Management**

Schoder and Madeja (2005) define customer relationship management as a revolving process during which companies interact with their customers, thereby generating,

aggregating, and analyzing customer data, and employing the results for service and marketing activities. It can be seen as a strategy of which the intended results are optimization of revenue, profits and customer satisfaction. The technologies of CRM should be utilized in such a manner that they enable greater customer insight, increased customer access, more effective customer interactions and integration throughout all customer channels. This is a prerequisite of CRM (Boulding et al, 2005).

Chen and Popovich (2003) deduce that CRM is a comprehensive approach that promises to maximize relationships with all customers. Getting to “know” each customer through data mining techniques and a customer-centric business strategy helps the organization to proactively and consistently offer (and sell) more products and services for improved customer retention and loyalty over longer periods of time.

Customer relationship management involves managing customer’s data. This will involve the use of systems that gather customer data from all touch points, warehouse the data, provide easy access for all and deliver useful information based on the data. For CRM to be successful, the systems used should be in line with the overall company’s strategy and its processes. Technology cannot replace human interactions and relationships (Baran et al, 2008; Rigby et al, 2003). Customer relationship practices have immense benefits to the company that implements them. According to Kotler & Armstrong (2008), the common mistake companies make is to view customer relationship management practices as a technology and software solution. Technology alone cannot build profitable customer relationships. It’s part of an overall customer relationship management strategy.

The customer relationship is what CRM is about. Implementing CRM practices may come at a high cost to the company but the benefits will far outweigh the costs. Effective CRM practices can uncover a wealth of information that will target customers effectively. Investing in proper CRM practices will most definitely give the companies tools for attracting and satisfying customers as well as gaining the competitive advantage in the market place.

### **2.3 Overview of Customer Relationship Practices**

Ahmad and Chowdhury (2000) have classified the various customer relationship management practices into 'marketing' (marketing features and those features which customers can get across before deciding to purchase), sales (the features which customers get across at the time of sale) and post-sale or customers service (those features which customer may need after the sale). Feinberg and Kadam (2002) propose that there are as many as 25 features that can be used. Not all of them are applicable at the same time since some companies will not have the capacity to implement all of them.

Chaffey (2009) infer that the main use of these practices is to enable the firm to collect specific data and store them in the database to be utilized later. These data are personal and profile data that cover contact details and characteristics for profiling customers such as age and sex. Transaction data is also vital as it includes a record of each purchase transaction including specific product purchased, quantity, date, time and channel where purchased. Communication data is also collected and it includes a record of the customers that have been targeted by campaigns and their responses to them. According to Metters

(2006) CRM practices are grouped under three major aspects. These include product/service characteristics, process and people aspect.

## **2.4 Customer Relationship Management Practices**

CRM is widely regarded as a company activity related to developing and retaining customers through increased satisfaction and loyalty. The practices are based on service/product characteristics, process and people based practices for the purpose of understanding customers (Chen et al, 2003). According to Gordon (2002) companies base their CRM practices not just on technology but also on developing and focusing organizational capabilities in other key constructs such as processes, people and knowledge/ insight.

### **2.4.1 Knowledge / Insight**

Gordon (2002) has defined knowledge/ insight capability practices as the approaches the company uses to add value to customer data so that they acquire the knowledge and insight needed to deepen the relationships that matter. Firms need to have more knowledge of their customers through customer knowledge. The process involves the capture, organization, access and use of knowledge to gain insight on the customer (Metters et al, 2006). This knowledge will enable a company to choose how they interact with their customers. Better relationships with the customers are enhanced. Data can be collected through websites and interaction with customers by the sales agent through various touch points such as e-mails and phone calls.



Murillo & Annabi (2003) infer that customer knowledge plays an important factor as part of the CRM practices as it helps in segmenting customers on the basis of profitability to the company. It identifies valuable customers who would then receive special attention. It aims to learn as much about customer preferences and characteristics for the purpose of tailoring the product/service on offer. Having the right information at the right time plays an important role in the successful implementation of CRM practices.

#### **2.4.2 Process and Technology**

CRM as a combination of business process and technology that seeks to understand a company's customer from the perspective of who they are, what they do, and what they are like. The process is an enterprise –wide practice that should be built around the customer. There is need to involve sales agents in the process especially those who can focus on customer's needs through interactions. They can handle complaints more efficiently as opposed through the use of other channels. CRM applications take full advantage of technology in order to collect and analyze data on customer patterns, interpret customer behavior, develop predictive models, respond with timely and effective customized communications, and deliver product and service value to individual customers. Using technology to “optimize interactions” with customers, companies can create a 360 degree view of customers to learn from past interactions to optimize future ones (Chen et al, 2003). Technology is used in transaction, data warehousing and interaction systems used by the company. A data warehouse is an information technology management tool that gives business decision makers instant access to information by collecting “islands of customer data” throughout the organization by combining all

database and operational systems such as human resources, sales and transaction processing systems, financials, inventory, purchasing, and marketing systems ( Metters et al, 2006). It is a repository for all relevant customer information. Any information relevant to marketing can be included in the data warehouse.

Personalization is another aspect of the process strategy of CRM. It refers to customization of some aspect of the service, treating each customer as a unique individual with each customer as a unique individual with a unique set of service requirements thereby creating unique fits between customer and services (Nyongesa, 2006). It involves direct linkages between customers and service personnel and between customers and services themselves. These features include personalized e-mails sent to customers who are already members, a personalized website that will display information as according to the member (Feinberg & Kadam, 2002).

### **2.4.3 People**

Implementing CRM practices requires the involvement of basically the whole company. The individual employees are the building blocks for customer relationships. CRM practices require vision and each and every employee must understand the purpose and changes that CRM will bring (Chen et al 2006). Ignoring or deliberately avoiding the whole company when implementing CRM practices results in a failure of the whole process. It requires clear vision from management and organizational collaboration. This means a change in organizational structures, incentives and compensation, skills and even the enterprise culture (Radcliffe, 2001).

Bose (2002) propose that the major goal of CRM is to help acquire, grow and retain profitable customer relationships to create a sustainable competitive advantage. Customer loyalty programs that will enhance relationships between customers as a result the company increases chances of profitability for the firm. CRM is concerned with loyalty because of the benefits of retaining customers. A loyal customer means a consistent source of revenue over a period of time. It will however continue as long as the customer feels they are receiving better value than they would obtain from a competitor. Valued customer experience is crucial at this stage. Radcliffe (2001) concludes that customers' experiences play a key role in shaping their perception of the enterprise the value it provides and the importance it places on the customer relationship. Good customer experiences drive satisfaction, trust and long-term loyalty. Poor customer experiences negatively affects the company's standing as they tend to create new relationships with prospects.

## **2.5 Factors to Consider When Implementing CRM practices**

According to Buttle (2000) CRM should be positioned as the fundamental strategic process around which the business is organized. It is basically a cross functional customer focused business strategy. CRM decisions impact greatly on marketing, as well as operations, sales, customer service, research & development, human resources, finance and IT.

### **2.5.1 Customer oriented business strategies**

The company should come up with the business oriented strategies that will focus on building relationships with existing customers. It is necessary to offer customers what they are currently demanding and anticipate what they are likely to demand in the future. This can be achieved by providing a variety of existing access channels for customers, such as e-mail, telephone and fax, and by preparing to provide for future access channels such as wireless communication. The company aims to listen to the customer and create an opportunity to satisfy them. Furthermore, the strategies should be in line with the overall vision of the now customer oriented company. Without a CRM vision, the enterprise will not stand out from the competition, target customers will not know what to expect from it and employees will not know what to deliver in terms of external customer experience (Radcliffe, 2001).

### **2.5.2 Restructuring of the business**

Customer relationship management is an enterprise-wide customer-centric business model that must be built around the customer. It is a continuous process that requires the restructuring of the core business processes (Chen & Popovich, 2003). They further propose that in a product-focused approach, the goal is to find customers for the products using mass marketing efforts. In a customer-centric approach, the goal becomes developing products and services to fit customer needs. The company that intends to implement CRM practices in its offering will need to restructure the way it does its business. This requires change management from top management all the way down. The top management acts as the change leaders in implementing the features. It's their

responsibility to ensure that all employees understand the necessity of the changes, how the new structure will benefit them, and how it will enhance their ability to serve their customers. Their work basically entails, reinforce why the change is happening, share the change with all levels in the organization and provide explanations for implications of change to people and what is expected of them. The whole process will focus on changing the business paradigm but keeping the customer.

### **2.5.3 Technological capabilities**

The company should consider its technological capabilities before implementing the CRM features. Factors to consider are availability of appropriate software, security on the internet platform, level of technical support available during and after implementation and upgrade support. Security is very important when it comes to the internet thus the company should go that extra mile to ensure security for their customers. During transactions performed on the websites, businesses need to ensure that they have taken all possible precautions that third parties will not be able to access any part of a developing transaction. Security of data collected and stored, about customers and visitors is very vital (Scullin et al, 2002).

### **2.6 Customer Satisfaction**

Baran et al (2008) define satisfaction as a post-purchase evaluation of product quality given pre-purchase expectations. It is the customer's response to and evaluation and the actual performance of the product as perceived after consumption. They further ascertain that satisfaction does make a difference in maintaining and developing customer

relationships. If customers are satisfied, they will relate well to the company, if not, they are probably going to tell others of the experience and this would affect the profitability of the company.

There are two types of customer satisfaction, namely, service encounter satisfaction and overall customer satisfaction. Service encounter satisfaction is transaction-specific, while overall customer satisfaction is relationship-specific. The transaction specific satisfaction is an immediate post-purchase evaluative judgment or an affective reaction to the most recent transactional experience with the firm. Overall customer satisfaction is the cumulative effect of a set of discrete service encounters or transactions with the service provider over a period of time. Overall satisfaction has a greater impact than transaction specific satisfaction (Gabarino and Johnson, 1999; Shankar et al, 2002). These two types of satisfaction are related; however it is important to recognize them as distinct constructs because some of the factors influencing them may be different. Transaction specific satisfaction is more likely to depend on performance on specific attributes of the service encounter for example, whether the price is consistent with expectation. Overall satisfaction is more likely to depend on factors that occur across transactions for example, is it easy to shop for the product or service? (Shankar et al, 2002).

Zeithmal & Bitner (2003) define satisfaction as the customer's evaluation of a product or service in terms of whether that product or service has met their needs and expectations. They further ascertain that there are four determinants of customer satisfaction. Product or service features is one of the determinants. Customer satisfaction with a product or

service is influenced significantly by the customer's evaluation of the product or service features. Another determinant of customer satisfaction are the consumer emotions. Emotions play a major role in determining whether the customer will be satisfied with the product or service. Attributions for services success or failure determines the level of customer satisfaction. When the customer is surprised by the outcome, either the product or service is much better or much worse than expected, they will tend to look for the reasons and their assessment of the reasons will influence their satisfaction levels. There is a strong relationship between customer satisfaction and customer loyalty and the relationship tends to be strong where customers are very satisfied.

## **2.7 Benefits of Implementing CRM Practices**

As mentioned earlier Kotler & Armstrong (2008) state that the common mistake companies make is to view CRM as a technology and software solution. Technology alone cannot build profitable customer relationships. It's part of an overall customer relationship management strategy. The customer relationship is what the CRM practices are about. Implementing CRM features may come at a high cost to the company but the benefits will far outweigh the costs. Effective CRM practices can uncover a wealth of information that will target customers effectively. Investing in proper CRM features will most definitely give the companies tools for attracting and satisfying customers as well as gaining the competitive advantage in the market place.

According to Scullin (2002) well planned and implementation of CRM practices has led to improvements in the overall customer experience that leads to greater satisfaction. This

in turn has a positive effect on the profitability of the firm. Another benefit is that there is increased customer loyalty which is a key driver of profitability. Effective CRM practices lead the company to communicate to its customer in a single and consistent voice. A more effective marketing is another benefit of CRM. Having detailed customer information in the database allows the company to predict the type of products that the customer is likely to buy. The data collected can be used to discover which elements of a marketing campaign will have a high impact on sales and profitability. Further, there is improvement in customer service and support. The practices such as e-mail management and mailing list provide a single repository for customer information. A single e-mail can be sent to various people at much lower cost than the use of direct mail. The targeting becomes more cost effective. The company will only aim to build relationships with those who have, for example, visited the website and expressed an interest in their product or service by registering their names and e-mail address. There is greater efficiency and cost reduction. Integrating customer data into a single database allows marketing teams, sales forces, and other departments within a company to share information and work toward common corporate objectives using the same underlying statistics.

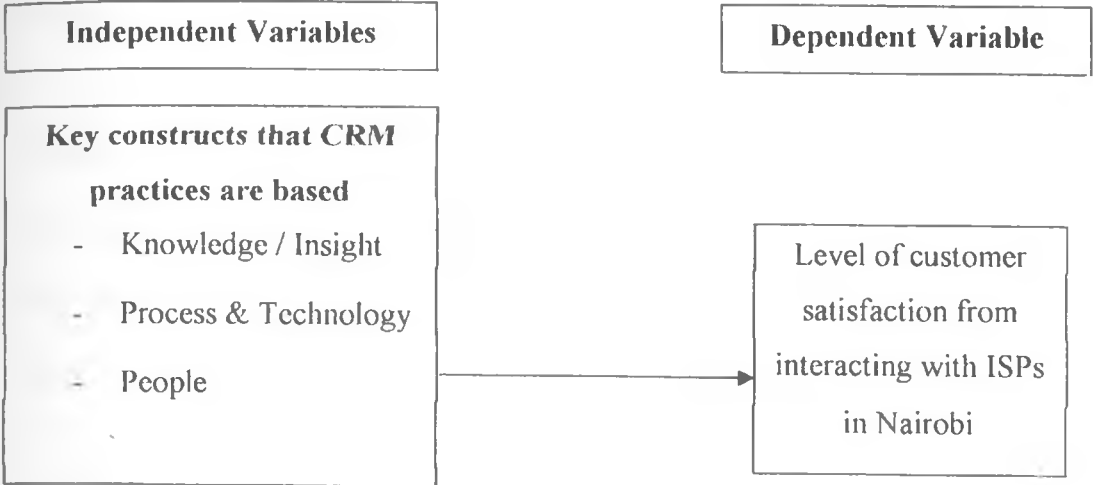
### **2.7.1 Conceptual Framework**

A conceptual framework lays the ground upon which the research is based, and provides an indication of the expected outcome of the study. In a lay man's language, a conceptual framework is a researcher's dream about the expected outcome of the research (Munyoki, 2008). It basically indicates the effect of the independent variable (success factors) on



the dependent variable (success measures). In this study, the success factors will be the customer relationship management practices implemented by internet services providers and the success measure applied will be the level of customer satisfaction.

The conceptual framework is shown below.



## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter will explain the research design and population of the study. It also includes a brief on the data collection methods that were employed as well as the data analysis techniques.

### **3.2 Research Design**

The research design used was descriptive survey with the intention of establishing the who, what, where and how much. Descriptive research is used to describe marketing problems (Saunders & Lewis, 2008). This study was mapped out on similar concern.

### **3.3 Population of the study**

The population of the study includes all internet services providers in Nairobi. According to the Communications Commission of Kenya there are up to 73 ISPs registered companies in Kenya with only 40 of them being operational in Nairobi. Due to the small size of the population of the study, a census survey will be done. A census survey involves collection of data from all the units of the population of study.

### **3.4 Data Collection Methods**

The data was collected from primary sources using a semi-structured questionnaire which is organized into 3 parts;

Part I covered general information questions concerning ISPs

Part 2 covered questions aimed at determining the extent to which ISPs practice customer relationship management practices

Part 3 covered questions on whether the practices influence the level of customer satisfaction.

The data was collected from marketing managers, sales managers, customer service managers or an equivalent position. The questionnaire was administered through drop and pick later method.

### **3.5 Data Analysis Techniques**

The questionnaires was edited for completeness and consistency then coded for analysis. The coded responses were analyzed using descriptive statistics. This uses such statistics as the mean, mode, variance and standard deviations to review the general trend of the responses. Mean scores and standard deviations were used to depict the relative influence of particular CRM practices and variations among respondents perception on the effect of these practices on customer satisfaction. Frequencies and percentages were used to describe the most pre-dominant CRM practices.

## **CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND INTEPRETATION**

### **4.1 Introduction**

The study intended to achieve two objectives: to establish the customer relationship management (CRM) practices adopted by internet services providers (ISPs) in Nairobi and to determine the influence of these practices on customer satisfaction. To achieve these study objectives marketing and customer service managers in the ISPs were targeted to provide the data. Out of a sample of 51 organizations, a total of 36 firms' responses were obtained which is a 70.5% response rate from the selected sample which is the basis of analysis. In carrying out the survey, respondents were required to respond to organizational bio data issues and then presented with statements describing , on one hand, various customer relationship management practices and on the other hand, the influence of these practices on customer satisfaction. They were then required to score on a 1 to 5 likert scale indicating the extent to which the statements apply in their organizations. This would indicate the extent to which ISPs practiced CRM practices and the extent to which these practices have an effect on customer satisfaction. Customer satisfaction practices were also presented to the respondents to determine the extent to which they were practiced. This was to contribute to the achievement of the second objective.

### **4.2 Organizational Bio Data**

The study sought information about respondent organization on aspects that were considered to be descriptive of ISPs with respect to the subject of the study. The aspects were with respect to ISPs ownership structure, size and scope of operations. Further,

seeking this information was considered necessary to lay ground for understanding the CRM practices adopted by ISPs and their perceived influence on customer satisfaction.

#### 4.2.1 Organizational Size

Different parameters are used to measure organization's size. These include volume of sales, number of branches, asset base and number of employees among others. This study used number of employees to establish size of ISPs that were targeted. 64% of the ISPs had less than 50 employees while only 6% had over 150 employees. This shows that the majority of ISPs are small businesses enterprises. Only 6% of the companies were large scale businesses. The findings are presented in table 4.1.

	Frequency	Percent
Less than 50 employees	23	64
Between 51-100 employees	8	22
Between 101-150 employees	3	8
Over 150 employees	2	6
<b>Total</b>	<b>36</b>	<b>100</b>

Table 4.1 Number of employees. Source: Research Data

#### 4.2.2 Classification of Companies

According to this study, classification of companies was done in terms of a company being a multi-national, regional, national or local. A multinational in this case is a company offering its services in and beyond East African Community; a regional company is the one offering its services within the EAC; a national company does offer its services within Kenya and a local firm is the one which is concentrated within Nairobi

only. The responses obtained is that, there was no multinational company, 55.6% responses were local as they had their operations within Nairobi only. On the other hand, 25% companies were national as they were providing services across Kenya and 19.4% companies had regional operations. This indicates that majority of organization are basing their operations locally. There are no multinational companies with a presence in the country. This shows that major international internet services providers are yet to set up shop in the country. The findings are represented in Table 4.2 below.

	Frequency	Percent
Multinational Companies	0	0
Regional Companies	7	19.4
National Companies	9	25
Local Companies	20	55.6
<b>Total</b>	<b>36</b>	<b>100</b>

Table 4.2 Classifications of companies. Source: Research Data

#### 4.2.3 Scope of Operations

The study considered that the scope of an organization's activities is a reflection of that organization's ability to serve a wider market. This also puts pressure on the need to adopt a wide variety of CRM practices to be able to meet the needs of the diverse market segments and retain them. This will consequently determine the ISPs competitive moves and different marketing strategies that it will adopt to sustain its competitive advantage. The scope of operations is represented by the market share that each organization has.

Majority of the organization (72.2%) had a market share of less than 20%. This shows that the industry is still at its infancy therefore a need to expand on its market share. The findings of the study on the scope of operations of ISPs that participated in the study are presented in table 4.3.

	Frequency	Percent
Less than 20%	26	72.2
Between 21-30%	9	25
Between 31-40%	1	2.8
Over 40%	0	0
<b>Total</b>	<b>36</b>	<b>100</b>

Table 4.3 Scope of operations. Source: Research Data

#### 4.2.4 Types of Internet Service Provided

In this section, data on the types of internet services provided were

Frequencies and percentages have been used to analyze the data. Finding are presented on table 4.4

	No of Organizations	Percent
Integrated Services Digital Network (ISDN)	35	97
Web development	34	94
Domain services	34	94
Webhosting	32	89
Web Design	31	86
Anti-virus Package	17	47
Wireless Broadband	9	25

Asymmetrical Digital Subscriber Line (ADSL)	1	3
Code Division Multiple Access (CDMA)	1	3

Table 4.4 Types of Internet services offered. Source: Research Data.

The respondents were asked to indicate whether they offer the broad categories of services. From the above data; it's clear that a majority of ISPs (97%) offer ISDN services while the least services offered are CDMA and ADSL with 3% of companies offering them. It is therefore noted that services such as ISDN, web development, domain services and webhosting are the most demanded services in the internet services industry.

#### 4.3 Customer Relationship Management Practices

The first objective of the study was to establish the CRM practices adopted by the targeted organizations. In an attempt to achieve the study objective, a number of CRM practices were presented to the respondents for them to indicate the extent to which their organizations practiced them. They were based on the broad models of knowledge & insight, process & technology and people. In establishing the extent to which CRM practices were adopted by internet services providers, the study used frequencies and percentages out of which mean scores were obtained to be used as a measure of extent. The findings further reveals that different proportions of respondents indicated that the practices were practiced to different extents. This is indicated by the different proportions of respondents who indicated the different extents of adoption. Therefore the aggregate extent of adoption was indicted by the mean scores and the variations of the extents of practice were indicated by the standard deviations. A mean score of below 3.00 indicated that a particular practice was found to be practiced to a less extent while the one between



3.00 and 3.99 indicate that it was found to be practiced to a moderate extent. A practice with a mean score of 4.00 and above was considered to have been practiced to a large extent.

#### 4.3.1 Knowledge & Insight

<b>CRM Practices Based on Knowledge &amp; Insight</b>					
	<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>	<b>M.S</b>	<b>S.D</b>
Gathering and integrating customer information	No Extent	0	0	3.86	1.48
	Small Extent	1	3		
	Some Extent	5	13.8		
	Large Extent	22	61		
	Very Large Extent	8	22.2		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Data Mining to identify important customers	No Extent	4	11	3.85	1.51
	Small Extent	1	2.8		
	Some Extent	6	16.7		
	Large Extent	20	55.6		
	Very Large Extent	5	13.9		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Seeking to know customer complaints and compliments	No Extent	0	0	3.94	1.04
	Small Extent	1	2.8		
	Some Extent	4	11		
	Large Extent	21	58.3		
	Very Large Extent	10	27.7		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Storing customers personal details and contact details	No Extent	0	0	4.63	0.82
	Small Extent	0	0		
	Some Extent	0	0		
	Large Extent	3	8.3		
	Very Large Extent	33	91.7		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Use customer management software such as MS	No Extent	0	0		

Dynamics					
	Small Extent	0	0	4.07	1.49
	Some Extent	9	25		
	Large Extent	23	63.9		
	Very Large Extent	4	11		
	<b>Total</b>	<b>36</b>	<b>100</b>		

Table 4.5 CRM Practices based on Knowledge & insight. Source: Research Data.

From the findings in table 4.5 above, it was established that the practices based on customer knowledge and insight were carried out by the organizations to a fairly large extent. Two practices, namely, storing customer personal & contact details (mean score 4.66), using CRM software such as MS Dynamics (mean score 4.07) were practiced to a large extent. However, a further look at the findings reveals that the different proportions of respondents indicated that the practices were practiced to different extents. Consequently, according to the mean scores, the findings imply that ISPs that participated in the study practiced the following practices based on knowledge and insight to a moderate extent as they had a mean score of between 3.00 and 3.99.

- Seeking to know customer complaints and compliments (3.95 mean score).
- Gathering and integrating customer information (3.86 mean score).
- Undertaking data mining to identify important customers (3.85 mean score).

None of the practices were practiced to a less extent as none had a mean score of less than 3.00, they exhibited a high trend in mean scores. This implies that ISPs are investing highly on acquiring knowledge about their target customers. They are better able to identify valuable customers and further learn about their preferences and characteristics.

### 4.3.2 Process & Technology

CRM Practices Based on Process & Technology					
	Responses	Frequency	Percent	M.S	S.D
Offer personalized services using IT systems	No Extent	0	0	3.56	1.54
	Small Extent	3	8.3		
	Some Extent	7	19.4		
	Large Extent	12	33.3		
	Very Large Extent	14	38.9		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Send automatic notifications to customers using SMS & emails	No Extent	0	0	3.64	0.96
	Small Extent	2	5.5		
	Some Extent	16	44.4		
	Large Extent	16	44.4		
	Very Large Extent	2	5.5		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Import sales leads from external sources such as websites, tradeshow	No Extent	0	0	3.22	1.91
	Small Extent	6	16.7		
	Some Extent	18	50		
	Large Extent	12	33.3		
	Very Large Extent	0	0		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Storing customer transaction history in electronic databases	No Extent	0	0	4.5	1.59
	Small Extent	0	0		
	Some Extent	0	0		
	Large Extent	0	0		
	Very Large Extent	36	100		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Managing customer portfolios	No Extent	4	11		

	Small Extent	7	19.4	3.65	0.95
	Some Extent	6	16.7		
	Large Extent	11	30.5		
	Very Large Extent	8	22.2		
	<b>Total</b>	<b>36</b>	<b>100</b>		

Table 4.6 CRM Practices based on Process & Technology. Source: Research Data.

The findings in table 4.6 above indicate that the practices based on process and technology was practiced to a moderate extent. One particular practice, storing customer transaction history in electronic databases, was carried out to a large extent as indicated by the mean score of 4.5. The rest of the practices were carried out to a moderate extent as indicated by the mean score of between 3.00 and 3.99. These practices are,

- Managing customer portfolios (3.65 mean score).
- Sending automatic notifications to customers using SMS and emails (3.64 mean score).
- Offering personalized services using IT systems (3.56 mean score).
- Importing sales leads from external sources such as websites and tradeshows (3.22 mean score).

None of the practice was practiced to a less extent as none had a mean score of below 3.00. This indicates that the organizations are applying technology and integrating their work processes for the purpose of optimizing their interactions with customers. ISPs are using technology not only to build better products and services but also to enhance their relationships with their customers. The research findings show that they are using their technology to get a 360 degree view of customers.

### 4.3.3 People

CRM Practices Based on People					
	Responses	Frequency	Percent	M.S	S.D
Display courtesy while serving customers	No Extent	0		4.55	0.78
	Small Extent	0			
	Some Extent	0			
	Large Extent	0			
	Very Large Extent	36	100		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Exhibiting high level of trustworthiness and reliability	No Extent	0		4.01	0.52
	Small Extent	0			
	Some Extent	0			
	Large Extent	32	88.9		
	Very Large Extent	4	11.1		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Conduct customer survey regularly	No Extent	3	8.3	3.82	0.75
	Small Extent	0	0		
	Some Extent	6	16.7		
	Large Extent	25	69.4		
	Very Large Extent	2	5.6		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Offer queries in form of frequently asked questions	No Extent	2	5.6	3.41	0.87
	Small Extent	6	16.7		
	Some Extent	10	27.8		
	Large Extent	13	36.1		
	Very Large Extent	5	13.9		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Enter on one on one communication with customers	No Extent	0	0	3.93	0.94
	Small Extent	0	0		
	Some Extent	0	0		
	Large Extent	34	94.4		

	Very Large Extent	2	5.6		
	<b>Total</b>	<b>36</b>	<b>100</b>		

Table 4.7 CRM practices based on People. Source: Research Data

The findings in Table 4.7 indicate that two practices were carried out to a large extent as they had a mean score of above 4.00. These are,

- Displaying courtesy while serving customers (4.55 mean score).
- Exhibiting high level of trustworthiness and reliability (4.01 mean score).

The other practices were carried out to a moderate extent as they had a mean score of between 3.00 and 3.99. These are,

- Entering on one on one communication with customers (3.93 mean score).
- Conducting customer survey on a regular basis (3.82 mean score).
- Offering queries in the form of frequently asked questions (3.41 mean score).

CRM practices based on people are as indicted, carried out to a fairly large extent. None of the practice exhibited a mean score of less than 3.00. Relationships between people entail a major part of CRM. From the findings presented above, there is an indication that the internet services providers are seeking to ensure that their customers' experience are the most favorable for their customers. They are concentrating their man-power to enhancing their relationships with their customers.

From the study findings, it was observed that even though CRM practices were found to be practiced to a moderate extent, there were different variations from the respondents on the extent to which they were practiced. This is indicated by the standard deviations against each of the CRM practice which ranges from a low of 0.52 S.D for 'exhibiting

high levels of trustworthiness and reliability' to a high of 1.91 S.D for 'importing sales leads from external sources such as websites and tradeshows'. This variation comes about due to the fact that the responses for each of the CRM practices were spread across the likert scale options. Low standard deviation indicated no significant variations of the extent of adoption of CRM practices while higher standard deviations indicated significant variations. The findings imply that some of these practices were carried out to a large extent implying that ISPs are selectively investing in specific CRM practices.

The study findings therefore support the arguments in literature about the practices of CRM in organizations to a fairly large extent. The findings of the study are largely reflective on observation by Chen and Popovich (2003) that organizations engaging in successful CRM practices require an integrated and balanced approach to knowledge, technology, process, and people.

#### **4.4 Customer Satisfaction Practices**

The practice of CRM in organizations is to ensure a continuous relationship with customers. This ensures that they are better placed to knowing their customers' needs and wants. It was on this understanding that it was considered plausible to establish the extent to which ISPs have adopted CRM practices aimed at improving customer satisfaction. Respondents were presented with descriptive statements of the practices and were required to score on a 5 point likert scale indicating the extent to which the ISPs have adopted them. The study findings are indicated in table 4.5 below. A mean score of below 3.00 indicated that a particular practice was found to be practiced to a less extent while the one between 3.00 and 3.99 indicate that it was found to be practiced to a moderate

extent. A practice with a mean score of 4.00 and above was considered to have been practiced to a large extent. The findings are presented in Table 4.8 below.

<b>CRM Customer Satisfaction Practices</b>					
	<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>	<b>M.S</b>	<b>S.D</b>
Provision of high quality and up to date products & services	No Extent	0	0	3.83	0.87
	Small Extent	2	5.5		
	Some Extent	9	25		
	Large Extent	23	63.9		
	Very Large Extent	2	5.5		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Use of customer friendly technological interfaces	No Extent	0	0	3.48	1.67
	Small Extent	0	0		
	Some Extent	19	52.7		
	Large Extent	11	30.5		
	Very Large Extent	6	16.7		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Speed & efficiency in dealing with customer request & orders	No Extent	0	0	3.71	1.56
	Small Extent	3	8.3		
	Some Extent	2	5.5		
	Large Extent	27	75		
	Very Large Extent	4	11.1		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Proximity of company to customers	No Extent	0	0	3.65	0.98
	Small Extent	1	2.8		
	Some Extent	8	22.2		
	Large Extent	18	50		
	Very Large Extent	9	25		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Friendly & accessible staff	No Extent	0	0		
	Small Extent	0	0		
	Some Extent	0	0		



	Large Extent	11	30.5	4.09	0.45
	Very Large Extent	25	69.4		
	<b>Total</b>	<b>36</b>	<b>100</b>		
On time delivery of services	No Extent	0	0	3.72	1.01
	Small Extent	3	8.3		
	Some Extent	7	19.4		
	Large Extent	14	38.9		
	Very Large Extent	12	33.3		
	<b>Total</b>	<b>36</b>	<b>100</b>		
Have operating hours convenient to customers	No Extent	0	0	3.65	0.97
	Small Extent	2	5.5		
	Some Extent	19	52.7		
	Large Extent	9	25		
	Very Large Extent	6	16.7		
	<b>Total</b>	<b>36</b>	<b>100</b>		

Table 4.8 CRM Customer Satisfaction Practices. Source: Research Data

The study findings in Table 4.8 above indicate that ISPs, to a moderate have adopted CRM customer satisfaction based practices. However, only one practice was carried out to a large extent as it had a mean score of above 4.00. This practice is having friendly and accessible staff members (4.09 mean score).

Other practices pointed out by the respondents as being practiced to a moderate extent (mean score of between 3.00 and 3.99) are;

- Provision of high quality and up to date products and services (3.83 mean score).
- On time delivery of products and services (3.72 mean score).
- Speed and efficiency in dealing with customer requests and orders (3.71 mean score).
- Proximity of company to customers (3.65 mean score).

- Having operating hours convenient to customers (3.65 mean score).
- Use of customer friendly technological interfaces (3.48 mean score).

None of the practice was carried out to a less extent as there was no practice that had a mean score of less than 3.00. The practices are carried out to a fairly large extent. This clearly indicates that the ISPs do engage in practices that directly seek out to improve on customer satisfaction. Customer satisfaction is a priority for these organizations.

However, it is to be noted that just like the extent of adoption of CRM practices, there were variations among respondents on the degree of practicing of the CRM practices. The variation is exhibited in the differences of responses to the respective practices by different proportions of respondents on the likert scale. The variations are indicated by the standard deviations of the practices and they range from the low of 0.45 standard deviation for 'friendly and accessible staff members' to a high of 1.67 S.D for 'use of customer friendly technological interfaces'. This implies that the higher the standard deviation, the higher the variation among the respondents on the extent of practice of particular customer satisfaction practices. This variation was also due to the fact that some respondents did not indicate the extent of adoption of some of the practices indicated as 'missing systems'. It is on this basis that the study sought to determine the influence of CRM practices on customer satisfaction.

#### **4.5 Influence of CRM Practices on Customer Satisfaction**

The second objective of the study was to determine the perception on the influence of CRM practices on customer satisfaction. This study was formulated with the expectation

that organizations that have the urge to achieve and sustain competitiveness would strive to establish a very strong link with their customers in order to maintain their market share. The motivation of practicing CRM approach is the need to retain and satisfy customers as a large customer base serves to determine an organization's success in a highly competitive market. To achieve the study objective, respondents were presented with CRM practices and were required to indicate the extent to which they perceive the practices had an influence on customer satisfaction. A mean score of below 3.00 indicated that a particular practice was found to influence customer satisfaction to a less extent while the one between 3.00 and 3.99 indicate that it was found to influence customer satisfaction to a moderate extent. A practice with a mean score of 4.00 and above was considered to influence customer satisfaction to a large extent.

#### 4.5.1 Knowledge & Insight

<b>CRM Practices Based on Knowledge &amp; Insight</b>					
	<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>	<b>M.S</b>	<b>S.D</b>
<i>Gathering and integrating customer information</i>	No Extent	1		2.76	1.09
	Small Extent	15			
	Some Extent	8			
	Large Extent	7			
	Very Large Extent	5			
	<b>Total</b>	<b>36</b>	<b>100</b>		
<i>Data mining to identify important customers</i>	No Extent	3		2.98	0.87
	Small Extent	13			
	Some Extent	18			
	Large Extent	1			
	Very Large Extent	1			
	<b>Total</b>	<b>36</b>	<b>100</b>		
<i>Seeking to know customer</i>	No Extent	0			

complaints and compliments				3.92	0.54
	Small Extent	0			
	Some Extent	0			
	Large Extent	33			
	Very Large Extent	3			
	<b>Total</b>	<b>36</b>	<b>100</b>		
Storing customers personal details and contact details	No Extent	0		3.67	0.74
	Small Extent	2			
	Some Extent	8			
	Large Extent	16			
	Very Large Extent	10			
	<b>Total</b>	<b>36</b>	<b>100</b>		
Use customer management software such as MS Dynamics	No Extent	7		2.88	1.49
	Small Extent	19			
	Some Extent	5			
	Large Extent	3			
	Very Large Extent	2			
	<b>Total</b>	<b>36</b>	<b>100</b>		

Table 4.9 CRM Practices based on Knowledge & Insight. Source Research Data

The findings on Table 4.9 above indicate that some practices were found to influence customer satisfaction to a less extent as they had a mean score of less than 3.00. These are

- Data mining to identify important customers (2.98 mean score).
- Using customer management software such as MS Dynamics (2.88 mean score).
- Gathering and integrating customer information (2.76 mean score).

Two practices were practiced to a moderate extent as they had a mean score of between 3.00 and 3.99. These are;

- Seeking to know customer complaints and compliments (3.92 mean score).

- Storing customer personal and contact details (3.67 mean score).

This implies that some of the practices based on knowledge and insight have a minimal influence on customer satisfaction. Data mining, use of CRM software and integrating customer information, though important practices do not influence customer satisfaction. They give the organizations better insights on information in seeking to know their customers better and do not direct interactions with customers. On the other hand, seeking to know customer complaints & compliments and storing customer personal & contact details, influence customer satisfaction to a moderate extent as they had a mean score of between 3.00 and 3.99. This shows that the practices that directly involve interacting with customers do have an influence on customer satisfaction.

#### 4.5.2 Process and Technology

CRM Practices Based on Process & Technology					
	Responses	Frequency	Percent	M.S	S.D
Offer personalized services using IT systems	No Extent	0		3.01	0.56
	Small Extent	3			
	Some Extent	12			
	Large Extent	16			
	Very Large Extent	5			
	<b>Total</b>	<b>36</b>	<b>100</b>		
Send automatic notifications to customers using SMS & emails	No Extent	0		3.55	1.28
	Small Extent	2			
	Some Extent	4			
	Large Extent	25			
	Very Large Extent	3			
	<b>Total</b>	<b>36</b>	<b>100</b>		
Import sales leads from	No Extent	9			

external sources such as websites, tradeshows				2.66	0.48
	Small Extent	16			
	Some Extent	6			
	Large Extent	4			
	Very Large Extent	1			
	<b>Total</b>	<b>36</b>	<b>100</b>		
Storing customer transaction history in electronic databases	No Extent	3		2.88	0.67
	Small Extent	5			
	Some Extent	7			
	Large Extent	9			
	Very Large Extent	12			
	<b>Total</b>	<b>36</b>	<b>100</b>		
Managing customer portfolios	No Extent	0		3.27	0.63
	Small Extent	0			
	Some Extent	9			
	Large Extent	17			
	Very Large Extent	10			
	<b>Total</b>	<b>36</b>	<b>100</b>		

Table 4.10 CRM Practices based on Process and Technology. Source: Research Data

The findings in Table 4.10 above indicate that two particular practices had a less influence on customer satisfaction as they had a mean score of less than 3.00. These practices are;

- Storing customer transaction history in electronic databases ( 2.88 mean score)
- Importing sales leads from external sources such as websites and tradeshow (2.66 mean score)

The rest of the practices influenced customer satisfaction to a moderate extent (mean score between 3.00 and 3.99). These are;

- Sending automatic notifications to customer using SMS and emails (3.55 mean score).
- Managing customer portfolios ( 3.27 mean score)
- Offering personalized services using IT systems ( 3.01 mean score)

None of the practice influenced customer satisfaction to a large extent as none indicated a mean score of above 4.00. From the findings, storing customer transaction history in electronic databases and importing sales leads from external sources did not involve direct interaction with customers and thus had a less influence on customer satisfaction. The practices that did involve direct interactions with customers influenced customer satisfaction to a moderate extent as they had a mean score of between 3.00 and 3.99. ISPs are using technology not only to build better products and services but also to enhance their relationships with their customers. The use of such technology is enhancing customer relationships through optimizing relationships with their cusotmers and therefore influencing positively customer satisfaction.

#### 4.5.3 People

<b>CRM Practices Based on People</b>					
	<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>	<b>M.S</b>	<b>S.D</b>
Display courtesy while serving customers	No Extent	0		4.21	0.78
	Small Extent	0			
	Some Extent	0			
	Large Extent	14			
	Very Large Extent	22			
	<b>Total</b>	<b>36</b>	<b>100</b>		
Exhibiting high level of trustworthiness and reliability	No Extent	0		3.96	1.03
	Small Extent	0			

	Some Extent	2			
	Large Extent	16			
	Very Large Extent	18			
	<b>Total</b>	<b>36</b>	<b>100</b>		
Conduct customer survey regularly	No Extent	0		3.74	0.86
	Small Extent	5			
	Some Extent	9			
	Large Extent	15			
	Very Large Extent	7			
	<b>Total</b>	<b>36</b>	<b>100</b>		
Offer queries in form of frequently asked questions	No Extent	0		3.92	1.28
	Small Extent	5			
	Some Extent	2			
	Large Extent	22			
	Very Large Extent	7			
	<b>Total</b>	<b>36</b>	<b>100</b>		
Enter on one on one communication with customers	No Extent	0		4.08	0.79
	Small Extent	0			
	Some Extent	3			
	Large Extent	12			
	Very Large Extent	21			
	<b>Total</b>	<b>36</b>	<b>100</b>		

Table 4.11 CRM Practices based on People. Source: Research Data

The findings on Table 4.11 indicate that CRM practices based on people influenced customer satisfaction to a moderate extent. Two particular practices influenced customer satisfaction to a large extent as indicated by a mean score of above 4.00

- Displaying courtesy while serving customers (4.21 mean score).
- Entering on one on one communication with customer (4.08 mean score).



The other practices influenced customer satisfaction to a moderate extent as indicated by a mean score of between 3.00 and 3.99. These are;

- Exhibiting high level of trustworthiness and reliability (3.96 mean score).
- Offering queries in form of frequently asked questions (3.92 mean score).
- Conducting customer survey regularly (3.74 mean score).

None of the practice influenced customer satisfaction to a less extent (less than 3.00 mean score) as they exhibited a high trend in mean scores. It is also noted that there were variations among respondents. The variations are exhibited in the differences of responses to the respective practices by different proportions of respondents on the likert scale. The variations are indicated by the standard deviations of the practices and they range from the low of 0.54 standard deviation for 'seeking to know customer complaints and compliments' to a high of 1.49 S.D for 'use of customer relationship management software such as MS Dynamic'. This implies that the higher the standard deviation, the higher the variation among the respondents on the extent of practice of particular customer satisfaction practices. This variation was also due to the fact that some respondents did not indicate the extent of adoption of some of the practices indicated as 'missing systems'.

The findings clearly indicate that the practices that involved direct interactions with customers had a fairly large extent influence on customer satisfaction. The CRM practices based on people exhibited a high trend in mean scores and also involved direct interactions with customers thus consistent with the findings that they influenced customer satisfaction to a large extent. This is indicative that ISPs view CRM practices

based on people to have a large influence on customer satisfaction. They involve direct interaction with customers. This shows that maintaining healthy relationships with customers does influence customer satisfaction. The overall findings on customer satisfaction shows that CRM practices do have an influence on customer satisfaction to a moderate extent.

# CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

## 5.1 Introduction

This study set out to achieve two objectives, the customer relationship management practices carried out by the internet services providers and the influence of these practices on customer satisfaction. In this chapter, summary, conclusion and recommendations based on findings are presented.

## 5.2 Summary

The need for firms to remain competitive and successful in the long-term has created the concept of customer relationship management (CRM). It focuses on the combination of people, process and technology that seeks to understand a company's customers (Chen et al, 2003). To achieve the study objectives and answer the study questions, the customer relationship practices carried out by the organizations and their influence on customer satisfaction.

It was established that out of the 51 internet services providers (ISP) identified, 36 organizations participated in the study and which was a 70.5% response rate. It was also established that 64% of the organizations were small businesses enterprises as they had employees of less than 50. 6% of the companies had a larger scale enterprise setting as they had over 150 employees. In terms of classification of companies, 55.6% of the

organizations were local, 25% national and 19.4% were regional. None of the companies were multinational.

With respect to the first objective, the CRM practices were presented and analyzed according to the three key models (knowledge & insight, process & technology and people). It was established that CRM practices presented to respondents based on knowledge & insight used in the study are practiced to a fairly large extent by ISPs. The findings show that the practice that was carried to a large extent was storing customer personal details and contact details (4.63 mean score) while undertaking data mining to identify important customers was practiced to a moderate extent (3.85 mean score). The CRM practices based on process & technology were also practiced to a fairly large extent. The findings show that the practice that was carried out to a large extent was storing customer transaction history (4.5 mean score) while the practice that was carried out to a moderate extent was managing customer portfolios (3.65 mean score). The CRM practices based on people were carried out to a fairly large extent. The practice that was practiced to a large extent was displaying courtesy while serving customers (4.55 mean score) while offering queries of frequently asked questions was practiced to a moderate extent (3.41 mean score).

The study findings with respect to customer satisfaction practices were largely consistent with the findings of CRM practices. It was established that ISPs to a large extent, practiced customer satisfaction practices. Key among them were found to be friendly & accessible staff (mean score 4.09), provision of high quality and up to date products &

services (mean score 3.83) and speed & efficiency in dealing with customer request & orders (mean score 3.71).

With respect to the second objective, the study findings were presented and analyzed according to the three key models of CRM (knowledge & insight, process & technology and people). The findings showed that the CRM practices presented to the respondents based on knowledge & insight were, to a moderate extent, perceived to have an influence on customer satisfaction. It is observed that the practice that had a moderate influence on customer satisfaction was seeking to know customer complaints and compliments (3.92 mean score) and the practice found to have an influence to a less extent was gathering and integrating customer information (2.76 mean score).

The practices based on process & technology had a moderate influence to customer satisfaction. The practice that had a moderate influence on customer satisfaction was sending automatic notifications to customer using SMS and emails (3.55 mean score). The practice that influenced customer satisfaction to a less extent was importing sales lead from external sources such as websites and tradeshows (2.66 mean score).

The practices based on people influenced customer satisfaction to a fairly large extent as they exhibited a high trend in mean scores. The practice that influenced customer satisfaction to a large extent was displaying courtesy while serving customers (4.21 mean score) while the practice that influenced customer satisfaction to a moderate extent was conducting customer survey regularly (3.74 mean score).

### 5.3 Conclusion

The findings of the research have brought into light issues regarding the adoption of CRM practices and their influence on customer satisfaction. Customer relationship management is becoming increasingly important over the next few years as companies experience greater price competition, pressure to drive down operating costs, greater complexity of products and services, and rising customer demands (Radcliffe, 2001). The overall results show that most ISPs are small in size given their number of employees and offer a wide range of services.

The findings indicate that the organizations, to a large extent practiced CRM practices. Similarly, the results indicated that the ISPs adopted customer satisfaction practices to a large extent. There was consistency in the results with respect to the management view of the influence of CRM practices on customer satisfaction. All the CRM practices were perceived to have an influence on customer satisfaction. The differences in the extent of influence were observed with the different key models presented to respondents. CRM practiced based on people exhibited a high trend in mean scores thus perceived to influence customer satisfaction to a fairly large extent while CRM practices based on process & technology exhibited a much lower mean score thus perceived to influence customer satisfaction to a moderate extent.

Overall, it could be concluded that, in spite of the variations among respondents with respect to the extent of adoption of CRM practices and their influence on customer satisfaction, the results indicated that ISPs in Nairobi have to a large extent shifted their

focus from short-term profit oriented transaction marketing to long term knowledge based relationship marketing as there is a need to retain a customer base that guarantee not only survival but also sustained competitive advantage.

#### **5.4 Recommendations from the Study**

Based on the findings of the study, the researcher gives following recommendations,

- i. Companies need to be more customer-focused. They should take into account what their customers want before they think about how to successfully sell their products and services. The difference becomes more apparent among companies that consider having a successful CRM strategy to succeed: companies should be completely customer-centric or most customer-focused.
- ii. Have a formal CRM framework in place. For firms to be successful they must identify CRM as a corporate initiative and put a senior manager or executive in charge of CRM efforts. Successful CRM implementation depends heavily on good management and good planning by staff and there is no better way than having a managerial department which is responsible for CRM.
- iii. Focused on integration. About one-half of all survey respondents whose CRM initiatives are successful agree that getting a complete view of the customer is important. Companies that focus on integrating across various business lines and functions understand that the only way to get a complete view of the customer is to have a complete view of the business, from the initial sales order to the very end of the supply chain.

- iv. Improved ability to grow an effective sales team. When companies leverage CRM and are improving sales team's effectiveness, they are simultaneously developing best practices and a sales training system. By knowing what works and continuously improving their sales process, they can build a foundation for bringing new sales representatives online quickly and making them productive fast. Should a sales representative leave, accounts and prospects can be quickly reassigned. All the data about the account – and in essence the company's customer relationship stays with the organization.

### **5.5 Limitations of the Study**

The findings of this study should be interpreted with the following limitations in mind

It was not possible to get 100% response rate due to the busy schedule and not all companies were fully operational

There is a limitation of the authenticity of the data received. It was not easy to establish whether or not the targeted respondents are the ones who participated in offering the data that was analyzed. Given that the questionnaires were delivered to the companies, it was not possible to ensure that the right respondents participated in the study.

The study was limited to internet services providers in Nairobi and may not apply to other industry.



## **5.6 Recommendation for further Research**

In connection with further research, the researcher recommends the following.

First, since this study adopted a census research, a case by case study would help bring out some of the unique findings about specific ISPs especially major ones such as Access Kenya because such studies are in depth and hence very detailed. This will also increase the chances of getting qualitative data which was not captures during this study.

Other dimensions of customer relationship management practices can be carried out among the ISPs. For instance, one might be interested in investigating the challenges of implementing CRM practices among internet services providers.

## REFERENCES

- Ahmad, I., & Chowdhury, R. A. (2008). Electronic Customer Relationship Management (e-CRM). Customer's Perception of value from e-CRM features on airline e-ticketing websites. Retrieved AUGUST 30, 2009
- Baran, R. J., J, G. R., & Strunk, D. P. (2008). *Customer Relationship Management*. New Delhi: South-Western.
- Bauer, Hans H., Grether, M., & Leach, M. (2006). Building Customer Relations over the Internet. Mannheim, Mannheim Univeristy, Department of Marketing. Germany.
- Bose R (2005). CRM: Key Components for IT Success. *Industrial Management & Data Sytems, VOL. 102 NO 2 pp 88-97*
- David, M. (1997). *New Marketing Practice: Rules For Success in a Changing Wolrd*. New York: Penguin Books.
- Day, G. S., & Van Den Bulte, C. (2002). *Superiority In Customer Relationship Management: Consequences For Competitive Advantage And Performance*. Wharton Business School; University of Pennsylvania .
- Chaffey, D., Ellis-Chadwick, F., & Kevin, J. (2009). *Internet Marketing: Strategy, Implementation & Practice. 4th Edition*. Harlow: Prentice-Hall.
- Chen, I. J., & Popovich, K. (2003). Understanding Customer Relationship Management (CRM): People, process and technology. *Business Process Management Journal VOL: 9 NO: 5* .
- Dran, G. M., Zhang, P., & Small, R. (1999). Quality Websites: An application of the Kano Model to Website Desing. *5th Americas Conference on Information Sytems*. Milwaukee.
- Feinberg, R., & Kadam, R. (2002). E-CRM Web Service attributes as determinants of customer satisfaction with retail websites. *International Journal of Services Industry Management, VOL 13, NO 5* .
- Garbarino, E., & Johnson, M. S. (1999). The different Roles of Satisfaction, Trust, and Commitment in Customer Relationships. *Journal of Marketing Vol 63* , 71-76.
- Garcia - Murillo, M., & Annabi, H. (2002). Customer Knowledge Management. *The Journal of the Operational Research Society* , Vol. 53, No. 8 , pp. 875-884.
- Gordon, I. (2002). Best Practices: Customer Relationship Management. *Ivey Business Journal Online* , 1-5.
- Gummesson, E. (1999). *Total Relationship Marketing: Rethinking Marketing Mangement- From 4Ps to 30 Rs*. New York: Butterworth- Heinemann.

- Hutt, M. D., & Speh, T. W. (2007). *Business Marketing Management: B2B*. New Jersey: Thomas-South-Western.
- Jacobs, R. (1999). *Evaluating Satisfaction with Media Products and Services: An Attribute Based Approach*, European Media Management Review.
- Jerono, H. (2008). *Relationship Marketing Practices and their impact on Customer Retention in the Commercial Banks in Kenya*. Unpublished research project. University of Nairobi.
- Kagia, P. (2007). *Influence of Relationship Marketing Strategy on Performance of Sales Force of Companies Underwriting Personal Life Assurance Products in Kenya*. Unpublished research project. University of Nairobi.
- Kotler, P., & Armstrong, G. (2008). *Principles of Marketing, 12th edition*. New Jersey: Pearson Prentice Hall.
- Metters, R., Metters- King, K., Madeleine, P., & Walton, S. (2006). *Successful Service Operations Management 2nd Edition*. New York: Thomson- South-Western.
- Munyoki, J.M. (2008). *Marketing Research Class Notes*. School of Business. University of Nairobi
- Nyamwea, S. ( 2005). *Strategy Development at Lonrho Africa PLC*. Unpublished research project. University of Nairobi
- Nyongesa, F. O (2006). *Application of Customer Relationship Marketing Strategies by Classified Hotels in Kenya*. Unpublished research project. University of Nairobi.
- Radcliffier, J. (2001). Eight Building Blocks of CRM: A Framework for Success. *Gartner Research* , ID Number: AV-14-9265 pp 3-5.
- Rayport, J. F., & Jarworski, B. J. (2004). *Introduction to E-Commerce, 2nd Edition*. McGraw-Hill.
- Rigby, D. K., Reichheld, F., & Dawson, C. (2003). Winning customer loyalty is the key to a winning CRM strategy. *Ivey Business Journal Online* , 2-5.
- Saunders, M., & Lewis, P. (2008). *Research Methos for Business Students,4th Edition*. New Jersey: Thorn-Hill.
- Schoder, D., & Nils, M. (2004). Is Customer Relationship Management A Sucess Factor in Electronic Commerce? *Journal of Electronic Commerce Research, VOL 5, NO1* .
- Scullin, S., Allora, J., Lloyd, G. O., & Fjermestad, J. (2002). *Electronic Customer Relationship Mngement: Benefits, Considerations, Pitfalls & Trends*.

- Stair, R., & George, R. (2008). *Principles of Information Systems: A managerial Approach 8th Edition*. New York: Prentice Hall.
- Srinivasam, S. S., Anderson, R., & Ponnovolu, K. (2002). Customer loyalty in e-commerce. An exploration of its antecedents & consequences. *Journal of Retailing*, NO 78 .
- Tezinde, T., Smith, B., & Murphy, J. (2002). Getting Permission: Exploring Factors Affecting Permission Marketing. *Journal of Interactive Marketing*. VOL 16, NO 4 .
- William, B., Richard, S., Michael, E., & Johnston, W. J. (2005 ). A Customer Relationship Management Roadmap: What Is Known, Potential Pitfalls, and Where to Go. *Journal of Marketing Vol 69 ( October) , 157-165*.
- Zeithaml, V. A., & Bitner, M. J. (2003). *Services Marketing: Integrating Customer Focus Across Firms*. Upper Saddle River: McGraw-Hill-Irwin.



Agnes Murugi Mwangi  
University of Nairobi  
School of Business  
C/O M.B.A. Offices  
P.O Box 30197-00100  
NAIROBI

Dear Respondent,

**RE: COLLECTION OF RESEARCH DATA**

I am Agnes Murugi Mwangi undertaking a post-graduate degree at the University of Nairobi. In order to fulfill the Master of Business Administration (M.B.A) degree requirement, I am undertaking a management research project on **Influence of Customer Relationship Management Practices on Customer Satisfaction among Internet Services Providers in Nairobi.**

Your organization has been selected from a list obtainable from the Communications Commission of Kenya of all internet services providers to form part of this study. This is to kindly request you to assist me collect the data by filling out the attached questionnaire, which I will collect from your premises.

The information you provide will be used exclusively for academic purposes. The information will be confidential and your identity (and that of your organization) will not be revealed at any time to anyone. Your co-operation will be highly appreciated.

Thank you in advance,

Yours Faithfully

---

**AGNES MURUGI MWANGI  
M.B.A. STUDENT  
UNIVERSITY OF NAIROBI**

**MRS. MARY KINOTI  
LECTURER/SUPERVISOR  
UNIVERSITY OF NAIROBI**

# QUESTIONNAIRE

## PART I: Organizational Bio Data

1. a) Name of respondent  
(optional).....

b) Name of Internet Services Providers  
Company.....

2. Using the categories below, please indicate by ticking [√] the number of staff employed.

Less than 50 [ ]

Between 51-100 [ ]

Between 101-150 [ ]

Over 150 [ ]

3. Using the categories below, please indicate by ticking [√] the category classification of the company

Multi- national [ ]

Regional [ ]

National [ ]

Local [ ]

Others (please specify).....

.....

.....

4. Using the categories below, please indicate by ticking [√] the market share (as a percentage of total sales) of your company.

Less than 20 [ ]

Between 21-30 [ ]

Between 31 -40 [ ]

Over 40 [ ]

5. Using the range of internet services below, indicate by ticking [√] which ones are offered by your organization

Domain service [ ]

Wireless Broadband [ ]

Web-hosting [ ]

Database Hosting [ ]

Web design [ ]

Web development [ ]

Anti-virus Package [ ]

ISDN [ ]

ADSL [ ]

CDMA [ ]

Others (please specify).....

.....

.....

**PART II Customer Relationship Management Practices**

6. *The following are customer relationship management practices that are implemented in organizations as part of their marketing strategies. To what extent has your company implemented each of them?*

Indicate the extent to which your company practices the following on a scale of 1-5 where;

5 – to a very large extent

4 – to a large extent

3 – to some extent

2 – to a small extent

1 – to no extent

Gathering and integrating customer information	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Undertaking data mining to identify important customers who warrant special attention.	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Seeking to know customers complaints and compliments	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Entering into one on one communication with a customer	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Storing customers' personal and contact details	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Use customer relationship management software such as Microsoft Dynamics, Seibel CRM & Sugar CRM	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Display courtesy while serving customers	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Offer queries in form of frequently asked questions	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]



Exhibiting high level of trustworthiness and reliability	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Manage customer portfolios	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Conducting customer surveys	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Storing customer transaction history in computer databases	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Send automatic notifications to customers through emails or SMS	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Import leads from external sources, such as Web downloads, trade shows, seminars, direct mail, and other types of campaigns	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Offer personalized services using IT Systems	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]

### **PART III Influence of Customer Relationship Practices on Customer Satisfaction**

7. *In your view to what extent are the following customer satisfaction practices adopted in your organization. Use the key below to tick as appropriate.*

- 5 – to a very large extent                    [ ]
- 4 – to a large extent                            [ ]
- 3 – to some extent                              [ ]
- 2 – to a small extent                           [ ]
- 1 – to no extent                                 [ ]

Provision of quality and up to date products and services	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
User friendly technological interfaces that are not overwhelming to the customer	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Speed and efficiency in dealing with customers requests and orders	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]

Friendly and accessible staff members	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Proximity of your company to your customers	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
On time delivery of services	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Have operating hours convenient to all your customers	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]

8. *In your opinion, to what extent has these CRM practices implemented in your company influenced customer satisfaction?*

Indicate the extent to which the CRM practices influence customer satisfaction following on a scale of 1-5 where;

5 – to a very large extent

4 – to a large extent

3 – to some extent

2 – to a small extent

1 – to no extent

Gathering and integrating customer information	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Undertaking data mining to identify important customers who warrant special attention.	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Seeking to know customers complaints and compliments	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Entering into one on one communication with a customer	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Storing customers' personal and contact details	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Use customer relationship management software such as Microsoft Dynamics, Seibel CRM & Sugar CRM	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]

Display courtesy while serving customers	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Offer queries in form of frequently asked questions	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Exhibiting high level of trustworthiness and reliability	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Manage customer portfolios	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Conducting customer surveys	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Storing customer transaction history in computer databases	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Send automatic notifications to customers through emails or SMS	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Import leads from external sources, such as Web downloads, trade shows, seminars, direct mail, and other types of campaigns	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Offer personalized services using IT Systems	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]

### APPENDIX III

#### LIST OF INTERNET SERVICES PROVIDERS IN NAIROBI

- ACCESS KENYA GROUP {ACCESKENYA}
- AFRICA ONLINE LTD
- AFRICA CABLE AND WIRELESS SOLUTION PROVIDER LTD {ACWSP}
- NAIROBI NET
- AFRICAEMARKETPLACE
- AFRICAN REGIONAL CENTRE FOR COMPUTING {ARCC}
- AFSAT COMMUNICATIONS (K) LTD
- BROWSE INTERNET ACCESS LIMITED NAIROBI
- CALLKEY (EA) LIMITED NAIROBI
- COMMUNICATION SOLUTIONS LIMITED NAIROBI
- DIALNET COMMUNICATION SYSTEMS LIMITED NAIROBI
- DATA NET OPTIONS LIMITED NAIROBI
- EZSAT AFRICA LIMITED NAIROBI
- FLEXIBLE BANDWIDTH SERVICES LIMITED NAIROBI
- GATEWAY ONLINE
- GLOBAL BROADBAND SOLUTION KENYA LIMITED NAIROBI
- INTERNET NAIROBI
- IWAY AFRICA
- JAMBO TELKOM LIMITED
- KARIBU TELECOM LIMITED
- KENYA DATA NETWORKS LIMITED
- KENYAWEB.COM LIMITED
- LIAM TELECOMMUNICATIONS LIMITED
- MIPS NETCAFE
- MITSUMINET (K) LIMITED
- MY ISP LIMITED
- NAIROBI NET (K) LIMITED
- NEOTIS KENYA LIMITED
- NIRALI ENTERPRISES LIMITED
- POPOTE WIRELESS
- PACE SETTERS COMMUNICATION NETWORK
- SAFARI-SURF WEB SERVICES LTD
- SKYWEB TECHNOLOGIES LIMITED
- SIMBANET
- SAHANNET LIMITED
- SWIFT GLOBAL (K) LIMITED
- UUNET KENYA LIMITED
- WANANCHI ONLINE LIMITED

Source as at June 2010: [www.cck.go.ke](http://www.cck.go.ke)

## LIST OF TABLES: CRM SOFTWARES USED BY FIRMS

CRM SOFTWARE	KEY FEATURES
Microsoft Dynamics CRM Business Software	<ul style="list-style-type: none"> <li>• Sales automation. It offers individualized sales reports with different set of data that managers and sales reps can access.</li> <li>• optimizes, manages and tracks the marketing efforts</li> </ul>
Sugar CRM	<ul style="list-style-type: none"> <li>• Automates the sales force, allows tracking of sales opportunities</li> <li>• Assists in managing customer information</li> <li>• Enables sharing of customer information with co-workers</li> <li>• Generates informative reports for prioritizing the sales tasks.</li> </ul>
InforCRM Epiphany Review	<ul style="list-style-type: none"> <li>• Streamlines the marketing by creating real-time customer profiles that assist in identifying the leads.</li> <li>• Offers sales force automation and implements the best possible opportunity management practices.</li> </ul>
Salesforce.com online CRM	<ul style="list-style-type: none"> <li>• Automation of marketing, customer service and support</li> <li>• Sales force automation</li> <li>• Documentation management</li> <li>• Content management</li> <li>• Product catalog management</li> </ul>
CiviCRM Review Open Source Nonprofit CRM	<ul style="list-style-type: none"> <li>• Offers easy customization, allowing the users to create custom data fields.</li> <li>• Task management that allows planning and assigning tasks to each staff members</li> </ul>

Table 4.12 CRM software used by firms.

Source as at July 2010: [www.crmsoftware360.com](http://www.crmsoftware360.com)