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Customer Relationship Management (CRM) Implementation within the Banking and Mobile Telephony Sectors of Nigeria and South Africa.

By

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A thesis submitted to Wits Business School, Faculty of Commerce, Law and Management, University of the Witwatersrand, Johannesburg, in fulfillment of

the Degree of Doctor of Philosophy.

September 2013

APPROVAL FROM THE PhD COMMITTEE

We hereby certify that this Dissertation entitled “Customer Relationship Management (CRM) Implementation within the Banking and Mobile Telephony Sectors of Nigeria and South Africa” submitted by Ms Nathalie Beatrice CHINJE conforms to the required standards, and as such is fully adequate in scope and quality. It is therefore approved as the fulfillment of the Dissertation requirements for the PhD Degree in Management.

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DISSERTATION DECLARATION

I hereby declare that this thesis is my own unaided work except where due recognition has been given. It is submitted for the degree of Doctor of Philosophy at the University of the Witwatersrand, Johannesburg in South Africa. It has not been submitted before for any other degree at any other university.



……

Nathalie Beatrice CHINJE

September 2013

Abstract

In recent years, emerging markets have become the main “engine of global (economic) growth” (Spence, 2011, p. 8) . Whilst the rapid diffusion of its banking and mobile telephony industries has been unprecedented and well documented in the literature (Bankole, Bankole, & Brown, 2011; Bick, Brown, & Abratt, 2004; Brahima, 2012; Kalba, 2008), the dearth of empirically based evidence on CRM implementation in emerging markets in general, and Nigeria and South Africa (SA) in particular, remains undisputed (Kumar, Sunder, & Ramaseshan, 2011; Sheth, 2011).

Consequently, the problem this research addresses is the lack of adaptation of CRM strategies to the emerging market context and the lack of understanding of contingency factors that may inhibit or enable the effectiveness of CRM implementation in companies. To provide further insights into this issue, sixty six (66), one-on-one, semi-structured interviews were conducted with CRM strategy developers, implementers and those fulfilling both roles in four companies across the banking and mobile telephony sectors of Nigeria and South Africa. Secondary data were also collected and triangulated with the findings derived from the primary research to enhance the rigour of this research process; and most importantly, to strengthen the reliability and validity of the research findings. The collected data was recorded, transcribed and analysed using a contact summary form and MAXQDA analysis, a qualitative data analysis software package.

The research findings illustrate that whilst some of the factors for CRM effectiveness in Nigeria and South Africa may be consistent with those in high income, industrialized markets, the peculiarities of Nigeria and South Africa require that companies adapt their CRM strategies to the local context. The contingency factors that can either impede on or enhance effective CRM implementation in these countries include (a) *multichannel integration* (particularly informal channel and social media), (b) *operating structure*, (c) *training and staff recruitment*

practices, (d) *customer data storage and mining capabilities* as well as (e) *normative motives linked with the socio-cultural context of the country*.

The similarities and differences between Nigeria and South Africa are also highlighted in this study.

The originality of this study lies in it clearly defining the peculiarities of CRM in emerging markets, thereby establishing that these markets are different from high income, industrialized markets.

In addition, this study identifies the contingency factors that can enhance or impede on CRM success in these markets and puts forward a set of research propositions as well as a conceptual model for CRM implementation in emerging markets as a contribution to the body of knowledge. This CRM conceptual model can be tested in future research.

Building on these findings, the study makes suggestions on how the strategy of CRM can be adapted to the emerging market context. It proposes that companies assess their CRM readiness through the application of a newly developed heat map that takes into consideration the company lifestage and its industry saturation level. This heat map is a useful tool for organisations to ascertain whether or not they are ready to embark upon the CRM programme, to better understand the required efforts needed to deliver on a successful CRM programme as well as the expected timelines for true benefits realisation. Moreover, another contribution of this research is the development of a CRM index, a composite index of 16 indicators that measures CRM success across three dimensions; namely organisational, institutional and customer data.

Furthermore, the novelty of this research can also be found in the triangulation of theories such as the contingency, institutional, and Hofstede's fifth national value dimensions of culture that focuses on a short vs. long-term orientation of cultures and companies, are integrated into a single study.

This study has theoretical, managerial, conceptual, methodological and societal implications. Future research could include other geographies, industries, a longitudinal study and quantitative studies based on the testing of the proposed CRM conceptual model and index.

Key words: Africa, banking, cross-case analysis, CRM, Emerging Market, high income, industrialized markets, Nigeria, relationship marketing, services marketing, South Africa, within case analysis.

Dedications

This PhD report is all about Africa, this new investment frontier and the main destination for companies that are keen on achieving sustained returns in what was once known as the gloom and dark Continent. It is also a culmination of what I have learnt as an entrepreneur, consultant, corporate employee and academic over the past 14 years, about customers, relationship building, services marketing, institutions and businesses in Africa. Throughout those years, my learning experience was heightened by the many engagements I had with various people and organizations across the world—either face to face or virtual. Although I cannot thank them all in this report, I find it necessary to acknowledge a select few numbers of those individuals and organizations that have supported me throughout my PhD journey which now spans four years.

First, I would like to express my deepest gratitude to the organizations that willingly accepted to be the unit of analysis in this research. Specifically, I refer to the banking and mobile companies of South Africa and Nigeria. Your employees were open and freely engaged with me during the one-on-one meetings and thereafter, they were available to provide further clarity on the topics that were discussed.

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Last but not least, to my study Leader and Mentor, Prof Geoff Bick, who has guided me throughout these past years, your patience and extreme support have helped me to be resilient and to look continuously for ways to enhance my research report.

I believe that this report will be a catalyst in companies for rethinking their customer strategies. In addition to this, I sincerely hope that it can enable them to find innovative ways to develop and implement CRM programmes that will not just generate sustained profits for these companies; but also delight their customers, all the time.

Table of Contents

Page

List of Figures ..... **xiv**

List of tables ..... **xv**

List of appendices ..... **xvii**

Abbreviation and acronyms ..... **xviii**

CHAPTER 1: INTRODUCTION 1

1.1 Context of the Study 1

1.2 Problem Statement 7

1.3 Purpose Statement and Key Research Questions 8

1.4 Knowledge Gap 9

1.4.1 CRM conceptual gap 9

1.4.2 Theoretical gap 10

1.4.3 Methodological gap 11

1.4.4 Managerial gap 11

1.4.5 Societal gap 11

1.5 Brief Research Methodology 12

1.6 Thesis Structure and Map 14

CHAPTER 2: THEORETICAL FRAMEWORK 17

2.1 Contingency Theory 17

2.1.1 Overview and definition of the contingency theory 18

2.1.2 Application of the contingency theory to the broad management context 19

2.1.3 Limitation of the contingency theory 20

2.1.4 Relevance of the contingency theory to this study 21

2.2 Institutional Theory 22

2.2.1 Overview and definition of the institutional theory 22

2.2.2 Application of the institutional theory to the broad management context 25

2.2.3 Limitation of the institutional theory 26

2.2.4 Relevance of the institutional theory to this study 27

2.3 Culture Theory: Hofstede's Fifth Value Dimensions of National Culture 29

2.3.1 Overview and definition of the institutional theory 32

2.3.2 Application of the Hofstede's theory to the broad management context. 33

2.3.3 Limitation of the Hofstede's theory 34

2.3.4 Relevance of Hofstede's fifth value dimension to this study 35

CHAPTER 3: LITERATURE REVIEW 38

3.1 CRM Concepts Definition 38

3.1.1 What is a relationship? 38

3.1.2 CRM defined 41

3.1.3 CRM- related concepts 45

3.2 Antecedents to Successful Customer Relationship Management 49

3.2.1 The high income, industrialised markets perspective 49

3.2.2 The emerging markets perspective 53
3.2.3 Synthesis and key insights 56
3.3 Benefits and Challenges of Customer Relationship Management 60
3.3.1 Introduction 60
3.3.2 Benefits 61
3.3.3 Challenges 63
3.4 Market Analysis 66
3.4.1 Nigerian and South African contexts 66
3.4.2 Characteristics of the banking and mobile telephony sectors 71

CHAPTER 4: RESEARCH METHODOLOGY 82
4.1 Introduction 78
4.2 Research Design and Paradigm 81
4.2.1 Research design and motivation for the selected research method 81
4.2.2 Research paradigm 83
4.3 Population and Sample 86
4.3.1 Definition of key concepts: Population and sampling 86
4.3.2 Sample selection 90
4.4 Procedure for Data Collection 93
4.4.1 Data collection process 93
4.4.2 Data sources 95
4.4.3 Research instrument and protocol 97
4.4.4 Methods of data analysis and interpretation 98
4.5 Criteria for High Quality Research Design and Analysis 100

CHAPTER 5: CASE STUDY RESULTS – Focus on a bank (SABA) and a mobile telephony (SATEL) company in South Africa 110

5.1 Introduction 110

5.2 Results from CRM Implementation at SATEL 110

5.2.1 Overview of the "As is" CRM implementation at SATEL 110

5.2.2 Presenting CRM results at SATEL under the three dimensions of organizational, institutional and customer data factors 116

5.3 Results from CRM Implementation at SABA 121

5.3.1 Overview of the "As is" CRM implementation at SABA 121

5.3.2 Presenting CRM results at SABA under the three dimensions of organizational, institutional and customer data factors 125

5.4 Summary and Key Insights 131

CHAPTER 6: CASE STUDY RESULTS – Focus on a bank (NIBA) and a mobile telephony (NITEL) company in Nigeria 133

6.1 Introduction 133

6.2 Results from CRM Implementation at NITEL 133

6.2.1 Overview of the "As is" CRM implementation at NITEL 133

6.2.2 Presenting CRM results at SATEL under the three dimensions of organizational, institutional and customer data factors 140

6.3 Results from CRM Implementation at NIBA 146

6.3.1 Overview of the "As is" CRM implementation at NIBA 146

6.3.2 Presenting CRM results at SABA under the three dimensions of organizational, institutional and customer data factors 150

6.4 Summary and Key Insights 154

CHAPTER 7: CROSS-CASE STUDY RESULTS – Focus on a bank (NIBA) and a mobile telephony (NITEL) company in Nigeria 156

7.1 How is CRM Implementation in Emerging Markets Different from High Income, Industrialized Markets? 157

7.1.1 Factors Affecting CRM Implementation in Emerging Markets: A consolidated view based on the SATEL, SABA, NITEL and NIBA case studies157

7.1.2 Contrasting research findings from CRM implementation in emerging markets against high income industrialised countries 177

7.2 What Are the Contingency Factors That Could Contribute Towards CRM Success or Failure in Emerging Markets?..... 186

7.3 How Can the CRM Strategy Be Adapted to the Emerging Market Context? 187

CHAPTER 8: CONCLUSIONS AND RECOMMENDATIONS..... 188

8.1 Conclusions 188

8.2 Recommendations..... 195

8.2.1 Assessing the readiness of companies to implement CRM..... 196

8.2.2 Designing and implementing a CRM index for Emerging Markets 199

8.3 Implications..... 204

8.3.1 Managerial implications..... 204

8.3.2 Theoretical implications..... 206

8.3.3 Methodological implications..... 208

8.3.4 CRM conceptual implications 209

8.3.5 Societal implications..... 210

8.4 Limitations..... 211

8.5 Directions for Future Research 212

References 214

List of Figures

Figure 1-1: Thesis structure and map 16

Figure 2-1: The theoretical framework 17

Figure 3-1: The relationship development process 40

Figure 3-2: Feedback loop between operational and analytical CRM 45

Figure 3-3: CRM critical success factors 52

Figure 3-4: Global mobile subscriptions by regions Q4 (2011) 75

Figure 3-5: South Africa, low user basket in Rand (ZAR) 78

Figure 3-6: Market share of mobile operators in Nigeria (December 2011) 79

Figure 4-1: The research process 83

Figure 5-1: “As Is” CRM implementation at SATEL 112

Figure 5-2: “As Is” CRM implementation at SABA 124

Figure 6-1: “As Is” CRM implementation at NITEL 138

Figure 6-2: “As Is” CRM implementation at NIBA 149

Figure 7-1: CRM implementation conceptual model for emerging markets 159

Figure 8-1: Heatmap of CRM predicted failure/success rate 197

List of Tables

Table 1-1: Projected real growth rates of 21 emerging market economies for the period 2007-50 (% per annum) 3

Table 2-1: Long-term orientation index and factor scores of 23 countries and regions 36

Table 3-1: An overview of CRM-related concepts 47

Table 3-2: Review of critical CRM success factors in industrialised markets 53

Table 3-3: Contrasting emerging and developed market views on CRM success factors 58

Table 3-4: The divergent measures of CRM implementation success 62

Table 3-5: The divergent measures of CRM implementation failure 65

Table 3-6: Assessment of the Nigerian and South African contexts 67

Table 3-7: Top 10 world's banks by market capitalisation 72

Table 3-8: Top banks in Africa 73

Table 3-9: Worldwide mobile sales by vendor during Q4 (2011) 76

Table 4-1: Description of research activities by research stage 84

Table 4-2: Four categories of scientific paradigm and their elements 89

Table 4-3: Overview of companies involved in this study 92

Table 4-4: Sample description 93

Table 4-5: Data sources and application to the study 100

Table 4-6: CRM construct measurement properties 103

Table 4-7: Criteria for judging quality in case study research 105

Table 5-1: Organisational factors with impact on SATEL CRM programme 115

Table 5-2: Institutional factors with impact on SATEL CRM programme 118

Table 5-3: Customer data factors with impact on SATEL CRM programme 120

Table 5-4: Organisational factors with impact on SABA CRM programme 126

Table 5-5: Institutional factors with impact on SABA CRM programme 129

Table 5-6: Customer data factors with impact on SABA CRM programme 130

Table 6-1: Organisational factors with impact on NITEL CRM programme 140

Table 6-2: Institutional factors with impact on NITEL CRM programme 143

Table 6-3: Customer data factors with impact on NITEL CRM programme 145

Table 6-4: Organisational factors with impact on NIBA CRM programme 151

Table 6-5: Institutional factors with impact on NIBA CRM programme 153

Table 6-6 Customer data factors with impact on NIBA CRM programme 154

Table 7-1: Equation model of CRM implementation in EMs 158

Table 7-2: Legend 178

Table 7-3: Contrasting Ems findings against CRM literature in HICs 180

Table 7-4: Equation model of CRM contingency factors 186

Table 8-1: Consistency matrix linking research questions, findings and suggested propositions 189

Table 8-2: Summary of CRM factors in EMs 191

Table 8-3: Legend on CRM predicted success/failure rate and key strategic actions 198

Table 8-4: CRM implementation index 200

List of Appendices

A. Discussion Guide 229

B. Meta-Analysis of CRM Benefits 236

Abbreviations and Acronyms

ACRM	Analytical Customer Relationship Management
BRIC	Brazil, Russia, India and China
BRICS	Brazil, Russia, India, China and South Africa
CIBN	Chartered Institute of Bankers in Nigeria
CBN	Central Bank of Nigeria
CCT	Consumer Culture Theory
CoE	Centre of Excellence
CEO	Chief Executive Officer
CRM	Customer Relationship Management
EMs	Emerging Markets
FO	Future Orientation
G-6	It represents the top 6 industrialized countries in the world; namely United States of America (USA), Japan, France, Germany, United Kingdom (UK) and Italy
GDP	Gross Domestic Product
HICs	High Income, Industrialised Countries
HNWI	High Net Worth Individuals
ICT	Information, Communications and Technology
IT	Information Technology
JIT	Just-in-Time

LTO	Long-term Orientation
LTV	Life time value
MRP	Materials Resource Planning
NCC	Nigerian Communication Commission
NDIC	Nigerian Deposit Insurance Corporation
OCRM	Operational Customer Relationship Management
RBV	Resource-Based View
STO	Short-Term Orientation
WEF	World Economic Forum

CHAPTER 1: INTRODUCTION

This chapter introduces the research topic by focusing on: (1) the context of the study, (2) the problem statement, (3) the purpose statement and key research questions, (4) the knowledge gap and (5) a brief research methodology. It culminates with (6) the thesis structure.

1.1 Context of the Study

In recent years, emerging markets have become the main "engine of global (economic) growth" (Spence, 2011, p. 8). This is evidenced by D. Wilson and Purushothaman (2006) strikingly optimistic projections about the future economic outlook of emerging markets. They forecast that the BRICs countries which, in 2003 represented 15% of the G6 could account for more than half its size by 2025, with only the United States of America (USA) and Japan remaining amongst the 6th largest economies in the world.

In support of this meteoric rise of emerging markets, Sheth (2008) explicates the profound impact that China and India are already having on the global economy. He notes that the debate is no longer about "whether the Chindia tide is rising, rather what impact its waves will have along the shorelines of the world economy" (Sheth, 2008, p. 4). Hitt, Haiyang, and Worthington (2005) further supports the idea that emerging markets have become attractive to foreign entrants and also that these markets are increasingly contributing to the world's economic development.

Africa has not been left out as part of this important debate of emerging markets' impact on the world economy. Accordingly, Ghose (2012) comments that, at the last World Economic Forum (WEF) held in Davos in January 2012, whilst

uncertainties prevailed amongst observers on the USA, European and even some emerging market economic prospects, “the only beacon of hope was Africa”. Moreover, in the recently published 2011 World Economic Outlook report, it is projected that sub-Saharan African economic activities are to remain relatively strong throughout this year (Blanke et al., 2011). Furthermore, the inclusion of South Africa in the BRICS fold also heightens the crucial role Africa is playing on the world economic growth. To amplify the debate on emerging markets, Hawksworth and Cookson (2008) have suggested a broader view of emerging market prospects, one that goes beyond the BRICs countries. They have projected that by 2050, Nigeria will become one of the top emerging market economies, even surpassing South Africa and Egypt in Africa; and other countries such as Russia, Indonesia, Turkey and Brazil.

They have demonstrated that, although Nigeria now appears to be a high risk proposition, its position can be turned around, specially if the country can “achieve and sustain a greater degree of political stability and economic openness in the long term”(Hawksworth & Cookson, 2008, p. 4). In table 1-1, they provide an illustration of the projected growth rates of the top 21 emerging market economies for 2007-2050. South Africa and Nigeria are both included in this analysis.

In a nutshell, this table shows that the GDP per capita at purchasing parity power growth rate of Nigeria will be 4.4% whilst only 3.3% for South Africa. Likewise, the Nigerian population will grow much faster at 1.6% whereas the South African population will only grow at 0.3%. As the Nigerian population currently stands at over 160 million inhabitants, which represents three times the size of South Africa, the additional growth of 1.6% will make it a serious player in emerging economies.

Table 1-1: Projected real growth rates of 21 emerging market economies for the period 2007-50 (% per annum)

Country	GDP in US$	GDP in domestic currency or at PPPs	Population growth projection	GDP per capita at PPPs
Vietnam	9.8	6.8	0.8	6
India	***8.5***	***5.8***	***0.8***	***5***
Nigeria	8	6.1	1.6	4.4
Philippines	7.2	5.2	1.1	4.1
Egypt	7.1	5.1	1.1	3.9
Bangladesh	7	5.1	1.1	3.9
China	***6.8***	***4.7***	***0.1***	***4.6***
Indonesia	***6.7***	***4.5***	***0.6***	***3.9***
Pakistan	6.4	4.9	1.4	3.5
E7 average	**6.4**	**4.5**	**0.5**	**4**
Malaysia	5.8	4.3	1	3.3
Thailand	5.7	3.6	0.1	3.5
Iran	5.2	3.8	0.8	3
Brazil	***5.2***	***3.8***	***0.7***	***3.1***
Turkey	***5.1***	***4.1***	***0.7***	***3.4***
Argentina	4.9	3.7	0.3	3.3
South Africa	4.8	3.7	0.3	3.3
Saudi Arabia	4.8	4.1	1.4	2.7
Mexico	***4.7***	***3.7***	***0.5***	***3.2***
Russia	***4.3***	***2.5***	***-0.6***	***3.2***
Poland	3.4	2.1	-0.5	2.7
G7 average	**2**	**2.2**	**0.3**	**1.9**

Source: (Hawksworth & Cookson, 2008), adapted from PricewaterhouseCoopers GDP growth estimates (rounded to nearest 0.1%), population growth projections from the UN. E7 and G7** averages shown in bold only.*

Likewise, practitioners and other academic scholars have noted and even documented Africa's current and prospective growth. They are confident that its current growth momentum will continue and as a result, they have encouraged businesses to include Africa in their internationalization plans (Leke, Lund, Roxburg, & Wamelen, 2010; Mahajan, 2009; Nwankwo, 2011).

Mahajan (2009, p. xi) best summarizes Africa's economic development in these terms:

> "This new era is rooted in a powerful truth: (...) the true wealth of Africa is rooted in more than its 900 million consumers. This is one of the fastest growing markets in the world".

In light of the above, it cannot be argued that as "the last century was about marketing in the advanced economies; this century is likely to be about marketing in the emerging markets" (Sheth, 2011, p. 166). Sheth (2011) warns though that marketing fundaments of customer segmentation or even market orientation are at odds with the realities of emerging markets. For that reason, he calls for a paradigm shift in the way products are developed or marketed in emerging markets. Burgess and Steenkamp (2006) concur. Similarly, they are vocal about the dearth of marketing research on emerging markets:

> "The existing body of research suffers from an important limitation, viz.; most of it has been conducted in high income, industrialized countries (HICs). Although it is understandable that researchers in our maturing discipline would initially focus on the world's most advanced economies, we believe it is paramount for the future of marketing science and practice that we conduct more research in so-called emerging markets (EMs)" (Burgess & Steenkamp, 2006, p. 338).

The CRM discipline is no exception to this anomaly depicted earlier by Burgess and Steenkamp (2006), as the dearth of empirically based evidence on CRM implementation in emerging markets, in general, remains undisputed (Kumar et al., 2011).

The in-depth literature review on CRM shows that although it has been widely implemented in industrialized markets (Chen & Popovich, 2003; Hsin Hsin, 2007;

Mendoza, Marius, Pérez, & Grimán, 2007; H. Wilson, Daniel, & McDonald, 2002), the preponderance of customer centricity in organizations has only gained momentum recently in emerging markets. Emerging markets that have spearheaded the adoption of CRM include Asia, Scandinavia and a select number of countries in South America. Within the broad African context, empirical research has been conducted on CRM in North Africa, and Egypt in particular (Ali & Brooks, 2009). Sub-Saharan Africa is still lagging behind regarding the number and the scale of CRM initiatives that are being implemented and published in the academic literature.

Because this study focuses on CRM in emerging markets, it was found propitious to define these two important concepts of “CRM” and “Emerging markets”.

The available literature on CRM presents numerous definitions of what CRM is, thereby prompting this view that “CRM means different things to different people” (Winer, 2001, p. 91). This plethora of definitions has created some confusion on its true meaning (Iriana & Buttle, 2007; Jayachandran, Sharma, Kaufman, & Raman, 2005; M. Meyer & Kolbe, 2005; Pedron & Saccol, 2009; Troy, 2008). For example, CRM has been referred to as technology (Christopher, 2003; Hart, 2006; Nguyen, 2011), a business strategy (Buttle, 2009; Payne & Frow, 2006; Reinartz, Krafft, & Hoyer, 2004) and sales (Ahearne, Rapp, Mariadoss, & Ganesan, 2012). Similarly, Keramati, Mehrabi, and Mojir (2010) and Srivastava, Shervani, and Fahey (1999) define CRM as a set of processes for managing relationships with customers and suppliers across marketing, sales and services. Greenberg (2001) asserts that CRM is linked with company philosophy. For the purposes of this study, CRM is defined as being:

> “A core business strategy that integrates internal process and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high quality data and enabled by IT” (Buttle, 2009, p. 15).

Similar to the concept of CRM, there are various definitions of emerging markets. The World Bank (2007) defines emerging markets as those economies with a GNI of US$ 11 456 or less per capita ("Emerging Markets Definition and World Market Segments," 2009). Spence (2011) notes that according to the World Bank, an emerging market is one with a GDP per capita that exceeds US$ 10 000. In a recent study on emerging markets, Sheth (2011) identifies five characteristics of emerging markets consisting of *(a) market heterogeneity*: Emerging markets are fragmented markets with a significant portion being at the bottom of the pyramid and having difficulties in accessing clean water or electricity; *(b) socio-political governance:* The governance of the market is done by business groups, religions rather than competition*; (c) Unbranded competition:* There is a wide proliferation of unbranded products. The barter exchange offerings are widely adopted; *(d) chronic shortage of resources:* This is evidenced with power outages and limited skills available in the market; and *(e) inadequate infrastructure* such as poor roads, technology infrastructure or limited market transaction enablers such as credit card facilities.

In the context of this study, the term *emerging markets* refers to the two sub-saharan countries that are listed in the 2008 Pricewaterhouse Coopers report which includes Nigeria and South Africa (Hawksworth & Cookson, 2008). These two countries have the largest total GDP size in sub-saharan Africa.

Although the above-mentioned views on emerging markets and CRM are relevant, outstanding issues related to the adaptation of CRM programmes and the contingency factors of CRM in emerging markets remain scant in the CRM literature.

1.2 Problem Statement

The problem this research addresses is the lack of adaptation of CRM strategies to the emerging market context and the lack of understanding of contingency factors that may inhibit or enable the effectiveness of CRM implementation in organisations.

Whilst the extant CRM literature provides empirical evidence on key CRM success factors which have mainly derived from studies conducted in high income, industrialized markets (K. Chan, 2008; Chen & Popovich, 2003; Mendoza et al., 2007; H. Wilson et al., 2002), companies that operate in emerging markets should be cognizant of the contingency factors that can strengthen or impede on their local CRM efforts.

Within the context of Africa, global companies are taking note of the positive socio- economic developments that are occurring in this market. These include: Enhanced democracy; political and macro-economic stability; improved legal structures; faster population growth than in matured markets; expected high investment returns; economic openness, specially with regard to international trade (Kasekende, Oshikoya, Ondiege, & Dasah, 2008; Leke et al., 2010). These global companies are now setting up operations in Africa with the view to attract and retain local customers (Mahajan, 2009). However, these companies (together with domestic-owned companies) have been shown to adopt CRM models that were developed elsewhere without adapting these models to the unique CRM landscape of emerging markets. Consequently, these CRM models have not been successful (Almotairi, 2010). In a study that focuses on strategies that fit emerging markets, Khanna, Palepu, and Sinha (2005, p. 64) assert that CEOs in developed, industrialized markets cannot assume that they can do business the same way in emerging markets “because the quality of the market infrastructure varies from country to country”. Hence, adaptation to the emerging market context is required.

Consequently, without a clear understanding of the local market environment, sound business processes and a well-defined strategy, it will inevitably be difficult for companies to achieve a high success rate in their CRM initiatives (Berndt, Herbst, & Roux, 2005; Brunjes & Roderick, 2002). Managing and building customer value is no longer a hype but rather "a fruitful avenue for business competition" (Rogers, 2005, p. 262).

As company executives are accountable for business targets which may include amongst others high profit margin, an acceptable return on assets, and improved customer satisfaction, performance measurement has become an integral part of their business activities (J. Kim, Choi, Qualls, & Park, 2004; Uzelac & Sudarević, 2006). By incorporating metrics in their CRM strategy, companies can measure, at a specific point in time, the level of CRM success and failure achieved in individual national African markets; and accordingly, take swift corrective actions where and when necessary.

The absence of a concerted effort to identify and understand the unique socio-cultural, economic and political landscape of Africa's national markets poses a major challenge to successful CRM implementation in these African markets. The main benefits for companies that understand these dynamics of the Africa's national markets go beyond adaptation of appropriate strategies to the local context but also include the mitigation of the potential high failure rate of their CRM programmes and improved sales and profit.

1.3 Purpose Statement and Key Research Questions

The purpose of this research was to conduct an investigation of CRM implementation in the banking and mobile telephony sectors of Nigeria and South Africa. Consequently, the objective of this study was to illustrate that CRM implementation in emerging markets differs from high income, industrialized markets. For this reason, organizations that are implementing CRM in the African context in particular should be cognizant of the peculiarities of Africa and

accordingly, they should develop and execute relevant strategies that can enhance the effectiveness of their CRM programmes whilst reducing their failure rates. In addition to this, the contingency factors for CRM effectiveness in Africa are identified in this study and a framework for successful CRM implementation in an African context is proposed. In order to achieve this purpose, the following research questions are proposed:

RQ1: How is CRM implementation in emerging markets different from high income, industrialized markets?

RQ2: What are the contingency factors that could contribute towards CRM success or failure in emerging markets?

RQ3: How can the CRM strategy be adapted to the emerging market context?

* RQ= Research Questions

1.4 Knowledge Gap

The gap in the body of knowledge that this study intended to fill could be categorized into five areas: (1) CRM conceptual, (2) theoretical; (3) methodological; (4) managerial and (5) societal gaps. Each of the identified gap areas is further explicated below:

1.4.1 CRM conceptual gap

The discourse on CRM has made a tremendous contribution to CRM in high income, industrialized markets; whereas emerging markets have lagged behind. This study attempts to address this imbalance. The originality of this study thus rested on its ability to highlight the peculiarities of CRM in Nigeria and South Africa, thereby establishing that these markets are different from high income, industrialized markets. In addition, the study addressed the question on the

contingency factors that can enhance or impede on CRM success in these emerging markets.

1.4.2 Theoretical gap

The CRM literature pays particular attention to the organizational factors linked with CRM success and recognizes that these organizational factors are drivers of CRM practices (Foss, Stone, & Ekinci, 2008; S. King & T. Burgess, 2008; Mendoza et al., 2007). Moreover, a compilation of studies on CRM (Chakravorti, 2009; Coltman, Devinney, & Midgley, 2009; Gouthier & Schmid, 2003; Keramati et al., 2010; Wang & Feng, 2012), marketing (Boulding & Christen, 2008; Golder & Tellis, 1993; Ortega & García-Villaverde, 2011) and management (Fatima, Rehman, & Ali, 2011; Holtbrügge, Friedmann, & Puck, 2010; Jiang & Zhao, 2012; Kunc & Morecroft, 2010) as a whole has been developed from the resource-based view (RBV) approach .

Despite the general tendency to have RBV as the main theoretical lens for CRM studies as shown above, recently published research conducted by Kirca, Bearden, and Roth (2011) demonstrates that the institutional theory is gaining support from the broader marketing community, particularly with regard to justifying how foreign firms behave in host countries. Hillebrand, Nijholt, and Nijssen (2011) point to a similar conclusion when they suggest that institutional processes can be important in explaining the adoption of CRM practices. This theory focuses on how social pressures from outside organisations influence the structures and practices of such organisations.

To answer the research questions, the researcher drew on the institutional theory as well as Hofstede's fifth national value dimension of culture of short-term vs. long-term orientation. Furthermore, she applied the contingency theory as the overarching theory since it indicates that many theories can be used to explain phenomenon that are evolutionary.

1.4.3 Methodological gap

This study concentrated on a multiple embedded case analysis of CRM implementation in South Africa and Nigeria with an emphasis on the banking and mobile telephony sectors; whereas the extant literature primarily delves into CRM implementation in one country such as China (Deng, Lu, Wei, & Zhang, 2010; Shengdong & Xue, 2011), India (Adke & Dhande, 2011; Haridasan & Venkatesh, 2011; Khare, 2010), Taiwan (Fan & Ku, 2010; Lee, Huang, Barnes, & Kao, 2010), Saudi Arabia (Almotairi, 2010), and the United Kingdom (Eid, 2007; Rogers, 2005; H. Wilson et al., 2002).

Moreover, inferences from this study were not just drawn from four within case analyses; but also from cross-case analyses. The rich data that were generated helped in addressing the question of analytical generalisability often identified as a weakness of qualitative studies.

1.4.4 Managerial gap

This study is intended to cast new light on the need for adapting CRM strategies to the emerging market context. Specifically, it is anticipated to be useful to practitioners that seek to enhance their CRM programme success rates. It is hoped this study would shed lights on what CRM is in an emerging market context by bringing to the fore the peculiarities of each market and contrasting them against high income countries.

1.4.5 Societal gap

This research intended to make a contribution in social upliftment by ascertaining how emerging market companies have implemented CRM programmes that addressed the needs and demands of their customers; and specially what the overall impact of these programmes have been on companies' performance, customers as well as the communities in which they operate.

1.5 Brief Research Methodology

Given the scarcity of previous research on CRM implementation in an emerging market economy, a qualitative research method in the form of a multiple embedded case study research was adopted against other social research methods encompassing experiments, histories, surveys, and economic and epidemiologic research (Yin, 2009). There are valid underlying reasons behind the choice of this method which will be further expanded on in chapter 4 as it deals with the research methodology employed in this study.

A total sample size of 66 was determined by a principle of saturation. This sample size was spread across four companies, of which two were in Nigeria and two in South Africa. These companies consisted of participants in banking and mobile telephony sectors who fulfilled one of these roles: a strategy developer, an implementer, both a strategist and implementer.

Throughout this research, three principles for data collection were considered: (a) *the use of multiple sources of evidence* which allowed for triangulation and strengthened the reliability and validity of the research results; (b) *the creation of a case study database* which had to do more with the organizing and documenting of the data collected (namely transcripts, recorded interviews, email correspondences, reports, field notes, press releases) for each case study. As part of this database, folders containing materials related to the research, as mentioned earlier, were created and given a date. Also, the timelines included in the research protocol helped the researcher in monitoring the progress made with regard to the research milestones which included amongst other timing for data collection and analysis, scheduling of the trip to Nigeria and meeting with research respondents, the process of setting up interviews, doing follow up and more. Moreover, an excel spreadsheet including the coded name of the research participants, time, location and duration of the interview was also created for each case study; (c) *the maintenance of a chain of evidence* that can allow a

third party to trace the steps involved in the research process and also to improve the reliability of the study (Yin, 2009). Thus, all relevant evident were kept and used during the data analysis. This helped in enhancing the overall quality of the study.

The data were collected from multiple sources, including both primary and secondary, and then analysed with no a priori propositions or hypotheses. In particular, data generated from semi-structured interviews were digitally recorded, transcribed, and then content analysed using a contact summary form and a qualitative software analysis package called MAXQDA analysis.

As part of this analysis, recurring words and thoughts were grouped into themes. These themes emerged from the data analysis were considered against those found in the literature review and subsequently given one of the following naming: “consistent with the literature-no adaptation is required”; “Consistent with the literature- adaption is required”, “Inconsistent” or “New”. This approach was first applied to each of the cases individually; and then, a cross-case analysis was performed.

Then, Healy and Perry (2000) and Yin (2009) quality criteria are combined with Riege and Nair (1997) techniques for evaluating validity and reliability along the following six dimensions of ontological appropriateness, epistemology, construct validity, internal validity, external validity (credibility) and reliability.

Lastly, the research results are presented as well as research propositions and a conceptual framework for successful CRM implementation in emerging markets developed for potential further testing in future research.

1.6 Thesis Structure and Map

As depicted in figure 1-1 below, this study is organized in eight chapters. The symbiotic interplay of the content of these chapters helps support the study purpose and also to address the research questions.

Chapter 1 introduces the research topic by focusing on 1.1) the context of the study, 1.2) the problem statement, 1.3) the purpose statement and key research questions, 1.4) the knowledge gap and 1.5) a brief research methodology. It culminates with 1.6) the thesis structure.

Chapter 2 examines the theoretical lenses through which this research has been approached. It incorporates a critical assessment of three theories; namely 2.1) the contingency theory, 2.2) the institutional theory, and 2.3) the culture theory which focuses on Hofstede's fifth value dimensions of national culture. The underlying principle of each theory is discussed and the linkage with CRM is considered. The last section of this chapter, 2.4) synthesises these three theoretical lenses, contrasts them with one another and highlights some key insights. Throughout this chapter, these theories are deeply evaluated to ascertain the importance of their contribution in relation to the topic being researched.

Chapter 3 assesses previously published studies in the context of Customer Relationship Management (CRM) in emerging markets. Firstly, 3.1) it defines key CRM concepts, and then highlights 3.2) the antecedents to effective CRM implementation from a developed and an emerging market's perspectives. Subsequent chapter sub-sections are concerned with 3.3) the benefits and challenges of CRM; and lastly with, 3.4) an analysis of the Nigerian and South African markets. The state of the banking and mobile telecommunications industries is also presented.

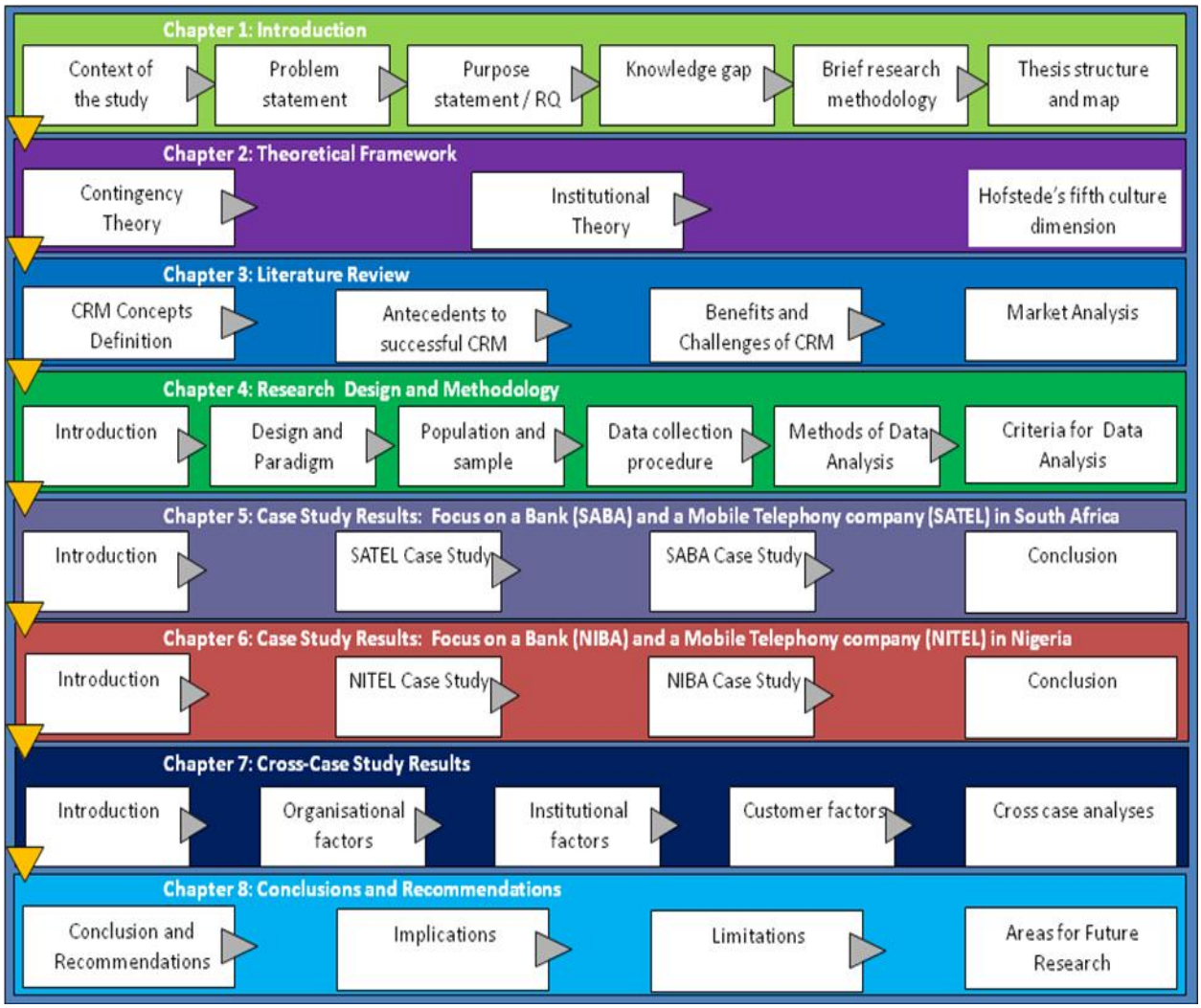
Chapter 4 covers six sections, including: 4.1) an introduction, 4.2) the research design and paradigm, 4.3) the population and sample, 4.4) the data collection method, 4.5) the methods of data analysis and interpretation and 4.6) the criteria for rigorous qualitative data analysis.

In chapter 5 and 6, the within case analyses are performed and results from these analyses are presented. These results are supported by verbatim quotes from research participants.

Chapter 7 addresses the cross-case analyses across these three factors: Organisational, Institutional and Customer. Moreover, industries, companies, countries and even roles performed by each of the identified research participants are cross-analysed. The results of these analyses are depicted in graphs.

As the last chapter of this research report, Chapter 8 outlines the research implications, limitations and areas for future research. Prior to doing this, it presents some concluding remarks on the study that has been undertaken. Furthermore, recommendations are made on the contingency factors that can impede on or enhance CRM implementation success. Based on these inductive analyses, a theoretical framework and a model for successful CRM implementation in emerging markets are proposed.

Figure 1-1: Thesis structure and map

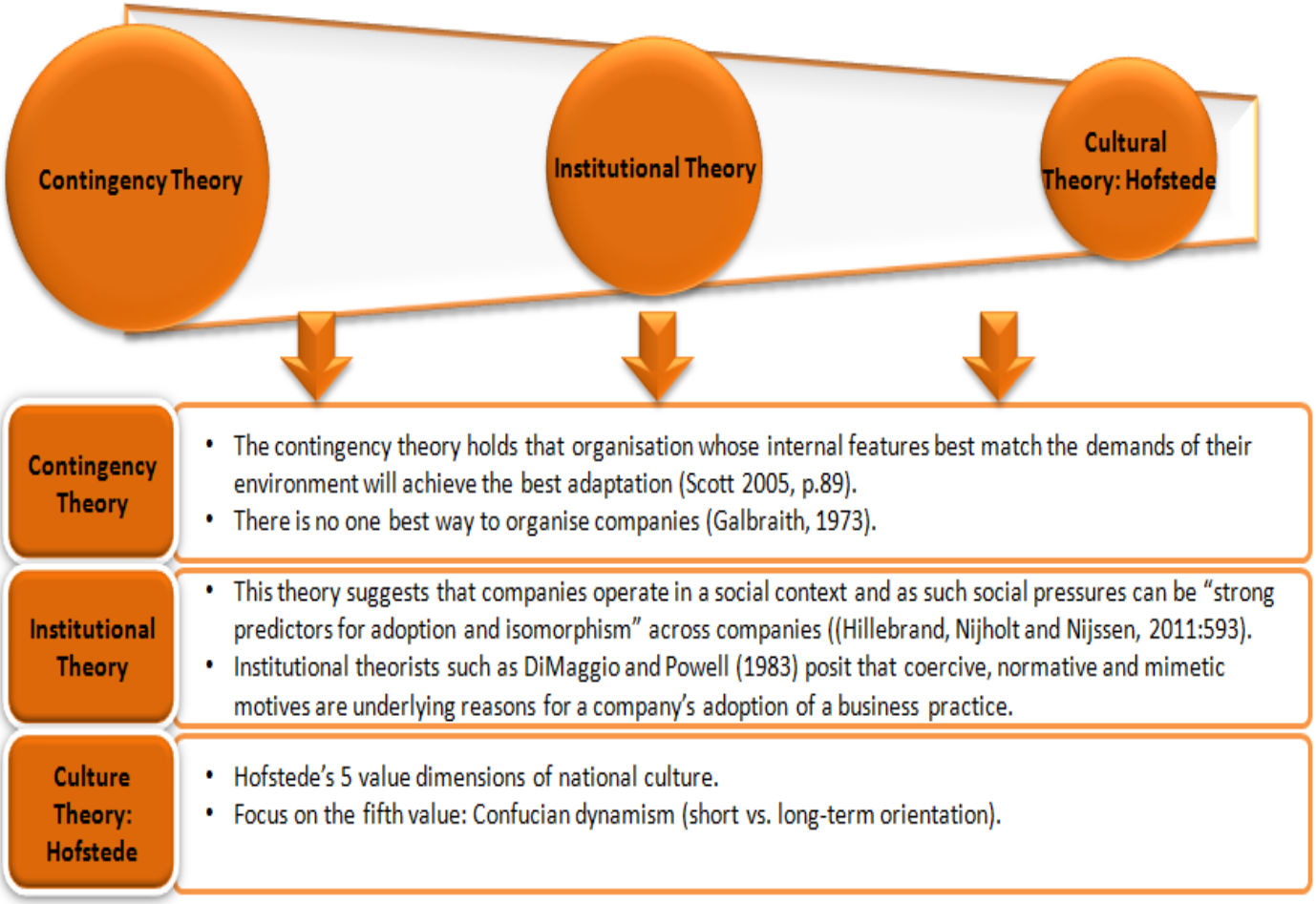


In conclusion, this research identified a void in the CRM literature which relates to the contingency factors for CRM implementation in emerging markets and also the lack of adaptation of CRM strategies to these markets. It proposed three theoretical lenses through which the study would be approached; namely the contingency, institutional and Hofstede's fifth dimension of national culture (short-term vs. long term orientation) theories. Understanding these various theories and how they can be applied to this study forms the basis of Chapter 2.

CHAPTER 2: THEORETICAL FRAMEWORK

This chapter examines the theoretical lenses through which this research has been approached. It incorporates a critical assessment of three theories; namely (1) the contingency theory, (2) the institutional theory, and (3) Hofstede's fifth national dimensions. The underlying principle of each theory is discussed and the linkage with CRM is considered. In addition to this, throughout this chapter, the above-mentioned theories are deeply analysed to ascertain the importance of their contribution in relation to the topic being researched.

Figure 2-1: The theoretical framework



2.1 Contingency Theory

2.1.1 Overview and definition of the contingency theory

Although the wide recognition of the contingency theory as an important management concept may have started as early as 1960s thanks to the work published by Burns and Stalker (1961), Thompson (1967), and Lawrence and Lorsch (1967), it is undeniable that, over the past 3 decades, the main contributors to this theory have been from such scholars as Scott (2005), Shenhar (2001), Ginsberg and Venkatraman (1985) and Galbraith (1973). These scholars argue that organizational performance is dependent on the goodness of fit between structural and environment variables.

These contingency theorists recognize that due to the nature of the environment in which organizations operate, there can not be one way of organizing and managing businesses (Tosi & Slocum, 1984). They assert that contingency factors embedded in the external environment impact on the structure and management of the company and as a result, they provide organizations with multiple avenues to develop and implement appropriate strategies that respond to these environmental challenges. Smith and Lewis (2011, p. 381) concur when they posit that the contingency theory offers “a response to tensions” faced by organizations. They suggest that this theory allows for a choice amongst competing demands and they also note that the alignment between internal factors and the external environments increases the organization effectiveness. In support of this theory, Galbraith (1973) commented that marketing organizations cannot be organized in a single way. According to him, each way of organizing a marketing organization is not equally effective. These thoughts were echoed and extended by Scott (2005, p. 89) who found that contingency theory is “guided by the general orienting hypothesis that organizations whose internal features best match the demands of their environments will achieve the best adaptation…the best way to organize depends on the nature of the environment to which the organization relates”. Similarly, Donaldson (2001, p. 2) notes that

“contingency theory incorporates the concept of fits that affect performance which in turn impels adaptive organizational change”. He further explicates that the contingency approach posits that the effect of one variable on another depends on a third variable. Thus, there is a trivariate relationship between structure, contingency and performance; and as a result of this, where the structural variable is at the level that fits the level of the contingency, a superior performance outcome can be achieved and conversely.

2.1.2 Application of the contingency theory to the broad management context

In a meta-analysis of the development of contingency thinking of articles published in the Journal of Management between 2008 and 2009, Boyd, Takacs Haynes, Hitt, Bergh, and Ketchen (2012) distinguish between contingency hypotheses and contingency theory. Moreover, there is evidence in the extant literature that suggests that various concepts of contingency theory have emerged. These concepts have included the notions of general contingency theory (GCT) spearheaded by (Luthans & Stewart, 1978), structural contingency theory (Drazin & Van de Ven, 1985), and strategic contingency theory (Donaldson, 1987; L. Kim & Lim, 1988; Zeffane, 1989). According to Luthans and Stewart (1978), the general contingency theory was introduced in April 1977 whilst the strategic contingency theory is still in its infancy (Jangwoo & Miller, 1996).

All of the above contingency theories are based on the premise that there needs to be a fit between organisational factors and the environment in which the organization operate to allow for effective strategy implementation that leads to high company performance.

As much as there has been an interest from academicians in the contingency theory as noted above, the available studies that have drawn from this theory have covered a wide array of management subjects including but not limited to project management (Söderlund, 2004; Souder, Sherman, & Davies-Cooper,

1998), risk management (Barki, Rivard, & Talbot, 2001), organisational performance (Tucker, 2010), organisational behaviour and change management (Battilana & Casciaro, 2012), supply chain (Lee et al., 2010) and marketing (Heiens & Pleshko, 2011; Ruekert, Walker Jr, & Roering, 1985).

Although the extant contingency theoretical views on the need for a fit between internal and the external environmental factors are widely accepted, critical issues still remain. For example, the classical theorists tend to differ with this contingency view as they contend with a single way of running organizations which is more often described as a "one size fits all" approach (Shenhar, 2001, p. 395). The next section of this chapter expands on the limitations of the contingency theory.

2.1.3 Limitations of the contingency theory

Over the years, the contingency theory has been a source of many debates and discussions in the academic literature. Although the main vantage points of this theory have been recognized (Tosi & Slocum, 1984), there are criticisms that have weakened the potential impact this theory could make in a specific field of research.

The main problems associated with this theory were articulated by Schoonhoven (1981),Tosi and Slocum (1984), and Boyd et al. (2012).

The seminal work of Schoonhoven (1981) has largely contributed to the description of problems associated with the contingency theory. According to her, there are five problems with the contingency theory which include: (a) *Lack of clarity:* the substance of the theory is not clear enough and the statements made by the contingency theorists are ambiguous; (b) *contingency relations as interactions:* When contingency theorists assert that there is a relationship between variables (dimensions of technology and structure, for example) which predicts a third variable (organisational effectiveness), they are stating that an interaction exists between the first two variables. Consequently, it must be clearly stated that contingency arguments produce interactive propositions; (c) *functional*

forms of interaction: theoretical statements do not clearly define the types of interactions intended; (d) *the analytical model:* relationships studied within the contingency model are considered to be linear; (e) *assumptions about contingency relationships:* this theory arguments that lower values of a dimension of structure when coupled with lower values of technological (or environmental) uncertainty, should produce effective organizations. An implication of this argument is that effectiveness can be impaired because there is no congruence between technology and structure.

Other scholars such as Tosi and Slocum (1984) have summarized the criticisms of contingency theory into two salient points: lack of clarity of concepts and the inadequately specification of the relationships between the concepts.

In addition to this, more recent studies bring to the fore the limitations of the contingency theory. For example, Boyd et al. (2012, p. 280) assert that "contingency as a theory came under criticism in the 1980s for a variety of methodological and theoretical issues". In their studies, they note the uncertainty that is linked to contingency hypotheses and as a result of this they raise the concern about the complexity of contingency hypotheses and how the lack of precision could inhibit the development of new knowledge within the field of management research.

From the preceding discussion, it may appear as though that the many difficulties associated with the contingency theory may reduce its application to management research. In an attempt to counteract this view, the relevance of the contingency theory to this study is provided in the next section.

2.1.4 Relevance of the contingency theory to this study

The contingency theory is well documented in management research and as previously mentioned, it has been applied to various management disciplines. In this study of CRM implementation, it is applied as the overarching theory because it supports the idea that many theories can be used to explain phenomenon that are evolutionary. It integrates other theories such as the

institutional theory, and Hofstede's five national dimensions of culture as well as the Globe theory in a single research across four multiple case studies.

By applying the contingency theory in this study, issues associated with the use of a single theory to a study is avoided. Instead, as different theoretical perspectives are integrated into a single study, the research findings are enriched and strengthened.

Moreover, one of the main focal point of this study is the identification of contingency factors that can impede on or enhance CRM implementation in an emerging market context. The South African and Nigerian markets in particular provide the required context for testing the contingency theory. Also, by contrasting CRM practices in high income, industrialized countries against emerging markets, these practices may be found to vary in different settings, which is the fundamental premise of the contingency theory.

Given the relative strength of some organizations, Jangwoo and Miller (1996) posit that these organizations are able to thrive without effecting the fit between performance and strategy. This approach supports the institutional view of organizations whilst acknowledging the peculiarities of cultures. These two conceptual lenses are further examined in the subsequent sections.

2.2 Institutional Theory

2.2.1 Overview and definition of the institutional theory

It has been well documented in the literature that an organization's effectiveness is linked to the degree of impact its environment or social context has on its strategy (Caprar & Neville, 2012; Dacin, 1997; Grewal & Dharwadkar, 2002; Robert E. Hoskisson, Lorraine Eden, Chung Ming Lau, & Mike Wright, 2000; Luk et al., 2008; Rosenblatt, 2011). To manage this impact better, organizations adopt business practices that may stem from various external pressures exerted on them by such market players as the national or local government, competitions, the community or even the media. This adoption of management

practices influenced by institutional pressures forms the basis of the institutional theory.

Institutional theory can be defined as a theoretical lens that is used to study the adoption and diffusion of organizational forms and practices. It is based on the principle that organizations are under social influence and pressure to adopt practices which are viewed as being appropriate for the situation (Björkman, Fey, & Hyeon Jeong, 2007). According to Lincoln (1995, p. 114), the institutional theory can be viewed as "the tendency for social structures and processes to acquire meaning and stability in their own right rather than as instrumental tools for the achievement of specialized ends."

As a branch of organizational theory, institutional theory has been led by such scholars as (DiMaggio & Powell, 1983; Scott, 2001; Tolbert & Zucker, 1996). They have sought to explain organizational performance on the ground of environmental factors such as regulations, societal norms, competitive pressures and industry factors.

Institutional theorists such as DiMaggio and Powell (1983) posit that coercive, normative and mimetic isomorphic motives are underlying reasons for a company's adoption of a business practice. They define coercive isomorphic motives as those motives that are based on market legitimacy. Typically in this situation, companies that want to reach legitimacy will tend to behave like their counterparts without even ascertaining if the behavior displayed is congruent with their vision or culture. Mimetic isomorphism tends to take place when there are market changes. This ambiguity in the market forces companies to mimic the behavior of other industry players being viewed by them as successful. Normative isomorphic motives relate to the diffusion of norms that are deemed appropriate amongst members of a society.

In his review of four sociological concepts with an institutional focus, Scott (1987, pp. 493-499) highlights:

“Institutionalisation as a process of instilling value. This concept was spearheaded by Prof Philip Selznick. He views organizations as an adaptive vehicle shaped in reactions to the characteristics and commitments of participants as well as to influences and constraints from the external environment.

Institutionalisation as a process of creating reality. This version of institutional theory is based on the worked done by Peter Gerber in the sociology of knowledge. Gerber and Luckmann explicate that institutionalization involves three phases: externalization, objectivation and internalization.

Institutional systems as a class of elements as viewed by Meyer and Rowan (1977). They argue that the prevalence of organizational forms cannot just be attributed to relational networks but also to shared belief systems.

Institutions as distinct societal spheres. This concept embraces the idea of diversity as a belief system.”

Later on, Scott (2008) pointed out that institutions comprise many elements operating at various levels and as such institutional scholars need to establish what elements matter in each context and also how each element relate to one another. In the same paper, he provides a summary of the trends he has observed in the institutional analysis of organisations before reaching the conclusion that perhaps the institutional theory has “reached the stage of young adulthood” (Scott, 2008, p. 439).

Mahalingam and Levit (2007) believe that institutional theory is a useful concept that provides clarity on how to address cross-national issues resulting from cultural differences between nations.

2.2.2 Application of the institutional theory to the broad management context

Over the past three decades, the growing literature on the importance of institutional forces and how they shape up organisations have re-affirmed the position of the institutional theory as a robust and solid theoretical lens (Dacin, 1997; Scott, 2008). This is partly supported by the wide application of the institutional theory across various disciplines (Greenwood & Suddaby, 2006).

For example, Muthuri and Gilbert (2011) studied Corporation Social Responsibility Institutionalisation in Kenya by examining the Kenyan institutional environments of culture, regulations and social norms. They concluded in their research that "for the institutionalisation of CSR in Kenya, attention must be paid to conditions that stifle CSR uptake such as lack of government regulations, and the government's capacity and commitment to enforce regulation. The establishment of functional CSR institutions and a vibrant civil society that advance civil regulation ought to be encouraged." (Muthuri & Gilbert, 2011, p. 467). Another example where an institutional perspective is considered is the study conducted by (K. Meyer & Nguyen, 2005) on Foreign Direct Investment strategies in the Vietnamese market. Similarly, in a study focusing on market orientation in the subsidiaries of global companies using multiple informants, Kirca et al. (2011) provide empirical evidence on the significance of institutional factors in the context of market orientation for theory development and management practice. Furthermore, in an in depth study of corporate venture capital programs, Souitaris, Zerbinati, and Liu (2012) unravel how organizational sub-units resolve competing institutional forces either through isomorphisms or endoisomorphisms.

The institutional theory has also been applied to other fields such as corporate governance (Chizema & Buck, 2006; Yang, Su, & Fam, 2012), institutional economics (Boettke & Fink, 2011; Chang, 2011) and the casino and gambling industry (Humphreys, 2010).

Despite the progress of the institutional theory, several gaps still remain. These gaps will be discussed in the next section and they should be viewed as avenues for future research.

2.2.3 Limitations of the institutional theory

The institutional theory suffers from a number of shortcomings. Suddaby (2010) identifies two main problems associated with the institutional theory; namely a lack of clarity and a lack of focus and coherence. He notes that elements of the contingency and change theories were repackaged as neo-institutionalism. Although the institutional theory can gain insights from these two theories, "it must remain true to what defines it" (Suddaby, 2010, p. 15). Additional gaps in the institutional theory are discussed by (Scott, 2008). He comments that "although the founding works (of the institutional theory) were seminal in calling attention to the reality and influence of the institutional environment on organizations, their initial formulations overstated the unity, coherence and independence of these frameworks" (Scott, 2008, p. 431). For example, during the earlier stages of the development of the institutional theories, it was posited that organizations are static and that they were operating in a standardized environment. This limited view has now evolved and improvements to the institutional theories have been suggested in the academic literature. Fogarty and Dirsmith (2001, p. 248) assert that the institutional theory has not addressed the issue of socialization as it supports "the organizational theory's interpretation of socialization processes as instrumental in supporting the actual performance of organizational work".

In addition to the above, the criticisms directed at the institutional theory have rather focused on the need for expansion on key concepts such as power, legitimacy or ideational elements of organisations (Suddaby, 2010).

2.2.4 Relevance of the institutional theory to this study

The relevance of the institutional theory to this study on CRM implementation in the banking and mobile telephony of Nigeria and South Africa can be tackled from three main aspects:

- the emerging market context of this study,
- the increased interest in research on CRM with an institutional perspective and,
- the advantages associated with the institutional theory as a whole as opposed to any other theoretical lenses.

A. The emerging market context of this study:

Research conducted in developing markets indicates that institutions are an important component of the external environment that affects strategic directions adopted by companies (Hitt et al., 2005; R.E. Hoskisson, L. Eden, C.M. Lau, & M. Wright, 2000; Lyles, Saxton, & Watson, 2004). In this regard, companies operating in transition, emerging markets must be cognizant of the degree of influence that institutions have on their business successes or failures (Hitt et al., 2005). K. Meyer and Nguyen (2005, p. 64) assert that "institutions are of pivotal concern to businesses operating in emerging markets, especially when they are still unfamiliar with the local environment". R.E. Hoskisson et al. (2000) concur when they comment that institutional perspectives can help generate new ideas on emerging markets.

In light of these comments, it was natural for this research to consider the institutional theory as one of the theoretical lens through which the investigation on CRM in Africa could be undertaken. As mentioned below, there are also two other important factors that have led to the choice of the institutional theory.

B. The increased interest in CRM research with an institutional perspective

Despite the general tendency to have Resource-Based View (RBV) as the main theoretical lens for CRM studies (Dong & Zhu, 2008; Gouthier & Schmid, 2003), recently published research conducted by (Kirca et al., 2011) demonstrates that the institutional theory is gaining support from the broader marketing community, particularly with regard to justifying how foreign firms behave in host countries. Moreover, similar empirical studies conducted by other marketing scholars have identified institutional pressures as drivers of marketing practices adopted by companies (Connelly, Ketchen, & Slater, 2011; Grewal, Comer, & Mehta, 2001; Grewal & Dharwadkar, 2002). These studies suggest that companies operate in a social context which exerts an influence on their behavior. Hillebrand et al. (2011) point to a similar conclusion when they suggest that institutional processes can be important in explaining the adoption of CRM practices. Specifically, they assert that although rarely used in marketing, "institutional theory can make a contribution to understanding variation in effectiveness of marketing practices in firms" Hillebrand et al. (2011, p. 592). Their study focuses on mimetic motives of CRM practices and reveals that social pressures are predictors of isomorphisms across companies. Mimetic isomorphism occurs when competitors are adopting management practices that are perceived to be "best practice" and consequently places pressure on other firms to jump into the bandwagon and to "normatively sanction" these practices.

C. The advantages associated with the institutional theory as a whole as opposed to any other theoretical lenses

The institutional theory offers a paradigm on how organisations behave in their institutional environments (Suddaby, 2010). Moreover, unlike other theories such as the Service dominant logic that have generated extensive criticisms in the literature (O'Shaughnessy & O'Shaughnessy, 2011; Pels, Möller, & Saren, 2009), there appears, despite its few limitations, to be a generally accepted view that

institutional theory is relevant to explain organizational behaviours in their institutional contexts. Lastly, the institutional theory has been around for a long period and as early as "the end of the nineteen and beginning of the twentieth centuries" (Scott, 2005). As a consequence of this, it is a robust theory which, if applied to studies, will be less prone to generating uncertainty about its contribution to the management literature.

2.3 Culture Theory: Hofstede's Fifth Value Dimensions of National Culture

2.3.1 Overview and definition

Companies across industries, products and service lines are increasingly taking into consideration culture when developing strategies (Bloch, 1995; Jinhong, Song, & Stringfellow, 1998; McCracken, 1986). The rationale behind this is the premise that consumers across different cultures, countries or regions have different ways of viewing the world (Hitt et al., 2005; Jinhong et al., 1998). In the Fast Moving Consumer Goods (FMCG) industry, a company such as L' Oreal is already generating a large percentage of its revenues by tapping into consumers across new cultures (far away from their home country), and specially in emerging or developing economies (Fayolle, Basso, & Legrain, 2008). L' Oreal has set up a research centre called the "L'Oreal Institute for Ethnic Hair and Skin Research" with the aim to assist its decision-makers to adapt their products to the needs of their consumer base across international locations. A product that was developed on the basis of understanding cultural differences amongst consumer groups is the L' Oreal SoftSheen haircare range that caters to the ethnic female's needs. Likewise, McDonald's menu in India has been adapted to make it relevant to the taste of Indian consumers. This adaptation to the culture is also visible in the services industries. For instance, today, most banks offer Islamic banking products for their Muslim communities.

Congruent with this practical evolution of culture adaptation to the environment in which companies operate, the extant literature on culture is wide (Arnould &

Thompson, 2005; Hofstede & McCrae, 2004; Thomas, Haddon, Gilligan, Heinzmann, & de Gournay, 2005). For example, Hall and Hall (1995) studied cultures and they suggest that cultures can affect the way in which a company interacts with its communities. They compare cultures on a scale of high to low context. A high context communication or message rests on the implicit codes whilst a low context communication achieves the opposite. This can be better explained by taking the examples of Asian cultures where information is readily shared amongst members of the community. Such communities are collectivists as they abide by the principle of “sharing” or “ubuntu” as referred to as in South Africa.

The Cultural Context Theory (CCT) developed by Arnould and Thompson (2005:868) is a “theoretical perspective that addresses the dynamic relationships between consumer actions, the marketplace, and the cultural meanings”. CCT tends to focus on the multiplicity of overlapping cultural groups within a larger socio-cultural context.

In this study, one draws on Hofstede’s fifth dimension of national culture, namely short-term versus long-term orientation to investigate the implementation of CRM programmes in the mobile and banking telephony sectors of Nigeria and South Africa.

Hofstede’s cultural framework was originally based on the data collected by IBM between 1967 and 1973. Based on the analysis of that data, he concluded that there are four values that distinguish one country from the other one; namely Individualism vs. collectivism, masculinity vs. femininity, power distance, and uncertainty avoidance and accomplishment.

The individualism vs. collectivism dimension takes into consideration how people relate to one another in their cultures. In cultures dominated by individualism, people tend to fend for themselves and their immediate relatives; and not for their whole communities; whereas in collectivistic cultures, exchanges occurred amongst members of the society who tend to look after one another.

Masculinity vs. femininity: This dimension defines culture along two values; namely masculinity and femininity. According to Hofstede, feminine cultures are characterised by fairness, social relationships and quality of life whereas in masculine cultures, key values include achievement and ambitions.

Power distance “reflects the consequences of power inequality and authority relations in society. It influences hierarchy and dependence relationships in the family and organizational contexts” (Soares, Farhangmehr, & Shoham, 2007).

Uncertainty avoidance and accomplishment: Companies that operate in countries with an uncertainty avoidance and accomplishment dimension tend to be risk averse and resist innovation.

Later on, Hofstede conducted additional research across twenty three countries which led to the expansion of its culture dimensions from four to five (Minkov & Hofstede, 2012). The fifth dimension is short-term versus long-term orientation.. It is also referred to as “confucian dynamism”. This dimension deals with time orientation consisting of negative pole (which reflects a static, short-term oriented mentality) and positive pole (reflecting a future oriented, dynamic mentality) (Hofstede & Bond, 1988).

Hofstede asserts that companies that operate in countries with a long-term orientation are more likely to be innovative than those operating in those countries that are characterized by a short-term orientation. It can thus be deduced that cultures with a long-term orientation are more agile, flexible and adaptive to changes as opposed to short-term oriented cultures which tend to be myopic. Bearden, Money, and Nevins (2006, p. 457) define LTO as “the cultural value of viewing time holistically valuing both the past and the future rather than deeming actions important only for their effects in the here and now or short term. As such, individuals scoring high in LTO value planning, tradition, hard work for future benefit and perserverance”.

Ryu and Moon (2009) assert that LTO cultures have become widely accepted as an important factor when describing nations. In their studies, they investigate the

effects of LTO cultures on inter-organisational trust and conflict in a relationship between manufacturers and suppliers. They conclude that LTO impacts significantly on the relationship amongst channel members, with high LTO culture positively affecting trust in relationships as well as suppressing the potential conflicts amongst channel members. On the contrary, low LTO culture do not generate trust between channel members. The result of this study implies that " channel members in LTO cultures tend to anticipate benefits over the long-term, thus they do not risk self-interest seeking behaviours on the part of their partners" (Ryu & Moon, 2009, p. 7)

In a recent paper, Venaik, Zhu, and Brewer (2013) provide a critical analysis of the LTO and the Future Orientation (FO) in the national culture models of Hofstede and Globe. They conclude that LTO focuses on past (tradition) versus future (thrift) aspect of societies whereas GLOBE FO practices capture the present versus future (planning) practices of societies, and GLOBE FO values reflect societal aspirations and preferences for planning.

In 2010, Hofstede added a sixth dimension to its national culture dimensions; namely: Indulgence vs. restraint. "Indulgence stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. Restraint stands for a society that suppresses gratification of needs and regulates it by means of strict social norms"(Hofstede, 2010).

Hofstede (2010) reckons that the position of a country on these dimensions enables the understanding of how the country operates, including its management processes and culture. Culture is not an individual but rather a collective attribute that is manifested in the behaviours of people (Hofstede & McCrae, 2004).

2.3.2 Application of the Hofstede's theory to the broad management context

Hofstede's culture theory has been applied to a broad range of management issues; including but not limited to Human Resources (Aycan, 2005; Oke & Dawson, 2012) ; Research and development and product design (Jinhong et al., 1998) , performance management (Otley, 1999), and technology and information systems (Ford, Connelly, & Meister, 2003; Kedia & Bhagat, 1988). In addition to this, the seminal study conducted by van Everdingen and Waarts (2003) investigates the effects of Hofstede's five national dimension of cultures on country adoption rates. Everdingen and Waarts focus on the application of these value dimensions to innovation within the business to business environments, across multiple countries. They conclude that national cultures, with the exception of individualism affect enterprise resource planning adoption rates.

In the same vein, Soares et al. (2007) applied Hofstede's culture theory to the research they conducted on international marketing. In their studies, they present a variety of ways to conceptualising the culture constructs identified by Hofstede. They suggest a "multimeasure approach to assess culture using regional affiliation, indirect values and direct value inference" (Soares et al., 2007, p. 282).

Hofstede's work was not just limited to the management environment, it was also applied across diverse cultures and countries such as Croatia (Laznjak, 2011) or Jordan (Alkailani, Azzam, & Athamneh, 2012), just to name a few.

In this review of the literature on Hofstede's culture theory, it was found that most studies focus on applying at least four of the six value dimensions that were identified by Hofstede. A few studies that focused on the fifth dimensions included (Bearden et al., 2006), (Ryu & Kim, 2010) and (Hassan, Shiu, & Walsh, 2011). Fang (2003) describes the limitations of this fifth dimension of short-term vs. long-term orientation which represents the focus of the next section.

2.3.3 Limitations of Hofstede's theory

Whilst Hofstede's value dimensions of culture has received some support from the academic community; this theory has also been criticised by other scholars (Fang, 2003). In this section, the focus will be on the limitations of the fifth value dimension; namely the short term vs. long term dimension also known as the Confucian dynamism.

Basing his arguments on the oriental cultures of Yin and Yang, "the Chinese philosophical of dualism and paradox in the manifest world", (Fang, 2003, p. 355) argues that Hofstede's fifth value dimension of national cultures is inherently flawed. According to Fang, everything one does has a yin and yang; and consequently, the Confucian values cannot be exempted from this philosophy. He sees the idea of a short-term and long-term orientation not as opposite from each other; but rather as two extremes of a continuum. Moreover, Fang finds the concept of Confucian dynamism confusing and difficult to be registered in both the Western and Chinese minds. This defeats the rationale behind Hofstede's fifth dimension which is believed to be his oriental contribution to the value dimensions of national culture. Another limitation of this fifth value dimension is the methodology that was used. Unlike his first four dimensions that followed a supposedly rigorous methodology using a wide range of samples across multiple countries to arrive at robust results, it is believed that the results of the fifth dimension did not follow the same approach; thereby leading Fang (2003, p. 362) to conclude that " the model is not based on logic".

In their assessment of the long-term orientation value, scholars have noted that there have been concerns raised in the extant literature about this fifth dimension related specifically to the psychometric properties of Hofstede's scales as well as the issues of applying aggregate level measures to the individual level (Bearden et al., 2006, p. 456; Hassan et al., 2011).

With these limitations that have been highlighted, one needs to define the unique relevance of Hofstede's fifth value dimension of national culture to this study.

2.3.4 Relevance of Hofstede's fifth value dimension to this study

Hofstede's culture theory and specially the fifth dimension which focuses on the short-term versus long-term orientation of countries are relevant to this study. This relevance stems from the fact that ascertaining the type of orientation adopted by each country under study will undoubtedly, according to Hofstede, affect the orientation of the company. In other words, a company that operates in long-term orientated country will tend to be more innovative, take risk and focus on long-term instead of short-term objectives.

In this study, although South Africa and Nigeria are both located in Africa, each country has its peculiarities that need to be understood by the marketer. Based on the current literature, it may appear that South Africa is long-term oriented as opposed to Nigeria that appears to be short-term driven. This is illustrated in Table 2-1 that exhibits the long-term orientation (LTO) index and factor scores of 23 countries and regions. According to this table, Nigeria is classified 22nd out of 23 countries with a LTO score of 16 against that of 118 of China which is ranked number one. This study tends to indicate that Nigeria is a short-term orientated country which leads to the conclusion that companies that operate in Nigeria will not be innovative or will have a short-term approach to solutions they bring to problems they are faced with. Consequently, these companies have a static, short-term oriented culture. With regard to South Africa, although it does not appear on this table, its position may be inferred from those of other BRICS countries which are represented on the table; namely Brazil, India and China. These countries achieved an LTO score of 65, 61, and 118; and they were ranked sixth, seventh and first (out of the 23 countries) respectively. They are on the positive pole thereby indicating their dynamism and future, long-term driven culture.

Table 2-1: LTO index and factor scores of 23 countries and regions

Score rank	Countries or regions	Factor scores	LTO score
1	China	-	118
2	Hong-Kong	.91	96
3	Taiwan	.74	87
4	Japan	.59	80
5	South Korea	.49	75
6	Brazil	.30	65
7	India	.31	61
8	Thailand	.11	56
9	Singapore	-.04	48
10	Netherlands	-.13	44
11	Bangladesh	-.20	40
12	Sweden	-.24	33
13	Poland	-.36	32
14	Germany	-.38	31
15	Australia	-.38	31
16	New Zealand	-.39	30
17	USA	-.42	29
18	Great Britain	-.50	25
19	Zimbabwe	-.50	25
20	Canada	-.53	23
21	Philippines	-.61	19
22	Nigeria	-.67	16
23	Pakistan	-1.00	00

Source: (Fang, 2003)

In addition to the above, the fifth dimension is relevant to this study because of the fact that one cannot ignore the impact that culture has on marketing and specially CRM implementation in emerging markets. There have not been any prior studies in the CRM literature that have specially focused on the short-term vs. long-term orientation dimension of Hofstede's national value dimensions to address a CRM problem. This study provides an avenue for this LTO theory to be validated in the CRM and African contexts.

The next chapter explicates prior CRM studies available in the current literature. Moreover, it provides an evaluation of the evolution, current state and trends of mobile and banking industries in South Africa and Nigeria.

CHAPTER 3: LITERATURE REVIEW

This chapter assesses previously published studies in the context of Customer Relationship Management (CRM) in emerging markets. Firstly, (3.1) it defines key CRM concepts, and then highlights (3.2) the antecedents to effective CRM implementation from a developed and an emerging market's perspectives. Subsequent chapter sub-sections are concerned with (3.3) the benefits, success measures and challenges of CRM; and lastly with, (3.4) a market analysis.

3.1 CRM Concepts Definition

3.1.1 What is a relationship?

In recent years, globalization has had a profound impact on the economic exchange of goods and services between buyers and sellers (Constantinos, Christos, & Amalia, 2003; Ramaseshan, Bejou, Jain, Mason, & Pancras, 2006; Yip, 1996). Today, it is undoubtedly one of the challenges that organizations have to face as it has become difficult to ignore its potential impact on businesses (Burgess & Steenkamp, 2006).

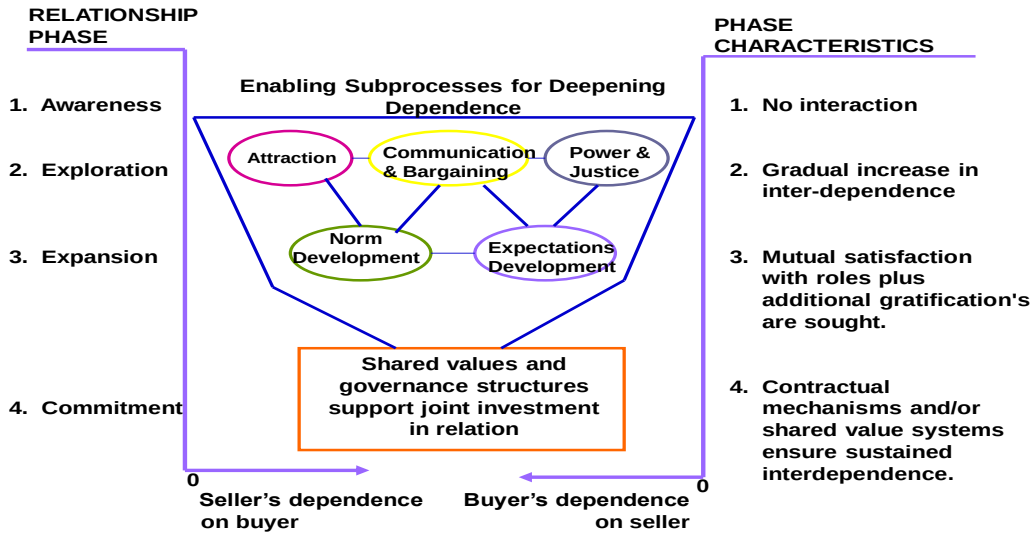
The effects of globalization are well documented in the literature and include: Rising customers' expectations, an emphasis on superb service quality by both sellers and buyers, a proliferation of new technology, faster communication channels, lower communication costs, and closer socio-economic interaction between nations (Galbraith, 2005; Sheth & Parvatiyar, 1995). These market dynamics have propelled a shift of power from the seller to the buyer and have placed companies under pressure to meet and exceed their customers' needs (Mack, Mayo, & Khare, 2005; Peppard, 2000). In an attempt to capture their target markets' attention and improve diminishing margins, high performance driven organizations have explored multiple avenues to respond to these market changes. The old model of "design-build-sell" (a product-oriented view) has been replaced by that of "sell-build-redesign" (a customer-oriented view). The

traditional process of mass marketing has been challenged by the “one-to-one marketing” approach which has, at its core, the need for relationship building with customers (Rygielski, Yen, & Wang, 2002, p. 485). Consequently, this concept of relationship building which is based on relational exchanges between the firm and its customers has progressively become important in the lexicon of both Academics and Practitioners. In fact, the word “relationship” is used across such disciplines as psychology (Judge & Bono, 2001; Schein, 1970), marketing (R. Morgan & Hunt, 1994) and political science (Thorelli, 1986) which may, to some extent, explicate its diverse meanings.

In the context of the marketing and management fields, Buttle (2009) suggests that a relationship must be viewed from a dyadic perspective as it is a series of interactive engagements with a minimum of two people over a period of time. This position is supported by (R. Morgan & Hunt, 1994) who do not view relationship as a once-off transaction but rather as a collaborative effort where parties that interact get to learn from each other and thereby building sustainable relationships with each other.

Dwyer, Schurr, and Oh (1987) distinguish five stages of the relationship development process namely; awareness, exploration, expansion, commitment and dissolution. Figure 3-1 demonstrates these relationships phases and explains their characteristics.

Figure 3-1: The relationship development process



Source: (Dwyer et al., 1987)

According to Dwyer et al. (1987), the *Awareness stage* is the first step in the relationship development process between two parties. During this stage, each party recognises that the other party is a potential partner. In the second stage of this process, called *Exploration*, the parties assess each other by taking into consideration such factors as "obligations, benefits and burdens". In phase three, also referred to as *Expansion*, the goal congruence and cooperation between parties generate more intimate interactions. Phases 4 and 5 are concerned with *commitment* and *Dissolution*, respectively. *Commitment* occurs when both parties are satisfied with their relationships and they want to continue with the relationship whilst *Dissolution* takes place when a party withdraws from the relationship.

Another relationship development process is that of Clark Moustakas. His primary processes of relationship development incorporate three phases: *Being in, Being for,* and *Being with* (Patton, 2002).

During the *being in phase,* individuals involved in the relationship immerse themselves in one another world with the intent to understand their experiences and perception of the world. *Being for* requires an active participation into the other party's life by taking a position on issues affecting the person and also by becoming his or her advocate. *Being with* is all about bringing "one's own knowledge and experience into the relationship"(Patton, 2002, p. 8).

Nguyen and Mutum (2012) found that the firm creates long lasting relationships and successful CRM implementation when there is an effective blend of the following four factors; namely (a) trust and commitment; (b) satisfaction; (c) symmetry and dependence; and (d) fairness.

In summary, research on the *relationship* concept has focused on the dyadic nature of the relationship between two parties by emphasizing that a relationship exists between parties when it is not transactional, one-sided; but rather interactive and collaborative. Explicitly, there must be a provider or seller and a buyer for a relationship to exist (Mendoza et al., 2007). Moreover, it is acknowledged in the literature that individuals have to go through a relationship development process to totally commit to the other party. The elements of trust, commitment and satisfaction appear to be prerequisites for successful relationship amongst parties involved in a relationship. Therefore, building relationships with customers require that organizations embed these elements in the daily interactions with them and across all the customer touch points.

3.1.2 CRM defined

The concept of CRM was popularized in 1993 when Tom Siebel, the Founder of Siebel Systems Inc., launched a software application that could assist companies to automate their marketing activities (Buttle, 2004). Today, despite its growing recognition amongst practitioners and academics, the meaning of CRM still remains contested (Boulding, Staelin, Ehret, & Johnston, 2005; Payne & Frow, 2006). The available literature on CRM presents numerous definitions of what CRM is, thereby leading (Winer, 2001, p. 91) to comment that "CRM means different things to different people".

Viewed from the standpoint of information technology (IT) specialists and software vendors, CRM refers to collecting marketing data and leveraging communication technologies to maximize customer's lifetime value to an organization (Boulding et al., 2005; Kumar & Reinartz, 2006; Reinartz et al., 2004). Payne and Frow (2006) affirm that CRM has its roots in relationship marketing, which supports a multi-stakeholder management approach. In a more recent view of CRM, Frow and Payne (2009, p. 10) define CRM as "the strategic management of relationships with customers, involving appropriate use of technology".

Greenberg (2010) defines CRM as a set of philosophies, strategies, systems and technologies that would effectively and efficiently manage the transactions of customers with companies and the subsequent relationships with those customers.

From these definitions, it appears that IT is just an enabler for companies in their quest to build and sustain profitable relationships with customers. In addition, CRM is portrayed as a business philosophy that is engrained in a company's culture or way of doing business. As a result, its CRM strategy development and implementation approach must be aligned with the overall business strategy.

Wahlberg, Strandberg, Sundberg, and Sandberg (2009) sought to assess what has been published in what is perceived to be the four dominant approaches to CRM namely; (a) Strategic, (b) Analytical, (c) Operational and (d) Collaborative. They conclude their research by highlighting that operational and collaborative CRM need to be given further attention in the future. A detailed description of these CRM approaches is given below:

1. *Strategic CRM* refers to how organizations apply CRM to realize their business goals (Bull, 2003; Goodhue, Wixom, & Watson, 2002). According to (Mack et al., 2005), in a strategic CRM concept there is an integrated customer approach to customer acquisition and retention which impacts on customer loyalty, improves target marketing and generates quality customer information.

The strategic CRM process is spearheaded by the top leadership members of the organization. These leaders represent cross-functional business areas including, sales and marketing, logistics, production, finance, human capital development and research and development, just to name a few (Lambert, 2010).

2. *Analytical CRM* is concerned with the analysis of customer data with the aim to support customer management strategies within a company (E.W.T. Ngai, Xiu, & Chau, 2009). This includes the underlying data warehouse architecture, customer profiling and segmentation, systems, reporting, and analysis.

Wahlberg et al. (2009) found that an important focus area of analytical CRM is the extensive analysis of customer data to improve marketing efficiency. Mishra and Mishra (2009) advocate that analytical CRM leverages Operational CRM to create customer insights using statistical methods.

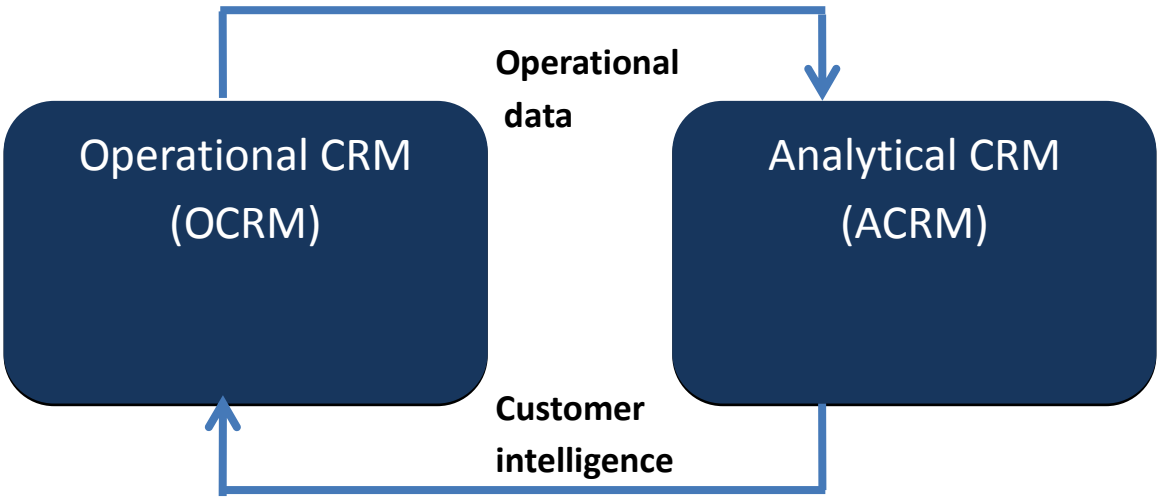
With the right analytical tool and infrastructure, companies are not just able to have a 360-degree view of the customer; but they can also understand customer

behavior at the most granular level. Business decisions based on analytics enable the company to understand customers across a large number of variables such as value, usage rate, profitability, attrition, churn rate, product usage, location and dormancy.

3. *Operational CRM* is referred to as “Transactional CRM” (Chamelta, 2006) and as “the automation of business processes” (E.W.T. Ngai et al., 2009, p. 2397). According to Mishra and Mishra (2009) operational CRM supports front office processes. Chamelta (2006) and J. Chan (2005) support the view that Operational CRM is comprised of the technology and business processes that facilitate customer interactions. As part of these interactions, the company can obtain customer insights that are generated from operations through all customer touch points such as contact centre, website, fax, sales people and many more. The real impact on the business only occurs when the collected data is converted into useful information for customer acquisition and retention strategies. Operational CRM has become critical as it enables staff to better service customers.

The integration of operational and analytical CRM provides a 360 degree view of the customer across all channels thereby enabling the company to capitalize on the relevant customer opportunities. Such opportunities could include cross and up-selling of products, reactivation of dormant accounts or reduction of the churn rate. Figure 3-2 illustrates the feedback loop between Operational and Analytical CRM.

Figure 3-2: Feedback loop between Operational and Analytical CRM



Source: (J. Chan, 2005)

According to J. Chan (2005, p. 35), "*Analytic CRM* creates customer intelligence that enhances future customer interactions whereas operational CRM captures critical data required for CRM analytic purposes.

4. Collaborative CRM is still a blurred concept (Reinhold & Alt, 2009). It has been defined as the exchange that occur amongst such parties as suppliers, clients, consumers and manufacturers through the usage customer channels with the view to achieve a common goal: To enhance customer relationships (Reinhold & Alt, 2009). Although customers may be external targets, they also play a participative role in the collaborative CRM process.

3.1.3 CRM related concepts

From the review of the extant literature on CRM, there are such concepts as Relationship Marketing (C. Grönroos, 1997; Gummesson, 2004), Database Marketing (Kumar & Reinartz, 2006), Services Marketing (Vargo & Lusch, 2008), Customer Management (Payne, Storbacka, & Frow, 2008), and Total Customer Relationship Management (Su, Tsai and Hsu, 2010), just to name a few, that have emerged. The common denominator amongst these concepts is the focus on customers. Table 3-1 provides an overview and definition of CRM related concepts that were found the literature.

Although these concepts focus on the customer, there is an increased usage of the customer experience concept by both academicians and practitioners. The literature does not provide a clear comparison between the concept of customer experience management and that of customer relationship management

However, it can be deduced from the literature that the concept of customer experience is mainly used in relation to service quality, customer service and a lasting and fulfilling emotional experience for customers (Berry, Carbone, & Haeckel, 2002; Mascarenhas, Kesavan, & Bernacchi, 2006); whilst CRM is viewed as a more strategic approach to customer management (Payne & Frow, 2005). In other words, it is implied that CRM excludes the operational side which deals with customer experience. This is a misperception that needs to be discarded as CRM does not just happen in the back-end but also incorporate the front-end engagement with the customer to assist the company to achieve its CRM objectives (Buttle, 2009). These objectives are tightly linked with customer loyalty, improved service quality and reduced complaints.

Table 3-1: An Overview of CRM-related Concepts

No.	CRM related concepts	Sources	Definition
1	Customer Experience Management	Johnston and Kong, 2011 Palmer, 2010 Pine and Gilmore, 1998	It involves the customer's cognitive, affective, emotional, physical and rational responses to a company and its products.
2	Customer Knowledge Management	Akhavan et al., 2008	Also known as "Knowledge enabled CRM"; CKM is an area of management where various Knowledge Management instruments and procedures are applied to support the exchange of customer knowledge within an organization and between an organization and its customers.
3	Customer Management	Payne and Frow, 2009	Implementation and tactical management of customer interactions.
4	Database Marketing	Kumar and Reinartz, 2006	It involves the gathering of relevant customer data and devising appropriate campaign that can appeal to the targeted groups. If done effectively, the company can maximize its profits and strengthen its relationship with its customers.
5	Global Customer Relationship Management	Ramasehsan, Bejou, Jain, Mason and Pancras, 2006 Ramaseshan Kumar, Sunder and Ramaseshan, 2011	The strategic application of the processes and practices of CRM by firms operating in multiple countries, or by firms serving customers who span multiple countries.

6	One-to-one Marketing	Rogers and Peppers, 1999	One-to-one marketing is a four-step process of identifying, differentiating, Interacting and Communicating with customers.
7	Relationship Marketing	Gronroos, 1997; Gummesson, 2004;Leick, 2007	Interaction of networks with the view to develop relationships that meet the objectives of the parties involved and that can be sustained over their lifetime.
8	Services Marketing	Gummesson, 2007	Services' marketing is a sub-discipline of marketing that emphasizes that customer buys what they perceive to be of value for them.
9	Total Customer Relationship Management (TCRM)	Su et al., 2010	TCRM involves activities of customer related processes, management responsibility, resource management, product/ service realization and measurement that improve the effectiveness of marketing initiatives and aid towards customer acquisition and retention.

3.2 Antecedents to Successful Customer Relationship Management

The antecedents to successful CRM refer to those CRM practices that must be in place to ensure that the CRM goals of reduced customer complaints, increased sales, reduced costs and increased customer loyalty, retention and acquisition are met (Eid, 2007). These determinants are the driving forces behind CRM success and organizational competitive advantage (Raman, Wittmann, & Rauseo, 2006). They are attributes and variables with considerable effect on organizational results (Buttle, 2009).

In an attempt to guide companies in their CRM journey, most of the studies on CRM in recent years have proposed a set of critical success factors for CRM implementation in organizations (Chen & Popovich, 2003; Zablah, Bellenger, & Johnston, 2004). This increased focus on CRM effectiveness can also be viewed as a response to a wide array of papers published in the academic and professional literatures on the high failure rate of CRM programs estimated at 80% of the total CRM programs implemented (Bush, Moore, & Rocco, 2005).

Empirical evidence reveals that the basis for CRM success is “an integrated and balanced approached between technology, people and processes” (Mendoza et al., 2007, p. 914). Whilst one may support this increased focus on key determinants of CRM success, scholars such as Burgess and Steenkamp (2006) and (Kumar et al., 2011) claim that the existing literature on CRM has been restricted to industrialized markets. They claim that the stark differences between industrialized and developing markets should not lead to the generalisability of findings from industrialized markets as these may not be applicable to the developing market context. This view is echoed by (Sharma & Iyer, 2007) who posit that considerations need to be given to the context in which the company operates in order to devise successful CRM strategies. These remarks have prompted more localized CRM research on emerging markets with a stronger focus on China, India and the Middle East countries (Haridasan & Venkatesh, 2011; Rouholamini & Venkatesh, 2011; Shengdong & Xue, 2011).

Industrialized and emerging market perspectives on CRM success of what is available in the literature will now be presented. A synthesis of this analysis and key insights drawn from this literature review will also be provided in the subsequent sections

3.2.1 The high income, industrialized markets perspective

The discourse on CRM has made a tremendous contribution to the antecedents of CRM success in industrialized markets. A review of a select number of papers published between 2002 and 2012 on CRM in high income, western, industrialized markets, reveals that there are fundamental CRM practices that must be in place for an organization to achieve success. Although these factors tend to vary from one scholar to the other, there are broad similarities in terms of the identified CRM critical success factors. The following nine factors are undeniably at the top of the list and include:

1. Shared vision: This refers to the business foresight of what CRM is in the organization and how this vision is communicated to the entire member of its constituencies, including partners and other external stakeholders.

2. Executive buy-in: The leadership team has to give its imprimatur for the CRM implementation program and most importantly they have to support it and champion in across the entire business.

3. Sound project management: It refers to the ability of an organization to effectively manage its CRM programme from an end to end aspect within the planned resources (people, financial and time) requirements.

4. Interdepartmental cooperation: It is about encouraging cooperation and collaboration amongst the various departments of the organization. Through collaborative efforts amongst the business units, the company can speedily and efficiently deliver its customer promise and consequently achieve the planned business goals.

5. Information systems/technology integration: It is the ability to integrate the legacy systems with the newly implemented CRM systems in a way that allows for a 360 degree view of the customer across all the identified customer touch points. It also means moving away from a siloed approach by having a primary single repository of customer data that is updated timely and shared across the business.

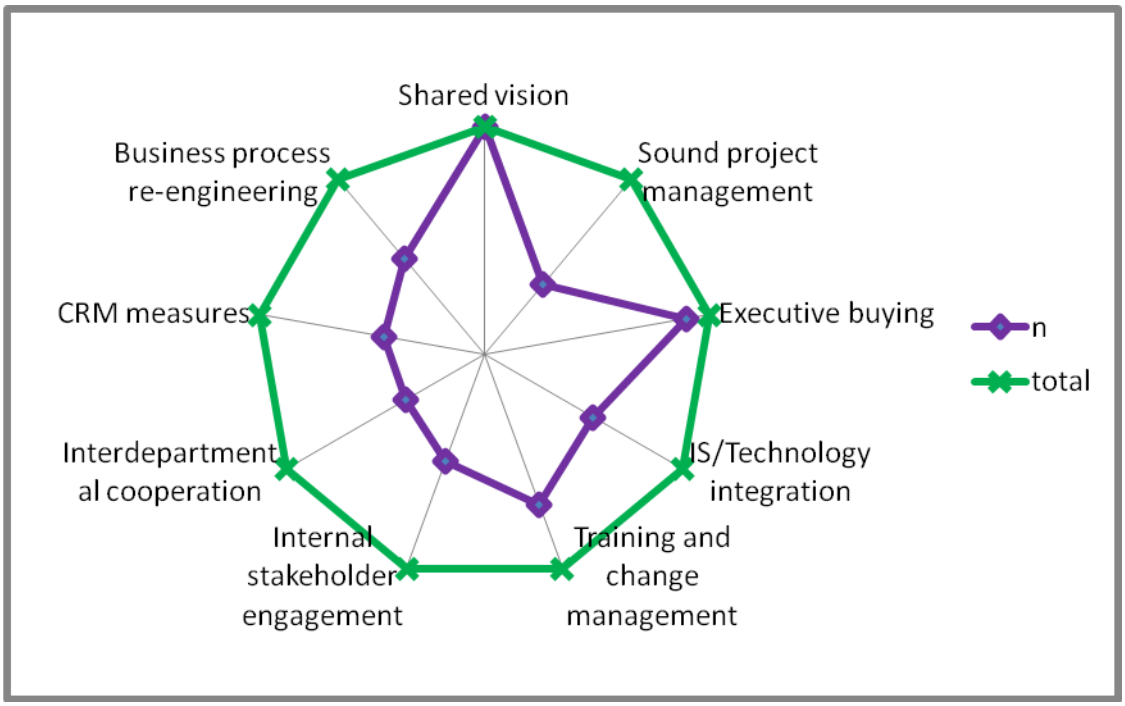
6. Change management and training: Managing change is ranked quite high because most organizations have to shift their paradigms which may mostly be sales, process or product-driven to a customer-centric approach. To effect these changes in the business, the training of employees is necessary. The training becomes even more critical for customer-facing employees as they have to project the right image of the organization and its new vision to customers. “In general, change management activities empower, inform, and allow organizational members to exert a significant degree of influence over the innovation effort” (Zablah et al., 2004, p. 289).

7. Internal stakeholder management refers to the management of expectations of all employees across different hierarchical levels of the organizations. It is understood that if these employees are clearly communicated to and actively participate in the CRM programme, this can yield positive results for the customers, employees and the organization as a whole.

8. Business process re-engineering: According to scholars from the high income industrialized markets, “the main processes to be optimized are those through which the customer engages with the organization”(Mendoza et al., 2007, p. 915). They include sales, marketing and service processes. Other processes could be industry related such as the banking processes or the mobile telephony processes; and

9. CRM measures: These are measures that are qualitative and quantitative in nature. They do provide the business with a view on how the CRM program is being implemented.

Figure 3-3: CRM Critical Success Factors



Sources: Various sources from the CRM literature including (Eid, 2007; Foss et al., 2008; Hsin Hsin, 2007; Stan Maklan, Knox, & Peppard, 2011; Mendoza et al., 2007; E. W. T Ngai, 2005)

The above spider diagram shows that a shared vision and top management support are the two most critical factors for success when implementing CRM in a company. These two factors are directly followed by training and change management. Business process re-engineering, CRM measures, technology integration and interdepartmental cooperation are ranked on the same level. Sound project management is surprisingly the lowest rank measure for CRM success; but still an important metric.

A review of the critical success factors of CRM in industrialized markets by authors is presented in table 3-2.

Table 3-2: Review of Critical CRM Success Factors in Industrialized Markets

Item No.	Critical Success Factor	Authors
1	Shared vision	Hsin Hsin (2007)
2	Executive buy-in	Becker, Greve and Albers (2009); Foss, Stone and Ekinci, King and Burgess (2008); Eid, 2007; Mendoza, Marius, Perez and Griman (2006); Bull (2003)
3	Sound project management	King and Burgess (2008); Eid (2007)
4	Interdepartmental cooperation	King and Burgess (2008); Mendoza, Marius, Perez and Griman (2006); Ryals and Knox (2001)
5	Information systems/technology integration	Foss, Stone and Ekinci (2008); Mendoza, Marius, Perez and Griman, (2006); Eid (2007); Bull (2003);
6	Change management and training	Eid (2007); Hsin Hsin (2007); Raman, Wittmann and Rauseo (2006); Zablah , Bellenger and Johnston (2005); Rigby, Reichheld & Schefter, (2002)
7	Internal stakeholder management	Becker, Greve and Albers (2009); Bose (2002)
8	Business process re-engineering	Eid (2007); Hsin Hsin (2007)
9	CRM measures	Eid (2007); Bull (2003); Ryals and Knox (2001) ; Winer (2001)

In summary, the literature on CRM in high income, industrialized countries has mainly focused on organizational factors as determinants of CRM success. Beyond the definition of what CRM is, the extant literature has widely covered the topic of CRM successes and failures in that context. However, most of the studies conducted in this context do not provide tangible solutions or a road map to successful CRM implementation. There have been some attempts though by such scholars as Labus and Stone (2010), Payne and Frow (2006) and Winer (2001) to develop a framework that can be used by other practitioners. However, the main limitations of these frameworks are their limited applicability to the Western markets.

3.2.2 The emerging markets perspective

Studies examining the determinants of CRM success in emerging markets have yielded mixed results as illustrated in the analysis below:

In their assessment of country effects on CRM success, Sharma and Iyer (2007) contend that the success of CRM strategies in international markets depends on the level of a country's infrastructure development and its marketing institutional development. Moreover, they assert that because of its costs and lack of tangible results, "in countries where there is both low infrastructure development and low marketing institutional development, it is suggested that CRM strategies not be implemented at this time."(Sharma & Iyer, 2007, p. 73).

Although their arguments may conceptually be sound, it is not evidence-based. In addition, by suggesting that CRM should not be implemented in these countries leads one to believe that Sharma and Iyer (2007) are tacitly advocating that a sales or product focused strategies should be appropriate in such markets. Moreover, another limitation of this approach is their restriction to the marketing institutions and thus not incorporating other institutional forces such as competitors' activities, which have been proven in some other studies to determine the CRM approach and success of companies (Kirca et al., 2011).

Shengdong and Xue (2011) look specifically at CRM effectiveness in the mobile telephony sector of China. They suggest that in China, for CRM to be effective, organizations should not give up unprofitable customers. Moreover, they note that technology and intuition are drivers of CRM success in an emerging market environment. More studies on CRM in emerging markets have been conducted in India (Haridasan & Venkatesh, 2011), Iran (Rouholamini & Venkatesh, 2011), Pakistan (Rahman & Azhar, 2008) and Saudi Arabia (Almotairi, 2010).

In their studies of CRM implementation in India, Haridasan and Venkatesh (2011) focus on service quality. They assert that organizations that offer superior service

quality can build and maintain customer loyalty. Specifically, they investigated how CRM could be effective by using two loyalty indices such as word of mouth and cross and up-selling.

Kumar et al. (2011) and Ramaseshan et al. (2006) researched the global diffusion of CRM. Ramaseshan et al. (2006, p. 196) define Global CRM (GCRM) as “the strategic application of the processes and practices of CRM by firms operating in multiple countries, or by firms serving customers who span multiple countries, which incorporates relevant differences in business practices, competition, regulatory characteristics, country characteristics, and consumer characteristics to CRM strategies to maximize customer value across the global customer portfolio of the firm”.

Kumar et al. (2011) propose a conceptual model that outlines the internal and factors that drive the variation in the learning effects across regions. Specifically, this conceptual model describes the progression in the adoption of GCRM technology in such markets as Europe, North America and Asia-Pacific and also reveals that “collectivistic cultures, which are widespread in Asia-Pacific, have lower rate of innovation and higher rates of imitation than individualistic cultures(such as North America and Europe)”(Kumar et al., 2011, p. 29). Further, they assert that decision-makers of companies across the globe have found cross-regional learning a key factor for effective CRM implementation in their respective companies. They conclude by encouraging companies that serve customers across multiple geographies “to reconcile the country-specific and global requirements of GCRM” in order to best address the needs of their customers as there is no “one size fits all” solution to GCRM”(Kumar et al., 2011).

Further studies beyond CRM in emerging markets but that concentrate on business strategies that fit emerging markets have been undertaken by (Khanna et al., 2005). They assert that CEOs in developed, industrialized markets can’t assume that they can do business the same way in emerging markets as the

level of sophistication of the market infrastructure are different. Hence, adaptation to the emerging market context is required. However they warn against the use of composite indices such as the Growth Competitiveness Index ranking, Business Competitive Index ranking, Governance indicators, Corruption Perception Index, Composite Country Risk points and Weight in Emerging Markets index when developing strategies in emerging markets. Instead, they propose that companies should capitalize on “institutional voids” by applying their proposed five context framework of socio-cultural systems, openness, product markets, labour markets and capital markets. It is evident from this study that the institutional context of emerging markets is critical in determining the success or failure of business strategies.

From the above analysis, it can be concluded that the authors tend to refer to their broad experience in the consulting environment without emphasizing how and where their five context framework was tested and what results were obtained. This leads one to assert that their study is not motivated on sound, scientific, empirically based grounds; but rather on their consulting experience.

3.2.3 Synthesis and key insights

Despite the fact that there appears to be an increased number of research papers on CRM in emerging markets, these papers have tended to apply constructs from high income, industrialized markets without providing much insights on the peculiarities and the contingency factors of CRM implementation in their own context.

The above-mentioned studies demonstrate that implementation of CRM in emerging markets has focused on people, process and technology, consistent with what has been done in industrialized markets.

Kumar et al. (2011) and Ramaseshan et al. (2006) have started to identify both internal and external factors to be considered by global companies with multiple locations, whilst Sharma and Iyer (2007) have suggested that marketing infrastructure and institutions affect CRM success.

The contingency factors that are specific to each of the markets they have studied have not been highlighted. This is the gap that this research will be filling. By identifying those contingency factors that can impede on or enhance the success of CRM implementation in Nigeria and South Africa, this study intends to make a significant contribution to this body of knowledge. Table 3-3 contrasts emerging and developed markets views on CRM success factors.

Table 3-3: Contrasting Emerging and Developed Market Views on CRM Success Factors

	High income, industrialized (Developed) markets		Emerging markets		
Item No.	**Critical Success Factor**	**Authors**	**Critical Success Factor**	**Authors**	**Contrasting emerging and developed market views based on the extant CRM literature**
1	Shared vision	Hsin Hsin (2007)	Service quality	Haridasan and Venkatesh (2011)	The papers reviewed on CRM in emerging markets have tended to focus on constructs applied in high income, industrialized markets without providing much insight on the peculiarities and the contingency factors of CRM implementation in their own context. Kumar et al. (2011) and Ramaseshan et al. (2006) have started to identify both internal and external factors to be considered by global companies with multiple locations; whilst Sharma and Iyer (2006) have suggested that marketing infrastructure and institutions affect CRM success.
2	Executive buy-in	Becker, Greve and Albers (2009); Foss, Stone and Ekinci, King and Burgess (2008); Eid, 2007; Mendoza, Marius, Perez and Griman (2006); Bull (2003)	Knowledge sharing/collaboration	Fan and Ku (2010)	
3	Sound project management	King and Burgess (2008); Eid (2007)	Company commitment	Fan and Ku (2010)	
4	Interdepartmental cooperation	King and Burgess (2008); Mendoza, Marius, Perez and Griman (2006); Ryals	Redesign of internal structure and external relationships	Fan and Ku (2010)	

		and Knox (2001)			
5	Information systems/technology integration	Foss, Stone and Ekinci (2008); Mendoza, Marius, Perez and Griman, (2006); Eid (2007); Bull (2003);	Technology integration	Fan and Ku (2010) Shengdong and Xue (2011)	
6	Change management and training	Eid (2007); Hsin Hsin (2007); Raman, Wittmann and Rauseo (2006); Zablah , Bellenger and Johnston (2005); Rigby, DK., Reichheld, E. & Schefter, P., (2002),	Corporate culture	Ramaseshan, Bejou, Jain, Mason and Pancras (2006)	
7	Internal stakeholder management	Becker, Greve and Albers (2009); Bose (2002)	Marketing infrastructure and marketing institution	Sharma and Iyer (2007)	
8	Business process re-engineering	Eid (2007)	Service process fit	Fan and Ku (2010)	
9	CRM measures	Eid (2007); Bull (2003); Ryals and Knox (2001) ; Winer (2001)	Government policies	Ramaseshan, Bejou, Jain, Mason and Pancras (2006)	

3.3 Benefits and Challenges of CRM Implementation

3.3.1 Introduction

Effective customer relationship management has become the central focus of companies that want to be successful in the markets in which they operate (Nguyen & Mutum, 2012; H. Wilson et al., 2002). Dibb and Meadows (2004, p. 112) believe that long term organizational success is “contingent upon customer retention as well as customer acquisition”. Despite strong evidence on the positive aspects of CRM, the available literature still provides mixed evidence on its business value.

Understanding the benefits, measures of success and challenges of CRM implementation is thus critical for the development and execution of a robust CRM programme in an organization.

3.3.2 Benefits

Empirical studies conducted by such scholars as S. Maklan, Knox, and Ryals (2005), (Rigby, Reichheld, & Dawson, 2003) and F. King and T. Burgess (2008) have demonstrated that CRM can benefits organizations in many aspects. In the same vein, Payne and Frow (2006) and Ryals and Knox (2001) have built a business case for CRM implementation in organization. In their studies, they have demonstrated that CRM can be a source of competitive advantage for companies operating in today’s multipolar environment. A recent study by Kumar and Reinartz (2012) suggests that with the shift of power from sellers to buyers, companies can improve the life time value of their customers through a robust CRM programme.

Richards and Jones (2008, p. 123) summarize the benefits of CRM as consisting of seven core elements: “Improved ability to target profitable customers; integrated offerings across channels; improved sales force efficiency and effectiveness; individualized marketing messages; customised products and services; improved customer service efficiency and effectiveness; and improved

pricing". Their meta-analysis of CRM benefits as well as their value drivers can be found in Appendix B.

In a review of the literature on the main advantages of CRM, Ko, Kim, Kim, and Woo (2008, p. 66) list the following amongst key advantages: "increased profits, more customer relationships, more repurchases, accurate customer information collected, enhanced customer loyalty, improved efficiency of customer management, effect of word of mouth, reduced cost of new customer acquisition, greater ease in developing new products, increased sales by additional purchases, reduced cost of direct marketing, increased brand loyalty and increased customer LTV (lifetime value)".

Rigby et al. (2003) and Reichold, Kolbe, and Brenner (2001) concur that there are numerous benefits of CRM. For example, Reichold et al. (2001) claim that a 5% improvement in customer retention can enhance profit by between 45 and 95% across a variety of industries (Buttle, 2004). Table 3-4 illustrates the divergent measures of CRM implementation success. It shows that there are a variety of measures used by companies to evaluate the successful impact of their CRM programmes. These measures can range from return on investment (ROI), sales generated, total number of CRM projects implemented to conversion rates.

Table 3-4: The Divergent Measures of CRM Implementation Success

Success rate (percentage)	Measures	Source	Cited in
265%	Return on CRM investment of 11 USD million	Lowe's Home Improvement case study	Stringfellow, Nie and Bowen (2004)
25%	CRM implementation success rate based on 1337 international companies that had implemented CRM systems for their sales force.	CSO insights international surveys of 1337	Foss, Stone and Ekinci (2008)
20%	CRM implementation success rate based on total CRM projects implemented	Bush, Moore, and Rocco 2005	Ahearne, Rapp, Marianoss and Ganesan (2012)
16.1%	Total sales generated after implementing CRM	Dickie's survey of 1700 companies	Shendong and Xue (2011)
12%	Conversion rates of customers based on the percentage of customer who visited the website that resulted in sales after CRM was implemented.	Virgin Wines case study	Stringfellow, Nie and Bowen (2004)

Source: Multiple sources

Despite the apparent benefits of CRM, companies are still encountering challenges that dampen their CRM efforts and to some extent lead to high CRM implementation failure rates.

3.3.3 Challenges

CRM implementation results in companies indicate that there are still enormous challenges faced by companies when implementing their CRM programmes embedded in the implementation of CRM (Bull, 2003). CRM is not cheap. It is hard work and requires significant resources to ensure its success. Its high potential rate of failure has led some business executives to associate the CRM

acronyms with “Can’t Recover Money” (Shea, Brown, White, Curran-Kelly, & Griffin, 2006, p. 3). Due to is high failure rate of past CRM initiatives, many industry observers and analysts are bearish on initiatives currently in progress (Crockett, 2007).

When comparing costs against the revenues generated from their CRM investments, most companies have had to conclude that their investments have not yielded the dividends they had anticipated (Woodcock & Stone, 2003). This is further evidenced by the research conducted by Foss et al. (2008) who noted that a study conducted by Gartner, a global research company, indicates that 70% of CRM projects result in either losses or no bottom line improvement in company performance.

As pointed out by Rigby, Reichheld, and Schefter (2002), the reasons for CRM failure is that most executives do not understand what they are implementing, they do not how much it costs and how long it will take the company to start benefiting from its investments. They have subsequently described the four perils of CRM as consisting of:

- Implementing CRM before a customer strategy
- Rolling out CRM before creating a customer-focused organization
- Assuming that CRM has to be technology intensive
- Trying to build relationships with disinterested customers can further damage the company’s reputation

Rouholamini and Venkatesh (2011) distinguish seven key barriers to successful CRM implementation including:

- Lack of skills
- Inadequate investment
- Poor data quality and quantity
- Failure to understand the business benefits
- Functional boundaries
- Lack of leadership and top management involvement

- Inadequate measurement of systems

An additional investigation by Ahearne et al. (2012) points out that CRM has been shown to be unsuccessful due to the fact that the selling context in which CRM is implemented is not considered by organizations.

A study conducted in Turkey by Mishra and Mishra (2009) for a multinational specializing in the design, manufacturing and sales of control systems for various applications, reveals that the CRM programme did not produce the anticipated outcomes because it was neither embraced by the CEO nor the organization as a whole. In fact, the program was spearheaded by the Chief Information officer for whom customer centricity was all about the adoption of the CRM technology.

Piskar and Faganel (2009) highlight the reasons behind the failure of the implementation of CRM in a pharmaceutical company in Slovenia. Some key reasons for this failure include the lack of a strategy, the absence of an automated environment (as the CRM programme was implemented using an Excel spread sheet), the lack of employees training, the project's sponsor and owner was the area Director with no real impact on the overall business, the planned CRM implementation was inappropriate as it was scheduled during a period where most employees go on vacation, a heavy reliance on the supplier who kept changing the functionality of the CRM systems. Table 3-5 illustrates the divergent measures of CRM implementation failures.

Table 3-5: The Divergent Measures of CRM Implementation Failures

Failure rate (percentage)	Measures	Source	Cited in
83.1%	Ineffective usage of CRM tool	Dickie's survey of 1700 companies	(Shengdong & Xue, 2011)
80%	CRM implementation failure rate based on total CRM projects implemented	Bush, Moore, and Rocco 2005	(Ahearne et al., 2012)
70% (or more)	The measure used is the total number of CRM projects implemented. It is estimated that at least 70% of projects implemented will fail	Giga survey conducted in 2001 Pitt et al (1995); Ewusi-Mensah and Przasnyski (1991)	(Bull, 2003) (H. Wilson et al., 2002)
70%	It is estimated that at least 70% of total CRM projects implemented will result in either losses or no bottom-line improvement in organisation performance	Gartner Survey	(B. Foss, M. Stone, & Y. Ekinci, 2008)
60%	The number of CRM systems implemented that failed using an in-house/custom-developed CRM software	Macsweeney (2000)	(Bull, 2003)

Source: Multiple sources

3.4 Market Analysis

3.4.1 The Nigerian and South African contexts

South Africa and Nigeria have been described as “Africa hegemons” on the basis of their economic, political and military leadership on the continent (Adebajo & Landsberg, 2003, p. 171). Besides being the only two economies in sub-Saharan Africa identified as SANE (South Africa, Algeria, Nigeria and Egypt) economies, which represent half of Africa’s land mass and a third of its population, and account for about half of Africa’s GDP, these two countries have a set of characteristics that differentiate them from each other. Therefore, to fully understand the South African and Nigerian economies, it is necessary to perform a critical assessment of how each country compares against such characteristics as political history, economy, socio-cultural environment, technology advancement, ICT development index, democracy index, corruption perception index, and global competitiveness.

Table 3-6 provides an assessment of the Nigerian and South African contexts along such characteristics as political history, economy, socio-cultural factors, ICT development index, financial sector development index, democracy index, corruption perception index and global competitiveness index.together with relevant sources.

Table 3-6: Assessment of the Nigerian and South African Contexts

Characteristics	Nigeria	South Africa	Sources
Political history:	• Former British colony • Nigeria gained its independence in 1960. • Two main coups in 1966 and 1983 brought a military government to power • A bloody civil war from 1967-1970 • Previous and still existing religious, ethnic and economic tensions between North and South due to disparities of education and economic status • Nigerian President Olusegun Obasanjo, South African President Mbeki and Algerian President Bouteflika launch New Partnership for African Development or Nepad with the aim to foster trade in Africa.	• South Africa was under the apartheid regime between 1948 and 1994 • It is believed that repression was rife in South Africa long before the apartheid system was entrenched • 1st democratic elections took place in 1994. President Nelson Mandela was elected as the first black president • Country is divided in racial terms consisting of Africans, Coloured, Whites and Indians • Rated as one of the politically stable countries in Africa	(Akwule, 1991) http://www.sahistory.org.za/liberation-struggle-south-africa (CIA, 2013)

Economy:	• GDP (Current US $) (billions): 173.0 • GDP growth (annual %): 5.6% • Inflation, GDP Deflator (annual %): -0.6%	• GDP (Current US $) (billions): 285.0 • GDP growth (annual %): -1.8% • Inflation, GDP Deflator (annual %): 7.3	World Bank (2010)
Socio-cultural:	• Africa's most populous country with over 162.4 million inhabitants • Official language is English; but many Nigerian also speak Pidgin, Yoruba, Ibo and Hausa • More than 250 tribes • Life expectancy: 52 years for men and 53 years for women • Literacy (percentage of population age 15+): 60 • Main religions: Islamic, Christianity and individual beliefs	• Population of 50 million inhabitants • 11 official languages: English, Xhosa, Sotho, Zulu, Afrikaans, • Key social issues include high crime rate, rampant HIV/AIDS, lack of cohesion amongst racial groups, high unemployment rate particularly amongst the youth and wide skill gaps that need to be filled through good education systems • Life expectancy at birth: 54 years for men and 55 years for women • Literacy (percentage of population age 15+): 97 (based on 2010 figures) • Main religions: Christian, Islamic, Budhist, Hindus and African	United Nations (2011) http://www.who.int/countries/zaf/en/ http://www.unicef.org/infobycountry/southafrica_statistics.html

		independent churches	
ICT development index: *combines 11 indicators into a single measure that can be used as a benchmarking tool globally, regionally and at the country level to compare developments in information communication technologies. These are related to ICT access, use and skills, such as households with a computer the number of Internet users; and literacy levels.*	Rank: 122 (2010); 125 (2008) Score: 1.85 (2010) 125 1.54 (2008)	Rank: 97 (2010); 94 (2008) Score: 3.0 (2010); 2.71 (2008)	ITU 2011
Financial sector development index: *provides a holistic view of the factors that contributes to long term development of financial systems in countries. It resides on seven pillars consisting of institutional environment, business environment, financial stability, banking and non-banking financial services, financial markets and financial access.*	• Rank: 60 (2011); • Score: 2.4 out of 7	• Rank: 29 (2011); • Score: 3.64 out of 7	World Economic Forum-Financial Development Report, 2011 World Bank

Democracy index: *is an index compiled that measures the state of democracy in 167 countries using 60 indicators grouped in five different categories: electoral process and pluralism, civil liberties, functioning of government, political participation and political culture.*	• Rank: 119 out of 167 countries (2011); 123 out of 167 (2010) • Score: 3.83 out of 10 (2011); 3.7 out of 10 (2010)	• Rank: 28 out of 167 countries (2011); 30 out of 167 (2010) • Score: 7.79 out of 10 (2011); 7.79 out of 10 (2010)	Economic Intelligence Unit (2011)
Corruption perception index: *ranks countries according to their perceived levels of public sector corruptions on a scale of 0 (Highly corrupt) to 10 (Very clean)*	• Rank: 139 out of 174 countries (2012) • Score: 2.7 out of 10	• Rank: 69 out of 174 countries (2012) • Score: 4.3 out of 10	(Transparency, 2012)
Global competitiveness index: is a *comprehensive tool that measures the micro-and macroeconomic foundations of national competitiveness which is defined as "the set of institutions, policies, and factors that determine the level of productivity of a country".*	• Rank: 127 out of 142 countries (for both 2011 and 2010) • Score: 3.4 out of 7	• Rank: 50 out of 142 countries (2011) and was ranked 54th in 2010 • Score: 4.3 out of 7	World Economic Forum, Global Competitiveness Report 2011-2012

Based on the above assessment, it is evident that South Africa outperforms Nigeria in most, if not, all key indicators mentioned below. With a population of over 150 million inhabitants, Nigeria can offer businesses a superb opportunity to tap into its consumer markets. However, it appears from the above indicators that this can be a challenging proposition as the country is neither globally competitive nor has a good corruption perceptions index. Although there have been pockets of instability in different parts of the country, its socio-political environment is still rated as fairly stable (Soludo & Governor, 2007). Nigeria has made noteworthy strides on the economic front over the past few years. It is forecast that this growth will continue and will position Nigeria as one of the top thirteen emerging countries by 2050 (Hawksworth & Cookson, 2008).

With regards to South Africa, despite its political struggle during the apartheid era, which culminated with the first democratic elections of 1994, the country has fared well on the economic front and also on its ability to attract foreign direct investment (Schwab, 2011). However, there is still a lot to be done in public service delivery, policy stability, reduction of employment and high crime rate. Similarly, the ICT sector must be given more attention (Blanke et al., 2011). The Marikana unrests in the Lonmin mines that occurred in August 2012 and which led to the death of 44 miners have “threatened to weaken Africa’s largest economy” (Chapple & Barnett, 2012). On the basis of this latest development, the trajectory of FDI in South Africa remains uncertain.

3.4.2 Characteristics of the banking and mobile telephony sectors

This section focuses on the banking and mobile telephone sectors. It highlights key global players in each industry, the major developments and trends as well as the current state of each industry in both Nigeria and South Africa. Moreover, the adoption of CRM in the mobile and banking industries are discussed.

A. The banking sector

- Overview of the banking sector

The Lehman collapse on 15 September 2008 had profound impact on both the high income, industrialized and emerging economies (Hesse & Frank, 2009). Table 3-7 demonstrates the world's largest bank based on market capitalization as of January 2012. China dominates the list with 4 Chinese banks listed amongst the top 10 banks in the world, then followed by the USA.

Table 3-7: Top 10 World's Banks by Market Capitalisation

Rank	Bank	Country	Market cap ($b, 20/1/2012)
1	Industrial & Commercial Bank of China (ICBC)	China	240.95
2	China Construction Bank	China	195.85
3	Wells Fargo & Co	US	160.72
4	HSBC Holdings	UK	150.90
5	Agricultural Bank of China	China	141.73
6	JP Morgan Chase	US	140.95
7	Bank of China	China	128.80
8	Itau Unibanco	Brazil	88.17
9	Citigroup	US	86.67
10	Commonwealth	Australia	82.62

Source ***: http://www.relbanks.com/best-banks***

- Banking in Africa

The banking industry in Africa is mainly dominated by South African, Nigerian and Moroccan banks. The table below shows the leading banking institutions on the African continent.

Table 3-8: Top Banks in Africa

Rank	Bank	Country	Capital ($m)	Assets ($m)
1	Standard Bank Group	RSA	7,275	162,133
2	FirstRand Banking Group	RSA	6,303	106,156
3	Absa Group	RSA	4,742	83,11
4	Investec Bank	RSA	4,324	55,679
5	Nedbank Group	RSA	3,594	60,905
6	Zenith International Bank	Nigeria	2,935	15,155
7	First Bank of Nigeria	Nigeria	2,808	13,339
8	Attijariwafa Bank	Morocco	2,637	32,362
9	Groupe Banques Populaire	Morocco	2,606	23,37
10	Oceanic Bank	Nigeria	1,75	8,265

Source : http://www.relbanks.com/best-banks

Table 3-8 shows that South Africa dominates the ranking as 50% of the top 10 banks in Africa are from South Africa.

Banking in the African context can be viewed from both the formal and informal sector perspectives. People who are formally employed are normally good prospects for banking products from established banking institutions. Whilst the informal markets which was previously disregarded by financial institutions, have created an opportunity for new players, namely, the micro-lending institutions to provide the necessary financial access to this segment of the population. Most products offered by these lending institutions tend to be short-term loans reimbursable between 1 and 6 months.

- **CRM Implementation in the banking industry**

CRM is being implemented in the banking sector in Africa and the proliferation of cellphones have made this even more relevant (Anderson, 2010).

In Kenya, mobile money transfer through M-pesa has become a convenient way for the African consumers to transfer money. Similarly, Econet Wireless has recently launched in Zimbabwe Ecocash to allow its consumers to transfer money via their mobile phones. It was also reported by Total telecom (2011) that MasterCard has invested in mobile software developer mFoundry to expand consumers' ability to use their smartphones as payment devices. In November 2011, First National Bank, one of South Africa's top four banks launched its ewallet solution which enables its customers to pay money from ewallet directly to a bank account. This facility also allows for the payment of bills (Mansfield, 2011).

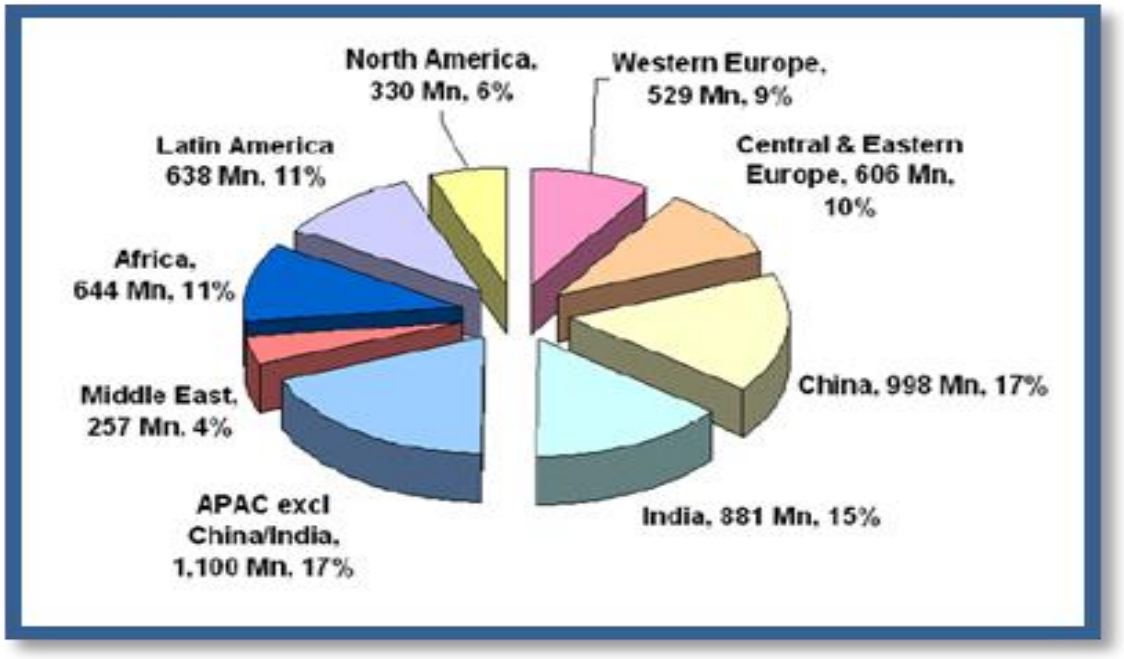
It is without doubt that banks are increasingly launching applications to enable easier banking for their customers. As part of this, they hope to build customer loyalty and improve their revenues.

B. The mobile telephony sector

- ***Overview of the mobile telephony sector***

Except from fixed telephony which has been experiencing a consistent decline in its penetration rate for the past seven years, the ICT sector continues to grow rapidly; particularly in terms of the provision of mobile cellular and mobile broadband services (ITU, 2012). "The robust penetration rates for mobile cellular and mobile broadband services have particular relevance for the rollout of mobile banking services" (ITU, 2012). According to statistics produced by Ericsson, global mobile penetration reached 85% in Q4 2011, a 4% increase over last quarter. China and India represent more than 35% of this additional new subscription representing 185 million new subscribers. Global mobile subscription now totals 5.983 billion (Blycroft, 2012)). The mobile penetration level in developing countries is estimated at 78.8% (ITU, 2012). The figure below provides a spread of mobile subscriptions in the global markets.

Figure 3-4: Global Mobile Subscriptions by Regions Q4 2011



Source: (Blycroft, 2012)

Mobile banking has changed the face of banking in Africa. Nowadays more and more consumers, regardless of their locations, access (or lack of it) to infrastructure are now able to do their banking over the phone. According to (Gartner, 2012), worldwide smartphone sales to end users soared to 149 million units in the fourth quarter of 2011, a 47.3 per cent increase from the fourth quarter of 2010. It also published that total smartphone sales in 2011 reached 472 million units and accounted for 31 percent of all mobile devices sales, up 58 percent from 2010 (Gartner, 2012). Table 3-9 illustrates the main mobile device vendors, their units sold and market share acquired in 2011 and 2010.

Table 3-9: Worldwide Mobile Sales by Vendors during Q4 (2011)

Company	2011 Units	2011 Market Share (%)	2010 Units	2010 Market Share (%)
Nokia	422,478.3	23.8	461,318.2	28.9
Samsung	313,904.2	17.7	281,065.8	17.6
Apple	89,263.2	5.0	46,598.3	2.9
LG Electronics	86,370.9	4.9	114,154.6	7.1
ZTE	56,881.8	3.2	29,686.0	1.9
Research In Motion	51,541.9	2.9	49,651.6	3.1
HTC	43,266.9	2.4	24,688.4	1.5
Huawei	40,663.4	2.3	23,814.7	1.5
Motorola	40,269.0	2.3	38,553.7	2.4
Sony Ericsson	32,597.5	1.8	41,819.2	2.6
Others	597,326.9	33.7	485,452.0	30.4
Total	**1,774,564.1**	**100.0**	**1,596,802.4**	**100.0**

Source: (Blycroft, 2012)

- **Mobile telephony in Africa**

The meteoric rise of Africa's mobile cellular subscriptions has exceeded forecasts made by industry experts (ITU, 2012). In September 2011, Africa became the second most connected region in the world in terms of mobile subscriptions count, reaching more than half a billion number of mobile telephone users on the African continent (Rao, 2011). It is forecast that an additional 224 million mobile users will be added to this base over the next five years (Rao, 2011). Whilst the penetration rate in the rest of the African continent remains low, averaging at 41%, in South Africa it exceeded 110% penetration barrier during the year 2011 (Blycroft, 2012). This high penetration rate in South Africa is telling of the state of its mobile telephony industry, which is, without doubt, saturated.

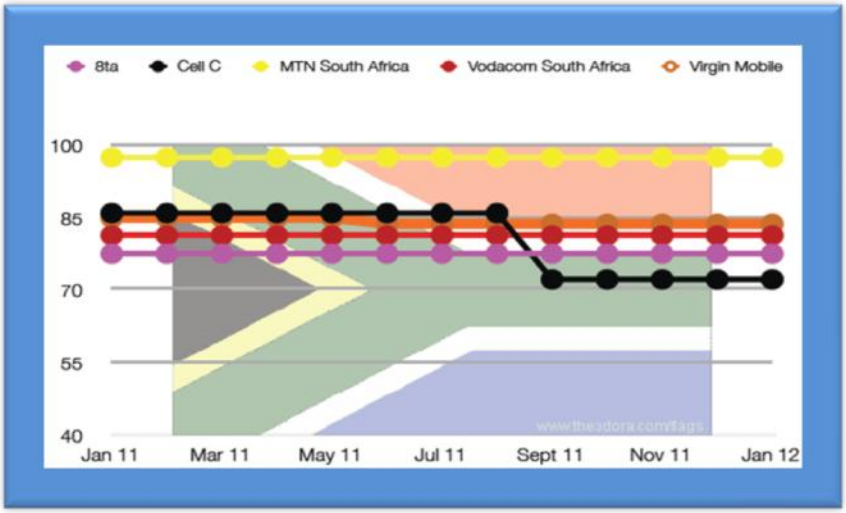
The mobile telecommunications sector of South Africa is one of the most advanced in Africa. In 2010, it contributed about 2.8% to the SA Gross Domestic

Product (GDP) (Esselaar, Gillwald, Moyo, & Naidoo, 2010). According to Esselaar et al. (2010, p. 4), “mobile services continue to grow, with the operators reporting more than 100% SIM penetration, though the 2007-2008 IRIA household survey suggests a penetration rate close to 65%, with at least 10% of respondents indicating they have multiple SIM cards.” In South Africa, the Department of Communications reported more than 37 million users or about 95 percent of mobile phone users, had registered by June 2011 (Jentsch, 2012).

The SA mobile telephony industry has six players namely Vodacom, MTN, Cell-C and 8ta (the latest entrant in the mobile telephony industry) and the virtual mobile operators: Virgin Mobile and Red Bull. These virtual mobile operators use the infrastructure provided by current mobile operators.

All of the above-mentioned companies service both the post-paid and pre-paid markets. Statistics from the service providers show that more than 85% of these companies’ customers are concentrated on the prepaid market. A research report published by RIA (2012) has revealed that the South African prepaid pricing structure is one of the highest in Africa. It asserts that South African mobile operators do not compete on price. “MTN has had the highest prices for the low-user basket, at between ZAR 95,05 and ZAR 96,04, while Vodacom has stayed constant at ZAR 81,26. At the end of 2011, the average price of the low-user basket was ZAR 81,91, with 8ta at an average of ZAR 77,45 and Cell C at ZAR 72,15.” (RIA, 2012, p. 4).

Figure 3-5: South Africa, low user basket in Rand (zar)



Source: RIA, 2012

Mobile operators in South Africa operate in a fast paced and challenging industry characterized by network connectivity issues, highly competitive markets (due to mobile number portability which allows cellphone users to change service providers whilst keeping their phone number has increased churn rate), price sensitive customers in the pre-paid market, ongoing regulatory pressures and an increasingly informed and savvy customer (Buys & Malebo, 2004; RIA, 2012).

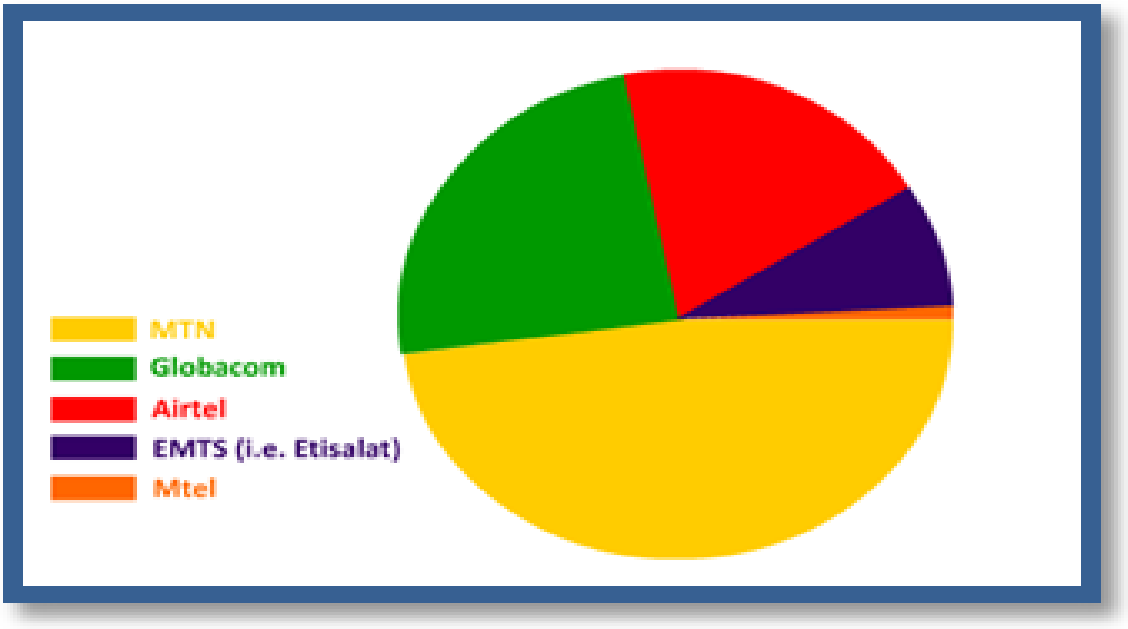
The ICT industry in South Africa is regulated by the Independent Communications Authority of South Africa (ICASA) which was "established in July 2000 after a merger between the telecoms regulator and the broadcast regulator" (Wallace, Vergeer, & Metfula, 2012, p. 67) . ICASA monitors licensee compliance and develop industry regulations. It also protects consumers. ICASA's full mandate is embodied in the Electronic Communications Act .

Whilst one may acknowledge the great success of mobile operators in South Africa, it is understood from the extant literature that the largest and untapped mobile telephony opportunities on the continent remain in Nigeria.

The telecommunications industry in Nigeria is regulated by the Nigeria Communications Commission (NCC). The NCC, just like many other regulators has seen its mandate expand over the past five years to also include information technology and broadcasting (ITU, 2012). “More recently, electronic content, cybersecurity, data protection, privacy and environmental issues have entered into the purview of regulators. The increased use of online applications and services to communicate and do business (such as social media, cloud services, e-payment and other m-banking services) bring a host of new regulatory issues to the fore, for all ICT stakeholders” (ITU, 2012, p. 2).

Since the introduction of GSM in September 2001 in Nigeria, the face of its telecommunications industry has changed drastically and even surpassed the most optimistic projections on the number of subscribers (Esharenana, 2005). It has been forecasted that Nigeria will be the largest mobile market by 2016 with over 150 million subscribers (Informa telecoms media, 2012).

Figure 3-6: Market Share of Mobile Operators in Nigeria (December 2011)



Source:(Blycroft, 2012)

As per table 3-6, there are 5 main players in the mobile telephony sector of Nigeria consisting of MTN (with the largest market share of 40%), followed by Globacom (20%), Airtel, Etisalat and Mtel.

Today, African mobile telephony companies, regardless of their size, have no option but to re-engineer their customer offerings to remain competitive. This study will now examine the adoption of CRM in the mobile telephony industry**.**

- **CRM implementation in the mobile telephony industry**

The available literature covers extensively the implementation of CRM in the mobile telephony sectors (Anderson, 2010; Coelho & Henseler, 2012; Deng et al., 2010; Kalba, 2008; Leppäniemi & Karjaluoto, 2008; Santouridis & Trivellas, 2010). Although, as mentioned before, most of the literature focuses on high income markets, It ought to be noted that there is an increasing number of papers that are giving attention to customer service and how companies build and retain customers through mobile applications in emerging markets (Anderson, 2010; Chircu & Mahajan, 2009; Haridasan & Venkatesh, 2011; Kalba, 2008; Shengdong & Xue, 2011). The underlying reason behind this interest in the mobile telephony industry could be attributed to the dramatic impact that the mobile telephony is having on the socio-economic development of emerging countries (ITU, 2012). The main countries included in the literature from the emerging markets consist of India, Iran and China whilst the CRM areas covered include churn rate reduction, customer loyalty, acquisition and retention of customers.

For example, Haridasan and Venkatesh (2011) investigated how CRM is practiced by 7 mobile service providers in India. As part of this investigation, they attempted to ascertain how service quality impacted on customer loyalty. Their research results reveal that there are a set of parameters that affect CRM practices in India. Similarly, Won-Moo, Jungkun, and Minsung (2010) examined how different types of commitments and benefits lead to customer loyalty in the

mobile telephony industry of South Korea. They found that a mobile service provider's ability to retain customers greatly depends on the functional and economic benefits of the services it offers. Moreover, their studies also reveal that experiential benefits have an impact on cross-selling and positive word of mouth.

From the above, it appears that CRM is increasingly being implemented in the mobile telephony and banking sectors within Africa. It also needs to be added that there are likely to be differences between emerging and developed markets' approaches to CRM execution in these industries. This is the purpose of the study. To further address this research purpose, an embedded case study analysis of four companies across Nigeria and South Africa was conducted. The next chapter expands on the research methodology that was employed.

CHAPTER 4: RESEARCH METHODOLOGY

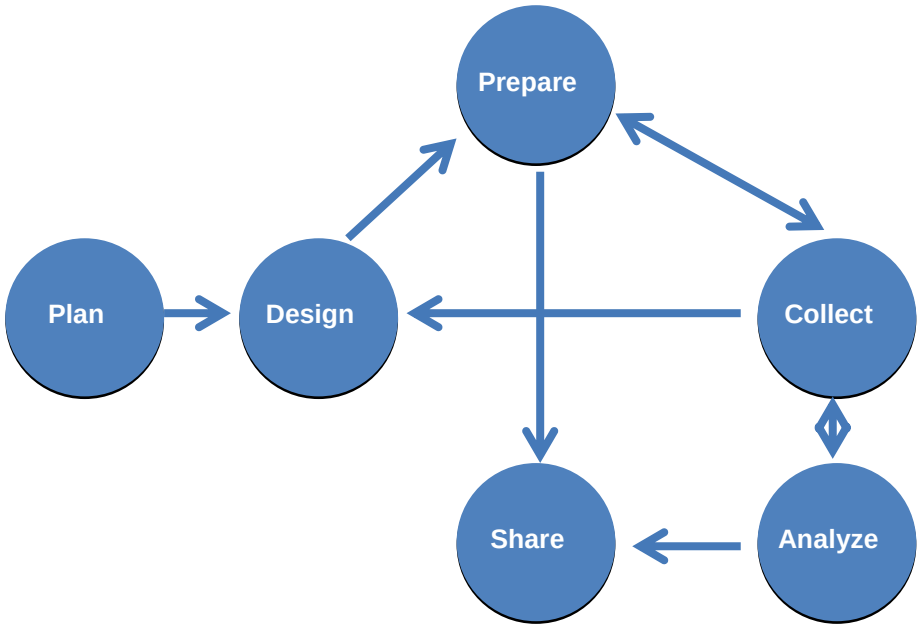
This chapter covers six sections, including (1) an introduction, (2) the research design and paradigm, (3) the population and sample, (4) the data collection method, (5) the methods of data analysis and interpretation and (6) the criteria for rigorous qualitative data analysis.

4.1 Introduction

In essence, social research provides three types of research methods consisting of qualitative, quantitative and mixed research methods (Creswell, 2009). Each of these research methods has both advantages and disadvantages and they should be given some consideration by the researcher in the initial stages of the research process.

In this study, a qualitative research method in the form of a multiple embedded case study research has been adopted against other social research methods encompassing experiments, surveys, histories, and economic and epidemiologic research (Yin, 2009). There are valid underlying reasons behind the choice of this method; which, together with its advantages and disadvantages will be discussed in the next section. The research process in itself was very rigorous and followed Yin (2009) linear but iterative process consisting of six stages as depicted in figure 4-1.

Figure 4-1: The Research Process



Source: (Yin, 2009)

At each stage of this research process, there were clearly defined tasks performed by the researcher that allowed for a sound, robust research input and throughput which, at the end of the process, positively impacted on the overall research output and the reliability, credibility and validity of the research findings. Table 4-1 provides an overview of the description of key activities that took place during each research stage:

Table 4-1: Description of Research Activities by Research Stage

Research stage	Description of activities
Plan	• Define the research objective and the problem to be resolved. • Identify research questions or other rationale for doing a case study • Select an appropriate research method • Understand its strengths and limitations
Design	• Define the unit of analysis and the likely case (s) to be studied • Identify the case study design (single, multiple, holistic, embedded) • Define procedures to maintain case study quality
Prepare	• Hone skills as a case study investigator • Develop a case study protocol • Conduct a pilot • Identify key facilitators for fieldwork in each company as well as potential research respondents • Set up interview dates and times
Collect	• Follow case study protocol • Use multiple sources of evidence • Create case study evidence • Maintain chain of evidence
Analyse	• Explore rival explanations • Develop data summary form for each case study • Further analyse and validate data in Maxqda content analysis software • Individual and cross analyses of companies under study
Share	• Present and write up study results • Display enough evidence for reader to reach own conclusions • Review and re-write until done well

Source: Adapted from (Yin, 2009)

4.2 Research Design and Paradigm

4.2.1 Research design and motivation for the selected research method

According to Creswell (2009), there are three primary factors that affect the choice of research design; namely world view, strategy and methods. Other factors include the research problem, personal experiences and the audience. Patton (2002) affirms that the research design starts with defining the purpose of the research which can be seen as the controlling force of the research.

All of the above-mentioned characteristics were taken into consideration during the design of this study which focuses on case study analyses of four companies in the banking and mobile telephony sectors of Nigeria and South Africa.

Case study research can be defined as an enquiry that helps to understand a phenomenon in its natural setting (Baxter & Jack, 2008; Saunders, Lewis, & Thornhill, 2003). Consistent with this logic,Creswell (2007) asserts that case study research involves the study of an issue explored through one or more cases within a bounded system. Specifically, it is a qualitative design approach in which “the investigator explores a bounded system (a case) or multiple bounded systems (cases) over time through detailed in-depth data collection involving multiple sources of information (e.g. observations, interviews, audiovisual materials, and documents and reports), and reports a case description and case-based themes” (Creswell, 2007, p. 73). It can be concluded that the aim of the case research is to understand a phenomenon being studied through the accumulation of multiple entities as supporting sources of evidences (Benbasat, Goldstein, & Mead, 1987; Bonoma, 1985; Eisenhardt, 1989; Yin, 1981). Yin (2009) suggests that case study research is best suited when: (a) “how” and “why” questions are being asked, (b) the researcher’s control over the events is limited, and finally, (c) when the focus is on a contemporary phenomenon in its real life context. The main feature of case study research is that the acquired

data results in the understanding of the individual case that may include a person, a company, an industry and so forth Woodside (2010).

There are several advantages associated with case analysis; namely

1. *Relevance:* The phenomenon can be studied in its natural setting and meaningful relevant theory can be generated from the understanding gained through observing actual practice.

2. *Understanding:* The case method has considerable ability to generate answers to the question “why” rather than just “what” and “how”

3. *Exploratory depth:* The case method lends itself to early, exploratory investigations where the variables are unknown and the phenomenon not well understood (Benbasat et al., 1987; Eisenhardt, 1989; Meredith, 1998; Voss, Tsikriktsis, & Frohlich, 2002).

An important number of researchers have also published papers on the importance of qualitative research as a robust method for theory building (Deshpande, 1983; Eisenhardt, 1989; G. Morgan & Smircich, 1980). To emphasize the need for the application of qualitative research methods to various marketing problems, Sheth (1981, p. 356) commented that researchers need “to lean towards more exploratory and qualitative tools and tactics (…) rather than experimental designs, construct development and measurement or laboratory studies.” It is believed that this type of research lends itself to serendipitous findings and provides rich and holistic data from which strong conclusions can be made. By using an inductive method, the researcher is able to “understand the multiple relationships among dimensions that emerge from the data without making prior assumptions or specifying hypotheses about the linear or correlative relationships amongst narrowly defined operationalised variables” (Patton, 2002, p. 56).

In the context of this research, an inductive approach is also relevant because of the dearth of studies done on CRM in emerging markets. Therefore, by employing this research method, the researcher aims at developing a theory based on the experiences of research participants and also the data gathered from other sources.

Although well praised amongst qualitative research proponents, case study research has received a lot of criticisms on its lack of rigour (Flyvbjerg, 2006; Riege, 2003; Riege & Nair, 1997; Yin, 2009). Particularly, the concept of validity, reliability and scientific generalization or generalisability in qualitative research has been questioned (Tobin & Begley, 2004). Added to these prejudices are the vast amount of data gathered which according to the detractors of this research method is time consuming and leads to large documents (Yin, 2009). Meredith (1998) suggests that the perceived “unscientific” approach and the triangulation requirements, access and time, the lack of controls and the complications of context and temporal dynamics are the disadvantages of case study research.

However, by applying a rigorous approach to case study research, one is bound to generate many benefits which include, but are not limited to:

- The extensiveness and richness of data
- The ability to capture direct quotations about respondent’s personal, real life experiences
- The ability to combine other methods of data collection such as ethnography and participant observation data
- The generation of evidence that can complement experiments.

4.2.2 Research paradigm

A research paradigm is a conceptual framework within which researchers conduct their study (Healy & Perry, 2000). It is "a set of linked assumptions about the world which is shared by a community of scientists investigating the world. Additionally, this set of assumptions provides a conceptual and philosophical framework or "world view" for the organized study of the world" (Deshpande, 1983, p. 101). According to Deshpande (1983), the nature of a paradigm is relevant for the researcher as it helps in ascertaining the types of problems and methods to be explored. Miles and Huberman (1994) have synthetised research paradigms into four categories; namely (a) *positivism*, (b) *critical theory*, (c) *constructivism*, and (d) *realism*, along three elements consisting of (a) *ontology*, (b) *epistemology* and (c) *methodology*.

In order to further explicate the distinctions between the paradigms, a presentation of the characteristics of each paradigm along each element is provided in table 4-2. This table depicts how qualitative research operates across the last three paradigms; namely critical theory, constructivism and realism which fall under the broader phenomenological paradigm. This study supports the realism paradigm which is aligned with the inductive approach. Perry (1998, p. 787) posits that "realism is the appropriate scientific paradigm for case study research". He bases his arguments on these factors:

- Case study research is contemporary and requires inductive theory building, realism holds that there is an external complexity; and
- The work done by case study researchers is assessed on such measures as reliability and validity.

Table 4-2: Four Categories of Scientific Paradigms and their Elements

	Paradigm			
Element and definition	Positivism (1)	Critical Theory (2)	Constructivism (3)	Realism (4)
Ontology*: it is the reality investigated by the researcher*	Reality is real and apprehensible	"Virtual" reality shaped by social, economic, ethnic, political, cultural, and gender values, crystallized over time.	Multiple local and specific "constructed" realities	Reality is "real" but only imperfectly and probabilistically apprehensible
Epistemology*: it is the relationship between the reality being investigated and the researcher*	Objectivist: findings true	Subjectivist: value mediated findings	Subjectivist: created findings	Modified objectivist: findings probably true
Methodology*: it is the technique used by the researcher to investigate the reality*	Experiments/surveys: verification of hypotheses, chiefly quantitative methods	Dialogic/dialectical: researcher is a transformative intellectual who changes the social world within which participants live	Hermeneutical/dialectical: researcher is a passionate participant within the world being investigated.	Case studies/convergent interviewing: triangulation, interpretation of research issues by qualitative and by some quantitative methods such as structural equation

Source: Adapted from (Healy & Perry, 2000)

Furthermore, although case studies are by nature inductive, they also include some deduction based on prior theory the researcher would have been exposed to as it would be unpractical for any researchers to start the research with an "absolutely clean theoretical slate" (Perry, 1998, p. 788). Parkhe (1993) and Perry (1998) note though that both extremes (inductive and deductive) are not necessary.

A paper published by Suddaby (2006, p. 234) addresses the myths of grounded theory when he points out that "grounded theory is not an excuse to ignore prior literature". He adds that "the idea that reasonable research can be conducted without a clear research question and absent theory simply defies logic". To put it plainly, it will be difficult for any research to go into the field without a priori knowledge of previous research conducted in his areas of interests.

Similarly, prominent marketing scholars who have been strong proponents of a grounded theory that advocated generating theory from data alone, have also over the years swayed towards a pluralistic, more moderate view of generating new theories using a deductive and inductive approach (Eisenhardt, 1991).

4.3 Population and Sample Selection

4.3.1 Definition of key concepts: Population and sampling

The population defines a set of entities from which the research sample is to be drawn (Eisenhardt, 1989). The selection of an appropriate population should not be taken lightly as it "helps to define the limits for generalizing the findings" (Eisenhardt, 1989, p. 537). This study focuses on mobile telephony and banking companies in Nigeria and South Africa. The respondents consist of CRM Strategy Developers and Implementers involved in a customer relationship management programme between the years 2005-2012.

A non-probabilistic sampling in the form of purposeful sampling is used in this study. Patton (2002) defines purposeful sampling as “information rich cases from which one can learn a great deal about issues of central importance to the purpose of the research.” As described below in Table 4-3, there were a total of four cases spanning two countries and two industries with a CRM implementation age ranging from 2 to 12 years.

There are significant participant variances amongst countries and companies. 56% of the total respondent base was in South Africa and the balance of 44% in Nigeria. Moreover, the interviews in South Africa lasted on average 40 minutes; whilst in Nigeria, it was about 30 minutes. As further depicted in table 4-4, the company with the largest number of research participants was SATEL, followed by SABA, NIBA and NITEL.

A total sample size of 66 was determined by a principle of saturation. Saturation occurs when the data reaches a point of diminishing return in that there is no new learning or insight from the additional data that has been collected. During that stage, all the data themes,”categories have been established and validated” (Bowen, 2008, p. 140).

Table 4-3: Overview of Companies Involved in this Study

Company name	Description of business activities	CRM implementation (Number of years)
SATEL: Mobile telephony company in South Africa	Rated amongst the top 3 players, this mobile telephonic operator is a multinational company with a strong brand awareness in the south African market. It services both the pre-and post-paid markets. And provides data, voice and telemetry offering solutions to its South African customer base.	07 years
SABA: Banking institution in South Africa	This is one of South Africa's top 4 banks with a footprint in other markets in Africa. It has a strong brand equity and a large customer database. However, just like its nearest competitors, it has been faced with stiff competitions from smaller, medium size banks such as Capitec which has forced the bank to rethink its business model and to offer innovative customer offerings to existing and potential customers.	12 years
NITEL: Mobile telephony company in Nigeria	One of Nigeria's top 5 mobile operators and amongst the last entrants in the mobile telephony markets in Nigeria. This mobile operator is part of a larger multinational group with interests in Africa and the Middle East.	2 years
NIBA: Banking institution in Nigeria	This is a top bank in Nigeria with more than 500 branches located in the main cities of Nigeria. The bank is headquartered in Lagos. Its vision is to be a reputable international financial services institution that is recognized for innovation, superior customer service and performance.	7 years

As illustrated in table 4-4, the total respondents base was sub-divided into three groups; namely:

- *CRM strategists:* This group comprises those research participants who uniquely played a strategic role in the CRM programme includes a cross-functional team from the organization namely the Project sponsor, the General manager for CRM, Customer Experience, the Head of Information Technology, Business Intelligence and Analytics, Contact Centre, Marketing and more.
- *CRM implementers:* These are respondents uniquely involved in the implementation of the CRM strategy for the company. Included in this category are marketing specialist, CRM technology vendor/ Supplier, IT users, project manager, Consultant, change specialist and Trainers.
- *CRM Strategists and Implementers:* This category included those who fulfilled the CRM strategist and implementer roles. They were mainly individuals holding middle level management positions in the company across the different departments.

Table 4-4: Sample Description

Population	Countries	Industries	Respondents
Sample description	Nigeria South Africa	Mobile telephony Banking	
Sample size	2	2	

Company	Strategists (S)	Implementers (I)	S&I	Total
SATEL	8	8	4	20
SABA	7	5	4	17
NITEL	2	6	5	13
NIBA	4	6	6	16

4.3.2 Sample selection

A. Factors that have influenced the cases selection

The sample selected in this study enabled the researcher to draw conclusion about the population at large. As part of the sample selection, the following factors were considered:

1. *The relevance of the ICT and banking industries* to Africa's socio-economic development: These two industries have substantially contributed to job creation, product innovation and are interlinked now as mobile banking grows in Africa. They are impacting on the daily lives of the African consumer who is increasingly becoming savvy, more knowledge and has disposable income to spend on cell phone or be granted credit facilities by banks. Whilst in the past, Africa only relied on its natural resources such as oil and gas and mineral resources, the services sectors of banking and mobile telephony have grown exponentially to the extent that they have become more competitive as there are more and more entrants in the market and also, as existing market players are continuously revamping their solutions or even developing innovative offerings to attract and retain customers.

2. *The strategic location and economic status of Nigeria and South Africa.* They are sub-Saharan Africa's economic powerhouses and are both located in two separate sub-regions; namely West and Southern Africa respectively. This provides the researcher with greater opportunities for comparative analyses between the two regions. Moreover, as the most populous market in Africa with close to 160 million inhabitants and the 6th largest market in the world (CIA, 2013), Nigeria is an attractive market for research; whilst South Africa's diverse ethnic and racial groups, its combined first and third world structures, together with its peaceful transition from apartheid to a democratic country makes it a unique case for Africa.

3. *Blue chip companies with the history of implementing CRM programmes:* The companies that are included in the sample are major players in their own

industries and countries with the record of having implemented CRM programmes. In most instances they are either the leader or hold a second position in their industries. Most of these companies are homegrown businesses that have become multinational corporations which add to the uniqueness of emerging markets. As purported by Sheth (2011, p. 167) “Marketers from the emerging markets are now globally expanding, especially in other emerging markets, such as Africa, Latin America, Central Asia, and the middle east. They are also becoming major global competitors in advanced markets through acquisitions and organic growth”.

Other reasons for the specific selection of these cases included the researcher’s prior experience in both the mobile and banking sectors and consequently her large network in these industries and the chosen companies. The researcher’s network made it easy for her to access data and also to secure interviews with participants, particularly executive and senior management teams who have very tight schedules.

It can be added that the initial research participant list was not exhaustive; but through internal referrals, the researcher was able to refine her research participant list by adding more names of team members across diverse business functional areas that have played an active role in the implementation of the CRM programme in the company. To ensure that relevant employees with CRM implementation experience were included in the sample, at the end of each interview, the researcher asked existing research participants if there were anyone else in the organization that they knew of or have worked with who can bring some additional insights into this study. This snowballing approach proved to be successful; specially in instances where some project team members had left the project and were replaced by new resources. It also helped the researcher to confirm that she was speaking to the right individuals in the organisation (in the instance where similar names were given by other participants) and also pointed her into the right direction of interviewing those

who could bring true insights based on their experiences of CRM implementation in the organization. The final list was developed whilst already in the field.

Furthermore, the profile of these research participants included employees across all the hierarchical levels and functional areas of the organization. In this way, they brought multiple, diverse insights into this research. This was a positive aspect of the research which also enabled the researcher to address the issue of participant bias.

B. Multiple versus single case selection

From the very beginning stages of this case study research, the researcher had aimed at conducting research that can provide convincing results. Having this in mind, and also being aware of the criticisms that case study research has received in the past years from its detractors (Rowley, 2002), the researcher gave special considerations to the sample size for the research participants, countries and industries. Consequently, when she was faced with the choice of either one or two or more case studies, she went for a multiple case studies research approach. Benbasat et al. (1987) have suggested that multiple case designs are more suitable for descriptive research, theory building or testing. Moreover, they also allow for cross case analysis and the extension of theory and they generate lots of data. In support of this view, Yin (2009) asserts that the evidence from multiple case studies is more compelling. Although it is believed that any of the design (single case studies or multiple case studies) can lead to successful case studies, he has suggested that multiple case studies tend to carry more weight in the eyes of other scholars, the business and academic communities as a whole as opposed to a single case study which is perceived as weak. A few short comings related to case studies include time consumption and high costs.

C. Holistic versus embedded case studies

Building on previous case study research, scholars have distinguished between holistic and embedded case studies (Perry, 1998; Rowley, 2002; Saunders et al., 2003). Holistic case studies assess the case as one unit whilst embedded case designs identifies a number of sub-units and explore each of them individually. The outcomes from these units are brought together to provide a perspective on an overall picture. In her analysis of these case designs, (Rowley, 2002, p. 22) warns that multiple embedded case studies can be challenging as it may proved to be difficult to reach a holistic perspective from the analysis of the sub-units".

In this study, the researcher used a multiple, embedded case study design which had as the main unit of analysis the CRM programme. The sub-units of analysis included: Country of CRM implementation, Actors in the CRM programme and the roles they fulfilled, the industry type and the company within the selected industries.

4.4 Procedure for Data Collection

4.4.1 Data collection process

Throughout this research, a key principle for data collection that was considered included the use of multiple sources of evidence which allowed for triangulation and strengthen the reliability and validity of the research results.

The fieldwork was conducted in two different African countries: South Africa (in the city of Johannesburg) and Nigeria (in the city of Lagos), respectively. Data were collected over a period of 2 to 12 months through face -to face and telephonic interviews. 75% of the interviews were face-to-face and were conducted at the respondent's office in Johannesburg, South Africa and Lagos, Nigeria whilst the balance of 25% was done telephonically or by self-completing of the discussion guide. Data from three out of the four companies were collected in three months.

The interviewing process started off at the beginning of January 2012 in South Africa. The researcher point of contact in the company differed from one company to the other one and included the Head of CRM, Direct marketing, Call centre, and Marketing. An introductory meeting was set up with these individuals to brief them on the research, the targeted respondent profile and most importantly to discuss the approach the researcher was to take, given the size of the organization and the complexity of securing interviews, with the view to maximize the research output. Then, an initial short list of potential respondents including their contact details and departments was drawn by the researcher's contact person at the company, using the pre-defined respondent criteria as a guide to select the most suitable respondents. These criteria included: (a) the respondent's experience of CRM in the company should be above a year, and (b) his/her availability for an interview within a 2 to 4 weeks window period. Each of the respondents was introduced to the researcher via email by a primary point of contact that was pre-identified by the researcher. This was an ideal avenue for interview date and time to be agreed upon. A total interview time of approximately 2650 minutes was conducted. The average interview time achieved was 40 minutes. The interviews were transcribed and generated just rich data to develop themes and interpret the participants' feedback.

After the SA interviews, there was a month recess where the researcher started to look at the data collected and also ascertained any major learning as part of the research process. The learning of the South African based research was applied to the Nigeria case studies. During that recess period, the researcher planned for the trip to Nigeria. Key tasks during this period included flight arrangements, identification of potential research participants, scheduling of interviews and introductory emails to all Nigerian-based participants and ongoing liaison with potential research participants in Nigeria to ensure the smooth planning of the interviews.

The researcher then flew to Nigeria for 2 weeks and completed an interview with the mobile telephony operator in Nigeria. The second interview with the banking

institution could not be done during that time but the discussion guide was emailed to NIBA's employees who took their time to provide detailed written feedback on the questions posed.

4.4.2 Data sources

Yin (2009) suggests that there are six commonly used sources of evidence for case study research encompassing: Documents, archival data records, interviews, direct observation, participant-observation and physical artifacts. In this study, the data collection sources included: semi-structured interviews, telephonic interviews, informal conversations and archival data such as project documents, training manuals, newsletters, annual reports, websites, trade journals and press releases. These secondary data helped in the triangulation process to validate the research findings. Yin (2009, p. 115) has argued that "the most important advantage presented by using multiple sources of evidence is the development of converging lines of enquiry, a process of triangulation and corroboration" that assists in producing convincing results.

Table 4-5 summarizes the sources of data, the procedure for data collection and the key themes covered during the data collection process.

Table 4-5: Data Sources and Application to the Study

1. Primary data	**Data collection procedure**	**Examples of research questions**	**Application to the case study**
1.1 Qualitative Interviewing Semi-structured interviews	Face to face discussion with respondents from NITEL, SATEL and SABA in their respective locations: • Nigeria • South Africa Self-completed questionnaires by NIBA research participants	• How is CRM defined in your organisation • Why did you implement CRM? • How did you go about implementing CRM? • How do you rate your CRM implementation programme? And why? • What critical factors (organisational, institutional, etc) impeded on or enhanced your CRM success/failure? • What are the peculiarities of the market/environment in which you operate that may have affected your CRM programme?	Chapter 5 Chapter 6 Chapter 7 Chapter 8
2. Secondary data	Data collection procedure	**Examples of themes covered**	**Application to the case study**
2.1 Internal secondary data	Collect internal secondary data from the business intelligence, human resources and marketing departments. These included project documents, annual reports, company press releases, and informal discussion	• As is CRM programme • CRM roadmap • Performance areas- including financial and non-financial metrics • Organisation culture, leadership and talent • Company position, its brand and its vision	Chapter 3 Chapter 5 Chapter 6 Chapter 7
2.2 External secondary data	• Electronic database from Wits business school, HEC-Montreal, New York University (Leonard Stern School of Business) • Leading academic journals • Participation in conferences • Participated in doctoral consortiums • Trade journals • Internet	• Emerging markets • Banking in developing countries • Available CRM frameworks/Emergence of CRM in Africa/Mobile telephony in Africa • Evolution of mobile application • Theoretical development • CRM success factors	Chapter 1 Chapter 2 Chapter 3 Chapter 4 Chapter 5 Chapter 6

4.4.3 Research instrument and protocol

As stated earlier, the data sources used in this study consisted of both primary and secondary. The research instruments consisted of a discussion guide and recording materials. The discussion guide was piloted prior to the start of the fieldwork. The interviews with the research participants across all countries were held in English (See appendix A for discussion guide). Because of the exploratory nature of the research most of the questions were open-ended. The researcher opted for a funnel approach in her questions by first asking broad question and then bringing the conversation down to specific areas of CRM implementation in the company. For instance, the first two questions asked were:

- How is CRM defined in your company?
- Why did you implement CRM?

These broad questions also assisted the research participant to be more at ease from the start of the discussion. Thereafter, the questions shifted specifically to the CRM implementation program.

A design protocol, also referred to as “a road map” was used to enhance the validity and reliability of the data (Enarson, Kennedy, & Miller, 2004, p. 1036). A protocol is more than a research instrument. Besides the set of questions it contains, it also has the procedures, the general rules applicable to the instrument and clarifies the sources of information and who is responsible to obtain this information (Voss et al., 2002). In a nutshell, a research protocol provides a robust basis for the documentation of the evidence gathered during the research. Consequently, it can serve as a prompt or checklist for the fieldworker. The central point of a protocol is a set of questions asked during the interview.

For this study, the research protocol includes six main sections consisting of: (a) Abstract; (b) Study Description including sub-topics as study question, rationale, objective, design and methods, project management and references, ; (c) Ethical

consideration; (d) Significance of the study (or expected impact); (e) Budget and (e) the Investigator's role.

In general, the research protocol; was well adhered to by the researcher. Having said this, the researcher found it difficult to obtain the signature of the consent forms by all the research participants. Specifically, South African research participants adhered to research protocols by signing off all documents that were approved by the Wits University Ethics Committee namely, "The consent form for participating in the interview" and "The consent form for the interview to be tape recorded" as opposed to Nigerian respondents who flatly turned down the opportunity to protect themselves by signing off these consent forms.

At first, research participants in Nigeria were very suspicious of engaging with the researcher. Although they were reassured that the right processes have been followed, and most importantly, that the information shared with the researcher will be treated with utmost care and confidentiality, they declined to sign off the consent forms.

4.4.4 Methods of data analysis and interpretation

Qualitative data analysis can be arduous (Creswell, 2007; Eisenhardt, 1989). It involves the preparation and organization of data for analysis and the development of specific themes through a process of coding and the presentation of data in the forms of tables or figures. The researcher has both manual and electronic methods at her disposal to analyse and interpret data.

(Yin, 2009, p. 126) notes that "data analysis consists of examining, categorising, tabulating, testing or otherwise recombining evidence to draw empirically based conclusions". According to Easterby-Smith, Golden-Biddle, and Locke (2008), qualitative data analysis include eight steps namely familiarisation, reflection, data reduction, writing narratives of the changes, coding and conceptualisation, sorting and cataloguing activities and outcomes, and re-evaluation.

In this study, the data was collected from multiple sources including both primary and secondary. The semi-structured interviews were digitally recorded, transcribed, and then content analysed using both a contact summary form and a qualitative software analysis package called MAXQDA analysis. Whilst MAXQDA was used in this analysis on the basis of its robustness, there are many other qualitative software packages available in the market. (Creswell, 2007) provides an exhaustive list of programmes that can be used which include Atlas.ti, NVivo and HyperESEARCH.

The researcher started off with her data analysis by firstly focusing on within case analysis, an approach that is recommended by (Miles & Huberman, 1994). They suggest that within case analysis should always precede cross-case analysis. Then, the cross case analysis followed and it allowed for the investigation of similarities and differences between the cases. Lots of customer insights were generated from the collected data. New propositions and a conceptual framework were derived from these analyses. Table 4-6 exhibits the CRM construct measurement properties that were applied.

Table 4-6: CRM Construct Measurement Properties

Category	**Codes**
Country	South Africa, Nigeria
Roles/Actors	Strategist, Implementer, Strategist and Implementer (SandI)
Industry	Telecom, Banking
Companies	SATEL, SABA, NITEL, NIBA

The estimated consolidated responses for each of the respondent groups and different cases were used to ascertain the contingency factors for CRM success

and failures. Moreover, micro-level analyses within each respondent were performed to identify patterns or outliers.

As part of the analysis, recurring words were grouped under three main themes of organizational, institutional, customer data factors. These factors that emerged from the data analysis were then considered against those found in the literature review and were such naming as: “consistent with-no adaptation is required”; “consistent with the literature- adaption is required” or “inconsistent”. This approach was applied to each of the cases individually first.

4.5 Criteria for High Quality Research Design and Analysis

Although the literature provides extensive findings on the criteria that define “quality” in scientific research, there is limited research focusing specifically on the realism paradigm. Realism researchers have instead been using a combination of criteria applied to positivist and constructivism researches (Healy & Perry, 2000). By contrasting quality criteria in realism with other paradigms such as positivism, critical theory and constructivism, Healy and Perry (2000) have suggested six criteria for assessing quality for realism research, namely:
1. Ontological appropriateness: This refers to the reality of the researcher. Healy and Berry believe that the distinction between the three worlds namely realism, positivist and constructivism are important as the reality of the researcher in each of these contexts is not the same.

2. *Contingent validity:* The realist does not view the world as a laboratory; but as an open system which allows her to have multiple perceptions of the same reality.

3. *Epistemology:* the realism research is value aware and not value-laden.

4. *Methodological trustworthiness:* it is defined as the extent to which the research can be audited by developing a case study database and by the use of quotations in the written report.

5. *Analytic generalization:* Whereas positivism focuses on theory testing, realism focuses on developing a theory.

6. *Construct validity:* It refers to how well information about the constructs in the theory being built is measured in the research.

According to Yin (2009), an authority in case study research, the quality of a case study design can be maximized if these four conditions are met:

- construct validity,
- internal validity,
- external validity, and
- reliability

To support this discussion, (Riege, 2003) has provided marketing researchers with techniques to showcase validity and reliability throughout their research process.

The researcher has combined Healy and Perry (2000) and Yin (2009)'s quality criteria with (Riege, 2003)'s techniques for evaluating validity and reliability in a table that illustrates how quality was approached in her research along the following six dimensions of ontological appropriateness, epistemology, construct validity, internal validity, external validity and reliability. An illustration of how these conditions were met in this research is in table 4-7.

Table 4-7: Criteria for Judging Quality in Case Study Research

Criteria	Brief description	Research technique applied to this research	Research stage	Criteria proposed by
Ontological appropriateness: **This deals with the researcher's reality**	Research problem deals with complex social science phenomena involving reflective people	Selection of the most relevant research problem. Questions are "how" and "why"	Planning and design	(Healy & Perry, 2000)
Epistemology: **This deals with how the researcher relates to its world**	Multiple perceptions of participants- Neither value-free nor value-laden rather value aware	Multiple interviews with participants across different hierarchical levels and functions of the company. Four companies of which two were in banking and two in mobile telephony. Two countries located in two different sub-regions. Other sources of evidences such as archival data stemming from company brochures, project documents, training manuals, industry reports and websites Observation: participant observation	Data collection	(Healy & Perry, 2000)
Construct validity:	Identifying correct operational measures for the concepts being	As mentioned earlier, multiple sources of evidence were used to	Data collection	(Riege, 2003; Riege & Nair,

	studied	allow for triangulation A chain of evidence was established Key research participants have reviewed the draft case study report Prior theories were also used	Share	1997; Yin, 2009)
Internal validity: **it is appropriate for causal and explanatory studies only and not descriptive or exploratory studies**	It seeks to establish a causal relationship whereby certain conditions are believed to lead to other conditions	within case analysis and then cross case pattern matching were undertaken	Data analysis	(Riege, 2003; Yin, 2009)
External validity	It is about defining the domain to which a study's findings can be generalised	Replication logic was used Evidence was compared with extant literature Independent external validation: Enlisted independent experts Peer reviews by other final year doctoral candidates	Design	(Riege, 2003; Yin, 2009)

Reliability	It demonstrates that the operations of a study such as the data collection procedures can be repeated with the same results	Case study protocol was developed and refined Observations and actions were recorded	Data collection	(Riege, 2003; Yin, 2009)

Source: Adapted from (Healy & Perry, 2000; Riege, 2003)

Thus, to address the criticisms that qualitative research suffer from, data was collected from both primary and secondary sources and then triangulated. Voss et al. (2002) suggest that triangulation through the use of various data collection methods can strengthen the validity of data. Theory triangulation was also achieved by using multiple theories to interpret the data; namely the institutional theory and Hofstede's fifth value dimension of national culture, short and long term-orientation. The generalisability of qualitative research findings is a weakness of this research method. However, the depth of what was being investigated as well as the size of the sample, the multiple countries and industry focus of this study, the researcher did not just generate lots of insights and extensive data but she was also able to address the shortcomings associated with case study research.

Having presented the research methodology in this chapter, the focus will now be on the results of the analysis as covered in chapters 5 and 6.

CHAPTER 5: CASE STUDY RESULTS

Focus on a Bank (SABA) and a Mobile Telephony Company (SATEL) in South Africa

5.1 Introduction

This chapter is primarily concerned with the presentation and interpretation of research results from CRM implementation at SATEL and SABA, in sections 5.2 and 5.3 respectively. In these sections, an overview of the "As is" CRM implementation situation is described by concentrating on each company's current CRM practices, identified CRM measures, outcomes of CRM implementation and causal factors of such outcomes. Then, detailed research findings, along the three dimensions of organizational, customer data and institutional factors as well as the verbatim quotes from research participants are presented.

The last section of this chapter, section 5.4, summarises the research findings and presents the key insights drawn from the mobile and banking industries within South Africa.

5.2 Results from CRM Implementation at SATEL

5.2.1 Overview of the "As is" CRM implementation at SATEL

Considering its large subscriber base, SATEL is one of the leading telecommunications operators in South Africa. It aims to build and maintain a sustainable competitive advantage in its markets by understanding and fulfilling its customer requirements. It is this customer-centric philosophy that propelled SATEL to embark upon its CRM programme 7 years ago. In addition to this, the

company's tighter profit margins and a shrinking market share, mainly due to competitive pressures and heightened customer expectations, have elevated SATEL's agenda on improved and sustained relationship with its customers in a market that has reached mobile phone saturation. This study on SATEL's CRM implementation programme reveals that whilst it may have added some value to the organization, the value has been difficult to measure as noted by one the research participants:

CRM has added value; but the value is slow to emerge as to what was anticipated. This is due to (IT and adoption rate of new data) maturity and data issues.

From the above, it is apparent that the realization of the CRM programme's full benefits remains a concern at SATEL. These concerns are also well encapsulated in the comments made by this middle level Manager:

There is an inability from the CRM team to get down into the detail of CRM implementation…to understand how customer touch points operate in order to design an appropriate CRM strategy and implement it. I am not confident that anything tangible would come out of this current CRM process.

Another research participant, a Senior Level Manager, added these remarks:

We have one of the best CRM systems…The Siebel system. We haven't made a successful transition to the CRM system as of yet. Currently, many of the legacy systems, when I say legacy, it would be the custom systems that have been developed, are still in use. And it will take months to years to change all of our content environment, our online services, all of that needs to be transitioned to the CRM system. It does take a very long time. In no way can we be classified in having a successful implementation that is being used across the board.

These research participants' views justify the overall **"average"** rating that was assigned to the CRM implementation programme initiated by SATEL. They also provided invaluable feedback that enabled a thorough understanding of how SATEL when about implementing its CRM programme, identifying its measures, achieving its outcomes as well as linking these outcomes to specific causal factors. Figure 5-1 provides a snapshot of the "As is" CRM implementation at SATEL.

Figure 5-1: "As is" CRM Implementation at SATEL

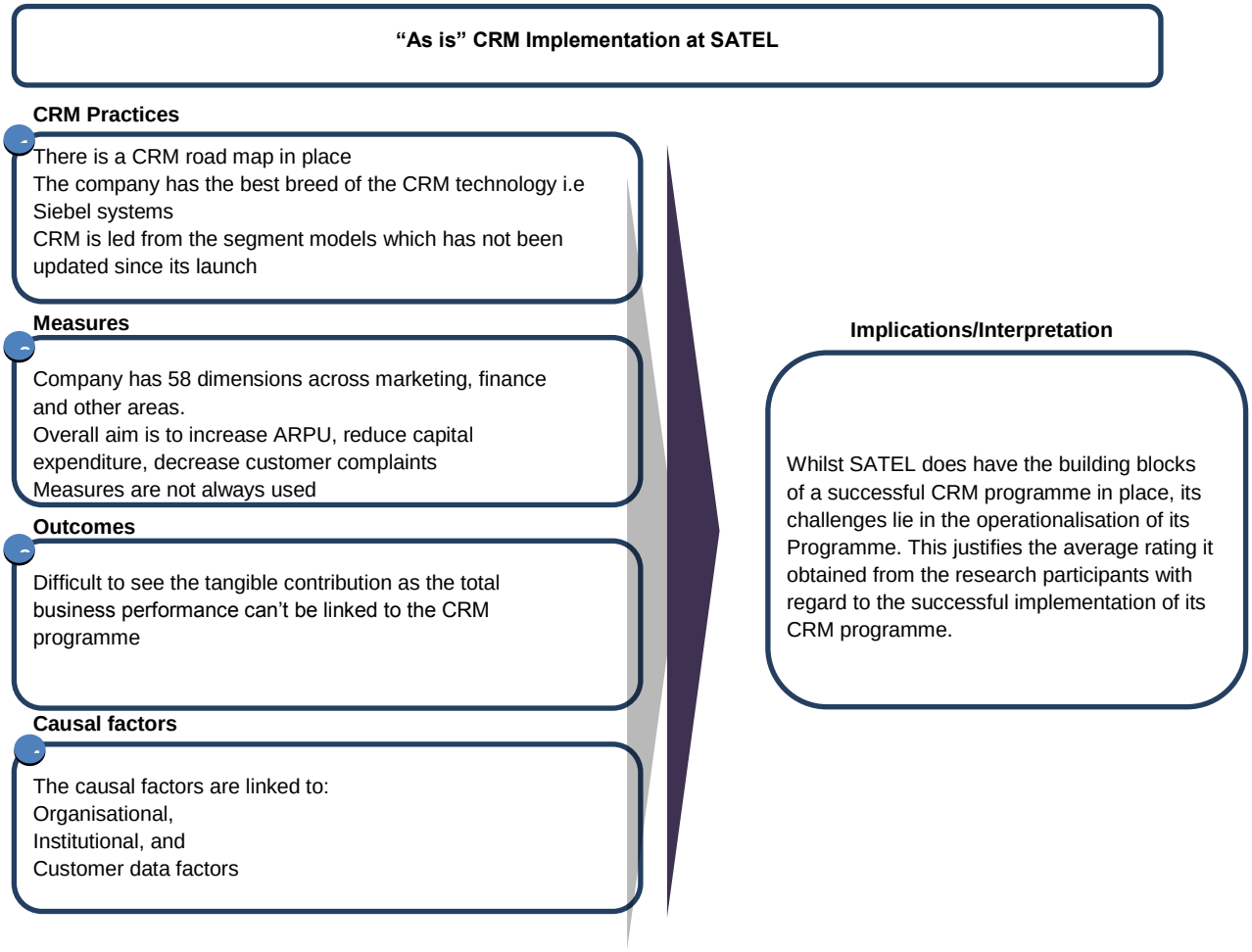


Figure 5-1 illustrates that there is a CRM roadmap at SATEL which has been internalized by the business. However, this internalization process was not achieved overnight. SATEL's CRM programme is driven by the Head of Sales with multiple responsibilities across other functions. This clearly speaks to the misalignment between the CRM structure and the CRM vision as the Head of SATEL is only interested in the next quarter's sales figures. Moreover, this current situation assessment of CRM implementation at SATEL reveals that:

- A segmentation model is used to run campaigns; but the model has not been updated for a few years.
- The outcomes of campaigns are not consistently measured, and findings are not always fedback into the campaign management process. Marketing

campaigns are executed in silos leading various departments to speak over-communicate with specific customers. This creates some agitation on the customer's side.

- The individuals who designed the segmentation model do not have an understanding of what segmentation means.
- There are multiple definitions of CRM and other marketing concepts in the organization. These have hampered the definition of business rules, and have had an impact on the business and technical specifications of the software tool required by SATEL. In a way, the lack of common understanding of marketing related terms have to some extent affected the successful delivery of the program and the acquisition and retention of the types of talent required by the company to deliver on its CRM mandate.
- IT integration capabilities are limited.
- Customer data is not properly maintained, integrated and managed.
- There is a lack of a centre of excellence in the company. As a consequence, project prioritisation and executive's participation in CRM has become a daunting task. The downside of this situation is that further delays on programme delivery are experienced since not all relevant internal stakeholders are always readily available to sign-off deliverables.

As part of this internal assessment, identified measures and reporting tools were also considered. Theoretically, there are 58 dimensions that cut across marketing, finance, branches/stores. CMAT measures have been included in individual employees KPIs. It was also found that CRM measures are not always a prerequisite for a campaign to be launched. Some of the reporting tools that can be found in SATEL include: cubes, spreadsheet and dashboards.

Research participants found it difficult to pinpoint the positive CRM outcomes achieved by SATEL. However, the causal factors that have engendered these

are discussed under these dimensions of organisational, institutional, and customer data factors.

Since the purpose of this research is to investigate the contingency factors for successful CRM implementation at SATEL, a detailed analysis of the organizational, customer data as well as institutional factors that have impacted on CRM implementation at SATEL is provided below.

5.2.2 Presenting CRM results at SATEL under the three dimensions of organizational, institutional and customer data factors

A. Organisational Factors

As depicted in table 5-1, eight out of the ten related organizational factors were found to have impacted on the effectiveness of SATEL's CRM programme. They include Vision and strategy, enterprise-wide CRM, CRM measures, operating structure, channel mix, customer processes, training and recruitment practices, and adequate technology.

Table 5-1: Organisational Factors With Impact on SATEL's CRM Programme

Organisational factors		
Themes	**Research findings**	**Verbatim quotes from research participants**
Vision and strategy	There is a CRM Roadmap which has been developed and shared with the business. However, it took too long to internalize the vision. All employees have not been singing from the same song sheet. The constant communication was lacking or did not include all employees' particularly middle layers employees. There is not a common understanding amongst of what CRM is all about and what it can do for SATEL.	" The vision is there…but we need to get people focused and on board to understand what CRM is all about"
Enterprise wide CRM	There is tacit executive buy-in. There is a Siloed/departmental/functional approach. The change from technical, sales view to business, enterprise wide is still not fully executed. It has been a difficult journey from that angle. A process framework is required.	"The enterprise wide system would have been a better approach. However, if you look at how to put an enterprise system into a company like this, you also need to balance that off versus the time to go to market, the time when we can rule something out. If you design for the enterprise, your design might take five years and to implement that, another year. Whereas if you have smaller portions of project you could get them going on the system as long as you've got your enterprise view in mind, which is challenging. It is challenging. So we're doing the best with what we have." "Because of the cost of the project and the wide impact of the project, you need executive buy-in" "we do not have a single point of executive accountability" "Ultimately, my job is not done if somebody in the business does not own what we are doing. I think that's key. It should not be a department work. It should be the whole organization work."
Operating structure	The current operating structure is still based on the past model which was sales focused. The operating structure is not aligned with the CRM vision. The job, roles and responsibilities of employees have not been redefined to support the CRM vision.	"We must relook at the structure of our business. We can't implement CRM using our current sales structure" "CRM owner heads up sales and do not have much say on other issues impacting on the customer. He is driven by sales and not service"
Channel mix	33 different customer touch points were identified at SATEL (Including social media, websites, stores, ICASA, hellopeter.com, email correspondences and more). Multi-channel integration is critical in the execution of marketing campaigns at SATEL. Informal channels are always included in the channel mix	"The informal channel follows the people" "We had to be innovative to reach our informal channels in remote, rural areas. The partnership with GMG is working for us. We provide employment to Zoners and they have targets to reach" "We are reaching out to people to give them a job and also

	strategy. Informal channels help to reach a wide, prepaid customer base in remote areas. Mobility is required to reach people living in remote, impoverished communities. These customers are not found inside the shopping malls; but at specific points such as Taxi ranks, robots, shebbeens, or remote areas. The timing of the offer/sales is important. Zoners come from these communities. That's why it is easier for them to sell SATEL products in their communities. Social media impact on our customer engagement, particularly with pre-paid customers. Initially wrong assumption was made that pre-paid/informal customers do not have access to the internet.	reaching out to them to give us customers" that was big "A little while back, an assumption we made was that prepaid based customers aren't online and they are. They might not to be online via a PC; they're online by the phone. They are all on social networking sites." "There are 2 500 zoners who are brand ambassadors for SATEL. They are contributing about 25% to our monthly sales."
Programme management	The CRM programme goalposts keep on shifting. There is no governance, penalties when project over-run. There is a lack of detailed planning.	"In Africa, it is an accepted habit for projects to over-run. Whereas elsewhere, in the western world, there is strict governance. They focus on 80% detailed planning to mitigate against challenges that will happen on the project. (Here), we do not do detailed planning." "SA do not have the planning mode…we have the tendency of doing things in the last minute." "We do not have a centre of excellence to evaluate the value-add of projects. The analogy of a CoE is a train station where somebody has an overall view of all trains that are coming out and in the stations so that he/she ensures that there is no collision."
Change management **(including Internal and external stakeholder engagement)**	Initially, change management was difficult to implement. People were apprehensive particularly because of the high failure rate of past projects at SATEL. People are questioning the objective of the project after the project analysis phase. Technology partners did not fully engage with SATEL which led to a limited understanding of what SATEL's needs are.	"Change management is critical, specially for customer facing employees." "Technology vendors take African businesses for a ride. Technology partners must understand and give us what we need. In advanced market, it is not just about selling software; but rather proper support is offered. Technology vendors are not accountable. They are driven by Sales and not value-add to the business… Lack of support from technology vendors. For instance, Oracle in SA does not have Technology Labs whereas they have them in Europe, America, etc. By the time there is a client engagement, they come with an understanding of the problem."
Customer processes	Customer processes are defined with limited input from the business people.	"We can optimize processes up to a certain point. Then you need the systems enable to go the extra steps. I need end to end customer data at the touch points. Currently, we do not have that"

CRM measures	The CRM success/failure has not been closely monitored The CRM measures focus on: Channel profitability, customer profitability, and customer lifetime focus and there are 58 dimensions for each of the measures. Major challenge has been to educate managers on how to read finance.	"Outcomes of CRM programme must be measured" "Customer satisfaction survey is not the only measure. The organization needs customer commitment measures such as the Net Promoter Score (NPS), employee satisfaction score and customer centric measures"
Training and recruitment practices	The scope of CRM training is limited. Customer service or service quality training has not been accentuated. Service orientation should be everybody's job in the organization, not just marketing, CRM or customer experience teams. Thus, it should be embodied in the company's training and recruitment practices (i.e. hire those individual who have demonstrated those competencies in their current or past jobs	"There is limited skills for the scope of work to be done" "We currently do not have the skills. The people who have been hired had a "selling" mindset and are not service-driven" "The people dimension is fundamental in the CRM scenario. You will have a customer centric organization if you have employees who are committed to customer centricity" "We do not know what CRM is about. Without the knowledge of CRM, we can't define the skills needed"
Adequate technology	There are lots of legacy systems, of which most of them are custom made application. Business Analysts bring requirements that do not fit the systems. They are systems agnostic Value of the Siebel system to the business is slow to emerge.	"We like to be at the leading edge of technology…The Siebel system that we are implementing is the best of the breed". "We do not match the requirements with the systems. There are big moves now to get the existing BAs trained on Siebel…they need to have knowledge of the system itself when they go to a requirement gathering session."

Another factor that was covered by the research participants during the fieldwork is Institution. Using DiMaggio and Powell (1983)'s isomorphism concepts, it was assessed how SATEL became isomorphic to its normative environment when implementing its CRM programmes. Coercive, mimetic and normative isomorphisms were considered during the data analysis. Moreover, Hofstede's "confucian dynamism" was applied specially when focusing on the normative environment at SATEL.

B. Institutional Factors

The research results show that regulations and socio-cultural and political environmental factors impacted on the effectiveness of CRM implementation at SATEL.

In contrast, competitors' activities did not affect SATEL's CRM programme as the company has always embraced the philosophy of being a leader in its market and not a follower. With this in mind, SATEL would not mimic its competitors or any other players in the South African market. As a matter of fact, SATEL has always aimed at developing and implementing a CRM programme that contributes to the reinforcement of its vision of being the leading mobile communications company in emerging markets. This is illustrated in the following comments made by one of the senior research participants:

I would like to position us as a leader. I don't believe anybody is doing a good job right now. There are not many companies that are doing a good job in CRM in South Africa.

The detailed findings and verbatim quotes from research participants are illustrated in table 5-2.

Table 5-2: Institutional Factors With Impact on SATEL's CRM Programme

Institutional factors		
Themes	**Research findings**	**Verbatim quotes from research participants**
Coercive motive-Regulations: Government laws	Research participants were almost unanimous on the fact that the laws that are passed protect both customers and companies. The SA Government has increased awareness of customer service by educating customers on their rights. The mobile telephony sector is is highly regulated. The industry regulator is ICASA. When new Laws are passed such as RICA, the company needs to educate customers. This impacts on such resources as people, system and finance	" (Our company) can afford to sell contract because there are laws and regulations that assist you to get your money back" "The major laws that affect us and the customers are: National Credit Act, CPA and RICA" "…Obviously PPI is going over personal information and this is going to have an impact." "ICASA gives us 14 days to resolve all complaints. However, most complaints received in our company

	ICASA has set target for complaint resolutions by mobile communications players in the markets. A breach of this target results in penalties.	are resolved within a day"
Mimetic motives- Competitors' activities	Company has a well established brand. Although there is churn, customers tend to be more loyal However, recent activities from emerging players such as Cell C and 8ta impacts on the bottom end of this market; most of which being prepaid. SATEL has refrained from mimicking its competitors as it believes that it is innovation, superb customer experience that will drive customer to its brand and ensure that its customers do not churn.	"Financially, we have increased our market share and are doing better than our competitors" "Fighting our nearest competitors on value pack is not the smartest strategy. We are not going to go that route. What we are going to offer is great value over a period of time."
Normative motives- Socio-cultural and political environment	SA is a fairly stable political environment. Unemployment is high and the legacy of the apartheid has resulted in limited availability of certain types of skills. The Crime rate has not stabilized. The SA culture is quite diverse culture The company provides jobs to zoners in the remote areas to help reach all the layers of the communities Highly affluent and aspirational markets Also, there is wide percentage of people at the bottom of the pyramid	"SA gained independence after most African economies. Some African countries earned their independence before SA; but there is still political instability. Because of the political stability, the SA economy has been growing. It is easier to sell a handset in a country that is stable"

A third factor that impacted on SATEL's programme is customer data.

C. Customer Data Factors

Although SATEL has large volumes of customer data acquired from diverse sources, its main challenge still lies in how the richness and goodness of the data can be better utilized for the attainment of its CRM's goals.

"Because of historical reasons such as siloed mentality, SATEL has had a low rate of data adoption."

"Only those companies with the best understanding of customers will succeed. Thus, ongoing investment in data is critical."

Table 5-3: Customer Data Factors With Impact on SATEL's CRM Programme

Customer data factors		
Themes	**Research findings**	**Verbatim quotes from research participants**
Data volumes	There is a vast quantity of customer data in the organization. These data are collected from various sources such as contact centres, web, social media, feedback in the branches, zoners in townships/remote communities and retail partners. The data collected is appended with additional data from customer survey and also secondary sources such as research companies and industry reports. The data management in the company has improved.	"Our current problem is not the availability of data but rather what we do with the data we have" "A few years ago, our systems were not automated. Everything was done manually" "The feedback we receive from our informal channels, zoners has been invaluable"
Data quality (recency and richness of the database)	Data quality at SATEL has not been mentioned as an issue. It appears that the quality of the data is good and most importantly that the data base has lots of customer details.	"We have good data particularly from our post paid customers. The quality of our data has been a key ingredient in the success of our loyalty programme"
Data storage, security and mining capabilities	Although there is disparate information that is available on different company systems, there is a system that ties all the data together. The company is in the process of developing the capabilities for real time marketing and campaign management. The data is made available to only those users that are allowed to view/use the data	"Even though SATEL currently has many Legacy systems, we also have systems that tie this together. So we have for example, EDW, enterprise data warehouse. It will collect data from multiple systems. That data can then be analyzed. So, even though you don't have a single CRM that gives you that picture, you have otherwise the means to get this. We're not flying blind at the moment, we're doing that analysis, but we're doing it with other tools" 'The Siebel system works with what we call organizations so the data is actually on one database. But the visibility is controlled according to the organizations. So I've got an organization that has divisions. In those divisions we have positions and we have employees linked to those positions. The data is supported by organization's structure. So I will have one database full of all of my subscriptions but not everybody will have access to everything. They will only see the portion of data that they are allowed to see."

Given this understanding of CRM implementation in the telecommunications sector of South Africa, the focus in the next section will be on CRM implementation in the banking sector of South Africa.

5.3 Results From CRM Implementation at SABA

5.3.1 Overview of the "As is" CRM implementation at SABA

Based on the size of its market capitalization, SABA has been rated as one of the top four banks in South Africa. The company has had the history of not being agile and also of being perceived as an old fashioned institution that is reluctant to embrace the type of change that is so much needed across all its business aspects of people, processes and technology and systems. A total transformation at SABA was required in order to ensure that it remains competitive. This became a pressing issue since there have been an increasing number of smaller banks and even of SABA's direct competitors that became more innovative and agile. These competitors are realizing tangible benefits from their CRM initiatives; including increased customer awareness of their products, improved market share, reduced attrition rates and most importantly high customer retention.

In addition to the above-mentioned market dynamics, one of the defining moments at SABA, a moment of truth that made SABA realized that the shift to a customer-centric had to happen swiftly, was when it was ranked far below its direct competitors in a customer service survey conducted by an independent, credible industry player. This low ranking was a clear indication to the leadership team at SABA that the service level offered by the company had dropped far below its customer expectations. As pointed out by one of the research participants:

"The defining moment came (…) when we ranked fourth from a service perspective, from all the four big banks. Also immediately after being ranked fourth, we went into the credit crunch time and we realized (that) without our customers we're not going to make the money we want to make."

In light of these competitive, industry and internal pressures that started to affect its margins, SABA embarked upon a CRM journey in early 2000 with the view to attract and retain its customers; and most importantly to rally the business around

its vision of customer centricity. Almost ten years down the line, based on the results of this study, the business acknowledges that the CRM programme has failed dismally and as a consequence, the programme received a "**below average**" rating by the research participants. One of the research participants who had been working on the programme since inception and has had multiple roles along the way was overt about the limitations of the CRM programme at SATEL:

"The CRM journey is R7 billion over budget. It is hopelessly behind target. It has not managed to engage all the business units. So there are still people looking at it who say this is not what we want."

In addition to this comment, a technology user in the company commented that

"The analytics have not been integrated in a meaningful way. The CRM system is almost a shadow system. It has not become part of the company."

Such a low rating was observed amongst those respondents who were classified as implementers, and also those who fulfilled both roles of strategists and implementers. Furthermore, middle-level managers shared these opinions as illustrated below:

"In the low income market, I have challenges with the contactability of my customer. It is great that we have these (CRM) models and how do I realize them in my environment?"

"We have burnt money on a lot of consultants, on technical skills to get (SAP) implementation to work…The technical forces that are driving SAP are strong and are demanding more from the business. When will the business say no? The level of business leadership is not strong (…) SAP is laughing all the way to the bank when they can't deliver."

On the other hand, some research participants have indicated that for the past two years, there has been a pocket of success that has mainly been driven by the Advanced Analytics and Modeling team at SABA. This team has done some brilliant work around the individualization of the bank's offering to its customers but the maturity of SABA has not always allowed this Analytics team to roll out the work that they have tested to the entire SABA database. As one of the respondents noted:

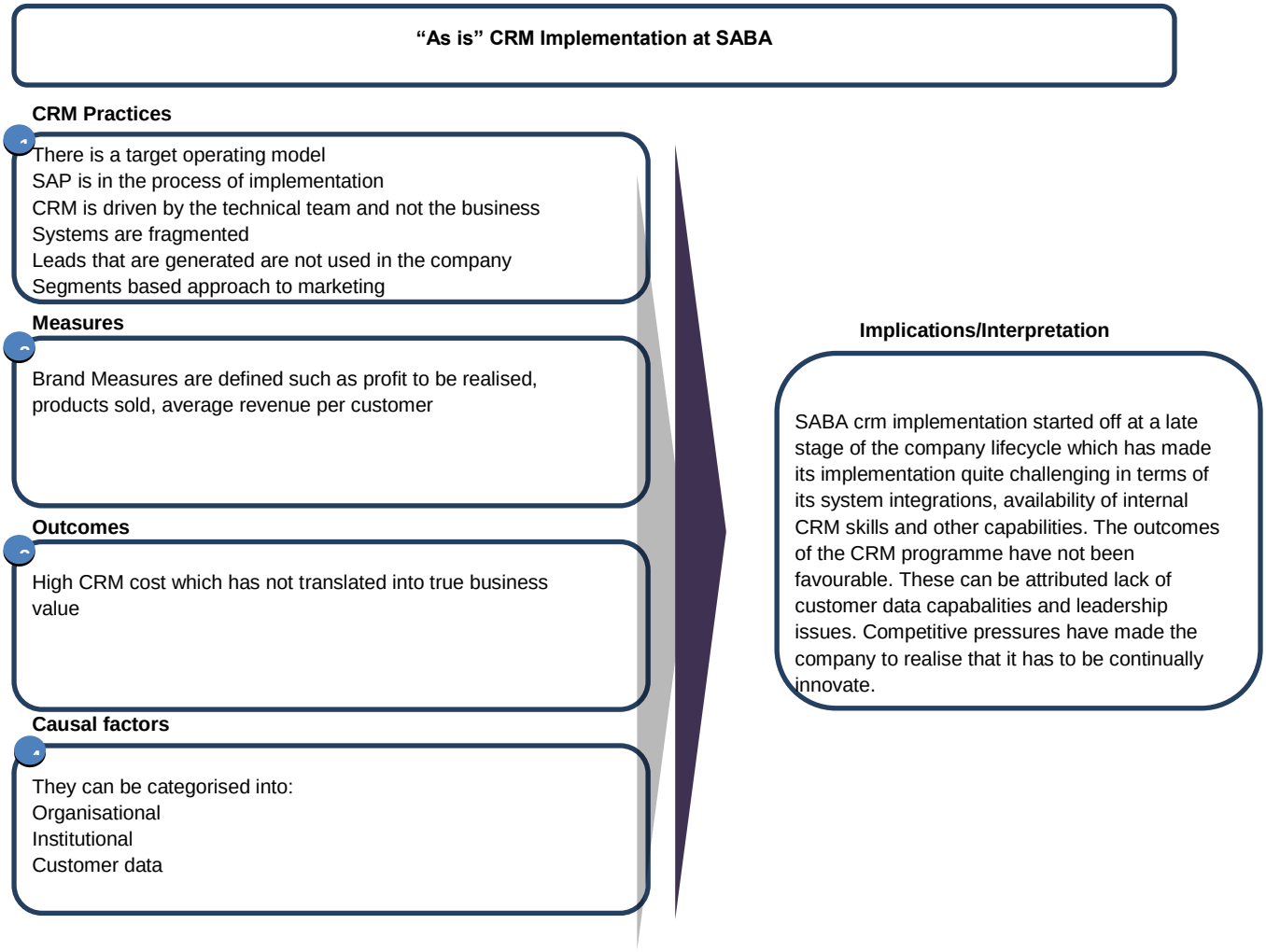
"The (Advanced Analytics and Modeling team) is very clear on CRM. They have the capabilities and the business can take these capabilities to another level…but that has not happened yet."

This view is supported by one of the research participants who also highlights the extreme importance of addressing data management issues if the company wants to be truly CRM focused.

"The CRM capabilities run only on a subset of customers. (SABA) has data management issues. Up until these issues are resolved I do not think we can see the ultimate impact of CRM: the single view of customer".

Figure 5-2 provides a snapshot of the "As is" CRM implementation at SABA.

Figure 5-2: "As is" CRM implementation at SABA



The evaluation of current CRM practices at SABA shows that there is a target operating model which provides a high level vision of CRM. CRM accountability and responsibility is not clearly defined. This is exemplified by the concerns raised by both the technology and business team members. Moreover, SABA employees define CRM as a system, and not an enterprise wide strategy where the system is used as an enabler. This can explain why the technology team at SABA appears to be leading the CRM strategy as opposed to the business team. Other practices include a lack of clearly defined business management

processes. The direct marketing department drives most of the CRM campaigns which are mainly either product or sales driven; and not customer-focuses.

SABA has a nursery strategy for onboarding new customers. Whilst this strategy has successfully been implemented in the company amongst new customers; it could be more effective if the business units were to be more integrated.

This evaluation of the “As is situation” also CRM measures have not been clearly defined and as a result of this, they are not linked to individual’s key performance indicators. General measures related to number of customers acquired, profit generated by branches, are being tracked by SABA. Reporting tools include cubes, spreadsheet and dashboards.

The CRM pilot conducted by the Analytics and data modeling team has been successful. However, Customer service is still an issue.

5.3.2 Presenting CRM results at SABA under the three dimensions of organizational, institutional and customer data factors

A. Organisational factors

Six out of the ten related organizational factors were identified by research participants as having had a greater effect on SABA’s CRM programme. These six factors include vision and strategy, operating structure, channel mix, programme management, customer processes and adequate technology.

Table 5-4: Organisational Factors With Impact on SABA's CRM Programme

Organisational factors		
Themes	**Research findings**	**Verbatim quotes from research respondents**
Vision and strategy	SABA has embarked on a transformation programme with the aim to get the organisation to focus on its customers. Over time, a target operating model was designed. It encapsulates the CRM journey and the capabilities for achieving the journey. However, there are stark challenges; namely weak business leadership, legacy systems and misalignment amongst executives on what the CRM programme aims to achieve.	"So I think if you go back to a few years ago when the business architecture team did a survey amongst the executive level to ascertain what do they understand about what the bank wanted to achieve from this whole core banking project and the CRM, the percentage of people who understood what we wanted to achieve was terrible at that level. I think there were about 12 out of 35." "Leadership designs the way forward and they give you what their vision is and we follow the path. Usually that's what we do. So if that vision wasn't right, then we made some bad decisions along the way. I think we have. I mean we definitely made some hiccups here and there but I think ultimately we have never compromised the customer." "You do need strong and I reinforce this, you're going to need strong leadership…courageous leadership is what is needed in SABA"
Enterprise wide CRM	There is a limited CRM sponsorship as the focus is still on a product and sales centric modes. CRM has been implemented as part of a large ERP system, on a piece meal basis starting off with such modules as SAP HR.	"There is limited leadership in the CRM space" " There have been many releases and we are now in the BR6 phase"
Operating structure	There is an operating model in place. However, the roles, responsibilities and structure of the business do not support the customer-centric philosophy embedded in the company vision statement	"You're dealing with a massive organization…in a predominately upper echelon environment like retail banking, it's much operationalized and you're going to need structures and controls".
Channel mix	The business is still ascertaining what is the best way to optimize its informal channels mainly used by its inclusive banking customers. Some digital marketing campaigns have been executed and the success rate has been high. The self service channel usage rate is still low amongst customers.	'The low income groups…that is where you build your bank of tomorrow, if we're not going to record their voices (i.e. interactions, requests, queries, etc), then certainly from an emerging market point of view, we're not listening to our customers."
Programme management	CRM was a subcomponent of the enterprise resource planning; Which explains the various releases that have occurred. The program methodology was custom made and not understood by SABA project manager, analyst, etc.	"The whole management, the sizing, the whole scoping of this project has been wrong from the start" "When we started off with SAP, it kind of was a custom, specially made methodology for the project. The problem with that is your project managers don't understand it. Your business analyst doesn't

	There is not a standard programme management methodology that is used and understood by all	understand it…it was really customized specifically for the program, which didn't work out well because no one knew what they were supposed to do" "Firstly and most importantly, you have to have a sit down scope. You need to know exactly what you want to do. So if you don't know exactly what you want, you're not going to get it."
Change management	Change management has been weak to non-existent. There is not enough understanding amongst the users on the benefits of CRM and why/how it would be implemented, although a diverse range of internal media such as internal television, newsletters, intranet and more have been used as part of the change management program	"Change has to be a constant in the organisation…you have to speak it all the time, This is not about losing your job. That's not what change is about." "Bluewave, an internal television program is used extensively to communicate changes in the organisation."
Customer processes	Lead management processes are defined. Leads are also generated but not used for customer acquisitions or retentions. All customer processes have not been documented	"I don't think that more than ten people in the company know that NBA dumps up to 70,000 leads a day into our direct marketing databases, and aren't used."
CRM measures	The research participants realize the importance of defining how CRM success looks like. According to them, it should include amongst other increase in customer satisfaction, reduced customer complaints, increase in upsell and cross sell However current measures have not been adopted across the business.	"The good service isn't the end in itself. So if your customer relationship – CRM system isn't reducing your attrition, and increasing your sales, those are the key indicators. You can give me every customer satisfaction survey saying you're so wonderful and everything else, if it's not hitting your bottom line through those two things…(then, it is not worth it)."
Training and recruitment practices	The training is developed and facilitated by the people lacking the technical skills. CRM education is also required in the business The set of skills identified as critical by the research participants include social science, data management, and advanced process analysis, social science, advanced statistical skills. Because of the staff turnover rate, these skills are not always readily available in the organisation.	"I think what is absolutely essential is that you have somebody with social science skills that can interpret the data, understand the products, understand what needs to be filled, somebody who understands the community, the bank, and how the bank approaches the community based on the data that's fed through to (him/her)."
Adequate technology	The legacy systems coupled with a lack of understanding of what CRM can do for the business have made its implementation costly, longer and overall ineffective. The selection process of the IT vendor was primarily driven by the technology team with limited involvement from the business team. Not every historical data about the customer based on its interactions with the company is captured onto a single platform.	"We are building a new bank and the core banking transformation is all about this. It's using this new software to build this new platform and this platform is going to be looking at a way to manage our customer relationships" " If I had to build a new bank, I will make CRM the only thing" "We have a lot of SAP problems. The flow is not correct"

Transitioning from the organizational factors to the institutional factors, it was observed that out of the three institutional motives for CRM implementation at SABA, mimetic motives greatly impacted on SABA's CRM implementation.

B. Institutional Factors

The results show that coercive motives did not affect CRM implementation at SABA. This can be explained by the fact that SABA views all laws and regulations as part of good business practices. These principles are embedded into SABA's philosophy of doing business. Likewise, although the respondents acknowledged that a stable political environment is always conducive to good business, they did believe that CRM initiatives must be cognizant of the historical background their communities. As a result of this, organizations that implement CRM must incorporate a "societal flair" in their approach as commented by some of research participants. This need is even greater if the organization wants to attract low income and previously disadvantaged market segments.

Mimetic motives are institutional factors with the highest impact on CRM implementation at SABA. Mimetic motives in the banking industry are one of the drivers of CRM implementation at SABA. In this research study, SABA has shown to be a follower particularly when it comes to the adoption of new social media such as twitter and other media platforms as part of its CRM implementation progamme. This mimetic approach to CRM had a positive impact on SABA's customer acquisition and retention efforts.

Another imitative behaviour regarding the adoption of CRM practices by SABA is concerned with the long opening hours. As retailers in South Africa extend their opening hours to respond to customers' demands of more convenience, SABA has viewed this approach as appropriate and with the potential of bringing more feet into its branches. Consequently, it has not just extended its opening hours; but in some major metropolitan areas of South Africa, it also caters to the needs of its customers on Sundays by providing them with face to face interactions and attending to their banking needs.

Table 5-5 presents the findings on the institutional factors that may have impacted on SABA's CRM programme.

Table 5-5: Institutional Factors with Impact on SABA's CRM Programme

Institutional Factors		
Themes	**Research findings**	**Verbatim quotes from research participants**
Regulatory motives: Regulations: Government laws/Industry regulations	The National Credit Act and Consumer Protect Act have affected how the company promotes its customers. However the research participants acknowledge that SABA runs with the understanding of not being in a position to annoy the customer. SABA has to request customers' consent before promoting its products to its customer base.	"All these laws are good because they encourage good business practices." "Our customers have become more vocal as they are more informed. Legislation has forced them to become more informed and aware." "CPA, so if you unsubscribe from all electronic communications then you're off the database, and you don't get to email."
Mimetic motives: Competitors' activities	Direct competitors activities are monitored closely. Their external marketing activities have forced SABA on how to engage with its customers. Competitors 'activities have reduced SABA's market share. Retailers way of doing business such as long store opening hours have now been adopted by the company in some of its branches	'Our competitors is the reason why our CEO when on Twitter." "Our competitor (y) was the first one to go on twitter and everyone was just following him" "The front end of our competitors is quite slick(…) but they have other challenges too"
Normatives: Socio-cultural and political environment	The political landscape together with languages did not greatly affect how SABA engages with its current and potential customers	"I think ...cultural diversity…our political background, that is important and it stills plays a huge factor today. I have to have a bit of a community dynamic in my (CRM) approach. I can't just come here and put out products. It's got to be relevant. It's got to talk to the target market and it's got to have a bit of societal flair."

The third factor that was identified is concerned with customer data.

C. Customer Data Factors

Customer data quality, data storage, security and data mining as well as SABA's ability to manage its large volumes of data have impacted on the effectiveness of its CRM implementation programme.

Table 5-6: Customer Data Factors with Impact on SABA's CRM Programme

Customer data factors		
Themes	**Research findings**	**Verbatim quotes from research participants**
Data quality (recency and richness of the data)	There is voluminous, non uniform data which at time prevents timely reporting and the generation of customer insights. Moreover, the velocity of data has increased significantly and data management has become complicated due to data coming from multiple sources. This large customer database has not been fully utilised due to regulatory restrictions. In reality, the SABA database required for marketing purposes has shrunk to half its size due to legislation which requires customer consent to campaigns.	"There's too much data in the bank. It's taking too long to move the data into our data warehouse. Like, some days our batches fall over. So this doesn't affect customers, but it affects the people who do the reporting – in order to drive performance as well, you have to get the reporting ou."t "The challenge is that 50% of our book is split between "yes" and "no" to marketing."
Data storage and mining capabilities	Quality of data is good for new data which makes the delivery of information to customers very high. Information that gets undelivered either via electronic or print media is mainly due to poor data capture. There are lots of duplicated records in the company database. Customers are not flagged on the systems on the basis of their preferences on how they want to be communicated to and for which products or services.	"The delivery is high because they're new clients, and this is an actual valid address that they gave a month ago." "The E billing for the bank is about 75 or 80 percent, which is good for the banking sector." "We end up migrating two customers over four, where there's actually only one person. I mean, personally, I had about seven or eight customer records – for me, for one person. And you have to sit with the guys. And then they have to combine all of these into only one person. And we've got a lot of that." "It's a big job to initiate (preference centres). To maintain, it takes a bit of work. But the actual technical kind of makeup is not that hard. The banks implementing SAP at the moment, huge, big SAP implementation where all custom preferences are going to be held there as well."
	The formatting of data as well as its location is a challenge the company is faced with. The ability to mine data to generate new insights for the CRM programme is key.	"I'd almost say your biggest challenge is migrating the data that you've got from all of these different old systems. We had so many isolated systems that we used to do the different products on, the different customer files, the different sales systems, different workflow systems, CRM systems. We had to combine all of these systems and get integrated into this one-step system, which, I think, was the most difficult thing. We're

		still migrating data over. And we're finding that there's a lot of data missing." "I think you need to use analytics to drive your understanding of the customer. And when I say analytics, it's a mixture of data driven analytics as well as data driven but more survey driven. So not just your pure database data."

Based on the above results, it can be concluded that data lies at the heart of a successful CRM programme for SABA. Most of its CRM impediments beyond organizational factors are undoubtedly linked to its inability to manage its voluminous data, store such data and also to apply the required data mining skills to create individualized customer offerings for its entire customer base.

6.4 Summary and Key Insights

Despite the fact that both SATEL and SABA operate in the same country, there appears to be stark differences in their CRM practices.

First, SATEL CRM programme received a better rating than SABA's. This may largely be attributed to the dynamic changes taking place in the mobile telephony sector which has forced this mobile service provider to be at the forefront of innovation. This result is sound evidence that the industry maturity level plays a role in determining the potential failure and success rate of CRM within companies. Second, the mimetic motives for CRM implementation were not supported at SATEL whilst at SABA's the focus was on replicating what the nearest competitor was doing in the market to attract customers. Third, a major problem at SABA was the end-to-end management of its programme which was not on par with the standard levels as there were large discrepancies amongst the project team; namely misalignment of the adopted project management methodologies, the programme is run by the technical team with limited involvement from the business, just to name a few issues. Whereas at SATEL, although the management of the CRM programme did not have the highest rating out of the organizational factors that were identified, the CRM accountability

rested with someone from the business side. Nevertheless, this resource had more of a sales than a customer-centric view when making decisions.

Despite these differences there were similarities in CRM practices between these two companies. They range from the level of support required to effectively manage their CRM programs, to the issue of large volume of data as well as the availability of marketing, analytical and sound programme management skills in the company. In addition to this, both companies have found it necessary to include the informal channels as part of their channel mixes.

CHAPTER 6: CASE STUDY RESULTS

Focus on a Bank (NIBA) and Mobile Telephony Company (NITEL) in Nigeria

6.1 Introduction

Similar to Chapter 5, this chapter presents the results from within case analyses of CRM implementation in the banking and mobile telephony sectors, having as a main differentiator the country of analysis, Nigeria. The unit of analysis remains the CRM programme. In sections 6.2 and 6.3, an overview of the "As is" CRM implementation situation is described by concentrating on each company's current CRM practices, identified CRM measures, outcomes of CRM implementation and causal factors of such outcomes. Then, detailed research findings, along the three dimensions of organizational, customer data and institutional factors as well as the verbatim quotes from research participants are presented.

In the last section of this chapter, section 6.4, a summary of the research findings are presented as well as key insights drawn from the mobile and banking industries within Nigeria.

6.2 Results from CRM Implementation at NITEL

6.2.1 Overview of the "As is" CRM implementation at NITEL

As one of the late entrants and smallest players in the Nigerian mobile telecommunications industry, NITEL was initially faced with what was perceived as insurmountable challenges when it first entered the Nigerian market in October 2008. These challenges included amongst others, stiff competition from existing players with strong brand equity and robust financial muscles, negative

perceptions associated with NITEL's mother brand in international markets, unstable operating environment with specific reference to the political unrests in the northern part of Nigeria as well as the notoriously high cost of doing business in Nigeria. These high costs are mainly related to indirect business costs such as the need to purchase generators and diesel in order to curve the power outages. These power outages have become an accepted norm in Nigeria and thus any player that wants to capture a sizeable part of this market has to incur the necessary costs in order to continue with the provision of its services to the targeted customers. Otherwise, these will negatively impact on the company's ability to deliver its mobile and communications services to its customers. One of the research participants identified these costs as inhibitors to businesses in Nigeria:

"Have you noticed that there is a lot of power outages in Nigeria?...Now if power goes off, there's service distribution (issues) for the area. So what do we do? We put two generators per base station. We fuel it with diesel. Basically, the cost of providing this service goes up, which also reflects in what the subscribers are paying. Beyond the cost, it takes a while for it (the service) to be fixed. So these are the things that are really inhibiting operators from getting to customers."

Another research participant that was interviewed offered similar views:

Power is the main problem in (this) industry. If we can have 50% more power than (what) we have right now, I think our problems will be half solved in the industry. The amount of money that we spend in the month I heard is a figure of 8 billion naira for the whole industry is quite a lot of money. It's huge!

Unphased by these challenges, NITEL had a clearly defined business model. It set up its Nigerian operation with a single-minded purpose: customer-centricity. In support of this customer-centricity approach, one of the research participants asserted that:

"Your customers are not transactions. They are not numbers. Your customers are human beings who have emotions and who behave in certain ways based on their emotions. So if you can find out what is value for them, what their emotions are, if you can manage this, you'll have more loyal customers."

It is this vision of emotionally connecting with customers in order to achieve customer delight and deliver superb customer experience across all the touch points that led to the birth of NITEL's customer centricity program.

NITEL embarked upon the implementation of its CRM programme just 2 years after establishing its presence in the Nigerian market. Given its relatively new position in the Nigerian market when it launched its CRM programme, the company had to ensure that through its CRM programme it could position itself as an innovator. Consequently, driving innovation across its products and service offerings was the clear path towards sustainable customer acquisition and retention; and ultimately, for increased market share for NITEL. Research participants lauded the types of innovation NITEL was able to implement:

"When we came, we gave people things that they had never heard of before. Things like home-zone. For example: if you identify your office as your home-zone, any calls you will be making from that place will be the cheapest."

"The only way we can expand is keep on innovating. That's one thing NITEL is known for. For instance, we came with the idea of updating your facebook status from « N-cell phone »"

"(Our) strategy has been to be number one in innovation, because innovation will get you ahead of every other player in the market."

Beyond innovation, the success of NITEL's CRM programme has been attributed to its strong leadership team. For example, one of the research participants noted that:

"The success story of our currently growing customer centricity program is based on the buy-in of our CEO. He understands customer issues. He owns the (programme). He gives this (programme) financial support. He gives it every necessary support. He encourages the consultants and everyone. He understands what customer centricity is about"

This view was echoed by other research participants. They acknowledged that NITEL's CRM programme has received lots of support from their CEO and other

departmental heads. There is a clearly defined level of accountability between such departments as customer care and customer experience at NITEL. Everybody in the company understands the vision and works with the objective to realize this vision.

In addition to this, the effective implementation of CRM programme at NITEL has generated tangible results as illustrated in these remarks from the Middle and Senior Management teams at NITEL:

"The company has over 12 million customers as we speak right now"

"Our growth rate has almost tripled since we implemented our customer centricity program"

"80% of customer related issues that are escalated (to the contact centre) get resolved immediately".

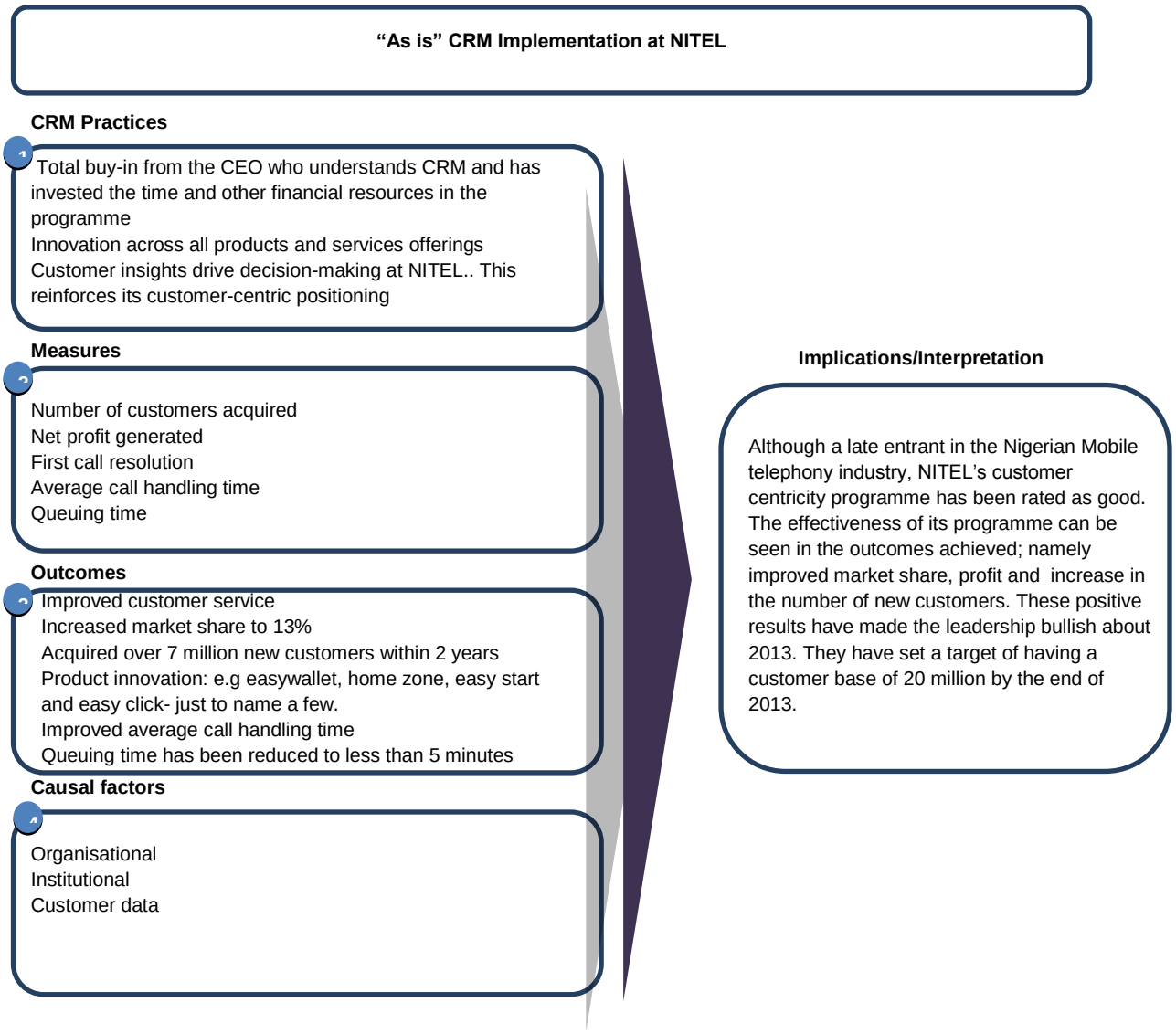
In reality, NITEL exponentially increased its customer base from six million in 2010 to over 14.3 million at the end of September 2012. It has now set up a target of reaching 20 million customers at the end of the year 2013 ("(NITEL) to invest USD400m in 2013, targets 20m subs," 2012). Additional achievements are in the areas of total increase in sales and overall profit margins generated. In less than four years, NITEL acquired 13 per cent of Nigeria's mobile telecommunications market share and reported net revenue of $8.4 billion as at the end of March 2012 ("(NITEL) Nigeria sets new four year target," 2012).

The success of NITEL's CRM programme was also acknowledged in the industry when it received in November 2012 two awards from the Nigerian Communications Commission (NCC), the official regulator of the ICT industry in Nigeria. The awards were for Excellent Service and Effective collaboration with the Consumer Bureau Service. It is understood from these awards that NITEL has consistently exceeded the targets set by the industry regulator in terms of number of call attempts made by the consumer to its contact centre and

maximum ring before a connection is made to its Interactive Voice Response (IVR), which were far below the target of “5 times”. Another measure used by the regulator to monitor the quality of the service offered by the mobile service providers is the queuing time. On this front, NITEL performed well against the target of “no more than 5 minutes” for queuing time ("(NITEL) wins award for excellent service and customer care," 2012).

With these upbeat results, the research participants were unanimous that the CRM programme at NITEL exceeded anticipated targets. This explains the overall “good” rating that they attributed to the effectiveness of their CRM programme. Figure 6-1 provides a snapshot view of the “As is” CRM implementation at NITEL, including CRM practices at NITEL as well as identified CRM measures, outcomes and causal factors of these outcomes

Figure 6-1: "As is" CRM Implementation at NITEL



The CRM current situational analysis at NITEL reveals that NITEL has a clearly defined customer centricity program that is fully supported by its leadership team. This leadership team has created an internal culture of customer centricity and innovation and has rallied every employee behind the CRM vision. Moreover, the roles and responsibilities of each employee and department are clear and are linked to the company key performance indicators. In its interactions with its

customers, NITEL uses the languages understood by Nigerian in its communications with its target market (e.g. Pidgin English). CRM at NITEL is based on customer insights. Its market segments include: Prestige, Mass and Youth Segments. For its Youth segment, it has implemented effective strategies that have helped it capture this important segment of the market which represent 60% of the Nigerian population.

CRM measures are important at NITEL as all customer-related activities are linked to metrics. These metrics are discussed and understood by all employees. Some of the metrics used at NITEL incorporate queuing time, number of customers acquired, first call resolution, market share, net promoter score and profits generated. There are also qualitative measures including customer satisfaction level and feedback from surveys.

The outcomes of NITEL's CRM initiatives have been satisfactory. For example, NITEL improved its market share to 13 percent at the end of September 2012. It acquired an additional 7 million customers within two years (as at the end of September 2012). NITEL has exceeded the measures set up by the Nigerian Communications Commission. It also received several customer service awards from the ICT regulator, the Nigerian Communication Commission (NCC). Its sales generated and profit margins achieved have increase since the roll-out of its customer centricity program. The main causal factors behind this success are discussed in the next section.

6.2.2 Presenting CRM results from NITEL under the three dimensions of organizational, institutional and customer data factors

A. Organisational Factors

According to the feedback received from the research participants, there are six organizational factors that greatly impacted on NITEL's CRM programme effectiveness namely: Vision and Strategy, CRM measures, Change management, training and recruitment practices, the operating structure, technology and systems, and the channel mix.

Table 6-1: Organisational Factors With Impact on NITEL's CRM Programme

Organisational factors		
Themes	**Research findings**	**Verbatim quotes from research participants**
Vision and strategy	The customer centricity program at NITEL aims to deliver a superb customer experience. The programme is championed by the CEO who has also rallied all his team members behind the vision of NITEL being a customer centric company. The CEO walks the talk and provides all the necessary support that assist in the realization of the CRM vision.	"Our core focus is the customer. Everything we do is customer centric. We are not chasing numbers like others. We are in the business of giving service of quality. We know we'll get paid back." "The success story of our currently growing customer centricity program is based on the buy-in of our CEO. He understands customer issues. He owns the (programme). He gives this (programme) financial support. He gives it every necessary support. He encourages the consultants and everyone. He understands what customer centricity is about." "No customer centricity program can survive if you don't have the buying from your top management."
Enterprise wide CRM	The various departments ranging from customer insights, business intelligence, marketing, channels, finance and contact centre work hand in hand in developing and implementing customer centric solutions. The customer centricity program has been communicated to and bought into by all.	"Everybody knows about this customer centric philosophy." "Any company that can delight the customers they have, will be in business for as long as they can sustain the interest of the customer. The upside is clear once you have happy, loyal customers. Customer centricity is key."

Operating structure	The CRM organization has at its top level the CEO who is supported by the Head of customer care and customer experience. Each of these departments understands their functions and what is required to deliver on their mandates.	"Our CEO, along with the Head of Customer Care and Experience drive our CRM program."
Channel mix channels	NITEL has used a combination of above, below and through the line channels to reach its customer base. A bulk of the communication is delivered via SMSes. In some instances, outdoor media has also been used to raise the profile of NITEL as well as its product range in the community.	"We apply the right marketing mix: TV commercials, outdoor media, etc."
Programme management	Due to the size of the business, the customer centricity program has been integrated into the business and is spearheaded by the CEO who is also ultimately responsible for the successfully delivery of the program.	"The best time to launch the customer centricity program is at the early stage of the company life cycle."
Change management	The change management journey at NITEL was not arduous primarily due to the fact that NITEL was new in the market and customer centricity was embodied in the company philosophy. So, employees at NITEL saw CRM not as a new initiative but rather a way of the company fulfilling its mission. Change management processes included clearly defined vehicles set out to convey to all stakeholders the rationale of the customer centricity program. In addition to this, there were ongoing update sessions led by the CEO of the company. The culture of NITEL is that of flexible, innovative company that readily embraces change.	"Culture of the organization has to support the customer centric program."
Customer processes	Customer-centric processes and sub-processes have been defined, designed and documented. These processes are categorized into four: • Innovation • Quality • Customer relationship • Network resilience	"We have key processes that are monitored to ensure that they are fit for purpose. And then we have processes that support those processes." "We have some strategic processes that are geared towards achieving customer satisfaction/good quality. Yes we do have processes for our four key focus areas: Innovation, quality, customer relationship, and network resilience."
CRM measures	NITEL has a set of measures in place. Some of these measures are aligned with the NCC requirements. These measures range from: customer service to sales and new	"The key KPIs that we measure, on a regular basis, is the margin. We ensure that our margin doesn't go beyond what we can't sustain."

	product development. It also uses the customer satisfaction index to monitor its customer satisfaction level.	"Another impact is the customer positive feedback that we get, words of mouth recommendations. They compare us with seniors that have been in the market for a longer time. Our brand has strengthened. Where we stand in the mind of the customer has been our major win." "We look at the customer satisfaction index with the standards used around the world. Based on that result, we know how we are doing."
Training and recruitment practices	NITEL has hired local people with the understanding of the Nigerian consumers. Also, quite a significant number of those who hold middle management positions had held positions in the ICT industry. They bring in not just the knowledge of the local environment; but also that of the industry. The core skills that helped deliver on the company's vision was a service culture that was embodied in everything that was done in the company. Moreover, cross-functional skills were also necessary. In partnership with the Lagos Business School, NITEL has established a customer service centre. The aim of this centre is to disseminate CS knowledge through research, seminar and conferences. Trainers are experienced and the training program is derived from each employee's KPI	"We recruit as much local content as we could to ensure that there is a lot of buying into the business" "Basically what we do is running (training) initiative on improving (service) quality and processes." "All our specialists are cross-functional. You liase with every part of the business. You need to have a cross-functional mindset. You need to understand systems, product and services, have CRM technology skill in the business. You have to be innovative, creative. You have to be committed. To believe in what you believe in. Those are the core skills of CRM and CEM." "We have a very functional training team. We have experienced trainers. We have a training program that is derived from each individual KPI. Remember that KPI is also derived from our departmental KPI."
Adequate technology	The current Oracle technology allows for a 360 degree view of the customer across all his interactions with NITEL.	"If you go to the call center just from a single view, they (call centre agents) are able to take a subscriber call and answer every question."

Institutional factors are presented in the table below along the dimensions of coercive, mimetic and normative motives that impacted on CRM implementation at NITEL.

B. Institutional Factors

Historically known as a country with weak institutions (Transparency, 2012), the Nigerian government has gone through a process of revitalizing its institutions and making them more credible in the eyes of the communities they serve. An example of such an institution is the Nigerian Communications Commission (NCC), the ICT regulator in Nigeria. NCC's policies and regulatory framework have been welcomed by the mobile service operators. NCC has worked in

tandem with its stakeholders to develop policies that protect consumers' rights whilst at the same time enabling the mobile service providers to deliver on their excellent customer service vision.

Whilst NCC's policies have been well received, the service providers lamented the numerous taxes that they have to pay to conduct business in Nigeria. Commenting on the tax issues, a respondent pointed out:

"We have multiple taxation issues, which is probably the second biggest problem we have after power. The taxation problems we get... We pay taxes to the federal government, the state government, and the local government. We have eight little agencies charging for the same thing"

Other factors that impacted on NITEL's CRM program include socio-cultural factors such as languages and overall customers' expectations for quality service level once they have paid for such a service. This high expectation service quality level runs across all the customer segments; namely from low to high value customers.

Competitor's activities had little impact on NITEL's customer centricity program due to NITEL's culture of innovation, speed of service delivery, extensive product range and clearly defined business model.

Table 6-2: Institutional Factors with Impact on NITEL's CRM Programme

Institutional factors		
Themes	**Research findings**	**Verbatim quotes from research participants**
Regulatory motives: Regulations: Government laws/Industry regulations	Due to NCC's collaboration with mobile service providers, new policies that were put in place by the regulators were not viewed as coercive but rather as a normal way of doing business. However, government taxes have impacted on NITEL's customer centricity program as the high taxes paid by the service providers have been passed on to the consumer.	"We do have vandalism problems although. This is a general industry problem. Community relations issues are regular." "We have multiple taxation issues, which is probably the second biggest problem we have after power. The taxation problems we get... We pay taxes to the federal government, the state government, and the local governments."

Mimetic motives: Competitors' activities	As the latest entrant in the market, NITEL differentiated itself by focusing on innovation and consequently, staying away from mimicking its competitors. NITEL's customer activities have been difficult to replicate despite the fact that these existing players have had to up their games with the view to maintain their market share.	'(Our competitors) right now are bleeding heavily. They can't do the things that we can do. They can't offer the kind of bonuses, rebates we can offer. Because of the fact that they will bleed and they won't be able to survive. But because of the fact that we are a much younger, much vibrant, you know, a small organization – which we are more or less now part of the big players. We are able to... We can afford to offer such value-added services, which in the long run, in the mid-term we will able to get a lot of value from it."
Normative: Socio-cultural and political environment	Service expectation levels are very high regardless of the value band of the customer. Customers like to show their wealth by purchasing more than a handset. Vandalism negatively impact on service delivery in some communities. Language considerations are critical when communicating with some segments of the population. Members of the communities like to see service providers that are involved in their community development activities.	"The Nigerian customer is really complex. I think that comes from our economic situation where it is very hard for you to come across money. When it comes to service, they think it's their right to get it as long as they have paid for it. As long as they have paid for it, you have to provide them with the good service." "Nigerians are very happy people. They are spenders. They are loud. They have a lot of ego. Nothing gets them down. It's normal to see one person having more than one handset." "We have a lot of vandalism, you know. You just go to a site one day and generators are missing … fibre cables get stolen" We found that the education in the northern region is lower than in the southern part of Nigeria. Lots of them don't go to school. That's why you have to make the advertisement very simple for them to understand; everything is made in their local language. Meanwhile, in the southern region you can do ads in English and they will still understand" "If we communicate in people's language it's good. It improves the customer relationship experience"

Another factor that impacted on NITEL's programme is its customer data.

C. Customer Data Factors

Although NITEL's CRM program has delivered positive results for its stakeholders, a focus area in the coming months within the organization is the development of data mining capabilities that will allow the enterprise to offer real-time individualized service and product offerings to its customer base.

The results below demonstrate that NITEL's customer data issues go beyond the accessibility of data. They centred on how the company can best manage the large volumes of data acquired to gain the competitive edge.

Table 6-3: Customer Data Factors with Impact on NITEL's CRM Programme

Customer data factors		
Themes	**Research findings**	**Verbatim quotes from research participants**
Data volumes and Velocity	Just as many other companies in the telecommunications industry, NITEL has lots of data he can assess. However, the real difference lies in turning this data into useful insights that can be used for decision-making in the company.	"For telecoms, the challenge is not about the challenge of whether there is data. The challenge is how to transform that information into useful insights."
Data quality (recency and richness of the data)	The quality of the data is generally good as the data is updated daily. The new SIM registration process initiated by the NCC, national telecom regulator allowed NITEL to collect and update its customer data. However, the research participants commented that the data about each customer could be enhanced by adding new variables beyond the ones required for the sim registration. Such additional variables could be linked to customer preferences- products, promotional channels, time of promotions, and so forth.	"For every customer that calls, we have a customer satisfaction survey that we run. Our data is gathered on a daily basis."
Data storage and mining capabilities	NITEL has the required intelligence to mine its customer data.	"Every survey, every customers form, as far as I am concern is useless if you don't have the intelligence to bring out the insight from it. You have to turn them from volume to value. Valuable insight that tells you, this is what your customers want."

Shifting away from the mobile telecommunications industry, the next section presents the results from CRM implementation at a Nigerian bank.

6.3 Results from CRM Implementation at NIBA

6.3.1 Overview of the "As is" CRM implementation at NIBA

The banking reforms that started off in Nigeria in 2004 achieved many goals; amongst which "the consolidation of banks through mergers and acquisitions from a total of 89 banks to 25 banks", the recapitalization of the larger banks and finally an increased monitoring of the quality of service delivery levels of the banking service providers to their communities by the Central Bank of Nigeria (CBN) (Lamido, 2012, p. 5). This monitoring was made effective with the establishment of the Consumer and Financial Protection Unit within CBN, a platform that handles consumer complaints about their dissatisfaction with their banking service providers (Lamido, 2012) .

Following on these reforms, most banks, if not all the banks in Nigeria had to re-focus their efforts on achieving superior performance. Despite its fairly stable position and strong brand equity in Nigeria, NIBA, one of the highly rated banks in Nigeria, with a footprint across major cities of Nigeria and a large customer database, realized that a journey that did not place its customers at the centre of its business activities will be devoid of the sheer superior performance that its stakeholders were expecting the company to deliver. Armed with this understanding of its business main priority area, NIBA concentrated on building and strengthening its relationship with its customers. This was apparent in the launch of its customer relationship management program seven years ago. However, due to delayed executive buy-in and lack of internal expertise, the program only gained momentum three years ago as noted by one of the research respondents:

"Lack of management buy-in at the initial stage and lack of expertise for the implementation delayed the implementation of our CRM program."

Throughout its CRM journey, NIBA encountered a set of challenges that were related to the adequacy of its Information technology systems and the culture

change that imposed itself on the company and its staff members. The research participants have summarized these as follows:

"The implementation was delayed because our organization used different applications that were required to interface with the CRM application. Building up the interface was a challenge."

"Staff members have come to realize that proper implementation of the CRM program is central to the bank's business."

Despite a rough start with its CRM journey, NIBA has turned the challenges it was facing into real business opportunities. Specifically, the company has mobilized all the necessary resources to improve on the delivery of its CRM efforts. These positive efforts have been translated into tangible business results. Today, NIBA has achieved a good financial performance. For the period ending September 2012, NIBA announced that it has realised a profit before tax of N75.22 billion. This reflects a 50 per cent increase over the N50.13 billion that was recorded for the same period during the previous year ("(NIBA) records N75 billion in 9 months," 2012). According to one of the bank's Senior Managers, his company was able to achieve such a robust growth thanks to the various strategies that it employed such as:

"Developing deeper and broader relationship with all clients and striving to understand their individual and industry peculiarities with a view to formulating specific solutions for each segment of the customer base."

"Optimally expanding the bank's operations by adding new distribution channels and entering into new markets where opportunities exist."

"Maintaining the bank's position as a leading service provider in Nigeria, while expanding its operations internationally in West Africa and the financial capitals of the world."

"Striving to be a leading service provider in Nigeria by continuing to build on longstanding relationships, capabilities and the strength of the (NIBA) brand and reputation."

"Continually enhancing the bank's processes and systems to deliver new capabilities and improve operational efficiencies and achieve economies of scale."

("NIBA: The success story of a Nigerian bank," 2012)

In light of the above comments, it is not surprising why the research participants rated NIBA's CRM program as "good". Explaining the rationale behind the rating attributed to NIBA's CRM program, one of the research participants commented that:

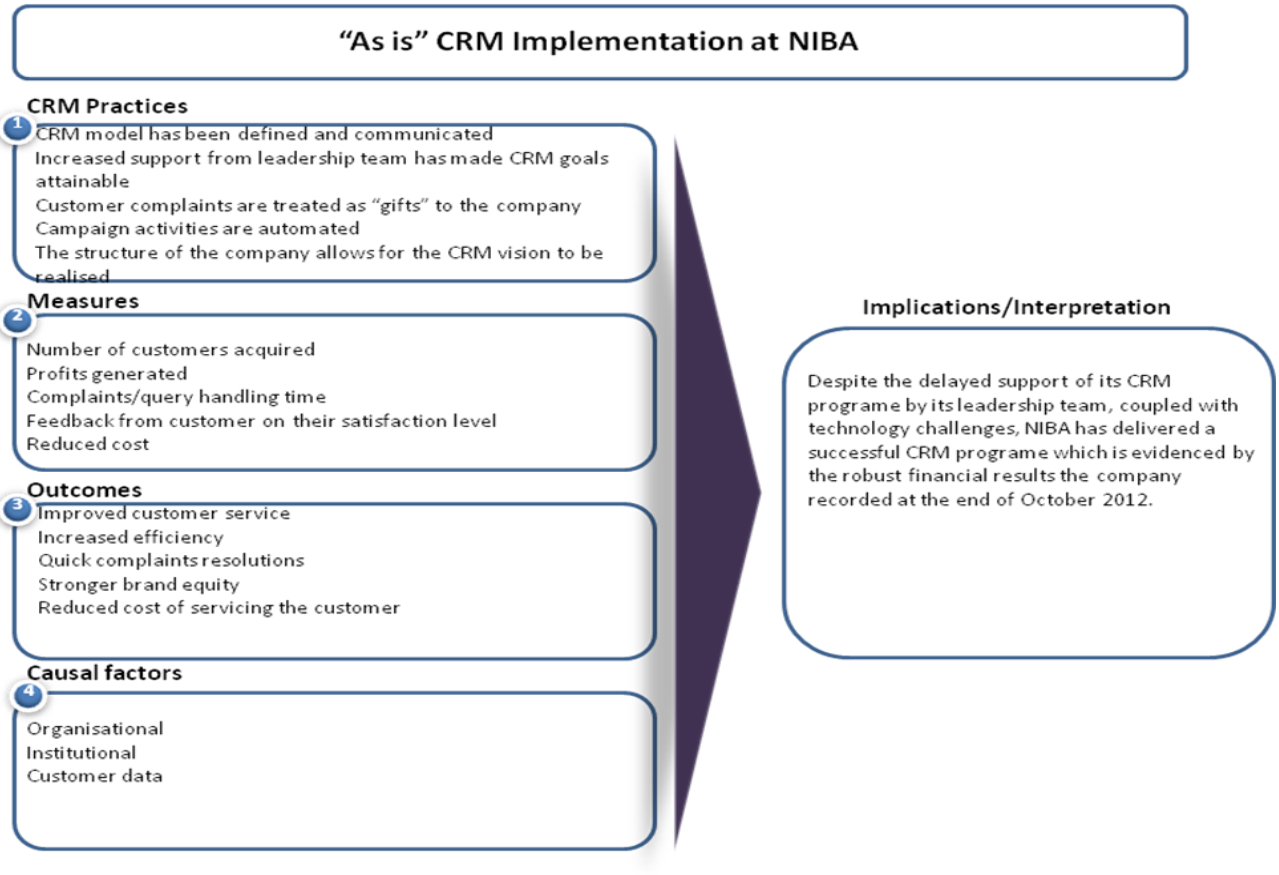
"The CRM implementation was successful as the organization began to feel its impact in the areas of customer satisfaction which translated into increased revenues and cost reduction for the organization."

Although these views are shared by all research participants, there is also recognition that there are still rooms for improvement as pointed out by one of the respondents:

"Our CRM programme is good because it has substantially met our objectives though there are still rooms for improvements."

To expand on NITEL's CRM implementation results, further details are provided below on its CRM practices, measures as well as outcomes and causal factors of such outcomes.

Figure 6-2: "As is" CRM Implementation at NIBA



Viewing CRM as a source of sustainable competitive advantage, NIBA's CRM model places the customer at the centre of its business activities. To ensure that the customer culture is embedded in the organization, ongoing training on service orientation is undertaken by all employees, not just customer facing employees. To support this customer-centric view, NIBA established a twenty four hours and seven days a week helpdesk to allow customers to channel their queries or complaints to this central platform. All queries are resolved within a maximum time period of 48 hours. Technology has been a key enabler in delivering NIBA's customer solutions. The leadership team's support for the CRM programme has increased over time. The company is structured around key account officers who are responsible for speedily attending to customers. This structure supports its

customer-centric philosophy. Also, through extensive market research NIBA has been able to improve its customer processes and its overall CRM program.

Some of the CRM measures during the “As is” assessment include: Number of customers acquired, profits generated, average query or complaints handling time, number of products held with the bank, customer satisfaction level, operational efficiency, customer retention ratio and cost reduction.

NIBA’s CRM program has been instrumental in the achievement of the following outcomes:

- Profits generated amounted to N75.22 billion as at October 2012, a 50% increase over the past year.
- Improved customer satisfaction.
- Reduced costs of servicing the customer.
- Improved customer query and complaints handling time.
- High customer retention ratio.

6.3.2 Presenting CRM Results from NIBA under the three dimensions of organizational, institutional and customer data factors

A. Organisational Factors

Inarguably, seven key factors were identified by research participants as having affected the effectiveness of the CRM programme implementation at NIBA. They consisted of:

- Vision and strategy
- Adequate Technology/systems
- Customer processes
- Operating structure
- Training and recruitment practices
- Change management
- CRM measures

The remaining factors had a minimal impact on the company's ability to deliver a successful CRM program.

Table 6-4: Organisational Factors with Impact on NIBA's CRM Programme

Organisational factors		
Themes	**Research findings**	**Verbatim quotes from research participants**
Vision and strategy	The CRM vision and strategy was not well articulated in the early stage of the CRM programme. This negatively affected buy-in and to some extent delayed the company from reaping the rewards from the programme. Once the buy-in was obtained from the executive team, the CRM program starts to get traction from other parts of the business. Everybody in the company knew that without a customer-centric culture, the business will be short of meeting its financial targets.	"Lack of management buy-in at the initial stage and lack of expertise for the implementation delayed the implementation of our CRM program." "The strong support of management greatly enhanced the CRM programme."
Enterprise wide CRM	Employees work hand in hand to ensure that complaint resolutions takes place in a speedily manner. Also, the operating structure of NIBA encourages cross-functional interaction.	"A critical factor of our CRM program was to get the overall concept of the CRM programme to all members of staff."
Operating structure	The operating structure is aligned with the CRM vision of delivering superb customer experience. Consequently employees performing their day to day functions know how their activities affect customers and also their individual key performance indicators which have been derived from the business targets.	"The customer service officers follow the organization policy on customer service."
Multiple channel integration	With over 500 branches across Nigeria, NIBA is easily accessible to its customer base. Moreover, the company uses electronic media such as the internet to disseminate key information to its customers	
Programme management	The research participants were of the opining that the CRM program was well managed at NIBA. Where there were areas of concerns, these were raised with the leadership and then address accordingly.	"The CRM process included analytical, operational and collaborative CRM."

Change management	The change management process was well handled as everyone was brought on board and informed about the CRM model and what it could deliver for the business. Although there were a few skeptics, they were later turn into brand ambassadors for the CRM program.	"Staff members have come to realize that proper implementation of the CRM program is central to the bank's business."
Customer processes	To define customer processes and the types of customer solutions to be provided as part of the CRM program, the company made use of mystery shoppers.	"The use of mystery customers/shoppers aided the success of our CRM programme."
CRM measures	A set of key CRM measures were developed and monitored throughout the program implementation. Some of the measures were imposed by the central bank of Nigeria which had the aim of improving service delivery in the banking industry of Nigeria	"The measures of success of our CRM programme included amongst others: results of the bank's rating by independent service bureau, frequency of the service triggers from the service ambassadors and trend analysis from operational risk indicators relating to customer complaints, operational errors, etc."
Training and recruitment practices	Effective training on service excellence was critical in the delivery of a successful customer centric program. Also, skills gap assessment was conducted and where there was a gap that could not be filled internally, NIBA had to recruit externally	"We undertook training on service excellence." "Getting staff to imbibe the CRM principles was resolved through orientation classes and training."
Adequate technology	NIBA experienced lots of problems with the interface of its CRM applications. The company finally resorted to build its own CRM application with the intent to keep its costs down.	"The lack of software solutions made the monitoring of the CRM activities quite tedious."

B. Institutional Factors

Whilst it may have appeared that the series of laws and policies enacted and enforced by such institutions as the Central Bank of Nigeria (CBN), the Nigerian Deposit Insurance Corporation (NDIC) and the Chartered Institute of Bankers in Nigeria (CIBN) restricted NIBA's CRM efforts, the research participants assert that the impact of such policies on the CRM program, although present, was minimal. The rationale behind this view is that most of the policies are aligned with best practices for superb customer service delivery, a focus of NIBA's vision. Competitors' activities, however, were very fierce and to some extent, acted as a constant reminder to NIBA to keep improving on its customer service delivery levels.

Table 6-5: Institutional Factors with Impact on NIBA's CRM Programme

Institutional factors		
Themes	**Research findings**	**Verbatim quotes from research participants**
Regulatory motives: Regulations: Government laws/Industry regulations	CBN played a critical role in creating the awareness around a good service culture in the banking industry of Nigeria. Their efforts were translated into policies and procedures that were implemented by the service operators. Thanks to an efficient consultative process between the regulators and banking service provides, these policies are successfully been executed and have been embedded into the bank's way of doing business.	"The regulatory authorities continue to emphasize the development of strong customer relationship management practices"
Mimetic motives: Competitors' activities	Since there was not previously a culture of "excellent customer service", the initiatives driven by CBN together with those of banking operators heightened customers' awareness about service quality. As a result of this, banks try to perform above their peers and are constantly monitoring their competitors' activities in the areas of customer service delivery.	"A strong competitive environment also ensured that people at NIBA were committed to the success of the CRM programme"
Normative: Socio-cultural and political environment	Whilst customers have come to appreciate the heightened focus on service delivery in the banking sector, they have become demanding of their banking service providers. Customers, regardless of the value they bring to the bank want adequate service delivery.	"Nigeria has no service culture. Therefore, CRM is an innovation and customers have come to appreciate it"

C. Customer Data Factors

NIBA's greatest impediment in this area, specially in the nascent stage of its CRM program, was to obtain an analytical tool that could provide the intelligence required to create individualized customer solutions. Customer data are constantly generated throughout the company's interactions with its customers. However, the data which is located in the data warehouse has to be mined intelligently for effective marketing campaigns.

Table 6-6: Customer Data Factors With Impact on NIBA's CRM Programme

Customer data factors		
Themes	**Research findings**	**Verbatim quotes from research participants**
Data volumes and Velocity	Just like many of its peers, NIBA generates a vast amount of customer data throughout its interactions with customers. Such sources include the internet, customer application for new products, contact centre, survey forms and much more. The intelligent application of this data to the business is what can differentiate its CRM programmes to its peers.	
Data quality (recency and richness of the data)	It is gathered that the quality of the data acquired tend to be good. However, there is still room to enrich the data with additional customer information that relate to specific customer preferences.	"The quality of customer data was critical for the success of the CRM program."
Data storage and mining capabilities	NIBA's greatest impediment in this area, specially in the nascent stage of its CRM program, was to obtain an analytical tool that can help provide the intelligence required to create individualized customer solutions.	

6.4 Summary and Key Insights

CRM implementation in the banking and mobile telephony companies that were studied in this research differed in many aspects. First, at NITEL, CRM was driven by top management-- with the CEO and his direct peers advocating in all internal forums the necessity for NITEL to continue to be a customer driven company. This advocacy was also translated in to the type and level of resources the leadership provided to the company so that the CRM programme can be successfully implemented. On the contrary, at NIBA, CRM was implemented from the bottom up as the departmental Heads spent a lot of time on convincing Executives on the benefits of implementing a CRM program. At first, the value of CRM at NIBA was not recognized by the leadership. Eventually this changed over time as the middle management team was able to convince the leadership

through small successes what the true benefits of CRM could be for NIBA if the programme had the unconditional support of top leadership. Another point of difference between NIBA and NITEL was the mimetic behavior of NIBA. On the contrary, NITEL concentrated on innovation by leveraging off its customer insights to design new and value-add customer solutions. Thirdly, using Hofstede's "Confucian dynamism" theory that classifies Nigeria as a short-tem oriented culture (Fang, 2003), the performance of NITEL has come to demonstrate that the time orientation of a country should be dissociated from the company that operates in that country. This theory posits that countries with a long-term orientation culture are positive, dynamic, future oriented and innovative as a result of this, companies that operate in countries with a long-term orientation culture will tend to be innovative and future-oriented. Despite the fact that NITEL operates in a country with a short-term oriented culture, it was able to achieve innovation in its products, services and customer solutions; although this is not necessarily true for NIBA.

The areas of similarities for both companies range from having an operating structure that supports their CRM vision to data store and mining capabilities issues as well as the recognition those coercive motives were not drivers behind the implementation of their CRM programmes.

CHAPTER 7: CROSS-CASE STUDY RESULTS

Building on the findings of individual case studies presented in Chapter 5 and Chapter 6, this chapter illustrates the results derived from the aggregated data across the four case studies consisting of SATEL, SABA, NIBA and NITEL. The empirical evidences are presented in a question and answer format by focusing on the three main research questions of this study; namely: 7.1) How is CRM implementation in emerging markets different from high income, industrialized markets?; 7.2) What are the contingency factors that could contribute towards CRM success or failure in emerging markets?; 7.3) How can the CRM strategy be adapted to the emerging market context?

This novel approach of using the question and answer format to report a multiple case study is supported by (Yin, 2009, p. 172):

> "Case study evidence does not need to be presented in the traditional narrative form. An alternative format for presenting the same evidence is to write the narrative in question-and-answer form. A series of questions can be posed, with the answers taking some reasonable length. Each answer can contain all the relevant evidence and can even be augmented with the tabular presentations and citations."

As part of this approach, research results are interpreted and theoretical propositions are developed by drawing on multiple extant theories. In the next section, the first question of this research study is addressed.

7.1 How is CRM Implementation in Emerging Markets Different from High Income, Industrialized Markets?

To provide an answer to the above-mentioned question, the factors affecting CRM implementation success across the four case studies have been consolidated into emerging market factors. As part of this, similarities and differences amongst these four case studies together with the strength of evidence in each case were also considered during the analysis to arrive at a specific conclusion that makes the identified factor relevant to the emerging market context. Then, the research results across all four case studies are contrasted against the findings from the literature on CRM implementation in high income, industrialized countries (HIC). This allows for a differentiation between CRM implementation in emerging and HIC markets. Propositions are formulated based on the observations made.

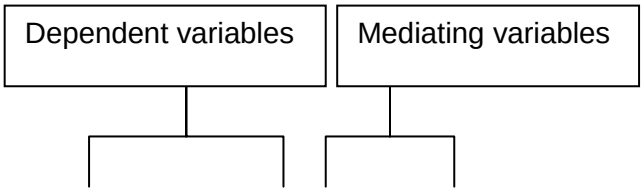
7.1.1 Factors Affecting CRM Implementation in Emerging Markets: A consolidated view based on the SATEL, SABA, NITEL and NIBA case studies

Regardless of their countries, industries and companies, the research participants have considered CRM implementation success as a function of increased revenues and profits, reduced service costs, improved customer loyalty, increased customer retention ratio, improved average customer handling time, improved first call resolution targets and reduced customer complaints. In addition to this, the analysis of the four case studies has revealed that the achievements of the above-mentioned measures of success are dependent on three important factors (also referred to as dimensions): organizational, institutional and customer data. As depicted in the figure 8-1 below, each of these factors or dimensions has a set of indicators. These indicators or variables are necessary to understand the peculiarities of CRM implementation success in each company, in particular and also in an emerging market context as a whole. Furthermore, additional variables, which could be referred to as mediating

variables, emerged from the field research. These mediating variables relate to key considerations during the pre- and implementation phases of the CRM programme which affect the outcomes of the CRM programme.

Below is the description of the formula used for CRM Implementation in Emerging Markets:

Table 7-1: Equation Model of CRM Implementation in Emerging Markets



$$\mathbf{CRMI_{EM} = f[(P_1 + P_2 + P_3) + (P_4 + P_5)]}$$

Where:

$CRMI_{EM=}$ CRM implementation success in emerging markets

$P_{1 =}$ Variables associated with organizational factors

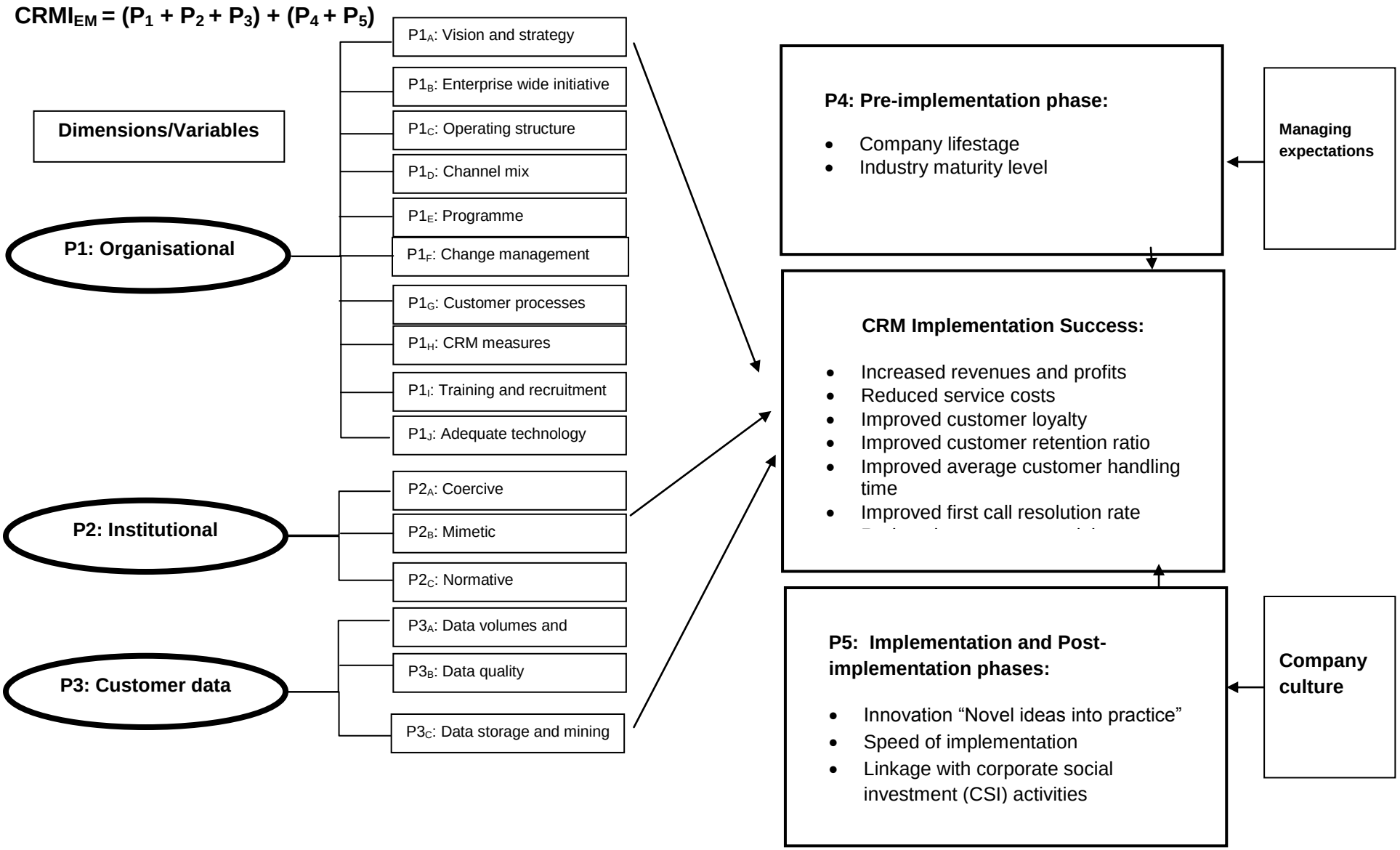
$P_{2 =}$ Variables associated with institutional factors

$P_{3 =}$ Variables associated with customer data factors

$P_{4 =}$ Variables associated with pre-implementation phase

$P_{5 =}$ Variables associated with implementation and post-implementation phases

Figure 7-1: CRM Implementation Conceptual Model for Emerging Markets



A. Organizational Dimension

Across all four cases, the collected data reveals that there are ten variables that can impede on or enhance CRM implementation success in emerging market economies. Each of these variables is discussed in this section.

A.1 Vision and strategy

The success of CRM implementation in companies has largely been attributed to a clearly defined vision and strategy (Hsin Hsin, 2007). In this study, having a CRM vision and strategy was cited in all cases as crucial. The overriding message from the research respondents was that with a CRM vision and strategy in place, everybody in the company can sing from the same song sheet. Those companies such as NIBA that were not able to initially clearly define their vision encountered a lot of challenges along their CRM journey and as a result of this, their CRM programme was negatively affected during the early stages of the implementation of the programme. Apart from the vision and strategy, the CEO and his Executive team members need to champion the programme. As observed by one of the research respondents at NITEL:

"The success story of our currently growing customer centricity program is based on the buy-in of our CEO. He understands customer issues. He owns the (programme). He gives this (programme) financial support. He gives it every necessary support. He encourages the consultants and everyone. He understands what customer centricity is about."

Overall, this finding suggests that a CRM vision and strategy that is clearly articulated and actively supported by the leadership will result in a positive CRM outcome. Thus:

Proposition $P1_A$: *Companies that have a CRM vision and strategy that is well articulated and championed by a dynamic CEO are more likely to implement a successful CRM programme.*

A.2 Enterprise wide initiative

The evidences gathered from this study indicate that CRM has been implemented in companies in which departments such as marketing, contact centre, business knowledge or information technology operate in silos, which made the successful implementation an uphill battle. A case in point is the SABA and NIBA situation. Unless, all departments, business units and employees are rallied behind the CRM vision, the CRM implementation programme is doomed to failure. As a result of this, CRM implementation should not be departmental or silo-focused; but rather an enterprise wide initiative that combines "physical resources (e.g., computers and technological infrastructure), informational resources (e.g., customer databases, salespeople's call records, customer service interaction), organizational resources (e.g., customer-oriented culture, information-sharing routines)" and people (e.g., cross-functional teams representing diverse departments and business units) to provide value to a defined customer base at a profit (Raman et al., 2006, p. 40). Thus:

Proposition P1$_B$: *Companies that have an enterprise wide CRM programme that integrates business resources across business units, departments, and all the hierarchical levels of the organization are more likely to implement a successful CRM programme.*

A.3 Operating structure

Given the mounting pressure on companies to deliver reliable and faster solutions to their customer base, they have to ensure that they are structured in such a way that they are agile enough to achieve their vision. Based on this, there are two important questions that need to be answered: 1) how to design the task structure of the enterprise to form a co-ordinated whole? and 2) what tasks allocation to humans (or groups) ensures that the enterprise will act to satisfy its objectives? (Bernus & Nemes, 1999, p. 1). Regrettably, the extant literature on

CRM does not acknowledge the critical place that an effective organizational design can play in the delivery of a successful CRM programme.

However, this study reveals that the CRM vision will only be realized in a company once its operating structure is aligned with the vision of customer-centricity. The NITEL case study embodies this alignment between the operating model and the CRM vision. In contrast, SATEL is very much designed as a sales organization despite the fact that the company has a CRM vision that focuses on customer centricity. As one of the research respondents at SATEL pointed out:

"We must relook at the structure of our business. We can't implement CRM using our current sales structure"

Given the associated benefits of having an operating model that supports customer centricity, companies can only be encouraged to re-align their operating structure with their vision. Clearly, a vision that places customer at the heart of the company's activities can be best fulfilled if the organization is designed in such a way that the resources that are utilized have a clear understanding of customer needs. In contrast, if the resources that are utilized are product, sales or process-driven, this can create an incompatibility which will undoubtedly lead to the ineffective implementation of a customer-centric vision. The resulting outcomes can only be poor. Consequently, it is suggested that:

Proposition P1$_C$: *Companies that have an operating structure that is not sales, product or process focused; but that is rather customer-centric and aligned with the CRM vision and strategy are more likely to implement a successful CRM programme.*

A.4 Multiple channel integration

Today, the multiplicity of channels available to customers when interacting with companies cannot be understated (Moriarty & Moran, 1990; Neslin, Grewal, Leghorn, Shankar, & et al., 2006). Beyond the traditional media which include television, radio, newspapers and magazines, "the channel mix now include " higher proportions of digital, interactive channels with an explosion in the use of web and emails"(Bruce, Bondy, Street, & Wilson, 2009, p. 331). For example, to illustrate how important these channels of communications have become in the emerging markets context, one of the research respondents at SATEL asserted that:

"A little while back, an assumption we made was that prepaid based (customers) aren't online and they're on their phones! So they might not to be online via a PC, they're online via their phones. They're all on social networking sites."

Within South Africa, both SATEL and SABA have also leveraged the informal channels to engage with their customers. In Nigeria, whilst traditional media have largely been adopted, there is an increased usage of the web channel as a support vehicle for marketing activities. Customers still prefer the face to face interaction which explains the importance of branch network accessibility. NIBA's large footprint across Nigeria gives it an opportunity to service its customers across the various regions of the country. The multiple channel integration has enabled these companies to up-and cross-sell their products whilst building customer loyalty. Overall:

Proposition $P1_D$: *Companies that can astutely integrate the traditional channels with the new social media channels as well as the informal channels are more likely to implement a successful CRM programme.*

A.5 Programme management

In this context, programme management is referred to as the management of the CRM programme lifecycle which consists of Analysis, design, build, test and deploy phases. Across South African and Nigeria, the study reveals interesting findings related to the type of programme management methodology used as well as the robustness of the programme; mainly driven by the personality and skills types of the programme Lead.

It was found that those companies that achieved an above average rating on their CRM programme; namely NITEL and NIBA followed a standardised programme management methodology that was understood by the project team members. Coupled with this, these companies' CRM programmes were run by individuals with strong personalities and high credibility rating in their organisations. These programme Leads had both Programme management technical expertise as well as service management and people orientation skills.

On the other hand, those companies that had an average or below average rating on their CRM programme had many issues with their programme management approach. In the words of one of the research participants at SABA:

"The way the program has been run has been difficult. It's different project management styles or program management styles…Whereas if you use a standard methodology like PRINCE2, you can get a guy fresh out of PRINCE2 training. He knows how PRINCE2 works and you can get him working immediately."

This situation led the project to be delivered late and far above the initial budget constraints; thereby making the entire programme very onerous. In this case, the situation was exacerbated as the high turnover rate of programme managers.

Therefore, it is proposed that:

Proposition P1$_E$: *Companies that use a standardized programme management methodology that is understood by other project team members are more likely to implement a successful CRM programme*.

A.6 Change management

Change is about making things differently. It is concerned with shifting people and organisations from a current state to a desired state. However, due to the fact that employees tend to resist change, it has become difficult to implement it within organisations (Robbins, 2003).

In this study, it was found that change was easily implemented in those organizations that were fairly new or had been in operations in less than five years. Conversely, the CRM change management process encountered a lot of resistance in those businesses that were much older. However, regardless of the business life stages, the adoption of the CRM programme as part of the change management process was feasible when the change intervention took place throughout the CRM programme life stages. In other words, employees were more supportive of the CRM programme when they felt that they were communicated to not just at the end of the programme; but also from its beginning.

A change management intervention that only occurs during the implementation of the programme will bear minimal results. To effectively maximize the impact of the CRM programme, internal and external stakeholders need to be actively engaged. They need to know about the CRM programmes from the conception to implementation phase as this also affords them the opportunity to provide input for consideration for the successful implementation of the CRM programme.

This summary engenders this proposition:

Proposition P1$_F$: *Companies that have a change management intervention throughout the CRM programme life stages are more likely to implement a successful CRM programme*.

A.7 Customer processes

Key customer processes covering, sales, marketing and service and support have been identified as impacting on the CRM effectiveness. In this study, the necessity to have customer processes that are designed, mapped out and documented was apparent in the research findings. Moreover, the documented processes need to be communicated with internal stakeholders. In the instances where new policies and procedures are implemented and should such policies and procedures affect the customer processes, these processes need to be amended accordingly so as not to negatively impact on customers' engagements with their banking or mobile telephony service providers. This finding is true for all four companies involved in this study across both industries and countries.

Overall:

Proposition P1$_G$: *Companies that define, design, document and communicate their customer processes with relevant internal stakeholders are more likely to implement a successful CRM programme.*

A.8 CRM measures

CRM measures refer to qualitative and quantitative metrics that are linked to the CRM programmes. These measures provide an indication of what the CRM programme aims to achieve over a defined period of time and they are tracked against past company CRM related targets.

This study reveals that there are a set of measures that have been defined and monitored by SABA, SATEL, NIBA and NITEL. The common CRM measures that were highlighted in this study include:

- Revenues and profits generated. They are concerned with the total sales and profits generated from the CRM programme.
- Service costs: These costs represent the total cost of the programme and as such include people costs, systems and technology (software and hardware) costs, training cost, administration and marketing costs. The aim of these companies were to minimise their service costs overtime.
- Customer loyalty: This has a number of indicators such as the customer lifetime value with the service provider as well as the net promoter score. The net promoter score uses current customer satisfaction level with a company to forecast the customer loyalty with that company. Customer loyalty is an important measure for these companies as they believe that their companies 'revenues can best be achieved if they have loyal customers.
- Customer retention ratio: This is referred to the company's ability to retain customers and can be computed by dividing the number of new customer acquired in a year with the number of customers retained within the same period.
- Average customer handling time: This is the time the company takes to handle or respond to customer queries. The average handling time will vary per channel. For instance, a benchmark for customer handling time in the contact centre is about 8 minutes whilst a query received via email or the internet can take up to 48 to 72 hours before it is attended to.
- First call resolution rate: This measure refers to the number of calls that are handled by the first tier contact centre agents without being escalated to the next level. This is computed by dividing the number of calls resolved by first tier agents with the total number of calls received by them.
- Customer complaints: This is concerned with the number and types of complaints received by customer across all the customers' touch points.

An important revelation of this study was that CRM measures that are linked to individual performances are most likely to be met. As a consequence of this, to achieve CRM success, companies need to link their CRM measures to employees' key performance indicators. Summarizing:

Proposition $P1_G$: *Companies that have clearly defined CRM measures that are linked to employees' key performance indicators are more likely to implement a successful CRM programme.*

A.9 Training and recruitment

Training, referred to as a "softer" business area should be an integral part of a CRM programme (Dibb & Meadows, 2004). Whilst the training practices may differ across companies, industries and markets, the skills required for effective CRM implementation appear to be identical. Based on this study, four set of skills were identified as necessary for effective CRM implementation; namely:

- Technical skills
- Business management skills
- Social/people skills

An overriding skill that was identified regardless of the job level and type is a service-orientation skill. This is a type of skill that employees can display when engaging with customers by showing empathy and going the extra mile to meet and exceed customers' expectations.

Thus, companies that are involved in a CRM implementation programme ought to ensure that the required service quality skills training are considered when recruiting new employees in the company. Most importantly, existing employees also need to undergo training in areas that have been identified as a gap in their professional performance and growth. Thus:

Proposition P1$_H$: *Companies that have aligned their recruitment skill gaps with their service excellence skills training are more likely to implement a successful CRM programme.*

A.10 Adequate technology

Not having a 360 degree view of their customer interactions with their firms, has been one of the setbacks faced by those companies that have not performed well in their CRM programme. This is also true for this study. It was revealed that a CRM technology or system, outsourced or insourced, need to capture all customer data in a single platform that allows business decision-makers to have an understanding of customer behaviour patterns at their individual level. Moreover, these stored customer data need to be updated automatically whenever the customer engages with the service provider. It was also found that the reason why companies adopted an inadequate CRM system was mainly due to the fact that the business requirements were not considered. The CRM technology specifications were put together by the information technology team with limited consultation with other business stakeholders. Summarising:

Proposition P1$_I$: *Companies that select a CRM system based on their business requirements (and not just technology/systems requirements) thereby enabling them to obtain a single view of their customer interactions with them are more likely to implement a successful CRM programme.*

B. Institutional Dimension

Prior research provides some interesting insights and the required theoretical context on how institutional norms, values and regulations impact on companies' behaviours in an institutional environment (DiMaggio & Powell, 1983; Scott, 1987). Based on the three types of isomorphisms proposed by DiMaggio and Powell (1983) namely coercive, normative and mimetic; the results of this

investigation on the likelihood effects of institutional isomorphisms on CRM implementation success in emerging markets is presented.

B.1 Coercive isomorphism

The concept of "isomorphism" has been referred to as a "constraining process that forces one unit in a population to resemble other units that face the same type of environmental conditions" (DiMaggio & Powell, 1983, p. 149). Coercive isomorphism thus takes place when companies that are seeking legitimacy in their operating environments abide by regulations to avoid being penalised by parties on which they are dependent. Dacin (1997, p. 72) observed that "organisations adopt institutionally prescribed characteristics and that institutional pressures were more important in determining isomorphisms"

Contrary to extant studies, according to which coercive motives are the underlying reason for companies to adopt certain business practices, this study uncovers that in emerging markets, industry regulations do not have an effect on the business practices being implemented by companies in both Nigeria and South Africa. Research respondents across both countries acknowledge that industry regulators are partners with which they work towards achieving a common goal: high service level quality for customers. Therefore, thanks to these collaborative efforts between parties and also the fact that these principles of excellent service quality are embedded in their philosophy of doing business with their customers, they do not believe that they need to be forced or coerced to behave in a particular way to avoid sanctions by the industry regulators. Consistent with this logic, it is proposed that:

Proposition P2$_{A1}$: *Industry regulations in an emerging market do not impact on the successful implementation of CRM programmes.*

Interestingly, the field study also reveals that the multiple taxations are a major problem in emerging markets, specially in Nigeria. These various taxes that companies have to pay for to the national and local government impact on their

operating expenses. Consequently, in order to remain profitable, these high costs incurred are passed over to customers who end up paying high charges for the services they receive. Thus:

Proposition P2$_{A2}$: *Government taxations are more likely to negatively impact on the successful implementation of CRM programmes in Nigeria than in South Africa.*

B.2 Mimetic isomorphisms

Mimetic isomorphism tends to take place when there are market changes. This ambiguity in the market forces companies to mimic the behaviour of other industry players being viewed by them as successful.

It has been observed in this study that the banking and mobile telephony sector, regardless of their countries differ when it comes to mimicking competitors' activities. Both mobile operators in South Africa and Nigeria have a strategy that focuses on innovation. With this in mind, they have positioned themselves as the leader in the industry when it comes to offering innovative customer solutions to their customers. Keeping this in mind, these organisations are not affected by the activities of their competitors, direct or indirect.

On the contrary, in the banking sector of South Africa and Nigeria, both service providers do not hesitate to behave in a similar fashion as their competitors; by adopting, as an example, the same marketing and communication practices. This is more visible when competitive activities enable market players to acquire and retain customers or when such activities can enhance the overall outcomes of their marketing drives.

In light of what has been observed, it can be concluded that mimetic motives for CRM implementation in an emerging market environment is a function of the type of industry the company belongs to. Given this logic, it is proposed that:

Proposition $P2_{A1}$: *Mimetic motives for successful CRM implementation programmes in emerging markets are more likely to be adopted by those companies that operate in the banking sector than those in the mobile telephony sector.*

Additionally, it was found that these banking institutions that were mimicking their competitors were also in a position to still attract and retain customers. In other words, having similar CRM activities as their competitors did not deter banking service providers' customers to continue to engage with their banks. Overall:

Proposition $P2_{A2}$: *Mimetic motives are less likely to negatively impact on the success of CRM implementation programmes in the banking sector of emerging markets.*

B.3 Normative isomorphism

Normative isomorphism relate to the diffusion of norms that are deemed appropriate amongst members of a society. Dacin (1997, p. 51) posits that "organizations are subject to influence from societal and cultural expectations within the larger social system". This assertion was further backed up with the research findings of this study.

This study reveals that there are three normative mechanisms that are found in emerging markets. They include languages, political stability and the ability of the company to be involved in the programmes that help address community challenges. These societal mechanisms have an impact on the outcome of the CRM programme. Thus, effective CRM practices by organizations should take heed of these normative factors.

With regard to the community involvement, it was found that companies that get involved in addressing social issues such as unemployment, training or the

provision of much needed infrastructures at local schools can help in addressing the effectiveness of CRM programmes in emerging markets. For example, in South Africa, as part of its enterprise development, SATEL has empowered the local community in creating jobs through the hiring of zoners. They are community leaders who understand their communities as a consequence they receive training from SATEL and are provided with the necessary infrastructure to sell airtime to community members. These zoners also earn a commission from these airtimes sold. In Nigeria, NITEL has also been active in promoting entrepreneurship through the partnerships with local universities and government agencies. Moreover, NITEL also invests in educating its communities about the negative impact of vandalism of telecommunications masses on the quality of services mobile telephony can deliver to the communities. The resulting effects of these positive interventions has been increased revenues and brand loyalty to the service providers. Based on this logic, it is proposed that:

Proposition P2$_{C1}$: *Companies that invest in social programmes that uplift their communities are more likely to implement a successful CRM programme.*

It was also found that the political environment plays a critical role in a company's ability to increase revenues, sell more products or reduce costs. In South Africa, research participants recognise that the fairly stable political environment has helped the company in achieving its CRM objectives. In Nigeria, whilst the potential of attracting more customers is immense, companies that were interviewed shied away from having a presence in some regions, and in particular in the northern province of the country, simply because of the political unrests that prevail in that part of the country. Given this, it is suggested that:

Proposition P2$_{C2}$: *Companies that operate in a stable political environment are more likely to implement a successful CRM programme.*

Language is undoubtedly one of the important factors for effective communication in emerging markets. For example, in Nigeria, NITEL believes that it has grown market share because it has been innovative in capture the hearts and minds of its youth market by using the type of language that this segment of the population can identify with. This also goes for other companies in South Africa who have adapted their language to the environment they are in. For example, call centre agents in South Africa are able to assist clients in at least 3 of the official languages.

Proposition P2$_{C3}$: *Companies that interact with their communities in their local languages are more likely to implement a successful CRM programme.*

C. Customer Data Dimension

The customer data dimension refers to customer record and the leveraging of company resources to using such records in the successful development and implementation of its CRM programme. Prominent CRM scholars such as Payne and Frow (2005) assert that data repository is an important component of the information management process. Keeping with this view, it emerged from the data compiled during this research that, in addition to customer data storage and mining capabilities, a successful CRM programme is dependent on the customer data quality, encompassing the recency and richness of customer data. Customer data volumes and velocity was also discussed by the research participants.

C.1 Data volumes and velocity

According to the findings of this study, although customer data is an important component of a CRM implementation programme, just building up the database by adding new customers to it will not result in companies becoming effective at creating and strengthening their relationship with their customers. A case in point is SATEL that has built up a large database across all its operations. However, the limited integration of the company databases coupled with the lack of customer data mining capabilities available at SATEL are making it difficult for

them to engage with customers on a one on one basis. Another example is that of NIBA in Nigeria. NIBA faces the challenge of keeping its customer records up to date. So, having a voluminous database and the capacity to obtain such customer data at a fast rate is not an indication that the CRM programme is successful. Thus, it is proposed that:

Proposition $P3_{C1}$: *Companies with large customer databases are not necessarily likely to implement a successful CRM programme.*

C.2 Data quality

Whilst the size of the database is not indicative of the success of the programme, research participants agree that the quality (recency and richness) of customer data is an important step towards successful CRM programme. At SABA in particular, it was highlighted that by enriching its customer database, the company was in a better position not just to reduce its costs to serve its customers; but also to stop “annoying” their customers as more relevant messages were communicated to such customers at their preferred time, using their preferred communication channels. The same goes for NITEL. Its customer preference centre is steering the organisation towards creating innovative solutions for individual customers. Hence:

Proposition $P3_{C1}$: *Companies with an up-to-date and rich customer database are more likely to implement a successful CRM programme.*

C.3 Data storage and mining capabilities

This study reveals that the thrust of a successful CRM programme lies in a company’s ability to integrate its analytical and operational CRM capabilities. For this to occur, companies need to have robust data storage and mining capabilities. On the basis of this logic, it is proposed that:

Proposition P3$_{C1}$: *Companies with robust data storage and mining capabilities are more likely to implement a successful CRM programme.*

On top of the above-mentioned three dimensions, the findings suggest that there are mediating variables that need to be considered in the pre-and post implementation phases of the CRM programme.

During the pre-implementation stage, companies must be cognisant of their lifestage as well as the level of saturation of their industries. This type of knowledge will be useful in setting CRM goals, manage stakeholders' expectations and more importantly mitigate the potentially high risk of failure of the CRM programme. Consequently, it is proposed that:

Proposition P4: *A CRM readiness assessment based on the company lifestage and industry saturation level can help mitigate the potentially high risk of CRM failure.*

Moreover, there were additional indicators that led to the conclusion that an effective CRM programme is achieved in organisations in which there is a strong culture of innovation, speed of delivery of programmes and a commitment to the uplifment of community lives. Summarising:

Proposition P5: *an organizational culture that encourages innovation, speed of delivery and corporate citizenship is necessary to implement an effective CRM programme.*

7.1.2 Contrasting research findings from CRM implementation in emerging markets against high income industrialised countries

By contrasting research findings from CRM implementation in emerging markets against high income industrialised countries, the following remarks can be made:

- The CRM literature pays particular attention to the organizational factors linked with CRM success, with the exception of recently published work by Hillebrand et al. (2011) that looks at institutional factors only. This study focuses on organizational, institutional and customer data factors impacting on CRM effectiveness in organisations. In addition to this, it looks at contingency factors of CRM implementation in the African market context.
- The resource-based view appears to be the dominant theory used for studies on CRM (Chakravorti, 2009; Gouthier & Schmid, 2003). This theory suggests that resources that are well protected by an organisation can be a source of competitive advantage. Such resources include the company's skills, capabilities, processes and assets that enable it to design and implement effective strategies. In a way, this may explain why past CRM research have extensively focused on organizational factors.
- In addition to this, the focus on the resource-based view of CRM coupled with the dearth of CRM research in emerging markets could be a justification for a lack of emphasis on culture or context theories and their impact on CRM. In this study, three theories were blended together namely the contingency theory, institutional theory as well as Hofstede's fifth national dimensions of cultures to arrive on how CRM implementation from emerging markets differ from High Income countries.
- With regard to factors for effective CRM implementation in emerging markets, sixteen factors were identified along the three dimensions of organizational, institutional, customer data factors.

- Table 7-3 contrasts emerging markets findings against CRM literature in HIC markets whilst table 7-2 provides a legend displaying the symbol used as well as their description.

Table 7-2: Legend

Symbol	Description
◯	**Consistent: No adaption is required**
◑	**Consistent: Adaptation is required**
≠	**Inconsistent**
—	**Not found**
X	**Not covered**

The clear Harvey ball symbolizes the consistency of the factor identified in the case study in emerging markets with what was found in the CRM literature in high income and industrialized countries (HIC); and also indicates that there is no need to adapt to the emerging market context when it comes to the application of the identified factor.

The half full/clear Harvey ball symbolizes partial consistency; and as a consequence, it requires that the identified factor, in some aspects, gets adapted to the emerging market context.

The symbol (≠) means that there is inconsistency between the identified factors in emerging markets and those found in HICs. It also indicates that there is a high

degree of impact (positive or negative) that these factors have on the effectiveness of CRM implementation in emerging markets.

The symbol (-) means that the factor was found in the emerging context but not in the HICs.

The symbol (x) means that the identified factor was not covered in the literature of CRM implementation in high income, industrialized countries.

Table 7-3: Contrasting Emerging Markets Findings against the CRM Literature in HICs

			Contrasting Emerging markets findings against CRM literature in HICs				
	High income, industrialized countries (HIC)	**Emerging markets**					
Organisational factors	**Literature review**	**Research findings**	**SABA**	**SATEL**	**NIBA**	**NITEL**	**General comments**
	Shared vision	Vision and strategy	◯	◯	◯	◯	A CRM vision is a common factor across both emerging and HIC countries for an effective CRM implementation programme.
	Buy-in, inter-departmental collaboration	Enterprise wide CRM	◯	◯	◯	◯	An enterprise wide CRM that encourages collaboration and taps into interdepartmental competencies, skills, knowledge and efforts is a requirement for CRM effectiveness across both emerging and HIC countries.
	X	Operating structure	–	–	–	–	A clearly defined operating structure was identified as a must factor for CRM effectiveness in emerging countries. This factor was not

							mentioned in HIC countries.
	Multi-channel integration	Channel mix					The EM recognizes the importance of channel integration and at the same time places an emphasis on informal channels which are not covered by HIC countries. Perhaps, because of the very nature of the makeup of its demographics, HIC countries have not focused on informal channels that are mainly utilized by people at the bottom of the pyramid. The social media was also identified in EMs market as a growing vehicle used by companies and customers to engage with those who are in their networks.
	Project management	Programme management					Whilst emerging markets adhere to the principles of sound CRM programme management, the application of such principles does not always follow. EMs that have used a consistent programme management methodology have had the tendency to be more successful in their CRM efforts than others.

	Training and change management	Change management	◯	◯	◯	◯	Change management practices in EM are consistent with HIC countries.
	Business process re-engineering	Customer processes	≠	≠	≠	≠	Whilst in HIC, the emphasis is placed on business process re-engineering, in Ems, Common customer processes include sales, marketing and services and support. These processes are designed, documented and shared with relevant business stakeholders
	CRM measures	CRM measures	◯	◯	◯	◯	The identified CRM measures in Ems are consistent with HIC countries. It was found in this study that CRM measures that are linked to individual KPIs tend to be achieved by the business.
	Training and change management	Training and recruitment practices	◑	◑	◑	◑	The importance of training CRM users and those implementing the programme is acknowledged across both markets. However, in Ems a special emphasis has been placed on service orientation skills available and to be developed in the company. A long list of additional skills required for a customer-centric company is provided in this report. Moreover, EMs believe that to fully

							embed the continuous success of the CRM program in the organisation, the HR practices should recruit people with the types of skills needed to reinforce the customer-centric culture of the organisation.
	IS/Technology integration	Adequate technology	◯	◯	◯	◯	An adequate technology that is selected on the basis of meeting customer needs (and integrates business as well as technical requirements) has been identified by both Ems and HICs as a key factor for CRM success
Institutional Factors	Government laws and Industry regulations	Government laws and Industry regulations	≠	≠	≠	≠	This factor was inconsistent with what was found in HICs. EMs do not believe that regulations are impediments to CRM success
	Competitors (Study by hillebrand et al., 2011)	Competitors' activities	◯	≠	◯	≠	The HICs view mimetic motives (e.g. such as competitors' activities) as having a negative impact on a company CRM. This is to some extent true for companies in the banking sector whilst those in the telecommunications industry (regardless of their countries) do not tend to

							mimic their competitors. Thus, the findings were inconsistent in Telco companies as they have positioned themselves as leaders and not followers.
	X	Socio-cultural and political environment	–	–	–	–	This factor was found in EMs; but not in the literature on effective CRM implementation in HICs.
Customer data	X	Data volumes and velocity	–	–	–	–	This factor was found in EMs; but not in the literature on effective CRM implementation in HICs.
	X	Data quality	–	–	–	–	This factor was found in EMs; but not in the literature on effective CRM implementation in HICs.
	Information management process including data repository, IT systems, analytical tools, front and back-end office applications)	Data storage, safety and mining capabilities	◯	◯	◯	◯	This factor was found in both emerging countries and industrialized countries.

The cross case analysis of CRM implementation in the banking and mobile telephony sectors of Nigeria and South Africa provides fertile grounds for acknowledging the uniqueness of these emerging markets. It clearly illustrates how CRM implementation in emerging markets differ from high income industrialized markets. Typically, this study found that out of the 16 factors that were identified,

- Seven of them were consistent with the literature in CRM implementation in industrialized countries and they did not require being specifically adapted to the emerging market context. They consist of CRM vision and strategy, enterprise wide-CRM, change management, programme management, CRM measures, adequate technology and customer data storage and mining capabilities.
- Three factors were inconsistent with the literature namely customer processes, coercive and mimetic isomorphisms.
- Two factors were found in both emerging and industrialized markets; but these factors needed to be adapted to the emerging market context namely: multiple channel integration, and training and recruitment practices.
- Four factors were not found in the CRM literature in high income industrialized countries; but these factors emerged from the emerging markets data. They include operating structure (the need to have an operating structure that is aligned with the CRM vision), normative isomorphism (the stability of the political environment, use of language and the positive impact of corporate social investments on customer acquisition and retention), customer data volumes and velocity and customer data quality.
- Last but not least, this research reveals that there are mediating variables that can impact on the final outcomes of the CRM programme. These variables are splitted into two phases: pre-, and during and post-CRM implementation phases. They include the company life stage and its

industry saturation level as well as a culture of innovation, the speed of CRM implementation and the company's involvement in its community's activities.

With this understanding of how CRM implementation in emerging markets differ from high income industrialized countries, one may be curious to know about the contingency factors for effective CRM implementation in emerging markets. This forms the focus of the next section.

7.2 What Are the Contingency Factors that Could Contribute Towards CRM Success or Failure in Emerging Markets?

Following on the results presented in the earlier section of this chapter, the contingency factors for CRM implementation in emerging markets are computed in table 7-4 below:

Table 7-4: Equation Model of Contingency Factors of CRM Implementation in Emerging Markets

$$\mathbf{CRMCF}_{EM} = (\mathbf{CRM}_{\mathbf{EM}} - \mathbf{CRM}_{\mathbf{HIC}}) + \mathbf{CRM}_{\#\mathbf{HIC}}$$

Where:

$CRMCF_{EM}$ = Contingency Factors of CRM Implementation in Emerging Markets

CRM_{EM}= Success Factors for CRM Implementation in Emerging Markets

$CRM_{HIC=}$ Success Factors for CRM Implementation in High Income, Industrialised Countries (Note: as per the literature review)

$CRM_{\#HIC=}$ Success Factors for CRM Implementation not available in High Income, Industrialised Countries; but was generated from the study on emerging markets.

In light of the above formula, it can be concluded that the contingency factors for successful CRM implementation in emerging markets include:

- Operating structure (the need to have an operating structure that is aligned with the CRM vision),
- Multichannel integration
- Training and recruitment practices
- normative isomorphism (the stability of the political environment, use of language and the positive impact of corporate social investments on customer acquisition and retention),
- and customer data quality.

Thus, it can be proposed that:

Proposition P6: *The contingency factors for successful CRM implementation in emerging markets include: operating structure, multichannel integration, training and recruitment practices, normative isomorphism and customer data quality.*

In conclusion, companies need to pay special attention to the above-mentioned factors when implementing their CRM strategy in an emerging market context. The next question relates to how the CRM strategy can be adapted to the emerging market context.

7.3 How Can the CRM Strategy Be Adapted to the Emerging Market Context?

This question is extensively answered in the next chapter under recommendations.

CHAPTER 8: CONCLUSIONS AND RECOMMENDATIONS

This chapter concludes this study. First, it presents (8.1) the conclusions and recommendations which are then followed by (8.2) the implication and (8.3) limitation sections. Finally, (8.4) some areas for future research are suggested.

8.1 Conclusions

Companies that operate in both industrialized and emerging markets are constantly building and strengthening relationships with customers with the view to achieve sustained profits (Eid, 2007; Haridasan & Venkatesh, 2011; Meadows & Dibb, 2012). Whilst the extant literature primarily focuses on CRM implementation in industrialized markets (Ledbetter, 2007; Payne & Frow, 2005; Troy, 2008; H. Wilson et al., 2002), the scarcity of research in this domain in emerging markets in general, and Africa in particular remains undisputed (Burgess & Steenkamp, 2006). The lack of research of CRM implementation in Africa has created significant gaps in terms of understanding and defining the contingency factors for successful CRM implementation in Africa as well as developing and adapting CRM strategies to the African context. Similarly, whilst most of these studies on CRM implementation in industrialised markets have focused on the Organisational or RBV theory as their main theoretical lens (Coltman et al., 2009; Keramati et al., 2010), they have not applied theories triangulation to CRM implementation as it is the case in this study which combines three theories to answer the research questions. As part of this investigation of CRM implementation in the banking and mobile telephony sectors of Nigeria and South Africa, the objectives were to elicit responses on these three research questions: (1) How is CRM implementation in emerging markets different from high income, industrialized markets?, (2) what are the contingency factors that could contribute towards CRM success or failure in emerging markets?, and (3) how can the CRM strategy be adapted to the

emerging market context? The consistency matrix that is shown below links the research questions with the findings and suggested research propositions.

Table 8-1: Consistency matrix linking research questions, findings and suggested research propositions

Research questions	Findings	Suggested Propositions
How is CRM implementation in emerging markets different from high income, industrialized markets	CRM implementation in emerging markets is a combination of three main factors; namely organizational, institutional and customer data.	P1 + P2 + P3
What are the contingency factors that could contribute towards CRM success or failure in emerging markets	It was found that companies that want to achieve success in their CRM implementation programme in emerging markets would need to be cognizant of the following contingency factors: • Operating structure (the need to have an operating structure that is aligned with the CRM vision), • Multichannel integration (including informal channels) • Training and recruitment practices • normative isomorphism (the stability of the political environment, use of language and the positive impact of corporate social investments on customer acquisition and retention), and • Customer data quality.	P6
How can the strategy of CRM be adapted to the emerging market context?	The research results show that CRM implementation can be effectively adapted to emerging markets by: • Defining the CRM readiness level of Companies prior to them embarking upon their CRM program. This is	P4+P5 + P6

influenced by two elements; namely the maturity level of their industries and the company lifestage

- Applying CRM indicators that are relevant to the emerging market context.
- Understanding and applying the CRM contingency factors that can directly have an impact on CRM success.
- Creating an organizational culture that focuses on innovation and speed of delivery (such as speed of CRM implementation).
- Linking CRM activities to corporate social investment initiatives.

To address the first research question of this study, the differences and similarities of CRM implementation in industrialized and emerging markets were discussed in this report. As illustrated in table 8-2, the main findings across the three dimensions of organizational, institutional and customer data factors were grouped in factors that were consistent, inconsistent and not found in emerging markets.

Table 8-2: Summary of CRM Factors in Emerging Markets that are New, Consistent, and Inconsistent with Industrialized Markets

Indicators	Comments	Consistent/Inconsistent/Not found
Vision and strategy	In both markets, it was found that a well articulated CRM vision and strategy that is supported by the leadership is a key factor for CRM success.	Consistent
Enterprise wide CRM	Wide company efforts involving various teams such as technical team, marketing, operations, business knowledge to develop and implement the appropriate CRM solutions were found in both emerging and industrialized markets.	Consistent
Operating structure	This factor is not mentioned in the literature of CRM implementation in high income industrialized markets. In the emerging markets, the success of CRM hinges on the company ensuring that its operating structure is defined and set up in a way that supports the overall CRM vision.	**New factor**
Channel mix	Although other channels such as the branches, contact centres were found in both markets, informal channels and social media form an integral part of the channel mix strategy developed by companies in emerging markets.	**Consistent-but adaptation is required**
Programme management	A CRM programme management that is sound, monitored and overseen by someone who is people oriented (can interact at all level of the organizational hierarchy), has credibility and possesses both PM technical and service management skills were consistent in	Consistent

	both markets.	
Change management	Change management was also acknowledged in both market as necessary for effective CRM implementation	Consistent
Customer processes	Whilst in the industrialized market the focus is on business re-engineering process, in emerging markets it was found that companies need to define, map out and document their customer processes. In addition to this, the adopted customer processes need to be shared across all the business units and departments.	**Inconsistent**
Training and recruitment practices	Whilst in both markets the need for training and recruitment of employees with appropriate skills was mentioned, in emerging markets, there appears to be a stronger need to have people with the analytical skills and a stronger service oriented culture. However, these skills are not always readily available. Also, training practices tend to be slightly different in emerging markets. The emphasis is still on class-based training- although e-learning is also growing.	**Consistent- but adaptation is required**
CRM measures	CRM measures in both markets consist of both quantitative and qualitative measures. Moreover, there is a move towards aligning the company CRM measures with individual and departmental key performance indicators.	Consistent
Adequate technology	An adequate CRM system that meets both the business and technical requirements are critical for effective CRM implementation. Also, in both markets, it was found that such a system needs to provide a 360 degree of the customer across all its interaction	Consistent

	points with the company.	
Coercive isomorphisms	All the four companies that were studied across the two countries indicated that coercive measures were not a reason for adopting their CRM practices. They have all acknowledged the necessity of their respective industries to be regulated and are working closely with the regulators to devise and adopt practices that will enhance service delivery standards. They view this approach as sound way of doing business in the markets in which they operate.	**Inconsistent**
Normative isomorphisms	This is a new factor that was not found in the literature of CRM in industrialized markets.	**New factor**
Mimetic isomorphisms	In the high income countries, it was found that companies model themselves after the CRM practices of others operating in the same environment when they perceive these practices to be appropriate or normally sanctioned (Hillebrand et al., 2011). In emerging markets, it was found that mimetic motives for CRM adoption were a factor of the type of industry the company found itself into. For instance, mobile telephony operators did not model their CRM practices after the practices used by their competitors as opposed to banking operators who had mimetic motives for the adoption of their CRM practices.	**Inconsistent**
Customer data volumes and velocity	The findings of this study reveal that the ability to manage large volumes of data is imperative for the success of CRM implementation; particularly since the volumes, sources and velocity of data has increased over the years. This	**New factor**

	specific indicator was not mentioned in the CRM literature on industrialized markets.	
Customer data quality	Research participants in emerging markets are of the opinion that the quality (recency and richness) of customer data is an important step towards successful CRM programme. This specific indicator was not discussed in the literature of CRM in industrialized markets.	**New factor**
Customer data storage and mining capabilities	It was found in both emerging and industrialized markets that companies need to have robust data storage and mining capabilities for an effective CRM programme to be realised.	Consistent

The answer to the second research question was based on an equation model that was developed by the researcher. This equation model took in consideration the difference between CRM factors in industrialized and emerging markets. Specifically, factors that were new, inconsistent or consistent (but that required adaption) were identified as contingency factors for CRM implementation in emerging markets. In other words, the effective application of these factors by organizations when implementing CRM programmes in emerging markets will undoubtedly enhance the success rate of their CRM programmes. These contingency factors are exhibited in table 8-1.

The third research question elicited responses on how the strategy of CRM can be adapted to the emerging market context. Based on the research findings, it was found that an organizational culture that fosters innovation, speed of implementation as well as that links its CRM programmes to social investment activities better equips the company to enhance the success rate of its CRM

programmes. Moreover, defining and applying CRM indicators relevant to the emerging market context and understanding the contingency factors for CRM implementation in this market will not just assist companies in avoiding the CRM pitfalls; but will place them into the right trajectory to success. Nevertheless, this study also found that prior to embarking on a CRM programme companies must assess their level of CRM readiness which is determined by two elements; namely the maturity level of their industry and the lifestage of the company.

8.2 Recommendations

Because inductive, theory building rather than theory testing is the goal of the thesis, its final chapter must always present a proposed theory to solve the "how to" research problem. Moreover, the final "further research" section of the thesis will acknowledge that this theory will have to be tested for (Perry, 1998). Consistent with this view, the recommendations that have emanated from this study will now be presented.

To adapt their CRM strategy to the emerging market context, it is proposed that companies:

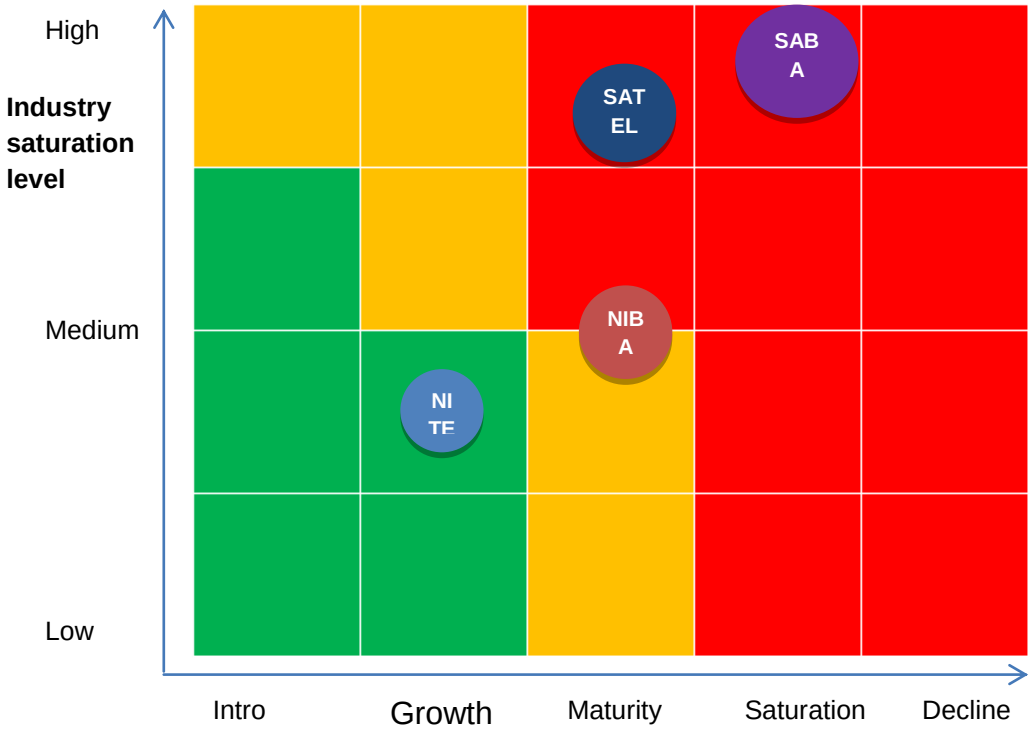
- Assess their readiness to implement a CRM program through the application of this newly developed heatmap of predicted success/failure of CRM, and
- Apply this bespoke CRM index that is relevant to emerging markets when implementing their CRM program.

8.2.1 Assessing the readiness of companies to implement CRM

One of the key insights of this research has been the level of expectations that CRM programmes have created in organisations. Perhaps, due to their limited understanding of their environment together with increased pressures from both shareholders and customers, company's executives have had high expectations of their CRM programmes. This is despite the much publicized high rate of CRM failure. To better manage these expectations, it is recommended that company executives invest the necessary amount of time in understanding the dynamics of their companies and industries before setting expectation levels on their CRM implementation programme. An effective way of doing so is to use a heat map to plot the current positioning of the company.

As depicted in figure 8-1 the heatmap is a graphical representation of data in which the CRM success rates are shown in a matrix that uses three different colours to differentiate the level of success and failure rate that can be achieved by a company. For each quadrant, an appropriate current state description is provided as well as a relevant strategy is recommended. The four companies in which the data were collected are represented on this heatmap.

Figure 8-1: Heatmap of CRM predicted success/failure rate



As stated earlier, there are guidelines that have been provided to companies that want to use the CRM heatmap as a tool to better set their expectation levels of their CRM programme. The details behind the strategic actions for each company in a quadrant type is exhibited in table 8-3.

By doing so, it is hope that CRM executives can be in a better position to assess their readiness for implementing their CRM strategy in an emerging market context; and also to adopt the appropriate strategy necessary to enhance the success of their CRM programmes in such emerging markets.

Table 8-3: Legend on CRM Predicted Failure/Success Rate and Key Strategic Actions

Quadrant type	Company Description	Failure/Success rate	Strategic Actions
 **(Green)**	• New to growing company in a low to medium saturated industry • Culture is fairly new, thus everybody is on board • Drives innovation • Increased customer acquisition • Since the company starts off with a new customer base, accuracy of data may be higher. Data is not obsolete • Fewer entrants in the markets	• Success rate: 80% or more • It takes between 2 and 3 years to realise the CRM benefits	• Aggressive promotions and brand awareness • Innovative customer solutions along products, services, marketing and sales • Design and document customer processes • CRM vision is clearly communicated and the visibility of the CRM champion is key • Define and monitor CRM measures • Recruitment of people with the right level skills to build a service-oriented culture
 **(Red)**	• Company is in its late maturity to saturation stage and operates in a low to saturated industry • Expensive to implement CRM • Legacy system issues • Misalignment between technical and business needs • Decentralized business units • High CRM team turnover rates	• Failure rate: 50% or more. • It takes longer to realise CRM benefits: 10 years or more	• Focus on change management • Provide incentives to motivate staff to achieve targets • Close interaction with IT/systems vendor • Build data storage and mining

	• Total cultural transformation is required		capabilities • Manage stakeholders' expectations
 **(Yellow)**	• Growing to mature company operating in a medium to highly saturated industry • New customers are fewer, existing customers tend to switch to nearest competitors (specially if there is no perceived value in the quality of the service offered)	• Failure rate: 25% or more • It takes 3 to 5 years to realize CRM benefits	• Focus on retention by identifying key trigger points across the customer lifecycle that indicate when customers can leave the company • Need for strong CRM analytical skills in the company

8.2.2 Designing and implementing a CRM index for Emerging Markets

The CRM implementation index is a composite index measuring CRM success across three dimensions; namely organisational, institutional and customer data. It incorporates the 16 indicators mentioned earlier. This index can be useful to companies implementing CRM in emerging markets as it provides a measure for each identified indicator. These measures can be checkpoints necessary to understand the practical elements needed to achieve success for a CRM programme. Table 8-4 represents the CRM implementation index applicable to an emerging market context.

Table 8-4: CRM Implementation Index

			Rating		
Dimensions	**Indicators**	**Measures**	**High=2**	**Medium=1**	**Low=0**
Organisational	Vision and strategy	• We have a well articulated company vision that centers on customer delight and commitment (and not sales or product or processes). • We have conducted a CRM readiness assessment using the Heatmap of predicted CRM success/failure (see figure 7.2 above). • We have triangulated the results of this assessment against other data sources to develop a CRM strategy relevant to our company. • We have a clearly defined CRM strategy that fully supports our vision of customer delight and commitment. • Our CRM strategy has been broken down into actionable steps for implementation and review by the business every six months.			
	Enterprise wide CRM	• We have a CRM champion in the organisation • Our CRM champion is highly visible and understands customers' needs • Our CRM strategy was developed with the input of key internal stakeholders representing cross functional members of the company. • Our CRM strategy has been fully communicated and is constantly been communicated to the business units through various formal and informal business foras. • Our CRM strategy has been adopted by the business and there is written record that all business units are supportive of it.			
	Operating structure	• We have designed an operating structure that supports our CRM strategy. • Our CRM organisation is structured, its resources are defined as well as their roles and responsibilities. • Our CRM organisation mandate from the business is clear.			

	Multichannel integration	• Our marketing efforts combine both traditional and new media to attract and retain customers. • When use at least three informal channels to interact with our consumers. • We understand the needs of our informal markets and the types of channels of communication that appeal to them. • We effectively use social media such as twitter, facebook and linkedin to attract and retain our customers.			
	Programme management	• Our CRM programme management Lead has a recognised Project Management certification/technical skills. • The CRM team uses a standardized programme management methodology that is understood by all. • Our CRM programme assigned financial resources, people and time are realistic. • Our organisation has an excellence centre that has helped in prioritizing the importance of this CRM programme, thereby indicating to internal stakeholders to avail themselves to assist in achieving the programme goals. • There is a Programme management plan incorporating key milestones, tasks, allocated resources in place and it is monitored regularly by a dedicated CRM team member.			
	CRM measures	• Our CRM measures are clearly defined and are achievable. • Our CRM measures are linked to each employee's and department key performance indicators. • Our CRM targets are closely monitored by the business.			
	Change management	• Our change management strategy was implemented throughout the CRM programme; namely before, during and after the CRM programme was launched • We have CRM change agents in each department. • Our change management team is effective at rallying everyone behind the CRM vision.			

	Customer processes	• Our customer processes are defined, mapped out, documented and communicated to the business. • New company policies and procedures that impact on customer processes are swiftly communicated to relevant business stakeholders so that such processes are amended.			
	Training and recruitment practices	• The CRM team has individuals who are subject matter experts in: CRM strategy, analytical CRM, technical CRM (deep understanding of the CRM software and its limitations, Prince2 methodology, database management and campaign management • Our organisation recruit people with a service-oriented attitude • We are increasingly hiring people with an innovative mindset who are creative and committed to delivering innovative solutions to our customers			
	Adequate technology	• Our CRM system was selected on the basis of our business requirements • Our CRM systems are automated • Our CRM system allows us to have a single view of our customers across all touch points			
Institutional	Coercive isomorphisms	• We regularly engage with our industry regulators with the view to help provide inputs into policies that can enhance our industry and improve the services we provide. • We believe that coercion must be used by the relevant institutions to get us to meet the minimum customer service standard levels. • Our service delivery standard levels meet or exceed the required standards set by the relevant institutions such as the national industry regulator.			

	Normative isomorphisms	• We take language barriers in consideration when engaging with customers, particularly with those from diverse cultural background. • We are cognizant that we operate in a market in which communities have daily challenges such as unemployment, poor health infrastructure, limited education and as such we make sure that our actions help improve the standards of the communities in which we operate. • The short-term or long-term orientation of the leaders of this country do not impact on our company long-term orientation or innovation when making business decisions.			
	Mimetic isomorphisms	• To attract and retain customers, we have implemented our CRM programme on the basis of what our competitors are doing in the market • Our CRM programme is a reflection of what other players in the market are doing. • Our CRM programme is a reflection of what is embedded in our CRM vision.			
Customer data	Customer data volumes and velocity	• We have multiple sources of customer data including but not limited to branches, internet, post call survey via the call centre, new application forms, website, facebook page, etc. • We have efficient processes and tools that help us manage the high velocity of data we receive.			
	Customer data quality	• The data we receive tend to be up to date. • The data we have is rich as it captures a lot of details about individual customers. • With this data, we have created customer preference centres to allow us to better engage with our customers.			
	Customer data storage and mining capabilities	• We have a central data repository that integrates all the customer data across the various companies platforms into a single platform. • We have a sophisticated data analysis tool that enable us to analyse large data and to make recommendations to the business.			

8.3 Implications

This study has managerial, theoretical, methodological, conceptual and societal implications.

8.3.1 Managerial implications

There are several management implications that follow from this research on CRM implementation in the banking and mobile telephony sectors of Nigeria and South Africa.

First, it can be concluded from the research findings that although there may be some similarities in CRM implementation factors between high income and emerging markets; there are clear differences that any marketer interested in emerging markets should be cognizant of. These are concerned with the contingency factors for CRM implementation in emerging markets. The study uncovered five main factors; namely operating structure of the company, recruitment and training practices, multichannel integration, normative isomorphisms and customer data quality; which management needs to take heed when implementing their programmes in emerging markets. Thus, the necessity to adapt one CRM strategy to the emerging market context can not be overstated, specially if companies want to increase their CRM success rate. Moreover, the scarcity of research on CRM in Africa means that Managers never really had the opportunity to consider a model of CRM developed by academic scholars that could be relevant to their contexts. This study has closed this gap by proposing a new conceptual model for CRM implementation that could be used by decision-makers to enhance the success rate of their programmes. This model brings to the fore three key dimensions of CRM namely organization, customer data and institutions.

Second, before embarking upon a CRM programme, companies need to know what they are getting themselves into. This will enable them to better manage the business expectations in terms of expected CRM revenues, timelines and overall impact on customer delight and loyalty. In response to this, it is proposed that companies that are viewing CRM as a potential source of competitive advantage should perform a CRM readiness assessment as this will shed some light on the potential success or failure rate to be achieved. Consistent with this, it is suggested that they apply the newly developed heatmap of CRM success and failure. This heatmap is a tool that uses the company industry maturity level and lifestage to predict its potential level of success and failure rate. In addition to this, it provides management with a specific strategic approach to adopt depending on their position level on the heatmap. It is undoubtedly a practical and useful tool that can help management to mitigate the failure rate of their programmes; and most importantly, to better manager CRM expectations in the company.

Finally, the CRM index which is a composite of 16 indicators gives company a set of detailed measures to appraise their CRM performance. This is an incredible opportunity for companies to start identifying their weak and strong points as part of their CRM development and implementation programme and to swiftly address issues that are misaligned with the identified CRM measures or accepted CRM practice.

In conclusion, both multinational corporations expanding into Africa and local companies in banking and mobile telephony sectors can find this study insightful and its application very relevant to their contexts. Similarly, other industries and emerging markets can be inspired by these newly proposed models of CRM implementation in Africa.

8.3.2 Theoretical implications

The CRM literature pays particular attention to the organizational factors linked with CRM success. As a result of this, it recognizes that these organizational factors are drivers of CRM practices (Foss et al., 2008; S. King & T. Burgess, 2008; Mendoza et al., 2007). Moreover, a compilation of studies on CRM (Chakravorti, 2009; Coltman et al., 2009; Gouthier & Schmid, 2003; Keramati et al., 2010; Wang & Feng, 2012), marketing (Boulding & Christen, 2008; Golder & Tellis, 1993; Ortega & García-Villaverde, 2011) and management (Fatima et al., 2011; Holtbrügge et al., 2010; Jiang & Zhao, 2012; Kunc & Morecroft, 2010) as a whole has been developed from the resource-based view (RBV) approach .

Despite the general tendency to have RBV as the main theoretical lens for CRM studies as shown above, recently published research conducted by Kirca et al. (2011) demonstrates that the institutional theory is gaining support from the broader marketing community, particularly with regard to justifying how foreign firms behave in host countries. Hillebrand et al. (2011) point to a similar conclusion when they suggest that institutional processes can be important in explaining the adoption of CRM practices. This theory focuses on how social pressures from outside organisations influence the structures and practices of organisations.

In general, Institutional theorists suggest that organizations are under pressure to adapt to and be consistent with their institutional environment if they are to have a sustained competitive advantage. Whilst Hillebrand et al. (2011) acknowledge that institutional forces can be the underlying reason behind the adoption of CRM practices, they only studied one of the types (namely mimetic) of organizational isomorphisms that can be adopted by companies. In the same vein, Humphreys (2010) studies the casino and gambling industry by focusing on regulatory and normative isomorphisms.

In light of the above, it is apparent that the institutional theory has primarily been applied to high income, industrialized markets as opposed to emerging markets

and that prior research in management practices have yet to address in a single study all the three types of isomorphisms as defined by (DiMaggio & Powell, 1983) namely Coercive, mimetic and normative.

This study filled this gap by investigating how coercive, normative and mimetic motives are driving companies to adopt given CRM practices in the banking and mobile telephony sectors of Nigeria and South Africa. Interestingly, whilst the normative motives were supported in this study, the coercive motives as discussed by DiMaggio and Powell (1983) did not find support in this research. In other words, companies in both Nigeria and South Africa did not feel coerced to adopt CRM practices against the fear of being sanctioned by the industry regulator or any institution. They viewed the laws, government policies and regulations as aligned with sound business practices. The ongoing engagement between the government and the business communities also ensured that new policies that are designed and implemented to improve the service level standards of service providers have taken into consideration the needs of the customers, the business communities as well as the national priority areas. The research findings also lend support to the proposition that mimetic behaviors are driven by the type of industry the company operates into. For example, it was found that regardless of their countries, companies in emerging markets that are in the banking industry tend to mimic the behavior or actions of their competitors or any other players in the markets that is perceived to be doing something good. On the contrary, those that are in the mobile telephony sector did not embrace the idea of having a “me too” strategy; but rather, they focused on always being ahead of their competitors by constantly designing new solutions that could be attractive to their targeted audiences.

Moreover, a key contribution of this research is the application of theories triangulation throughout the research process and in particular in the analysis of the data. The three theories that were applied include: (a) **the contingency theory** as the overarching theory since it indicates that many theories can be used to explain phenomenon that are evolutionary; (b) **the institutional theory**

as discussed above; and (c) **Hofstede's fifth value dimension** of national culture of short-term vs. long-term orientation.

Contrary to Hofstede's fifth value dimension of national culture theory also referred to as "confucian dynamism" that posit that companies operating in countries with a long-term orientation are more likely to be innovative than those operating in those countries that are characterized by a short-term orientation; this study revealed that innovation can also come out of companies that operate in short-term oriented cultures. A case in point is NITEL, a company operating in Nigeria which has a short-term oriented culture (Fang, 2003) , but it was the best CRM performing companies out of the four companies that were studied. NITEL's success formula was the innovation it was able to apply to its products, customer solutions and basically to anything that reinforced its customer-centric culture. It can thus be deduced that national cultures's time orientation in emerging markets does not have any effect on the company's orientation. These two types of orientations must be dissociated.

8.3.3 Methodological implications

Whilst most researches in marketing have up to now extensively focused on quantitative analysis (Deshpande, 1983; Ranaweera & Prabhu, 2003; Rootman, Tait, & Bosch, 2008; Tseng & Huang, 2007; Yanamandram & White, 2006), this study follows a qualitative approach by drawing on multiple sources of data that were then triangulated in order to make solid concluding remarks on CRM implementation in emerging markets.

This study concentrated on a multiple embedded case analysis of CRM implementation in South Africa and Nigeria with an emphasis on the banking and mobile telephony sectors; whereas the extant literature primarily delves into CRM implementation in one country such as China (Deng et al., 2010; Shengdong & Xue, 2011), India (Adke & Dhande, 2011; Haridasan & Venkatesh, 2011; Khare, 2010), Taiwan (Fan & Ku, 2010; Lee et al., 2010), Saudi Arabia

(Almotairi, 2010), and the United Kingdom (Eid, 2007; Rogers, 2005; H. Wilson et al., 2002).

Moreover, inferences from this study were not just drawn from four within case analyses; but also from cross-case analyses that compared how the identified factors linked to the organization, its institution and customer data performed in each company. The rich data that was generated can help in addressing the question of analytical generalisability often identified as a weakness of qualitative studies.

8.3.4 CRM conceptual implications

As purported in the earlier part of this research report, the discourse on CRM has made a tremendous contribution to CRM in high income, industrialized markets; whereas emerging markets have lagged behind. This study attempts to address this imbalance. The originality of this study thus lies in it highlighting the peculiarities of CRM in Nigeria and South Africa, thereby establishing that these markets are different from high income, industrialized markets. In addition to this, the study defines the contingency factors that can enhance or impede on CRM success in these emerging markets. The proposed CRM conceptual model discussed earlier makes a great contribution to the literature on CRM in emerging markets.

Moreover, the study identifies new organizational, institutional and customer factors that are relevant for effective CRM implementation in emerging markets and that have not previously been covered in the CRM literature. These new factors are: Operating structure, normative isomorphisms, customer data volumes and velocity, and customer data quality.

8.3.5 Societal Implications

This study makes a unique contribution in the field of social innovation because it stresses that Africa is unique and organizations that are to be successful need to consider creative, innovative ways to engage with their customers. By doing so, these companies need to employ new ways to engage customers. This is evident in the research findings as it was shown that thanks to innovation, companies were able to empower disadvantaged communities by creating jobs whilst involving these communities in the profit making scheme that they created. For example, as part of their CRM programmes these companies found creative ways to penetrate the informal market by bringing them solutions that meet their needs and their budget whilst engaging them in the co-creation process of future customer solutions. Naturally, this process encouraged organization to be cognizant of the environment in which they operate when developing new products or servicing their customers. It reinforced the necessity for organizations to perpetually comprehend the dynamics of the markets they target and to position themselves as good corporate citizens that only embark upon sustainable activities that positively impact on the lives of their communities. As a result of this, this study has cast new light on the linkage between CRM and corporate social investment. It has heightened the importance of corporate social investments in building strengthening relationships with customers. As pointed out by one the research participants: “I have to have a bit of a community dynamic in my (CRM) approach. I can't just come here and put out products. It's got to be relevant. It's got to talk to the target market and it's got to have a bit of societal flair”.

8.4 Limitations

Prior to suggesting directions for future research, the limitations of this study need to be pointed out. A few limitations consisting of theoretical and methodological applications to this study are discussed below:

This study only focused on the fifth dimension of Hofstede's value dimensions of national cultures and purposefully disregarded the other five dimensions. Whilst this fifth dimension of confucian dynamism has not been applied to prior CRM research in emerging markets, it can be useful to research all six dimensions in the future.

Another limitation of this study is inherent in the challenges associated with qualitative research where the recorded interviews can not always be transcribed verbatim because of the poor audio quality. In addition, the sample size, although not a big issue in qualitative research, was limited to two industries, two countries, four companies and 66 respondents. A larger sample size could have perhaps given us not just more data; but also variety in the responses from the research participants. Lastly, this study was based on large organisations with sizeable revenues and a presence in other international markets. As a consequence, small and medium-sized businesses that had implemented CRM programmes were not considered.

On top of the above-mentioned limitations, this study mainly considers the supply-side of CRM implementation. This means that the research participants were from the company (including technology consultants) that assisted with the implementation or implemented the programme. Customers who were directly affected by the activities of this CRM initiative were not included in the sample. Consequently, their opinions were not taken into consideration throughout the study. This is another limitation of the study that is worth highlighting particularly since a large number of CRM studies have not primarily focused on the process

of CRM but rather on the effect that CRM has on service quality which in turn affects customer loyalty and satisfaction (Santouridis & Trivellas, 2010), on the necessity for actionable insights that can drive strategies applicable to either individual or segments of customers (Peppers & Rogers, 2011) and the importance of co-creation of value during the relational exchanges between companies and their customers (K. Chan, 2008; Cova, Dalli, & Zwick, 2011; Christian Grönroos, 2011; Payne et al., 2008; Vargo, Maglio, & Akaka, 2008).

8.5 Directions for future research

This study brings points to a number of avenues for future research not just because of the limitations of the study; but also because of the fact that this study's main focus was on theory building rather than theory testing. Whilst this research has been helpful in the development of sets of CRM research propositions and an index, these need to be tested. This creates an avenue for future quantitative research to be undertaken.

One of the key contributions that this study has made has been in the identification of contingency factors of CRM implementation in Africa as well as the discovery that corporate social investments should be linked to the CRM programme. This raises a few questions that can be investigated as future research topics:

- What is the degree of impact that each identified CRM factor has on the overall success of the CRM program. By understanding the weighting of each factor, marketers can best direct their efforts and allocate resources to those factors that have the greatest impact on their bottom line. Specifically, they will be in a position to measure responses by using scales for the identified factors.
- How does a company measure the impact of its Corporate social investment activities on its CRM programme?

Other potential useful themes can include:

- The effects of Hofstede's six value dimensions of national culture on CRM implementation in emerging markets.
- CRM Implementation in Small Businesses.
- CRM with a societal flair.
- A contrasted view of CRM implementation by companies and customers.

In addition to the above, further research areas could include other countries in Africa or other industries such as the Hospitality and the Retail industries. A longitudinal study to measure the success of a CRM implementation over time could also be undertaken.

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Appendix A:

DISCUSSION GUIDE

Overview

Nathalie Beatrice Chinje, a PhD Candidate at Wits Business School in Johannesburg, South Africa, is undertaking research in the field of Customer Relationship Management (CRM) under the supervision of Prof. Geoff Bick. The topic of her research is:

"Customer Relationship Management (CRM) Implementation within the Banking and Mobile Telephony Sectors of Nigeria and South Africa"

CONFIDENTIALITY

Your opinion on the different questions below is valued. Please rest assured that all information provided would be treated with the utmost care and confidentiality. Neither your name nor the name of your company will be mentioned in the analysis and in the final research report.

Please tick the category that is most applicable to you:

- I am a CRM user in a company: ☐
- I am a CRM technology vendor/ Supplier: ☐
- I am a CRM project manager in an organisation: ☐
- I am a CRM Consultant: ☐
- I am a CRM sponsor/ Lead/ in an organisation: ☐
- I am a CRM implementation Facilitator: ☐
- Other, please specify----------

1. Setting the scene

1.1 Can you please define what the concept of "CRM"/"Relationship" means in your company?

1.2 What role did you fulfill as part of this CRM initiative?

- Strategy developer
- Strategy implementer
- Both of the above roles



1.3 How did you go about implementing CRM?

1.4 How would you rate the success of your CRM programme?

1 2 3 4 5

(1: Excellent; 2: Good; 3: Average; 4: below average; 5: Poor)

Why----------

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2. CRM Success Factors

2.1 What critical factors impeded on or enhanced your CRM success/failure?- Please comments on each of them e.g. Socio-cultural, political, legal, regulatory and compliance, etc.

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3. Institutional context

3.1 To what extent were these institutions able to influence your CRM approach?

Institutions	Areas of influence	Degree of influence	Impact on CRM Approach
Government authorities/bodies			
Professional, trade and industry associations (Direct marketing Association, Advertising Bureau Standards, Saarf, Pamro, Media)			
Your competitors (in banking/mobile telephony) or any other multinational company in a different			

industry			
Labour organizations (Unions)			
Religious institutions			
Other			

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4. Country context

4.1 What made CRM implementation in your country unique? Expand on the peculiarities of the Nigerian/South African environment, its customers, etc.

4.2 How did you handle the challenges you were faced with? Please also mention any CRM opportunities identified during the CRM implementation process

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5. CRM Measures

5.1 What were the measures of success of your CRM programme?

5.2 How did you assess your CRM success?

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6. Lessons Learnt

6.1 List 5 to 10 key lessons learnt from the implementation of your CRM programme

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6.2 Any other comments?

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7. Demographic data

7.1 Number of years at your company----------

7.2 Number of years in the current position----------

7.3 Total CRM Experience- in years (in and outside your company):----------

Thank you for your feedback. I sincerely appreciate your honest opinions and will take your input into consideration. If you have any comments or concerns about this survey please contact:

Nathalie Chinje

Email : nathinno@gmail.com Cell: +27 83 218 3300

Appendix B:

META-ANALYSIS OF CRM BENEFITS

Authors/Date	Core CRM Benefits
Buttle (2004)	• Reduces cost to serve • Increases revenue • Increases customer satisfaction and loyalty
Chen and Popovich (2003)	• Increases data sharing across selling organization • Improves customer service • Improves customer targeting • Enables better personalization of marketing messages • Provides better self-service options for customers • Improves buyer-seller integration
Croteau and Li (2003)	• Enables customization of products and services • Provides customers a “one-to-one experience • Improves sales force efficiency and effectiveness

	• Enables customized marketing plan for each customer
Eggert, Ulaga, and Schultz (2006)	• Improves support for product development • Increases supply-chain efficiencies via personal contact • Enhances supplier know-how
Jones, Brown, Zoltners and Weitz (2005)	• Improves customization of services and product offerings • Enhances ability to create long-term partnerships • Improves sales person efficiency and effectiveness
Jones, Stevens, and Chonko (2005)	• Improves ability to find, obtain and keep customers • Increases salesperson efficiency • Assists in gathering competitive intelligence • Coordinates communication • Enables salespeople to have a lifetime value perspective

Jones, Sundaram and Chin (2002)	• Improves sales force efficiency and effectiveness • Improves pricing • Reduces cost-to-serve
Leigh and Tanner (2004)	• Improves sales force effectiveness and efficiency • Enables knowledge management • Improves knowledge sharing within the selling firm
Park and Kim (2003)	• Simplifies customer support • Reduces cost-to-serve • Improves product differentiation • Improves pricing
Parvatiyar and Sheth (2000, 2001)	• Improves customer segmentation • Enables key account management and business development • Improves customer loyalty

	• Improves cross-selling/up-selling • Enables co-branding, joint marketing and strategic alliances
Reinartz, Kraft and Hoyer (2004)	• Improves pricing • Enables segmentation based on economic value of customer • Improves resource allocation to accounts
Rigby, Reichheld and Schefter (2002)	• Improves customer acquisition and retention efforts • Enhances ability to offer right products and services to right customer • Enables companies to pursue “best processes” • Motivates employees to foster customer relationships
Rigby and Ledingham (2004)	• Improves information sharing within the selling company • Automates all aspects of customer relationship cycle (development of offering, sales, superior experience, retention and win-back, and targeting and marketing)

Rivers and Dart (1999)	• Reduces administrative duties • Improves sales effectiveness • Improves pricing
Sabri (2003)	• Enables personalized products and services • Improves sales force efficiency • Enhances product development
Sheth, Sisodia and Sharma (2000)	• Improves customization of marketing efforts to individual customers • Enhances ability to understand costs
Sheth and Sharma (2000)	• Improves the financial efficiency of marketing efforts
Spekman and Carraway (2006)	• Enhances decision-making • Improves supply-chain planning and integration
Tanner, Ahearne, Leigh, Mason and Moncrief (2005)	• Improves customer segmentation and valuation • Enhances acquisition, development and retention of customers

	• Enables better allocation of resources across the customer portfolio • Enhances communication across multiple selling channels
The Sales Educators (2006)	• Enhances customer knowledge and feedback • Supports new product/service development • Improves customer solutions and relational values
Thomas, Blattber, and Fox (2004)	• Enables companies to win-back lost customers
Thomas, Reinartz and Kumar (2004)	• Improves marketing effectiveness • Enables customization of products and services • Improves customization of marketing efforts to individual customers
Verhoef (2003)	• Improves customer commitment, satisfaction and loyalty
Wilson, Daniel and McDonald (2002)	• Improves channel choice • Allows multi-channel integration

	• Enables individualized pricing
Winer (2001)	• Enables better customer attraction, conversion and retention of target customers
Zikmund, McLeod, and Gilbert (2003)	• Improves customer focus • Improves retention efforts • Increases share of customer • Enhances long-term profitability • Enables continuity across channels • Personalizes service • Enhances satisfaction

Source: (Richards & Jones, 2008)