

# **SIGNIFICANCE OF ORGANIZATIONAL RESOURCES AND CAPABILITIES IN ENSURING CRM IMPLEMENTATION SUCCESS (EVIDENCE FROM ZIMBABWE TELECOMMUNICATION INDUSTRY)**

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## **ABSTRACT**

The purpose of the study was to examine the effect of firm resources and capabilities on customer retention and Customer Relationship Management implementation success in Zimbabwe telecom industry. The central focus of this study was to address the following objectives (a) To investigate relationship between customer defection and CRM adoption (b) To explore influence of customer defection and company capabilities. (c) To explore relationship between customer defection and organizational resources and capabilities (d) To examine impact of organizational resources and capabilities on CRM implementation success. Recent statistics confirm that demand for CRM software worldwide is exceeding U.S \$18 billion and this figure is incessantly increasing. However, empirical studies conducted in several countries confirm that CRM failure rates especially in telecom firms ranges between 30 per cent to 70 per cent. Ultimately, several firms are disappointed by poor rate of return on their CRM investments globally. Ideally, CRM initiatives should have positive impact on customer satisfaction, profits, revenue, or customer retention. Data was gathered using case study design targeting Zimbabwe telecommunication customers, staff, and management. Structured questionnaires and semi-structured interviews were used to gather data. The study revealed a positive correlation between ownership of resources, capabilities, and CRM implementation success. The study revealed that customer switching is rampant in Zimbabwe mobile telecom industry, and it is a result of CRM implementation challenges. Based on research results, it can be concluded that Zimbabwe telecommunication firms do not have sufficient resources and capabilities to roll out CRM programs. Customer defection is partly a symptom of CRM implementation failure. It is recommended that Zimbabwean telecommunications operators should adopt infrastructure sharing with other operators in order to rationalize operational costs, reduce tariffs, boost network coverage and enhance efficiency.

**Keywords:** CRM, Critical Success Factors, Capabilities, Defection, Resources