

IS CUSTOMER RELATIONSHIP MANAGEMENT A USEFUL APPROACH TO TAPPING THE MARKET AT THE BOP?

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Abstract

Customer Relationship Management (CRM) is a relatively new concept that has as its focus a customer centric business culture. More recently its focus has been on the need for the firm to tap into social community networks as a means of developing and managing relationships with customers. Whilst the CRM approach has been applied in Western developed country markets, to date there is no evidence in the literature to establish its application and relevance in emerging markets especially those at the Bottom of the Pyramid (BOP) segment where two thirds of the world's population are to be found.

This paper illustrates that CRM has the potential to assist firms to tap the BOP segment efficiently and effectively because social networks at the BOP are a means of coping with the problems of existence, such as economic and politically induced shocks, infrastructure inadequacies, absence of the rule of law, endemic corruption and intermittent availability of goods. Firms need to manage relationships with these social networks as a conduit to the customers at the BOP.

Case studies were conducted on four manufacturers of food and personal hygiene products to establish the importance of CRM when tapping the BOP segment in Zimbabwe. The results of the study also show that at the BOP relationships and networks are also critical in B2C interactions.

Introduction

In the discussion in our paper presented at the IMP Conference in 2008 on networks at the Bottom of the Pyramid (BOP), we argued that social networks are a key feature in consumer decision making and in facilitating exchange between consumers and firms. In so doing, we provided evidence that although the IMP paradigm has as its focus B2B activities, at the BOP, relationships and networks are of critical importance in the B2C context. In this paper, we extend our discussion to establish whether Consumer Relationship Management (CRM) can be a useful approach to tapping the market at the BOP. We do this by investigating whether firms at the BOP use CRM.

Over recent decades, the focus has been on identifying and segmenting markets that have consumers with a capacity to consume, who can pay a sustainable price for the product, who have access to the product and support structures which enhance purchase and who also respond to traditional integrated marketing communications. However the advent of globalization in the mid-90s has seen the emergence of a counter scholarly argument which disputes the traditional model (Prahalad and Hart 2002; Prahalad 2005; Mahajan and Banga, 2006). This alternative argument proposes a new view centered on the existence of a large body of consumers whose annual income on a purchasing power parity basis is less than US\$1500 per year and numbers 4 billion. This group is variously referred to as the Bottom of the Pyramid (BOP), the Base of the Pyramid (BOP) or Subsistence Markets (SM). Examples of subsistence markets include countries in Sub-Saharan Africa, South Asia, East Asia and non-resource rich countries in Latin America and the Caribbean. South Asia is home to half the world's poor population whilst East Asia has countries like Bangladesh, China, India, and Indonesia, which are home to many poor consumers (World Bank, 2008). This segment is forecast to grow to 6 billion in 40 years time (Prahalad and Hart 2002), largely because the majority of the world's population growth takes place within this group (United Nations 2004). Advocates for catering to this subsistence market argue that the challenge in serving it does not lie in the literal numbers of people in the market but in the distinct challenges of re-inventing/adapting western models of doing business to fit the local needs and requirements (Prahalad and Hart, 2002; Mahajan and Banga, 2006)

Understanding the needs and complexities of acquiring, retaining and establishing loyalty at profitable levels are challenges that firms tapping the BOP market are likely to face. Whilst established literature in marketing focuses on the usefulness and implementation of CRM in western markets, our paper explores whether CRM has the potential to assist firms to tap the BOP segment efficiently and effectively. We do this by conducting studies on four firms in Zimbabwe which manufacture food and personal hygiene products to establish if they use CRM to tap the BOP. In so doing, we explore whether CRM is relevant to other than western developed markets. This builds on our previous paper in which we demonstrated that exchange at the BOP is facilitated through a multitude of formal and informal channels of distribution which have potential to impact on how firms deal with customers.

The paper is structured as follows. Firstly there is a brief discussion on the findings from last year's study as to the interaction between consumers and firms. This is followed by a discussion of previous literature on CRM and the gaps in the literature as far as its application to the BOP is concerned. We then outline the research methodology used to collect the data and the findings resulting from analysis of the data collected. The paper concludes with a discussion of the implications of the study on marketing practice, theory and research.

Interaction between firms and BOP consumers through networks.

In our previous paper, networks were found to have a significant impact on the relationships between firms and consumers in Zimbabwe. They played a key role in the success of the engagement between the two which was of mutual benefit. It was evident that both formal and informal networks in rural and urban areas were a key source of information and acted as a distribution channel for products such as food and personal hygiene items in a BOP environment that is exposed to natural and policy induced risks (Jackson and Wolinsky, 1996; Jackson and Watts, 2002). These risks resulted in firms and consumers creating an informal economic space away from the formal sector where goods and services can be exchanged. This was referred to as the informal sector. The difficulties of using the formal distribution infrastructure resulted in manufacturers of food and personal hygiene products resorting to informal distribution channels such as the buying clubs in urban areas.

BOP consumers and firms that manufacture food and personal hygiene products interacted in two ways. They interacted directly via established channels of distribution such as retailers and wholesalers. However environmental risks such as price controls and channel conflict with retailers resulted in the manufacturers using the informal channels of distribution dominated by networks. Multi-nationals had a broader engagement with the networks than did the local companies. In the main this was due to their having a longer term orientation towards doing business which went beyond just making short term profits. Formal channels such as retailers were reluctant to stock products in large volume because of price controls whilst networks such as buying clubs were prepared to buy the products in volume since this ensured access to the products. All companies interviewed for the case studies acknowledged use of networks as a vehicle for interacting with BOP consumers. The key networks that were used were buying and community clubs and franchises. The MNCs and local conglomerates had more flexible options for access and pricing than the other local companies which were smaller.

Local conglomerates tried to follow the MNCs' model but they were still at the development stage whilst the SMEs' interaction was very ad hoc in nature. The multi-nationals interviewed had started a franchise for distributing products to the BOP by agents who belonged to BOP communities themselves (Dube, 2008). The same concept was also used by a locally owned food processing conglomerate which had created a franchise of refrigerated carts for distributing cheap pork products to BOP consumers. In both cases the franchise is organised around a community group (Adams, 2008). In this context of informal distribution channels, the application and management of CRM faces unique challenges not covered in the existing literature on CRM.

Literature review

The study of CRM emerged as a key research stream in the early 90's coinciding with which, the term CRM began to be widely used (Ling and Yen, 2001, Xu et al, 2002, Buttle, 2009). Interest in the area increased among academics and practitioners as is evident from the body of literature/academic articles on the subject between 1992 and 2002 (Gambie et al, 1999; Stone et al, 2002; Ngai, 2005). The study of CRM has covered both business to business and business to consumer marketing. The business to consumer marketing research has mostly been in the areas of services and financial markets (Osarenkhoe and Bennani, 2007). There remains a gap in the literature as far as CRM's use in other business to consumer markets such as fast moving consumer goods (FMCG). This is a gap this research will address. The growth of CRM coincided with the internet boom which resulted in new opportunities being created for firms to develop and manage their relationships with their customers using internet based technology (Bauer et al, 2002). Although there is evidence of increasing interest in the area due to its 'relative novelty and growth', there is no consensus

as to a universally accepted definition of CRM (Mckie, 2000; Abbot, 2001; Buttle, 2009). Various scholars have defined CRM from different perspectives. Parvatiyir and Sheth (2001, p.5) defined CRM as 'a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer'. Their definition further emphasised the need for integrating the various functions within an organisation to enhance 'efficiencies and effectiveness in delivering customer value'. Others like Kincaid (2003, p.41) described it as 'the strategic use of information, processes, technology and people to manage the relationship with customers across the whole customer cycle'. The latest attempt to define CRM is by Buttle (2009, p.15) who defines it as 'the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high quality customer related data and enabled by information technology'. Although there are differences in defining the concept as evident from the above discussion, there is common emphasis in the definitions on the importance of 'viewing CRM as a comprehensive set of strategies for managing those relationships with customers that relate to the overall process of marketing, sales, service and support within the organisation' rather than as an independent stand alone initiative not linked to the firm's overall business strategy (Kotorov, 2003; Ngai, 2005).

Buttle (2009) argues that the differences in definition can be attributed to the different forms of CRM which have emerged between 1998 and 2008 which he identifies as strategic, operational, analytical and collaborative. He further argues that CRM has undergone a paradigm shift in this period due to the proliferation of social communities on the internet. This has created new avenues of information sharing that are available for consumers and this has disrupted the established conventional ways of managing customer information (Buttle, 2009, p.xi). It is evident that the ongoing discussion on the description and boundaries of CRM has been focused on its evolution, application and relevance in western markets thereby creating a gap for further study as to its relevance, use and forms at the BOP. Although there are instances of its use in sectors such as telecommunications at the BOP, where technology is at the centre of customer relationship management, there is little evidence of research on its use and relevance in fast moving consumer goods such as food and personal hygiene products (Prahalad, 2005). This is surprising given that this product category constitutes at least 65% of expenditure by BOP consumers and is a sector in which both local and multinationals are active (Austin, 1990; D'Andrea et al, 2006; Ersado, 2006; Kanyenze and Sibanda, 2005; United Nations Conference on Trade and Development, 2008). This is also a research gap which this study also seeks to address.

There is no consensus on what constitutes key components of CRM although the process of planning, implementation and management of CRM is identified as a key issue that can impact on the success or failure of CRM (Almquist et al, 2002; Osarenkhoe and Bennani, 2007). Donaldson and O'Toole (2002) identify core components of CRM such as measuring customer satisfaction, investing in people, maintaining dialogue with customers, setting realistic targets, assessing performance and using relationship based interfaces. Whether these components are applicable to markets such as those at the BOP in terms of how they are defined, is an issue for further investigation. Some of these gaps will be covered by this study. However the Donaldson and O'Toole framework provides a guideline on some of the key issues that make up a CRM strategy. Galbreath and Rogers (1999) advocate effective leadership as a pre-requisite for CRM whereby top management take ownership and commitment of CRM and spread the message to all employees. A number of myths surrounding what CRM is and can do have emerged over the years and these have the potential to impact on its success or failure (Chang et al, 2002). The tendency to view CRM as a technology issue instead of a business strategy has contributed to firms misunderstanding the concept of CRM thereby largely limiting its application and relevance to sectors such as telecommunications and financial services (Peppard, 2000; Ryals and Payne, 2001; Crosby, 2002). Technology has been at the centre of this process which has resulted in some technology companies

often using the term CRM to describe software applications used to automate marketing (Shoemaker, 2001 Croteau and Lee, 2003; Buttle, 2009;). The role of technology is meant to be that of enabler of the implementation of CRM as the human aspects remain the most significant part of CRM because CRM is about long term relationships between the firm and its customers (Law et al, 2003). Customers are viewed as an active group of partners in the effective implementation of CRM (Buttle, 1996 and 2009; Singh and Sirdeshmukh, 2000). In the context of the BOP this is particularly relevant as given the infrastructure and technological shortcomings common in these markets, depending on technology alone is fraught with difficulty (Johnson et al, 2007; Ndulu et al, 2007). Hence the myth that CRM is about technology could erroneously contribute to the view that CRM is not relevant and applicable at the BOP for fast moving consumer goods (FMCG). We argue that it is relevant because of its potential to develop and manage meaningful relationships with customers (Fournier et al, 1998, Dowling, 2002).

Another common myth is that CRM is solely a marketing process or function yet effective and efficient CRM has been found to be prevalent in circumstances where there is involvement of other functions in the organisation besides marketing. This suggests CRM is a broad business strategic initiative which requires synergy among departments in firms (Crosby, 2002; Hansotia, 2002; Rigby et al, 2002; Chen and Popovich, 2003). This is relevant to firms at the BOP who due to resource constraints face challenges of ensuring inter-organisational integration (Austin, 1990). Buttle (2009) poses the challenge that not every firm can implement CRM unless if they have customer related data which allows them to identify customers with the greatest value potential. Whether this would affect the potential use of CRM at the BOP, given the challenges of collecting customer data in these markets (e.g. unavailability of such data and where it is available, it is often unreliable - Douglas and Craig, 2005; Chikweche and Fletcher, 2008 (2)), is an issue which this study seeks to establish.

The type of channels of distribution used by firms can have an impact on the planning, implementation and management of CRM (Hughes, 2006). Ward (2001) argues that where new channels are added to existing ones, the complexity of customer management increases since there are new structural issues which have to be dealt with in order to ensure that new customers are acquired and retained at a profit whilst existing ones are integrated into the new channels and kept satisfied. In the context of the BOP this is particularly relevant given the existence of multiple formal and informal distribution channels (Chikweche and Fletcher, 2008 (1)). This is a key focus of this paper and builds on our study presented at IMP 2008 where we established the forms of distribution channels that exist at the BOP. We now add to this by investigating whether CRM is a useful approach for firms to use to tap customers at the BOP taking into account the structural challenges that exist in this segment of the market.

The above literature review provides a broad based perspective on the use and challenges of implementing CRM in western markets. Existing literature on CRM contains little that is relevant to its application at the BOP. CRM is an area in marketing theory which has been identified by scholars such as Gummesson (2002) and Bull (2003) as one that requires further empirical studies to assess its generalizability. This paper seeks to make a contribution in this connection by expanding understanding of application and relevance of CRM at the BOP through establishing whether and how it is employed by firms at the BOP in the FMCG sector. It will do so by establishing whether the use of CRM at the BOP is the same as that used by firms in western markets.

Methodology

Case studies of locally based and owned companies (one conglomerate and one small to medium size-SME - firm) and two multi-nationals were conducted to investigate if these firms used CRM to tap the BOP segment in Zimbabwe. Local conglomerates were defined as medium to large local companies with interests in various business areas and with at least 100 employees. SMEs were defined as local companies with sole interests in food or personal hygiene product manufacture with 1 to 99 employees. A qualitative research approach was used for this study because it enabled context based relevance to be taken into account (Creswell, 2007). The use of multiple case studies yielded a better understanding of whether these firms used CRM as an approach to tap the BOP segment in Zimbabwe (Stake, 1994). Multiple case studies also allowed for the possibility of direct replication in that analytical conclusions from two or more case studies are likely to be more powerful and authentic than those from a single case (Yin, 2003). The context of each of the multiple cases is likely to differ and this can provide a better basis for generalizability of findings as opposed to the use of a single case. In order to establish internal validity so as to establish the phenomenon in a credible way, close access to the firms was required. This was established through the in depth interviews and complemented by other methods such as internal documents, archival records and direct observations of activities. This enabled the researchers to obtain a range of perspectives on the issues under research - a method advocated by Marshall and Rossman (1989)

The number of cases used for this study was determined by the overall contribution to manufacturing output, costs, time constraints and feasibility of conducting the research given the circumstances under which firms were operating in Zimbabwe. The four firms chosen were information rich and accounted for more than 72% of the output of food and personal hygiene products in Zimbabwe. They were chosen from a total of 11 firms which are still currently operating in Zimbabwe on a consistent basis. This purposeful sampling enabled the researcher to collect data on the most important issues on marketing to the BOP in Zimbabwe from the firms which were rich as information sources (Patton, 1990). Variation was provided by the different characteristics of firms (i.e. both subsidiaries of MNCs and locally owned firms). This is considered a critical element for collecting case study data (Stake, 1995).

The interviews were recorded and transcribed. A data mining and visualization software tool called NVIVO 7 was used to manage the data because it is user friendly, provides security by storing the database and files together in a single file and displays graphically the codes and categories. Analysis of meaning of text was undertaken through condensation, categorization, narration, interpretation and ad hoc approaches. Condensation involved reduction of the huge texts into succinct summaries where long statements were compressed while categorization involved the reduction of the data to simple categories, figures and tables. Narrative structuring involved creation of a coherent structure and plots of the data and also expanding new potentialities of meaning. Interpretation of the text involved an in-depth re-contextualization of the statements within a broader framework of reference such as previous literature. Generation of meaning through ad hoc methods involved use of figures and flow charts to bring out the meaning of texts and to show relationships. These approaches are all interrelated just as the whole process of data analysis was interrelated to the other steps in the research process

Findings

Confidentiality was a condition for firms participating in the study hence firms will be referred to as Cases A, B, C and D. A brief description of the firms that made up the case studies and the personnel interviewed and other sources of information are outlined below.

Case descriptions.

Case A

Case A is a company that was created in 1981 as part of one of Zimbabwe's biggest public listed conglomerates that was originally established in 1935 with wide interests in various parts of the manufacturing, mining, insurance and hotels. The company was unbundled from the conglomerate in 1998 and is now a private organization made up of three companies which are leading food processors producing a wide variety of nationally strategic products such as staples like cooking oil, mealie meal, flour and salt. The company is now owned by a management consortium and foreign shareholders from South Africa. The company also manufactures beans, rice, soups, gravies, biscuits and stock feeds. Interviews were conducted with the marketing director, marketing and sales manager, operations and production managers. Other sources of information included industry reports, press clips and trade visits undertaken by the researchers.

Case B

Case B is a company which is a subsidiary of a locally owned diversified group of agro - industrial and fast-moving consumer goods businesses with many synergies that are involved in the production, processing and distribution of protein foods (particularly pigs, beef and ostriches). The company was established in 1944 as a farmers' co-operative with a core business of the slaughter of pigs and production of pork products. The company has evolved to be the country's largest and leading producer of meat products. The company has since diversified its operations and product range to cover a broad spectrum of food products such meat substitutes and cooking aids. Interviewees were conducted with the marketing director, marketing and sales manager, channel manager, operations and production manager, new business development manager and IT manager. Other sources of information included industry reports, press clips, trade visits and internal documents.

Case C

Case C is a subsidiary of one of the world's biggest multinationals which manufactures bath soaps, petroleum jelly, washing soap and powder, cooking aids, soups and margarine. It also manufactures industrial products in the same categories. The company's brands are some of the biggest in Zimbabwe and have international recognition. It is part of the MNC's South East Africa regional hub which is made of four subsidiaries - Zimbabwe, Zambia, Malawi and Mozambique. Each country entity operates as an independent business although it reports to the regional hub. The Zimbabwe company started operations in Zimbabwe in 1943 as part of the global MNC's investment in Africa. The operation has some of the company's biggest investments in plant and equipment in Africa. Interviewees were conducted with the marketing director, national sales manager, channel manager, and the operations and production manager. Other sources of information included industry reports, press clips, trade visits and market research survey reports.

Case D

Case D is a subsidiary of one of the world's leading food multinationals based in Switzerland. The company was established in Zimbabwe in 1959 and commenced manufacturing operations in 1961. It is a leading manufacturer of food products such as culinary products, powdered milk, coffee, infant supplements and cereal. Its brands are internationally recognized and are synonymous with quality. The company has made significant investments in its manufacturing plants with technological advanced milk and culinary processing plants at its Harare base. Interviewees were conducted with the marketing director, supply chain manager, category manager and production manager. Other sources of information included industry reports, press clips, and trade visits.

Customer Relations Management Strategy.

Overall, findings from this study indicated acknowledgement of and attempts by all the firms in the study to use CRM as a strategy for acquiring, retaining, and instilling loyalty in customers so as to relate to them on a profitable basis. This was particularly challenging for them given the increase in the use of new and multiple channels of distribution, the majority of which were informal and were linked to social networks. Findings from the case studies indicate varying approaches towards planning and implementing CRM in order to tap into the BOP market. These are summarised in Table 1.

Table 1. CRM elements employed by Zimbabwean firms at the BOP

Indicator	Case A	Case B	Case C	Case D
Use & integration of CRM as business strategy for the BOP Segment	Informal	Informal	Informal	Informal
CRM enablers	Direct marketing techniques Database management	Database management Direct marketing techniques	Database management Direct marketing techniques	Database management Direct marketing techniques
Data collection tools	Sales team	Franchisees	Franchises	Household surveys

	Social networks	Sales team Social networks	Social networks Sales teams	Social networks Sales teams
Profitability orientation	Medium to long term	Medium to long term	Long term	Long term

Use and integration of CRM into overall business strategy - in terms of articulation, acknowledgement and integration of a CRM approach, findings from this study indicate that all the firms acknowledge the role and importance of CRM in both acquiring new customers and retaining them at a profit whilst at the same time retaining existing customers. All the firms had informal strategic plans for the BOP segment which has resulted in the integration of CRM into their overall informal business strategy. However, there were variations between the MNCs and local companies in terms of how they see CRM fitting into their overall business strategy and into their broad strategy for dealing with the BOP segment.

CRM enablers - results from the study indicate use of a variety of enablers for CRM in Zimbabwe. All the firms have some form of database management system which uses technology to manage customer data. However the sophistication of these databases varied between the four cases. The two MNCs have fairly sophisticated databases which are supported by their IT systems due to the standardisation of IT systems by MNCs across their international markets. The requirement to have standard reports on sales and customers at a regional level for Cases A and B made investment in such databases a group requirement. Case B has also invested in a sophisticated Danish IT system, Navision, which is reported to be the best in the world for meat processing firms. This is a comprehensive system which covers manufacturing and production processes and incorporates sales and marketing systems. Hence there is room for the marketing teams to make use of the advanced software that is available, should they wish to do so. Case A, being a local SME with resource constraints, had basic databases which it used for managing its customer information. In all the firms direct marketing techniques were used as enablers of CRM as the use of direct marketing was particularly appropriate at the BOP

Data collection tools - collection of reliable data has been identified as a pre-requisite for effective CRM. However, availability of reliable data on customers, market trends and competitors is often cited as a key challenge for firms at the BOP. All four firms confirmed the difficulties of collecting reliable data on customers for their CRM. Whilst they all had databases there were other challenges such as availability of skilled personnel to manage these databases in order to ensure effective management of data. All firms indicated that they used their sales force as a key data collection tool. All firms also made use of the different social networks which they interacted with to facilitate exchange with consumers. The main social networks used were women’s community clubs and buying clubs. Cases B and D have started franchise operations targeting the BOP segment via existing social networks and in firm B’s case, former employees are used to collect data for potential CRM purposes. Case D is the only firm which uses formal market research to collect data through its surveys – these it calls consumer emergencies reflecting the situation in Zimbabwe.

Profitability orientation - the definitions of CRM outlined above emphasize the need for targeting customers who will be profitable. This raises the question of whether CRM is relevant at the BOP given the generally held assumption that profit margins will be low from this segment. Firms were asked whether their application of CRM at the BOP took into consideration the need for profitability. The general results from the study indicate that profitability was taken into consideration but that profitability assumed a different perspective at the BOP given the low income which these consumers had and the fact that strategies employed by firms in this connection meant that they had to change

their profit orientation from being high margin to low margin. Also these firms, in dealing with the BOP viewed profitability from a long term perspective instead of in terms of short term goals.

Customer Relations Management Challenges

The first section on discussion of the results provided evidence of attempts by firms operating at the BOP in Zimbabwe to implement CRM as a way of tapping into the BOP segment. The second section on discussion of the results outlines the management challenges these firms face in their effort to implement CRM in Zimbabwe. A summary of the results is presented in Table 2.

Table 2. Customer management and structural issues

Issue	Case A	Case B	Case C	Case D
Management Commitment	In principle	CEO driven	CEO driven	CEO driven
Cross-functional synergy	Main segment	Key unknown Segment	Strategic segment	Key segment
People investment	Low	Low	Selective	Selective
Integrated communications processes.	Direct marketing	Direct marketing	Direct marketing Internal marketing	Direct marketing Internal marketing
Setting targets and performance appraisal	Monthly but constantly reviewed	Monthly but constantly reviewed	Monthly but constantly reviewed	Monthly but constantly reviewed

Any attempt to develop and implement CRM is likely to face customer management challenges and structural issues which firms have to address in order ensure effective implementation of CRM (Osarenkhoe and Bennani, 2007).

Management commitment - the need for top management commitment to CRM can be viewed in conjunction with the overall importance of integrating CRM into the business' overall strategy. A key challenge that emerges is managing key customers. In Case A the marketing and sales manager believed that there was limited commitment by the rest of the top management to implement CRM in the BOP segment because of scepticism as to its profitability. On the other hand, in the other three cases, the vision to serve this segment and implement CRM was driven by the CEOs. Ideally this should enhance management commitment to the segment but this is not necessarily the case. For example in Case B, although the CEO had a keen interest in applying CRM to the BOP segment and believed the firm should align its strategy accordingly, this attitude and message was not internalised or adopted by the rest of the top management. Case D is an even more interestingly example where the Group CEO and Chairman of the MNC visited Zimbabwe in 2007 and insisted on spending the majority of the two week visit undertaking trade visits to BOP markets in order to better understand the market and its consumers with a view to establishing the potential for CRM. As a consequence, the company now has mandatory trade visits to the BOP segment for all top management which are reported upon on a monthly basis. Marketing personnel are also required to spend a minimum of one week per month conducting these trade visits.

Evidence of top management commitment in theory was also evident from the internal public relations newsletters for all firms in the case studies, as in these newsletters the CEO's articulated the companies' strategic vision as being focused on establishing CRM in the BOP segment. However, as mentioned in the discussion of Case B, this rhetoric is not converted to actual action across all functions in the organisations.

Cross-functional synergy- the challenge of ensuring the different functions in the organisation are all in sync with the firms' effort to implement CRM was evident from this study. Following through on the discussion on the lack of translation of management commitment to implementation by the rest of the organization, there was varying evidence on the extent of firms' integration of CRM across all functions. Information sharing was generally informal in all cases with the exception of Case D - there it was more formal and structured among the different managers although this did not necessarily extend to the rest of the employees. Managers in the other functional areas in Cases A, B and C indicated ignorance of the marketing team's effort to implement CRM. Even the IT department personnel felt that they were not fully briefed on how best they could make use of the technology they had to assist the firm's attempt to implement CRM. This was particularly felt by the IT manager in Case B who indicated that the Navision system which they used had the potential to support a comprehensive CRM. However, this would only work if the marketing team would articulate their needs so as to enable the IT team to factor this into the other processes used by the other functions in the organization.

People investment - investment in skilled personnel to assist in the effective implementation of CRM was not evident in the case of the two local firms – only in the case of the two MNC firms. Cases A and B did not invest in training or recruitment of personnel to implement CRM. This was viewed as a peripheral need for the success of CRM. This was particularly worrisome for Case B where the firm had invested in sophisticated IT but there were only two people in their IT department with adequate training to use the system. These two employees frequently threatened to quit for greener pastures which put the firm at major risk since there was no proper succession planning to fill this potential void. In the case of the MNCs there were attempts to train frontline marketing personnel in CRM although this was not done in the broad context of it being part of the firm's businesses' strategy. Training was often provided for top management such as the Marketing Director without extending this to middle management and frontline personnel who were expected to assist in the implementation of the strategy.

Integrated marketing communications - the emergence of multiple largely informal channels of distribution in Zimbabwe have provided challenges to customer relationship management since the firms have to maintain some form of constant contact with customers. There was evidence in all case studies of the use of social networks such as women's community clubs and buying clubs to establish lines of communication with new and existing customers. However, the communication and feedback among these channels was not adequately co-ordinated thereby creating a void. Direct marketing tools such as road-shows, sampling sessions and mobile kitchen units were the main communication tools used. Cases C and D engaged in some form of internal marketing communication to spread the message to their internal stakeholders who were critical to the successful implementation of CRM. However, this was done in an ad hoc and unstructured manner and there was no follow through to the claims made in the company newsletter so as to actually engage with all employees and explain to them the importance of CRM and how it fitted into the organisation's overall strategy. Thus employees viewed attempts at CRM as a management initiative which they had no reason to be part of. In Cases A and B there was little or no attempt to communicate to employees the firms' attempts to implement CRM.

Setting targets and performance appraisal - all the four cases reported setting targets for their CRM activities on a monthly basis although these targets often changed due to the dynamic environment in Zimbabwe. However, further evidence indicated that this was an area in which further development was needed in Cases A and B. Cases C and D used the standardised protocols provided by their regional headquarters for setting benchmarks for CRM performance although the managers interviewed indicated that this was often difficult to implement in Zimbabwe's current environment.

Discussion

This section discusses the findings from a perspective of their implication for research, theory development and management practice.

Implications for research and theory

The results from the study indicate a number of observations which have potential impact on research and theory of CRM. The findings from our study confirm and reinforce insights from previous studies by Parvatiyir and Sheth (2001); Kotorov (2003); Ngai (2005) and Buttle (2009), all of whom advocate the integration of CRM into the overall business strategy of the firms as a pre-requisite for successful implementation of CRM in general. This was evident in the informal and ad hoc manner in which all four firms attempted to develop and implement CRM in order to tap markets. The initiatives by the four firms also demonstrate the relevance and use of CRM as an approach to tap the BOP segment even though there are issues as to how these firms are implementing CRM in Zimbabwe. Besides reinforcing this pre-requisite for internal integration of CRM into strategic approach, our study has expanded the scope of research on CRM. In so doing, it has further developed the theory of CRM as advocated by Gummason (2002) and Bull (2003) by expanding its application to BOP markets. This expansion has further validated the use and relevance of CRM in multiple markets. Our findings refute the notion that CRM is only driven by technology – a notion advanced by scholars such as Peppard (2000); Ryals and Payne (2001) and Crosby (2002).

Whilst technology's importance as an enabler is indicated by the use of databases in our sample, this does not necessarily extend to sophisticated tools such as e-commerce and data warehousing and mining software which are used in western markets. Investment in technology to enhance the collection of reliable data by the two MNCs in our sample

was motivated by the requirement for standardised reporting by these subsidiaries to their regional headquarters which forced them to invest in databases. A key contribution of this study is enhancing the understanding of the role of social networks as data collection tool. The quality of data that can be collected from customers is deemed a key success factor for identifying the value of such customers and is a key component of CRM (Buttle, 2009).

Whilst it is an established fact that firms in western markets can use a diverse range of tools to collect data, those at the BOP are likely to face significant challenges when collecting such data. The findings from the four case studies confirm such challenges previously raised by Daniels and Craig, (2005) and Chikweche and Fletcher (2008 (2)). However, what this study does is to present an alternative way of collecting data which is embedded in the social network groups which the firms use to facilitate exchange with consumers. Whilst previous research establishes the importance of social networks in consumers' livelihoods (Moser 1998; Frankenberger and Garrett, 1998; Purvez 2003; Piselli, 2007), their impact as a data collection tool for CRM has not been explored beyond the assertion that they are just sources of product information for consumers. The trust and relationships created in social networks have the potential to enhance the reliability of data provided by participants in their interaction with firms thereby improving the quality of data collected. Constant dialogue was maintained between the consumers and firms through these social networks which improved the relationship interfaces. Methods such as 'consumer emergencies' used by Case C can provide new insights into the use of ethnographic observations when conducting research at the BOP. Questions have often been raised as to why firms such as MNCs continue to conduct business in hostile environments such as those at the BOP whose consumers have limited income which can impact on the profitability of conducting business in such environments (Austin, 1990).

Findings from our research provide insights into the profit orientation approach that firms in this environment need to adopt in order for them to penetrate the market. All the firms under study indicated the need for a profit orientation where focus is on making profits through volume and ensuring that sustainable relationships are maintained with the customers. This paradigm shift towards doing business is highlighted briefly by Prahalad (2005) in his discussion on how firms that intend to penetrate the BOP can best approach that segment. Evidence from our study points to the diverse use of direct marketing tools for communicating with customers such as road-shows. This is an area that is not well covered in literature on western markets yet a frequently used technique at the BOP where the partnership that firms have with social networks has laid a sound basis for extending communication with customers in new channels. This builds on the work done by Hughes (2006) and Ward (2001) who focus on the challenges that a multiplicity of distribution channels bring to CRM. In the case of the BOP, where there are numerous new and informal channels, evidence from our study points to this actually creating opportunities for direct communication with customers by taking advantage of the established long lasting relationships developed through the social networks.

Overall, this study shows that CRM is a useful approach to tapping the market at the BOP because of the importance of social community networks at the BOP and the role of these networks as a vehicle for interaction between the firm and the customer. This is particularly the case with achieving integration in marketing communications. The study also confirms the results of CRM research in other contexts, that although good intentions to implement CRM with respect to BOP consumers exists with marketing executives, this vision is not always shared by others in the executive team with the result that at the BOP, implementation of CRM often falls short of stated intention.

Managerial implications.

The findings from this study reinforce the need for proper planning, management and development for CRM in order for it to be successful (Osarenkhoe and Bennani, 2007). Effective planning, management and implementation are

deemed to be facilitated by management commitment to CRM - a commitment which has to go beyond the rhetoric of just adapting CRM. Evidence from study points to a lack of management follow through on stated commitment to CRM beyond the rhetoric. There is need for effective leadership who take ownership and control of the process which reinforces the argument by Galbreath and Rogers (1999). This has potential negative repercussions on the success CRM if internal stakeholders such as employees do not see top management's commitment to CRM being translated into actual changes and implementation of strategies. This points to the need for management to take ownership of CRM and help the sell the idea to the rest of the firm's employees. This can be interlinked to the need for cross-function synergy which our findings found to be lacking in all four cases. This reinforces the findings by Crosby (2002) and Hansotia (2002) that this is a pre-requisite for successful CRM. Our findings indicate the need, not just for practical real commitment to CRM, but to ensure effective integration of the organisation's functions in order for CRM to be successful.

There is considerable evidence from our study on the lack of investment in human capital to enhance CRM. This finding reinforces Donaldson and O'Toole (2002)'s argument that investment in people is a core component of CRM which managers have to take seriously. Evidence from our study indicates that investment in training should not be limited to management alone but should be extended to frontline personnel who are often at the forefront of implementing CRM. Furthermore, there was evidence of some top managers not having adequate training and knowledge of CRM yet they were in charge of ensuring this was implemented in their organisations. This also applies in western markets (Crosby, 2002). Failure to invest in training has resulted in the firm in Case B not being able to fully maximise the benefits of the world class IT system to which they had access. Direct marketing activities such as roads-shows which have been identified as key forms of communicating to enhance CRM at the BOP can be further explored to expand their general use in the marketing communications initiatives of firms. A key finding from this study which can impact on managerial practice, is the need for more structured and strategic internal marketing to internal stakeholders (such as employees) in order for them to understand the purpose of CRM and their role in the process. There was evidence of lack of proper systems to set benchmarks for CRM in all four cases even though the MNCs did have some standardised guidelines from their regional headquarters which the managers complained were difficult to implement in Zimbabwe's ever changing environment.

Limitations and direction for future research.

Our study was conducted in one BOP market – that of Zimbabwe which is a market facing unprecedented economic, political and social challenges such as hyperinflation and low capacity utilisation. These factors could have the potential of determining and influencing the use or non-use of CRM by firms in a unique way although a number of these challenges faced by the firms in Zimbabwe are to be found in other subsistence markets. There are no previous studies to our knowledge of studies on CRM in the FMCG category at the BOP. However; caution must be exercised in generalising our findings across all subsistence markets. Replication of the study might be required in other BOP markets, especially those in Sub-Saharan Africa, to improve generalizability using larger samples. This further research should expand the contexts covered in order to capture the diverse dynamics and circumstances which are to be found in BOP markets. Whilst our research has demonstrated the use of direct marketing as a way of communicating with customers in the multiple distribution channels at the BOP, there is room to expand the scope of investigation to establish the actual impact of these tools on the success or failure of firms acquiring and retaining new customers.

Social networks have been established as being the basis for the interaction between consumers and firms providing opportunities for implementing CRM programmes. However, there is room to expand the scope of this investigation to establish to what extent these social networks enhance customer loyalty within the CRM programme. In the context of the BOP environment this could focus on the conditions under which purchases of FMCG products are made – circumstances involving limited choice and shortages in official distribution channels.

Another potential area for future research could be the link between CRM and brand strategy at the BOP. Whilst our study has established that people investment and involvement of all employees at an organisational level is critical for successful CRM at the BOP, further investigation could look at the extent to which their empowerment can make employees good customer relationship managers.

There is also scope for future research to establish the benchmarks of CRM in order to evaluate its performance. Our study has not focussed on the details of the complexities of the nature and structure of relationships and measurement of success or failure of CRM at the BOP. This is because the primary focus of the paper was to establish if there are instances of using CRM to tap the BOP segment, Future research could expand the discussion to establishing levels of customer acquisition, retention and satisfaction from such attempts at the BOP using a longitudinal approach which will involve studying the same four firms used in this study.

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