

The Importance of Customer Relationship Management in the Local Government Authorities in Zimbabwe

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Abstract

The aim of the study was to ascertain the respondent's familiarity with the knowledge and importance of customer relationship management in the local government authorities, as well as to ascertain the extent of the relationship they have with citizens from acquisition, development, retention and termination of the relationship. Explanatory research approach and judgemental sampling were employed. Questionnaire was used to collect data from twenty one local government authorities in Zimbabwe. The findings of the study revealed that customer relationship management forms a powerful strategy that local government authorities should apply to manage long-term relationships with their key stakeholders. The researchers concluded that the local government authorities should establish and maintain long lasting relationships with their stakeholders, in order to be competitive and attract investment.

Keywords: customer relationship management, local government authorities

1. Foreword

Customer Relationship Management (CRM) is now a necessity not an option in many organizations. Al-Khouri (2012: 34) states that CRM is an important concept in all businesses because it helps entities to be customer centric and responsive, citizen-centric and efficient. Christopher and Payne (2013) assert that today's markets are highly contested and they are competitive. Therefore, organizations must spend significantly in customer relationship management. This assertion was also echoed by Bohling, Bowman, LaValle, Mittal, Narayandas, Ramani and Varadarajan (2006) who avowed that management should build and develop strong relationships with their clients. Mohammadkazem, Shirazi and Aarabi (2016) and Hussain (2016) also corroborate that CRM is today's engine of improving the business performance. Creating good relationships clients is important because it increases good quality of information as well as, helping organizations to understand their clients much better, thus helping local government authorities to deliver customized products and services to the clients. This sentiment was also expressed by Chamelta, (2006) who mentions that good CRM ensures that companies drastically change towards a reliable CRM Strategy.

Local government authorities should deliver excellent service in order to increase customer satisfaction. Kamalian, Ya'ghoubi and Baharvand (2013) echoed that CRM helps to reinforce relationships between organizations and their clients and as a result it emboldens innovation within the organization. Nicoletti (2016) posits that for CRM Strategy to be successful, it must be citizen oriented and should be developed from that perspective. It must be customer centric rather than focusing on the requirements of the business. The current snags with local government authorities in Zimbabwe are many. The researcher has observed that employee culture towards CRM is poor. The workers' attitude and mentality towards client is negative. This means that for CRM Strategy to be efficacious there is need of change in public organizations' inner culture and also there is great need of reorientation of the vision by their state bodies. The approach and character of staff must change, allow a citizen-directed service, and eliminate bureaucratic procedures and focus more on the actual needs of the citizens.

Local government authorities must put the people at the epi-centre of all their operations (Larsen, and Milakovich,

2005). Rababah, Mohd, and Ibrahim (2011: 22) purport that in order to serve and retain loyal customers; organizations need to understand their customers. Historically, the local authorities used to focus on production and selling and did not focus on market needs and wants. Pollard, Young and Gregg (2006 cited in Dhman, 2011: 35) indicate that CRM is now highly considered in the public sector because the citizens want excellent services. This is not an exception for local government authorities in Zimbabwe, hence the need for this study to pinpoint the factors needed for the victory of CRM Strategy.

Municipalities should prioritize a consistent improvement of the life and well-being of society, through innovation, active participation as well as dynamic and a supportive economic agency (Keramati, Saremi, and Afshari-Mofrad, 2011). Duque, Varajao, and Dominguez, (2013) explain that public organizations need to be citizen centric and adopt responsive leadership. They should also eliminate procedures which do not add value. With this view in mind, the implementation of the CRM Strategy in public organizations and municipalities in Zimbabwe need to be customer oriented. Information needs to be customized and there is need for effective communication. Through interaction with clients the municipality can learn more about the habits of its citizens and thus enable strategic decision-making. Duque et al., (2013) affirmed that local authorities must meet customers' expectations at the right time and latest technologies must be adopted in order to allow citizens to communicate at any time and place.

2. Literature Review

The local government authorities in Zimbabwe are in a transition of moving away from mass marketing to customized marketing. The winners will claim market dominance if they can fully satisfy their customers. This competition will enable businesses to increase their purchase volumes and revenue, and attract new investment. It will also generate for new business references and prospects for identification. The local government authorities, who understand their clients, are prosperous and the citizens are more willing to do business with the authorities.

Customer relationship management is fundamental for municipalities as much as it is for private companies. It would ensure and optimize the relationships between companies and their clients. Xavier, Gouveia and Gouveia (2004 cited in Duque *et al.*, 2013) indicate that organizations which are not able to interact with their clients are finding it difficult to establish effective long lasting relationships with them. This infers that effective communication is needed to establish rapport with clients in the local government authorities in Zimbabwe. Duque *et al.*, (2013) mentioned that many CRM Strategy failures are due to poor interactions between organization and stakeholders.

Customer Relationship Management Definitions

Although the literature is full of CRM definitions, it is relatively novel to the arena of marketing in the local government authorities in Zimbabwe. Buttle (2009) believes that the CRM can be viewed differently by different people and it can be used in different situations. However, some people refer to the CRM as customer relationship marketing. The available literature on the CRM defines CRM differently thereby leading Winer (2001: 91) commenting that it means diverse things to different people. Peppard, (2000) defines CRM as a tactic to the field of marketing which incessantly use refined information concerning the existing clients to predict the future requirements of the market. In this system, current information is constantly and continuously gathered and refined. The information relates to both current and future customers. Swift (2001: 12) defines the CRM is about influencing client behavior through well-expressed communications in order to increase retention, profitability, acquisition and loyalty with clients. This definition is client centric but excludes other communication tools to establish relationships. Buttle (2004:34) defines CRM as a principal organization plan that incorporates both internal and external networks with clients. CRM is a product deriving from relationship marketing and improving customer retention through relationship management (Zineldin 2006: 431). Gummesson (2008) sum it up by positing that CRM is about understanding the customers.

The Emergence of Customer Relationship Management

According to Ahmad, Hussain, Shafique and Abbas (2015: 95) CRM was popularized in the 1980s. This concept forced organizations to start to foster relationships with customers with the assumption that businesses that understand and place their client's needs at their heart are likely to be prosperous and successful. Hussain (2016) states that the business might lose customers it has today if they fail to lock them in. This means that CRM essential in today's business. It helps organization to lure, understand and to offer clients better services (Goodhue, Wixom and Waston, 2002). A corporation can achieve higher profitability by augmenting customer loyalty rather than spending more time on recruiting new customers (Hussain and Hussain, 2015). The CRM has long been known by earliest merchants to be ideal for building and retaining relationships with customers (Foss, Stone and Ekinici, 2008). CRM can be used by the local authorities as a tool to acquire, nurture and retain clients. Bull (2003) argued that CRM is extremely required among businesses today due to increased global competition. Dhman (2011) explains that the emphasis of CRM is to establish long lasting collaborations and partnerships with customers. Even though CRM is not easy to apply, it has grown to play a major role in the business as it helps corporations to gain competitive advantage, and in so doing

increase profitability (Hussain *et al.*, 2015). CRM enables organizations to understand their customers and this knowledge help the management to develop the CRM Strategy.

Evolution of CRM of the Local Government Authorities

Traditionally local government authorities were production oriented. However, there is a paradigm shift to customized marketing. Traditionally, most local government authorities were considering themselves as monopolist who can do whatever they want without clients' consideration. They were production oriented and less focus was directed towards customer requirements. However, today the playing field has changed as more affluent clients are demanding better products and services from their local government authorities. There is increased competition for the "Supremely elite". Also in recent years from 2000, citizens across all cities and municipalities, especially from high and medium density locations, are more demanding and want best services from the local government authorities. They want better tarred roads, good sewage drainage systems, consistent garbage collection and clean running water, street lights and efficient services. In order to meet these Critical Success Factors must be considered to warrant effective execution of the CRM Strategy from local government authorities. The CRM has the power to help the local government authorities to rapidly and acquiescently promote growth. The drive to putting into practice CRM initiatives is becoming crucial as a result of public demand for government to offer improved services delivery (Schellong, 2005).

Elements of CRM

There are four key generic elements of CRM are:

Long lasting relationships

The aim of CRM is to form long lasting profitable relationships with clients (Grönroos, 1989). To achieve this goal two way communication is required with clients. Effective communication with clients promotes long lasting associations with customers (Baran, Galka and Strunk, 2008). CRM escalates customer service expectations and enables organizations to exhibit greater customer recognition and treatment. Long lasting relations only exist when clients trust the organization. This assertion was also echoed by Egan (2008) who stated that when client's requirements and expectations are met, clients may have a sense of allegiance to the organization. This infers that local government authorities in Zimbabwe should start to build long lasting relationships with the citizens to ensure the victory of CRM Strategy.

Decoying gainful clients

The goal of CRM is to find and lure the most profitable clients. The ultimate aim is to maintain and grow the relationship, through cross-selling and up-selling. CRM seeks to increase the customer lifetime value with trustworthy clients. Satisfied and faithful clients are easy to convince to buy more and to bring new clients to the organization (Baran *et al.*, 2008; Buttle, 2004). Trust is essential for customer relationship management. This entails that the local government authority's resources should be used in such a manner that will fortify and keep gainful clients and simultaneously grow less profitable clients to gainful customers.

Customer management

CRM is not only about acquiring clients but the focus must be directed to the good management of clients. Good management of clients enables organization to maximize the lucrative lifetime value of the relationship. If clients are managed effectively, they grow and stay longer in the organization. Loria and Obeng (2005) advised that good management of customers facilitates CRM Strategy. Customer relationship management escalates customer service expectations and enables organizations to exhibit greater customer recognition and treatment. This means that CRM give organizations a competitive advantage (Baran *et al.*, 2008). Customers feel secured if the organizations show affection to them. This infers that local government authorities in Zimbabwe should show love to their clients if they are to achieve CRM strategy.

CRM as a system

Customer relationship management should be viewed as a system. This means that effective CRM should involve all the components of the organization including inputs, processes and output. All the elements of the organization must work together in order to build total customer value and satisfaction. Disunity among the facets of the enterprise will destroy long lasting relationships with clients. This means that local government authorities in Zimbabwe should view the CRM Strategy as a system. Due diligence and strategic alignment and focus is required to ensure the victory of CRM Strategy.

Customers of the Local Government Authorities

The core idea of marketing is to satisfy the customer requirements and always to plan within ambit of the customers. According to William and Aakers (2002) it is disastrous to define organizations by their products but must be defined

according to clients' requirements. This implies that prospective and existing clients should be prioritized by the organizations. Clients include all people and organizations that are doing business with the local authority. The most common clients of local authorities are citizens, businesses and visitors among others (Kavaratzis and Ashworth, 1990). Table 2.0 shows different types of clients for the local government authorities.

Table 2. Types of Clients for the Local Government Authorities

Source	1	2	3	4
Types of Clients according to (Van den Berg <i>et al.</i> , (1999), Ashworth and Voogd 1990, Braun 2008)	Citizens	Businesses	Visitors	Residents
Types of Clients according to (Kotler, <i>et al.</i> , 1993, 2004, Braun 2008)	Residents and workers	companies and industry	Visitors	Export markets
Types of Clients according to (Kotler <i>et al.</i> , 2002, Rainisto 2003, Braun 2012)	New residents	investors	Tourism and Hospitality	Foreign investors
Types of Clients according to (Braun <i>et al.</i> , 2013, 2008)	Prospective residents	Prospective companies	Potential visitors	Potential investors

In summary, there are four core customer groups of the local government authorities which include existing and potential residents, visitors, companies and investors (Braun, 2008). For some cities the customer groups are shown in figure 2.0.

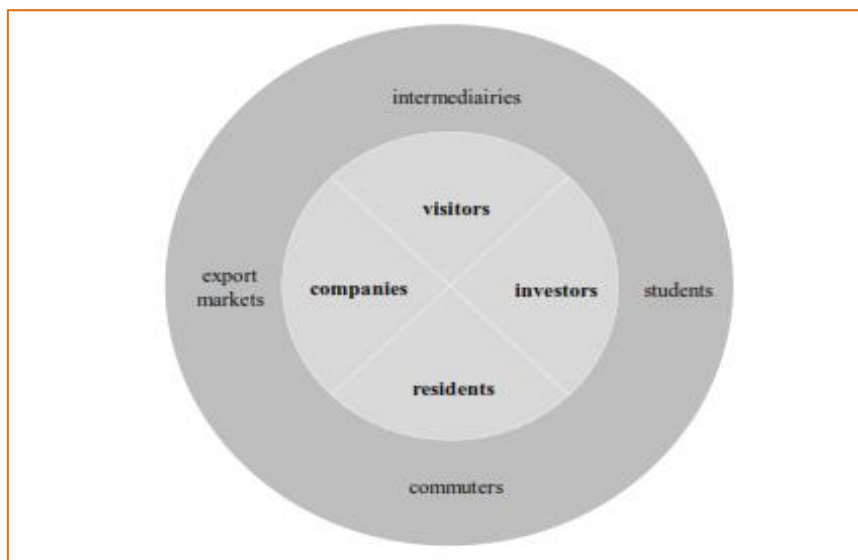


Figure 2. The customers of the local government authorities

Source: (Braun, 2008)

Residents

The initial set of customers' covers residents and potential residents and outline what those residents will be looking from the local government authority. The most obvious response will be a 'place to live'. This 'place' is where their homes and jobs are, that is the area from where they commute to their workplace. It is also a place where they raise children, shop, and exercise, participate in sport, study and so on (Van Den Berg and Braun, 1999). From a client-based point of view, citizens desire and appreciate the surroundings with access to amenities in order to live comfortably and satisfactorily.

Companies

A second set of customers are companies. Van Den Berg *et al.*, (1999) explain that companies need a place where they can conveniently do business and easily pursue their objectives. From company-based point of view, companies aspire to do business in an affordable and smart environment with low charges for services such as taxes, rates and so on. They also expect favorable by-laws and efficient services.

Visitors

A third set of customers are visitors. Braun (2008) points out that, unlike the residents and companies, visitors have no intention of settling in the city but just to visit. Therefore, the city becomes the visitor's temporary terminus. The visitors only go there to search for an attractive environment, safe accommodation (hotel, apartment, camping, family's house et cetera), and accessible facilities or locations. The local government authorities should be able to provide such facilities in order to increase council revenue and customer satisfaction. Visitors may also be attracted by buildings and public amenities such as cafeterias, parking services, rest-rooms, and transport stopovers and other. They might as well prefer a central or a peripheral accommodation. Business visitors give priority to the accessibility to their business appointment while leisure visitors might prefer conveniences to services. Some visitors to some extent value potential business opportunities or places where they can do business. The local authorities should put in place those expectations when planning their CRM Strategy.

Investors

A fourth set of customers are slightly different from the other three aforementioned. Braun (2008: 58) argues that investors should be regarded as the fourth general category of urban customers. He argues that indeed companies and their owners' households are investors. These financiers usually prefer to settle in a city or attractive business environment. Some investors may not necessarily settle in a place where they invest. These include financial establishments like banks, insurance companies, pension funds etc. It is vital for the local government authorities to provide attractive investment opportunities in order to attract investors.

Factors Which Have Led to CRM of the Local Government Authorities

Intense Competition

The private sector and the local government authorities (LGAs) are all taking efforts to appeal to and preserve the customers. They now consolidate in one place all efforts to provide better customer service leading to delighted customers. These include new technologies, research facilities, globalized services, and new products.

Well Informed Citizens

Nowadays citizens residing in places administered by the local government authorities are knowledgeable and cognizant of their rights and what they should get from the service providers. This was necessitated by the advent of new technology, as today's citizens are well informed. This suggests that local government authorities must listen and provide what is needed to warrant victory of CRM Strategy.

Decline in Brand Loyalty

There is a degeneration brand loyalty lately with customers frequently switching over to better and new introduced available competitive products and services. As a result, the local government authorities have to upscale their operations and procedures in order to guarantee victory of CRM Strategy.

Barriers to Effective CRM in the Local Government Authorities

They are numerous factors that inhibit effective CRM in the local government authorities and chief among them include:

Audience selection: In contrast to the private sector organizations, most local government authorities do not choose their customers. Quite often they are forced to deal with citizens who do not qualify for the service or benefit they provide, and as a result those citizens resist local authorities' reforms. This significantly increases the cost of acquisition and of continuation of services. This is the reason why most local government authorities incur huge costs and expenditure at the expense of the revenue targets.

Poor coordination: local government authorities often experience the interagency problem of being poorly coordinated internally and across departments and geographies. Lack of standardization of policies and procedures across local authorities' divisions is an obstacle towards effective CRM. There is need for harmonization of policies to ensure consistency and team work spirit among different facets of the local authority.

Lack of resources: Local government authorities are also affected by lack of resources for designing, building and optimizing the CRM. It also faces the problem of losing employees to the private sector who are attracted by higher salaries paid by the private sector. This problem widens the skills gap in the local government authorities.

Long time make decisions: Local government authorities are beginning to understand that customer relationships management does not only involve technological development. It also involves better service delivery. The slow recognition CRM programmes in the local government authorities is caused by the fact that only very senior managers are qualified to make change. This is because the senior managers in local government authorities tend to take longer time to make decisions and to act on these decisions. This challenge is a barrier towards effective CRM Strategy.

Lack of performance measures: The measurement culture tends to be activity and content based because of lack of knowledge of the process, service and value measures. Customer perceptions on the quality of service delivery are often not taken into consideration. Instead, the public service tends to penalize “bad news”, measures or to avoid or disregard negative customer perceptions. An effective customer relationships management programme quires strong “honesty” measures and improved implementation and performance measures. The organization should be able to measure its improvement and to tell whether these improvements are recognized by the customers. Poor performance measures are an obstacle towards effective CRM Strategy.

Outsourcing challenges: National and the local government departments usually outsource functions and processes in order to reduce costs or to finance replacements of large IT systems. The agreements signed for outsourcing the functions or processes tend to focus more on the performance criteria than on the customer. As a result, there is slow improvement in the customer service and in the re-engineering of processes that interface the company and the client (Hewson, 2003). Local government authorities do not have their own CRM department which is a barrier towards effective CRM Strategy.

Advantages of CRM for the Customers of the Local Government Authorities

Customers could remain loyal to urban councils if they received greater value for their money. They could also receive the following benefits, among others:

Enjoy confidence Benefits

Customers prefer to keep service providers they have considerably invested. The local government authorities make the high service provider switching cost by penalizing customers for cancelled agreements. The customers also pay for time and psychological costs when they switch service providers. Customers can therefore get more time for other priorities by preserving a good relationship with a service provider (Rootman, Tait, and Bosch, 2008; Zeithaml *et al.*, 2006). This benefit is vital for both new the local and foreign investors because they need trust the local authorities before they can invest their money

Social benefits

Clients need a sense of belongingness. Local government authorities should promote team building programmes to unite citizens. The aim of CRM is to build networks and collaborations which eventually promote unity and increase social benefits to the community. The local authorities need to cement their relationships with customers through dialogue and instant feedback.

Special treatment benefits

Good CRM enables clients to get the services at reduced costs and other incentives like free serviced land, low tariffs, free street lights and other amenities at low cost. Good CRM strengthen long lasting relationships with clients and consequently it attracts clients to pay for services they get form local authorities promptly and without delay and less resistance.

3. Research Methodology

This study followed a realism research paradigm. This is because realists believe that reality is real and assume that a real world can exist outside the human mind (Guba and Lincoln, 1994). Descriptive research design and Judgmental sampling was employed. The researchers used judgmental sampling to select respondents who have knowledge and expertise in line to study area of the research. The study used respondents from 21 local government authorities in Zimbabwe who are working in Marketing and PR departments together with the heads of council departments. From each the local government authority the management members; Town Clerk, Marketing and PR officers and heads of department managers were used in the study. Raosoft software sample size calculator was used to determine the sample size at 95% confidence level with 0.05. Questionnaire was employed to collect the data form 197 respondents and the questionnaire was administered and conducted in a way that respondent’s privacy was respected. Since the research data was random, raw, mutually exclusive, and drawn from a large enough sample, chi square test was employed to determine whether the sample data was consistent in the study. SPSS was employed to process quantitative data and the analyzed data was presented in form of tables and charts for easy readability and understanding of the research findings.

4. Data Findings

Importance of Customer Relationship Management

This section aims to ascertain the respondent’s familiarity with the importance and knowledge of customer relationship management in the local government authorities in Zimbabwe.

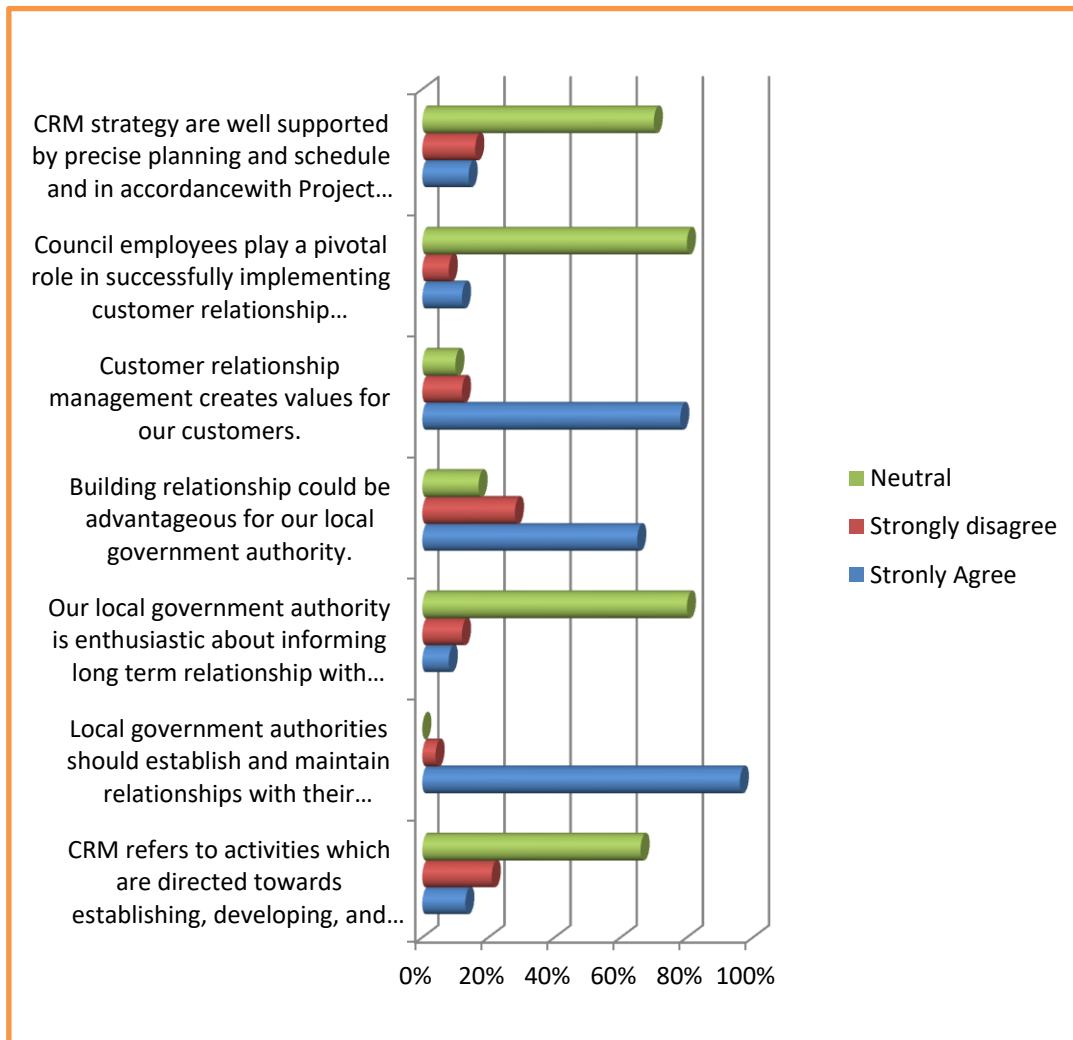


Figure 4. Respondent’s level of understanding on customer relationship management

The researchers have found out that many council employees do not know the meaning of customer relationship management. The results Figure 4.0 depict that only 13% of the respondents were familiar with the definition of CRM and about 66% of respondents were neutral and 21% totally were clueless on the meaning of CRM. This result demonstrates that CRM is relatively new in the local government authorities in Zimbabwe and majority are not sure of what exactly it is. However, majority of the respondents (96%) strongly agreed that the local government authorities should establish and maintain relationships with their stakeholders. The result demonstrates that the CRM is vital for the success of the local government authorities in Zimbabwe.

Many of the respondents acknowledged that establishing and maintaining relationships is important. However, a large number of respondents (80%) were neutral on the statement that the local government authorities are enthusiastic about forming long term relationship with stakeholders. This is an indication that the respondents were not yet sure on the preparedness of councils to implement CRM. Furthermore, many respondents (65%) inferred that relationship building could be advantageous for the local government authorities; and (78%) of the respondents strongly agreed that the CRM creates value for customers. 80% of the respondents were neutral with the assertion that council employees play a pivotal role in successfully implementing CRM strategies. This result might be contributed by the negative attitude council employees are showing to their customers. The respondents felt that council employees were not ready to fully implement the CRM Strategy. Finally, 70% of the respondents were also uncertain on the assertion that CRM strategies are well buoyed by accurate planning schedule. In conclusion, the results show that the level of respondent’s familiarity with the understanding and importance of the CRM is below par but all the respondents strongly agree that the local government authorities should create and retain relationships with their clients.

The chi-square p-values are shown below:

Table 4. Chi-Square Test Statistics

	Chi-square	df	Asymp.Sig
Customer relationship management discusses the activities which are focused towards creating, nurturing and retaining successful interactive relations.	169.701 ^a	2	.000
The local government authorities should create and sustain associations with their clients.	160.968 ^b	2	.000
The local government authority is enthusiastic about forming long term relationship with stakeholders.	181.537 ^b	2	.000
Building relationship could be advantageous for the local government authority.	179.603 ^c	2	.000
Customer relationship management creates values for our customers.	159.327 ^b	2	.000
Council employees play a pivotal role in successfully implementing customer relationship management strategies.	157.139 ^a	2	.000
CRM strategies are well buttressed by exact planning and schedule and in accordance with CRM Strategy techniques.	112.394 ^a	2	.000

Chi-square tests were employed to decide whether the variances in the counting configurations per proclamation were momentous. The P Value of 0.000 signifies that the sampled data was consistent.

The relationships between the Council and Clients

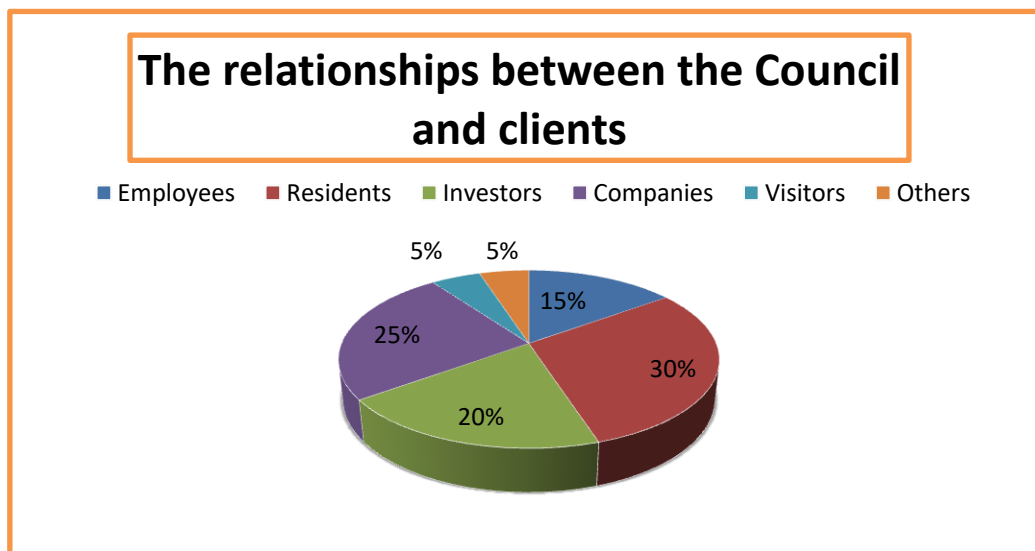


Figure 4.1. The relationships between the Council and Clients

Figure 4.1 revealed that (30%) of the councils have formed relationships with their residents, whilst (25%) of the councils cited that they have made relationships with companies and (20%) of the councils have made relationships with the investors. Finally (15%) of the councils revealed having formed relationships with employees. (5%) of the respondents cited visitors and others respectively. The findings suggest that the local government authorities are not customer centric. This is evidence that CRM is nonexistent in the local government authorities in Zimbabwe. The findings are consistent with Moyo (2016) and Amiri et al., (2010) who contends that the CRM is much talked about, but it is invisible in action. Makumbe, (1998) further argues that the relationship between the local government authorities and stakeholders in Zimbabwe is low and in most cases non-existent. Kabangure (2016) argues that the relationship is pitiable due to lack of trust and poor service delivery by the local government authorities. This clearly demonstrates that the local government authorities in Zimbabwe have derisory relationship with stakeholders. It is vital that strong relationships are formed with all the stakeholders. The stakeholders are key customers of the local government authorities and as such they should be considered as valuable assets for the success and growth of the local government authorities in Zimbabwe.

Significance of the Customer Relationship Management

Table 4. Significance of CRM

	Not significant		Slightly significant		Significant	
	Count	Row N %	Count	Row N %	Count	Row N %
Starting relationships	0	0.0%	27	13.7%	170	86.3%
Developing relationships	0	0.0%	1	0.5%	196	99.5%
Maintaining relationships	0	0.0%	2	1%	195	99%
Ending relationships	113	57.3%	77	39.1%	7	3.6%

Importance of Starting Relationships in the Local Government Authorities

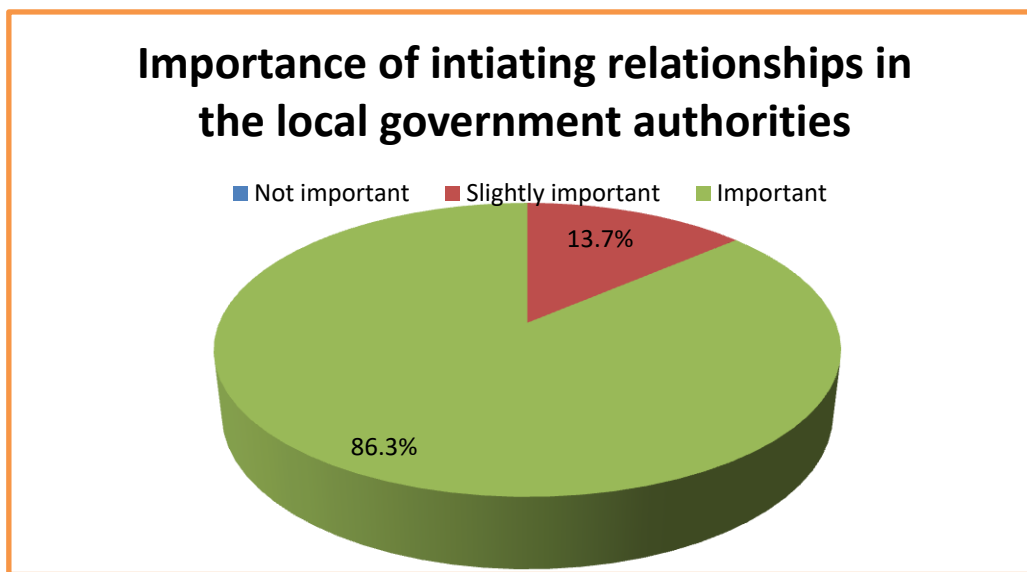


Figure 4.2. Importance of initiating relationships in the local government authorities

The result in Figure 4.2 shows that a number of the respondents (86.3%) have powerfully settled that initiation of relationships with the stakeholders in the local government authorities in Zimbabwe is important. This implies that local government authorities need to establish and develop relationships in order to achieve CRM Strategy success. This can be achieved by taking into consideration the ten identified critical success factors seriously. This means that without establishing relationships it will be difficult to achieve CRM Strategy success in the local government authorities in Zimbabwe. This result resonates with the findings by Mishra (2009) and Lambert (2010) who mentioned that customer acquisition is impossible without a strong establishment of relationships between the organization and its clients. Almotairi (2009) also echoed that without establishing a strong relationship with stakeholders CRM Strategy success is impossible. This means local government authorities in Zimbabwe must establish good rapport with their clients in order to CRM Strategy success. They need to understand customer requirements and deliver value and best services to the stakeholders in order to establish strong relationships with the customers and other publics. Abu Bakar, Saleh, and Mohamad (2011) and Taghipoor (2013) also cited that establishing relationships will also improve transparency and accountability in the business.

Significance of Nurturing Relationships in the Local Government Authorities

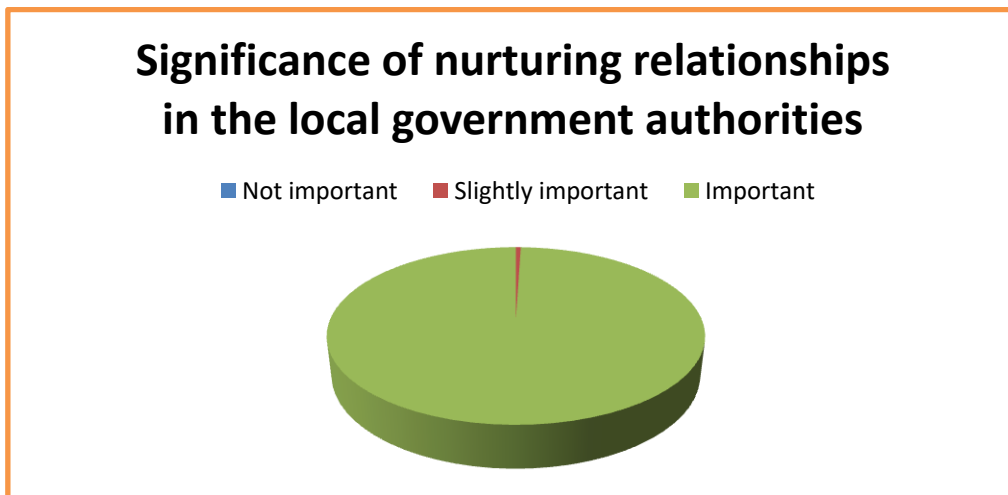


Figure 4.3. Significance of nurturing relationships in the local government authorities

Figure 4.3 revealed that all the respondents’ strongly agreed that developing relationships is important in the local government authorities in Zimbabwe. This implies that local government authorities in Zimbabwe should not just focus on initiating relationships but should invest more resources in nurturing relationships with the customers. This finding correlates with Kotler (2002) and Wong and Sohal (2002) who confirms that one of the key pillars of CRM is about developing relationships with stakeholders. Al-Khouri (2012) and Tolmay and Morna (2010) also alluded that many players in the government sector perish because management forget to develop and nurture relationships with stakeholders. This was also supported by Amiri *et al.*, (2010) and Moreno and Melendez (2011) who postulated that many local authorities are good at establishing relationships but they forget to develop the relationship resulting to short term relationship with clients.

Importance of Maintaining Relationships in the Local Government Authorities

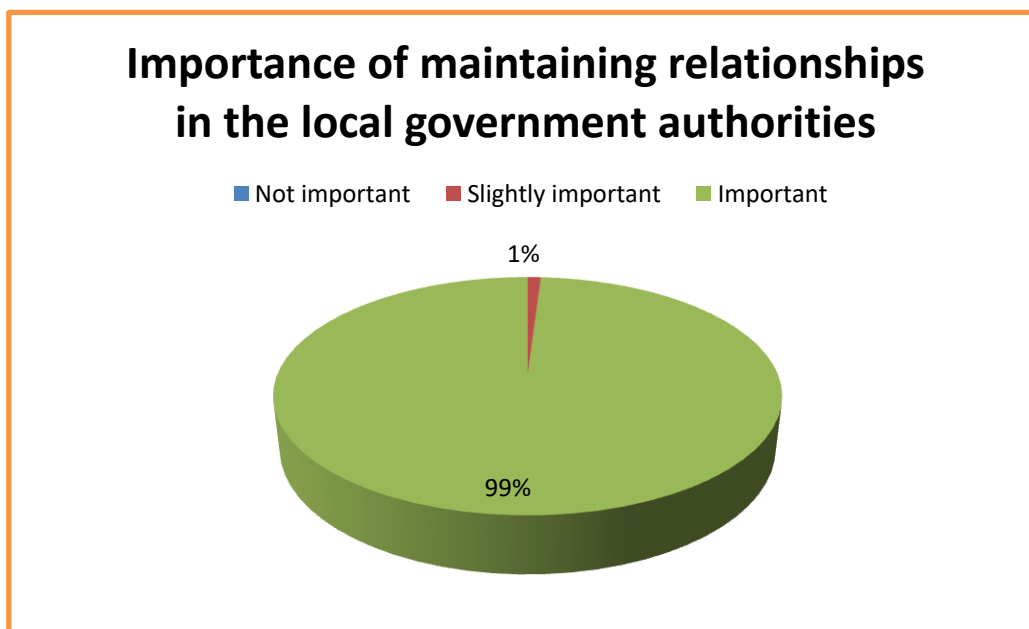


Figure 4.4. Importance of maintaining relationships in the local government authorities

Figure 4.4 revealed that 99% of the respondents agreed that it is important for the local government authorities in Zimbabwe to maintain relationships. This finding resonates with the findings by Lee (2008) who mentions that the

ultimate goal of CRM is to upsurge client retention and client loyalty. This means that local government authorities must pay attention to the client and meet customer expectations, if they are to ensure and achieve CRM Strategy success (Ashworth and Voogd 1990). A study by Lee (2008) concluded that CRM retention is vital because it is expensive to acquire new customers.

In this world of competition, it is therefore vital for local government authorities to retain their profitable customers, in order to guarantee stable revenue for growth. Azari (2008), Baran *et al.*, (2008), Bordoloi, (2000), Boulding *et al.*, (2005), Bull (2003), Camarero *et al.*, (2005) and Da Silva *et al.*, (2007) all concurred that CRM retention is important that CRM acquisition. They argued that it is cheaper to retain a loyal customer than to acquire a new customer. This means local government authorities in Zimbabwe must invest a lot in clients’ retention. Dhman (2011) also confirmed that satisfied customers (citizens) are easy to manage and motivate compared to strangers. Local authorities must design CRM strategies to retain customers. This reduces default of payments for the services, hence increasing revenue to the councils. The authorities must always listen to customers and put in place quick response strategies to satisfy the customers. The councils must also be innovative and improve on service delivery to enhance service quality.

Need of Ending Relationships in the Local Government Authorities

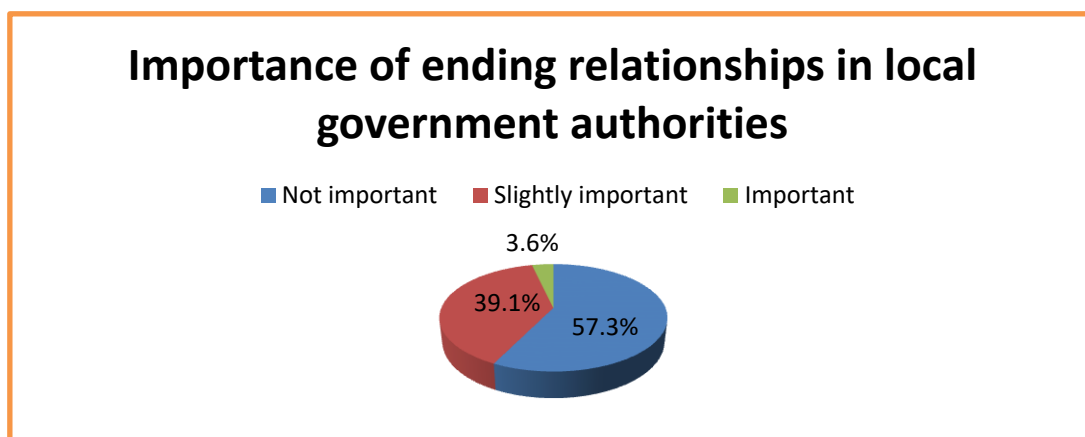


Figure 4.5. Need of ending relationships in the local government authorities

The respondents have mixed feelings as to the importance of ending relationships in local government authorities as indicated in Figure 4.5. The findings show that 57.3% of the respondents agreed that it is important to end relationships, while 39.1% confirmed that it is not important to end relationships. This means employees in local government authorities in Zimbabwe are not fully aware of the importance of CRM, since majority of the respondents agreed that it is important to end relationships. Ernst *et al.*, (2011), Hong *et al.*, (2002); Eid (2007) and Gronroos (1989) all cited that organizations should avoid the mistake of ending the relationships with the clients.

Hussain (2016) and Lindgreen *et al.*, (2006) also supported the same sentiment that ending relationships with customers is dangerous as it tarnishes the image of the business. This means that local government authorities must have services recovery strategies in place in order to maintain long term relationships with customers. This implies that local government authorities need to educate all the stakeholders the benefits of CRM in order to ensure success of the CRM Strategy. The above findings are also proven by chi-square p-values calculated in Table 4.1, as depicted below on the need of initiating, developing, maintaining and ending relationships in local government authorities in Zimbabwe.

The chi-squares p-values are illustrated in Table 4.1 below:

Table 4.1. Chi-Square Test Statistics

	Starting relationships	Nurturing relationships	Retaining relationships	Terminating relationships
Chi-square	325.030 ^a	315.042 ^b	279.698 ^b	9.642 ^c
df	1	1	1	1
Asymp.Sig.	.000	.000	.000	.009

Deducing from the results in Tables 4.0 and 4.1, very little importance is given to termination relationships. These findings affirm Miranda *et al.*, (2005)'s affirmation that more care is directed to the creation and development of relationships compared to maintaining and terminating relationships. It is fair to ensure that equal importance is given to all the forms CRM (Little and Marandi, 2003). The local government authorities should pay attention to clients who are terminating relationships and arrange exit interviews in order to find the reasons of leaving. Hung *et al.*, (2010) and Morrel *et al.*, (2001) posited that feedback helps to improve and cement relationships as well as improving excellent service delivery in the local government authorities.

5. Contribution of the Study to New Knowledge

Government support in the form of grants to the local government authorities is diminishing despite the allocations of resources to the local councils in Zimbabwe. Competition in terms of provision of services and service delivery is also getting tougher between the local councils and the private sector in the areas of waste collection and provision of ancillary services. This growing evidence is a sign that the playing field and ways of doing business in the local government authorities in Zimbabwe has changed and as such connections need to be put together with stakeholders to confirm that the stakeholders are embraced in the value chain delivery system.

6. Conclusion and Recommendation

This study found that good mutual relationship enables the stakeholders to view the local government authorities as customer centric institutions. The research study also found that the local government authorities in Zimbabwe are operating with limited resources and consequently they are often under great pressures that sometimes befuddle them from giving care to their relationships with strategic stakeholders. Council employees need to be involved and enthused to support the CRM Strategy. All the stakeholders need to understand how the CRM system operates so that they will be eager to become accustomed it. It is therefore, recommended that local authorities need to train and develop their staff in order to garner their support. This will help to guarantee victory of CRM Strategy. The local government authorities in Zimbabwe must mobilize all stakeholders to rally behind CRM Strategy initiatives and projects. Also in order to survive and gain competitive advantage the local government authorities need to develop right strategies and maintain long lasting relationships with stakeholders. Resident partaking in the undertakings of the local authority is now a necessity in the local government authorities. Citizens opinions are to be treasured if excellent service quality is to be accomplished. It is therefore, recommended that the local government authorities must form partnerships with the residents and other stakeholders in order to promote mutual understanding and positive collaborations in service delivery. Currently the study result shows that there is a gap in terms of communication between councils and their stakeholders. This infers that the local government authorities need to promote effective communication with the stakeholders and must also pay attention to clients' grievances on time. This recommendation must be taken seriously by the local government authorities because it promotes customer satisfaction and delight hence ensuring victory of CRM Strategy.

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