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Customer Retention Strategies Applicable to Zimbabwe Telecommunication Industry (A Customer Relationship Management Perspective)

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ABSTRACT Telecommunication industry contributes immensely to world economic development in terms of employment, revenue and improvement in people's standards of living. Despite such significance, the industry is experiencing radical changes due to deregulation, privatization, technological dynamism and resultant competition. Consumer tastes and preferences are also changing, necessitating the need for more aggressive customer retention strategies. Recent statistics indicate that. telecommunication revenue and profit margins are waning due to competition, subdued demand, market saturation and customer defection. The objectives of the study are (1) to explore of impact of Customer Relationship Management (CRM) on customer retention in Zimbabwean telecommunication services (2) to identify customer retention strategies applicable to the Zimbabwean telecommunications industry. The study used a case study research design. It had been observed that though CRM implementation has potential to provide several benefits to Zimbabwe telecommunication firm, its adoption in the industry is still slow and protracted. Secondly, though most Zimbabwean telecommunication operators use loyalty programmes to attract customers, customer loyalty is declining as evident by high customer churn. It is therefore imperative for telecommunication firms to adopt Customer Relationship Management (CRM) in order to attract and retain key customers for their sustainability. Literature confirms that embracing CRM offers firms competitive advantage in the market place.