

# DERIVING CUSTOMER SATISFACTION THROUGH CUSTOMER RELATIONSHIP MANAGEMENT IN PUBLIC UTILITIES

ELIZA TOWELA MZUMARA<sup>\*</sup>, STELLA KAUSA<sup>\*</sup>, LEENA JENEFA<sup>\*</sup>

## ABSTRACT

Today customer relationship management is still utilized most frequently by companies that rely much on customer service and technology, the three main sectors of business that rely most heavily on customer relationship management and use it to great advantage are financial services, variety of high technology corporations and the telecommunications industry. Despite the important roles played by public utilities in economic development in Africa and being major companies in supplying services as a monopolies, performance is still very poor, therefore resulting in low customer satisfaction.

**KEYWORDS:** Customer Satisfaction, Technology, Customer Relationship Management.

## INTRODUCTION

Today customer relationship management is still utilized most frequently by companies that rely much on customer service and technology, the three main sectors of business that rely most heavily on customer relationship management and use it to great advantage are financial services, variety of high technology corporations and the telecommunications industry.

Despite the important roles played by public utilities in economic development in Africa and being major companies in supplying services as a monopolies, performance is still very poor, therefore resulting in low customer satisfaction. Though there are measures put in place like customer service charter, customer care section their customer relationship management is still very poor since the public utilities do not focus much on their customer state of relations the problem still exist as evidenced by the endless complaining customers towards the utilities

services resulting in unsatisfied customers. This is probably caused by lack of proper customer relationship management measures.

If dissatisfaction continues the customers will find other means of services despite the public utilities being monopolies, in today's competitive environment delivering high quality service is the key for a sustainable competitive advantage. Customer satisfaction does have a positive effect on organizations profitability, the Fact of Customer relationship management deriving customer satisfaction in entities is that while governments are not driven by profit or revenue generation, they are driven by the demand to create public value.

The Concept of Customer Relationship Management (CRM) refers to the delivery of high quality customer service and the optimization of profit at minimum cost.

---

<sup>\*</sup>DMI-St. Eugene University, Zambia. **Correspondence E-mail Id:** editor@eurekajournals.com

In the view of Kotler (2003) Customer Relationship Management is the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.

Gartner (2004) also defined Customer Relationship Management as an enterprise wide business strategy designed to optimize profitability, revenue and customer satisfaction by organizing the enterprise around customer segments, fostering customer satisfaction behaviors and linking processes from customers through suppliers.

Customer Relationship Management capabilities are examined in the framework of its components. Customer satisfaction is common key Component of Customer Relationship Management framework, this is the output from the Customer Relationship Management measured by different surveys, onsite service delivery is also a related component and results on the final outcome of public value creation for the government and customer retention is an important component in terms of maintaining customers they are all related to customer relationship management. CRM requires making use of modern technology to arrange, speed up and also connect business processes and those elements for promoting, customer support, along with technical support.

In agreement with Philip Kotler, customer satisfaction is the person's feelings of pleasure or disappointment due to a comparison of a product or service perceived performance with his or her expectations. High satisfaction happens when perceived performance exceeds expectations, and the buyer's expectations influenced by past performance, friend's associative advice, competitors promise.

Service delivery is an important aspect in creation of customer satisfaction, the communication gap is the gap between service delivery in public

utilities and external communications, in some cases promises made by the utilities through advertising media and communication raise customer expectations, when over-promising in advertising does not match the actual service delivery, it creates a communication gap. Consumers are disappointed because the promised service does not match the expected service and consequently may seek alternative product sources.

Customer retention aims at maintaining their customers and many companies implement CRM system in maintaining and retaining their customers. Unfortunately, not all the implementation has been succeeded and the companies have to bear the certain consequences such as high levels of investment and proper strategic planning. As it is a concept of CRM system to combine strategy, process and technology to manage relationships with customers.

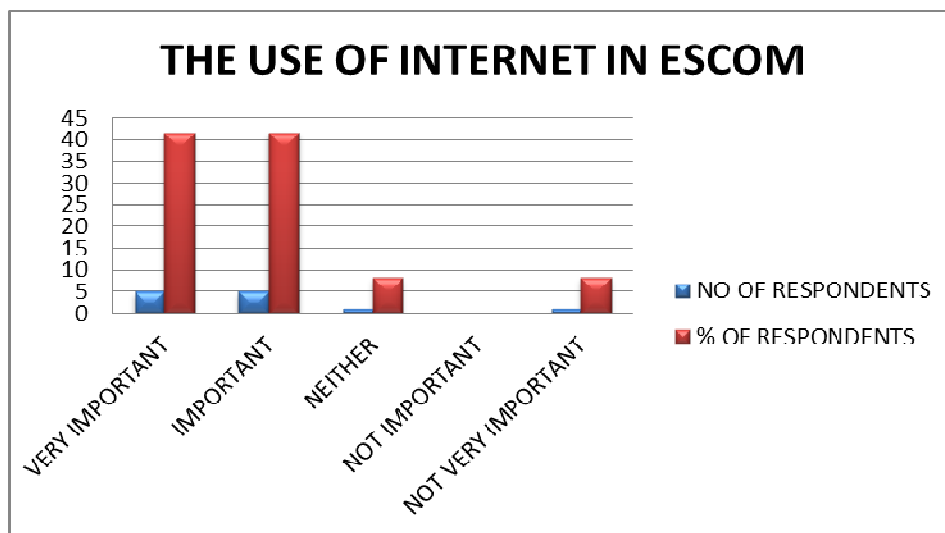
The biggest benefit most businesses realize when moving to a CRM system comes directly from having all your business data stored and accessed from a single location. Storing all the data from all departments (e.g., sales, marketing, customer service and HR) in a central location gives management and employees immediate access to the most recent data when they need it. Departments can collaborate with ease, and CRM systems help organization to develop efficient automated processes to improve business processes. Other benefits include a 360-degree view of all customer information, knowledge of what customers and the general market want, and integration with your existing applications to consolidate all business information. (Vangie Beal).

Technology and the Internet have changed the way companies approach customer relationship strategies, Advances in technology have changed consumer buying behavior, and today there are many ways for companies to communicate with

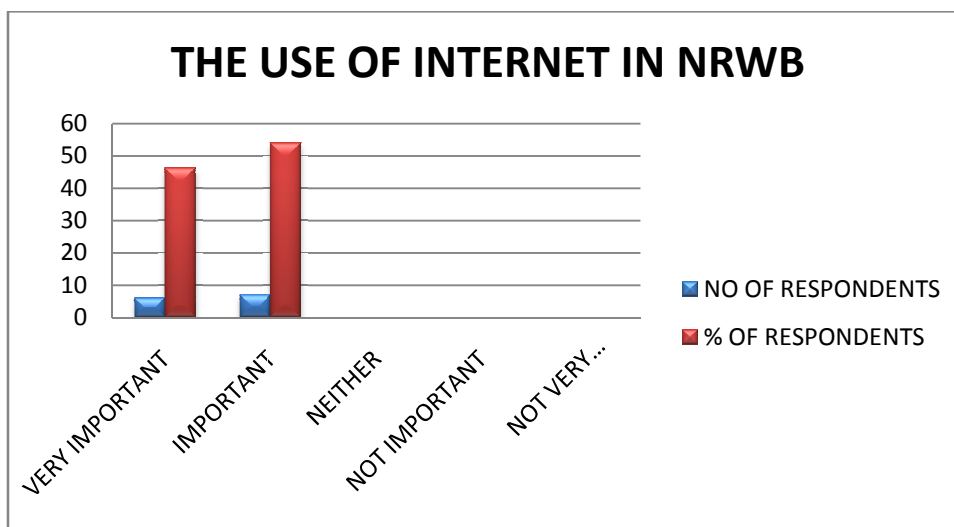
customers and to collect data about them. With each new advance in technology especially the proliferation of self-service channels like the web and smart phones customer relationships are being managed electronically. Many aspects of customer relationship management rely heavily on technology; however, the strategies and processes of a good CRM system will collect, manage and link information about the customer with the goal of letting you market and sell services effectively (Vangie Beal, 2011)

According to a research that was conducted in 2015 to find out if the use of internet satisfied customers of a public utility in Malawi, revealed that most of the customers in two utilities felt that the use of internet was indeed important and this was shown by a high percentage of 83.34% of ESCOM customers who felt that internet usage is important and 100% of NRWB customers (water supply company).

**ASSESSMENT OF CRM PRACTISES IN DERIVING CUSTOMER SATISFACTION IN ESCOM AND NRWB**



Source: Primary data, January, 2015



Source: Primary data, January, 2015

The results show that most customers are more satisfied when they use internet to improve their customer relations as a CRM practice, they are satisfied when they can pay their bills online and seek other customer care services online this simply shows that Customer Relationship management is essential.

## **CONCLUSION**

In order to improve customer relationship management in public utilities, there is need to improve the state of relations with the customers, to do this the management must respond to customer complaint in time, the faults departments have to respond to customers in good time and sort out the faults timely as well as communicate well to their customers when having load shedding, improve online customer services, and update customers with new services, most importantly the management must work on renewing the customer services charter according to how well the management views its customer care services. In the public sector there is need for improvement of customer relationship management to improve the state of relations between customers and the utility in order to derive customer satisfaction through good customer relationship management practices, like good customer service, internet usage, training the service representatives.

## **REFERENCES**

- [1]. Ali M Al-Khouri: "Journal of Management and Strategy, Vol. 3, No 4, 2012, Sciedu Press, New Delhi.
- [2]. Graham Hoskins: "Customer Relationship Management", 2001, Tata McGraw-Hill India.
- [3]. Jill Hussey and Roger: "Business Research" 3<sup>rd</sup>Edition, 1997, Macmillan Business, Manchester.
- [4]. Lucy P Roberts: "Article ont. He History Of CRM"-*Moving Beyond The Customer Database*, 2005, Evaluseek Publishing, New Jersey.
- [5]. Peelen & Rob Beltman: "Customer Relationship Management", Second Edition, 2013 Pearson, London.
- [6]. Peelen: "Customer Relationship Management", *Financial Times* Second Edition, 2005: Pages 433 Prentice Hall, New York.
- [7]. Philip Kotler & Gary Armstrong: "Principles of Marketing", 14th Edition 2011, Pearson Prentice Hall, Chicago.
- [8]. SARA: "The customer service gap model journal, 2009.