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A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF BUSINESS MANAGEMENT  
BY

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**N005 1461D**

IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF THE BACHELOR OF COMMERCE  
(MARKETING) HONOURS DEGREE

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## RESEARCH TOPIC

**An assessment of the importance of investing in customer relationship  
management in a monopolistic company: A case study of Anchor Yeast  
(Pvt) Ltd.**

AUGUST 2009



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## *EXECUTIVE SUMMARY*

This research was done in a bid to assess the importance of customer relationship management (CRM) in a monopolistic company. Keeping customers delighted has been generally seen as a strategy used by companies to shield their customers from competition. The researcher therefore sought to assess the need for engaging in CRM in monopolistic companies.

In conducting the research the researcher sought to meet several objectives. The objectives of the research were: to assess the importance of investing in customer relationship management to Anchor Yeast (Pvt) Ltd; to investigate the satisfaction levels of Anchor Yeast's customers; to get suggestions from customers on how service and product quality could be improved; to find out Anchor Yeast management's perceptions on their customer satisfaction, product and service quality; to ascertain the level of internal customer satisfaction at Anchor Yeast and what can be done to improve their level of satisfaction; to ascertain the level of threat posed by regional competitors.

To help get a clear understanding and to make informed conclusions on the research area various methods of gathering information were used. Thus, in addition to information collected from textbooks and journals, the researcher used a research methodology that enabled her to get an even more direct understanding of the topic. As this was the first research of its kind to be undertaken, the researcher used an exploratory research design so as to understand the motives and attitudes of respondents towards the research area. The research population was sampled using stratified random sampling for customers as well as judgemental sampling for managers and sales employees. In gathering data, both primary sources and secondary sources were utilised and these included questionnaires, telephone interviews and company sales reports.

In order to make an understandable and presentable analysis of findings the researcher made use of tables, graphs as well as pie charts. The researcher found out that Anchor Yeast has been providing its customers with a fairly average offering that meets its customers' baking needs. The company is, however, failing to delight its customers through the offering of excellent products and service that not only meets their needs but meets their wants as well. The company has in the last three years lost a significant number of customers to foreign competitors and this has led to serious decline in sales.

The researcher found out that the business environment has significantly changed in the past decade. With the advent of innovative technology as well as the removal of geopolitical boundaries, the globe has become one trading marketplace. In this new business environment, monopolies are having an encounter with their greatest competitors ever imagined. It is now therefore a requirement that all businesses, including monopolies, engage in effective CRM in order to ensure long term survival and profitability - failure to do that, monopolies risk being knocked out by global competitors.

To help the company effectively implement effective customer relationship management the researcher made the following major recommendations to Anchor Yeast (Pvt) Ltd; the company should establish close relationships with its customers, especially the top, most profitable ones; the company should effectively make use of the marketing mix elements which are product price, promotion and place; determine product and service quality through the eyes of customers, keep employees delighted so as to motivate them to do their work excellently, the company should also on a continuous basis carry out competitor analysis and then upgrade its offering to be above that of competitors.