CRM as an emerging paradigm: Myth or Reality?
A study on the Mauritian IT sector.

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Abstract

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This paper discusses the findings of a survey of 30 IT companies which will help to explain how Mauritian IT companies can make use of CRM techniques and other marketing tools to take a 360-degree view of their customers.
The key objectives of this survey were to determine the level of understanding of Mauritian IT firms' meaning of the main components of CRM and to explore the extent to which Mauritian IT firms were making use of the sophisticated software and technology to maintain and enhance their relationships with their customers. A questionnaire was administered using a face to face interview with marketing managers of the IT firms between 14th January to 28th Feb 2002. Although the results varied across demographic groups of companies in terms of the number of years in operation and number of employees and area of activities they were dealing with, the main findings were that Mauritian IT firms were aware of the concept of CRM. The results also showed that the majority of Mauritian IT companies were investing heavily in CRM to deal whilst the remaining were implementing partial CRM. CRM therefore was a reality and Mauritian IT companies are preparing to compete in the global market place. Companies viewed 'relationship with customers', 'value added services' and 'trust' to be vital components for long term profitability. Moderate importance was given to the use of sophisticated CRM software to maintain long term relationship with customers. Future studies can include larger sample sizes and explore the effectiveness of CRM implementation.

Introduction
Mauritius has long been regarded a predominant world class tourist destination. It has turned from a mono-crop economy into a high tech manufacturing centre, becoming a producer of high-quality textile clothing which it has enjoyed since the early 1980's. The trend in GDP composition for the last decade has shown a major shift towards the services industry. Agriculture is on the decline and accounts for 6.1%, manufacturing is 30.3% and the tourism and services sector is 63.6% of total GDP (World Economic Forum Report, 2004)
But with the liberalization in the textiles and clothing sector with the end of import quotas on 1, January 2005, Mauritius faces fierce competition in this sector. Liberalization has been controversial because both textiles and clothing contribute to employment in developed countries, particularly in regions where alternative jobs may be difficult to find. With the new WTO rules becoming effective as from January 2005, and the removal of preferential access to European and US markets for both our sugar and textile products and tourism reaching its limits, Information and communication

technology (ICT) is seen as the best potential to emerge as a powerful engine of growth and employment creation. International competition will become fiercer.

Mauritius is ranked 46th out of the 102 countries in the Growth Competitiveness Index (GCI) which is based on the analysis of three central ideas: the macro-economic environment, the quality of public institutions and technology. It is ranked 44th in the Business Competitiveness Index (BCI) which is based on the foundations of two interrelated areas of the microeconomic environment: 1) the sophistication with which domestic companies or foreign subsidiaries operating in the country compete and 2) the quality of the microeconomic business environment. (World Economic Forum Report 2004).
One of the areas in which Mauritius is concentrating is the information and communication technology (ICT) sector. Aspiring to become a cyber island, Mauritius is likely to play a strategic role in the SADC and Indian Ocean. It is determined to become the regional ICT hub. The new IT sector will therefore be increasingly shaped by its ability to adapt to the changing global environment, thereby requiring an effective network of relationships among producers, suppliers and customers. Mauritius has to become competitive and embrace new ways of conducting business in an increasingly global and competitive environment. The island faces serious challenges and has to restructure, adapt and innovate in order to maintain sustainable growth in the future

The IT sector at a glance
Businesses exist to create *profits;* such goes the saying. But businesses also seek to safeguard their customers by creating, growing and nurturing an ongoing relationship with their customers (Chattopadhyay, 2001). Merging these aspirations of becoming competitive in the global market place and becoming closer to customers by developing ongoing relationships with them is at the heart of this CRM discussion.

The areas of activity of over 150 IT companies operating in Mauritius comprise of consultancy, hardware sales, software sales, software development, networking and cabling, training web design, graphics and multimedia.
In order to promote the ICT sector, an Electronic Transactions Act is already in place, to target businesses involved in software development, consulting services, hardware assembly, digital capture, e-education, call centers, back office operations, training, maintenance services, e-commerce and related services. In this endeavour, Mauritius has entered into a *strategic alliance* with India, which is internationally recognized for its experience in the ICT field, in particular software development.

The number of IT professionals working in Mauritius has increased from 1,100 in 1998 to 1,860 in 2000 representing an increase of 69% (Mauritius the Cyber Island). The majority of IT professionals and support staff are employed by companies in the IT industry sector (40%). The number of people having a qualification lower than 1-year diploma in IT is 775. This represents around 29% of the IT workforce. The profile of IT professionals where strong demand is expected in the future is project managers, database administrators, programmers and multimedia.

CRM as an emerging paradigm

Growth of Relationship Marketing

Proponents of RM, such as Buttle (1996), Peppers and Rogers (1995), and Bitner (1995) identified various factors that contributed to its development and growth in importance. They include:

- The increasingly global and intense nature of competition.
- More demanding and sophisticated customers.
- Increased fragmentation of consumer markets.
- Rapidly changing customer-buying patterns.
- Continuously increasing standards in quality.
- The inadequacy of quality in itself to create sustainable competitive advantages.
- The influence of technology in almost all products and services.
- The unreliability of traditional marketing (*e.g.* decline in overall advertising effectiveness).

Consistent with the preceding list is the conceptual thinking underpinning RM, which derived its influence from *service management* and emphasized the benefits of retaining *existing* customers. Researchers highlight that it costs five times more to attract a new customer than it does to keep an existing one (Rosenberg and Czepiel, 1984; Holmlund and Kock, 1996;

Defining Customer Relationship Management

Newell (2000) defines CRM is on the identification and delivery of value to each ***individual*** customer. Galbreath and Rogers (1999) explain that CRM is about the management of technology, processes, information resources and people needed to create an environment that allows a business to take a 360-degree view of the customer.

According to an Economist Intelligence Survey, [EIS] (2003), two main drivers fuelled the development of CRM in the 1990s. One was the need to link customer information as companies developed multiple sales channels–such as Dell's pioneering use of web and telephone-based sales of computers. Without CRM, the back offices of companies starting e-commerce applications would not have been possible. These new channels, according to Phil Walker, (EIS) a partner in IBM Business Consulting Services in London were catalysts for a reappraisal of how customer relationships could be managed. The other driver was one common to most new technology implementations–the drive to reduce costs. Sales force automation, more efficient call-centre interactions and call management systems to route customers to the right place at the first time of asking are all examples of CRM's capacity to enable cost reduction while improving quality of service. It can also improve internal efficiencies by providing an organisation with a common language.

By the late 1990s, expensive CRM applications had become the hottest growth area in IT. The rapid growth has had a significant impact on companies and their networks. Before CRM applications began to appear, customer information tended to exist, if at all, on multiple and distinct databases. Increasingly, however, CRM has driven a rationalisation of computer systems whereby information from disparate computer systems across a company can be linked.Voice - and data-intensive CRM applications have been

significant drivers for the emergence of the "networked enterprise," stimulating vast network and hardware upgrades within and across organisations.

A paradigm shift ?

One of the most significant developments in the practice of marketing is the shift in emphasis to CRM from a transaction orientation. Some authors make strong statements that the concept of RM reflects a "new paradigm" in marketing thinking and practice (e.g. Kotler, 1992; Gummesson, 1995; Grönroos, 1994). It can be argued however that for many firms, transactional marketing is relevant and practised concurrently with various types of relational marketing.

EDI, the Internet and Intranet.

One of the most significant changes in IT in recent years has been the emergence of Electronic Data Interchange (EDI).The benefits are: reduced system costs, efficiency and increased customer and consumer satisfaction.

A key feature of the *Internet* is that, via browser technology, it can provide easy access to the customer management data, maximizing value to the company itself and to business partners and other members of the value chain (Stone *et al*., 2000). However, many of the most significant Internet projects in marketing companies are intranets, or intra-company internets, which are simply designed to keep staff well-informed in an otherwise chaotic marketing environment (Stammers, 1997; Gabriel, 1997). The *Intranet* serves as an easily accessible repository for corporate information (Frost and Strauss, 1997).

Putting the "e" in eCRM

In an era of electronic wizardry and the desire for quick, high-tech fixes to marketing woes, as Newell (2000) puts it, the magic bullet for CRM is the gestalt- technology in all the forms that we know today plus those just on the horizon. But why the move to online CRM? Can things not be done the old way? The use of Internet as a main business artery is why there is an eCRM, being able to take care of customers via the Internet, or customers being able to take care of themselves online.

The danger is that companies will attempt to optimise the "e" channel - the Web Channel - at the expense of all others. CRM, however, is inherently a multi-channel strategy. Customer relationships transcend the Internet.

Front-Office Solutions

These are the unified applications that run on top of the Customer Data Warehouse (CDW). They could be sales force automation, marketing automation, service and support, and customer interaction applications. The important thing is that analysis reports, and the easy instant access to this information are hallmarks of these solutions. In the client/server environment, they provide employees with the information they needed to make informed choices on what to do next with a customer (Greenberg, 2001).

Enterprise Application Integrations (EAIs) for CRM

These sit between the CRM back office and front office. EAIs are pieces of code and connectors and bridges that are called as the body EAIs. EAIs will provide the messaging services and data mapping services that allow one system to communicate with disparate other systems, regardless of formatting (Greenberg, 2001).

CRM in the Back Office

The analytical tools are the back Office applications for CRM. They are back office simply because they operate behind the scene and are utterly transparent to the user and the customer. They are used for personalization and could produce demographic, geographic, or financial analysis. More advanced ones could even produce an individual's preferences expressed by trips through different channels (Greenberg, 2001). With customer acquisition and retention being a contemporary mantra, having a means to benchmark the ***value*** of a customer is a tremendous tool in determining what level of priority to give a customer. Slater and Narver (1994) come with the concept of Customer Lifetime Value (CLV). But before dealing with the subject matter, an insight on the customer relationship life cycle and the 3 phases of CRM, will help to better understand the concept of CLV.

The Three Phases of CRM

In personal relationships, the level of understanding and intimacy grows over time, as long as both parties are committed to make the relationship work (Kalakota, 2000). The same is true in the business world. He describes the customer life cycle as comprising of 3 phases: *acquisition, enhancement, and retention.*

1. ***Acquiring new customers*** – by promoting product/service leadership that pushes performance boundaries with respect to convenience and innovation. Therefore, superior product backed by excellent service.
2. ***Enhancing the profitability of existing customers***- encourage excellence in cross-selling[1] and up-selling[2]. Offering greater convenience at low cost.
3. ***Retaining profitable customers for life***- focus on service adaptability. Delivering what the customers want.

Managing the customer life cycle: The phases of CRM (Figure 2)

All the phases are interrelated. However, doing all three phases well is a difficult proposition, even for the best companies. Companies often have to choose which one of these dimensions will be their primary focus, keeping in mind that choosing one dimension does not mean abandoning the other two. The company is just selecting a dimension of ***value*** on which to stake its market reputation

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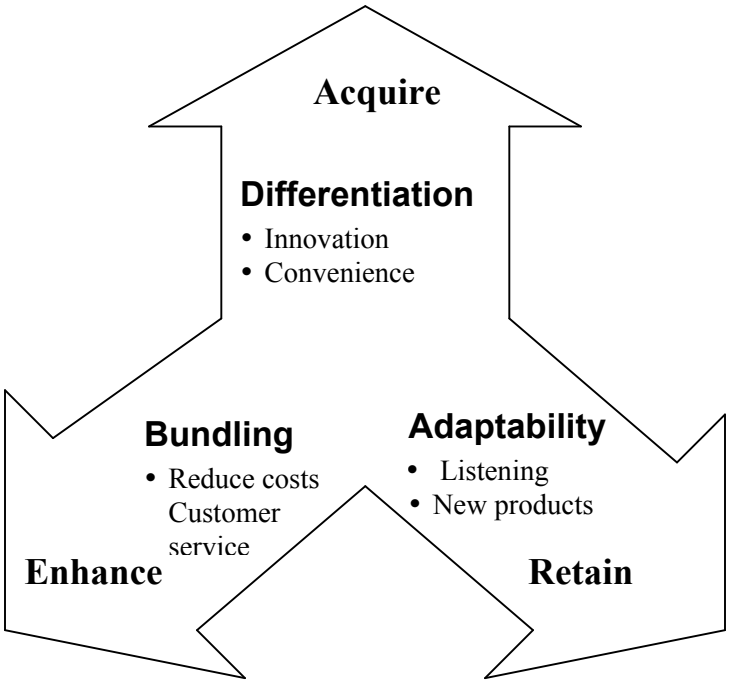

Figure 2: "Managing the customer life cycle: The phases of CRM".
Source: Kalakota, R., and Robinson, M., (2000), "E-Business: Roadmap for Success", Addison-Wesley, Pearson Education Asia, pp 113-114.

Communication

The practice of CRM is centered on nothing more than good communications (Feiertag, 1997). The communications are simply taking on expanded forms beyond the essential description of features and benefits to seeking out a greater understanding of each prospective customer.

But CRM has not lived up to the expectations of everybody. Why? Impatience might be one answer. Since a CRM undertaking would imply significantly changing how people do things, for many companies it will take some time for these capabilities–both technological and organisational–to become embedded and demonstrate significant value. According to the EIS (2003) nearly half of the executives surveyed had reserved judgment, expressing neither satisfaction nor dissatisfaction with CRM and reinforcing the notion that many companies are continuing to try to make CRM work

One of the ways to solve these challenges of CRM is to include the users in the design of these systems which is owned and understood by them followed by the best training that the company can afford.

Research Methodology

Several ways of collecting appropriate data exist, which differ considerably in relation to financial costs, time, and other resources, e.g.human resources. For this project, data was collected through a *survey research* in a systematic way from respondents for the purpose of understanding and predicting certain aspects of the behavior of the population of interest.. The key objectives were to: test Mauritian IT firms' views on the main *components* of CRM, establish how Mauritian IT firms make efficient use of *databases* to

maintain long-term relationships with their customers, and explore how far Mauritian IT firms make use of *sophisticated software* and *technology* to maintain and enhance their relationships with their various stakeholders.

The survey involved IT companies in Mauritius drawn from the IT company directory of the National Computer Board dealing in both hardware and software. For the purpose of statistical analysis, a minimum of 30 IT companies were selected as a useful rule of thumb from the Economist's (1997) perspective.
A convenience sampling method was used for this project, which allowed more 'hands-on' control by the researcher and in certain situations it yielded more accurate results than a probability sampling procedure. Stacks and Hocking (1999) define convenience sampling as questioning the people that are convenient to the researcher, and maybe necessary because of a limited amount of time or a limited access to people who work in this field. Intercept interviews using a questionnaire was administered involving marketing managers of IT firms to collect the information face-to-face, at specific locations, which in this case was at the different IT companies in Mauritius. between 14th January to 28th Feb 2002.

Findings
The surveyed population consisted of 63% of companies with <25 employees, 10% with between 25-50, 3% between 51-75, 17% between 76-100 and 7% with >100 employees.
The survey revealed that the majority of the IT companies were aware of the concept of CRM (i.e 76.7%) with no significant differences across demographic groups of companies concerning the practice of CRM.

Making it all work…
34% of IT companies said that CRM was meant for the *marketing* department, 23% for the *sales* department, 19% *customer service* department and 8% included top management participating in the process.IT companies must understand that a good CRM strategy involves everyone as Rich (2000) puts it, with CRM it is, as so often the case, a matter of all or nothing.

Customer satisfaction surveys
This survey found that only *3 of the 5 categories* of the population monitored the level of customer satisfaction; 57.9% were companies with less than 25 employees, 40.0% had between 76-100 staffs and 100% employed more than 100 people.

Companies with 25 50 and 26-75 employees did not monitor the level of customer satisfaction at all. of the companies having a database, 50.0% monitored their level of customer satisfaction and the rest did not; similarly out of those companies that did not have a database, 50.0% monitored the customer satisfaction level.
It seems that the existence of a database did not influence companies to monitor the level of customer satisfaction. Pearson Corelation (Table 1) showed that there was no relationship between the two variables ($r = 0$). Hence the degree to which companies monitor their level of customer satisfaction was independent of the existence of a database.
A majority of 73.3% used positive word of mouth as an indicator of customer satisfaction followed by 66.7% that viewed repeated sales as indication of whether their customer

were satisfied or not. Reduced costs of dealing with customers' and 'higher profitability' were among the techniques that were not frequently used with 13.3% each respectively. (Fig 1)'

Customer Records

A firm that applies a relationship-type strategy can monitor *customer satisfaction* by directly managing its *customer base* (Gronroos, 1990). Pearson Correlation however showed that there was no relationship (r = 0) between the two variables above that is, monitoring customer satisfaction and the presence of a database among the Mauritian IT companies.

Managing the customer base means that the firm has at least some kind of direct knowledge of how satisfied its customers are. Instead of thinking in anonymous numbers, or market share, management needs to think in terms of real people with personal reactions and opinions. This requires a means of gathering various types of data in the form of regular customer feedback which is an valuable source of information for decision-making

Customer Data – Key to successful relationships

All the companies had a database with the exception of 10.5% of the companies with less than 25 employees but only 70.0% used their databases to track changes in the demand pattern of their customers.

People cannot have much of a relationship with a product but they can have one with people. Adding to this problem is that too few practitioners make optimum use of their client databases by failing to *update* information, *quantify* the information, and *qualify* the clients it contains A well prepared, updated, easily retrievable and easy-to-read customer information file is needed to make it possible for employees to pursue a relationship-oriented customer contact. A good database will be an effective support for *cross-sales* and *new product offerings*.

In addition to the primary use of databases, i.e., maintaining customer relationships, Mauritian IT companies can use their databases for a variety of marketing activities, eg segmenting the customer base, tailoring marketing activities, generating profiles of customer types, supporting service activities and identifying high purchasers thus excluding unprofitable customers in their databases.

Online databases

As pointed out by Goonroos (1994), growing ranks of companies are embracing and integrating electronic communications into their operations in an effort to strengthen their databases and enhance relationships.

63.3% of the surveyed population had a web page and out of this portion, 52.6% used their web pages as a means of feedback via feedback questionnaires and forms and *only* 15.8% companies have restricted part of their web page to loyal customers.

The web-enabled technologies breeds more intimacy with customer bases and can act as a two-way customer interaction. IT firms that already have a web page can build up an online, real-time information system. The system will provide management with a continuously updated database of its customers and continuous information about the degree of satisfaction and dissatisfaction.

Data Mining and Warehousing

Only 28.6% of the Mauritian IT companies had '*data marts and warehouses*'. Which allows data to be cleaned, summarized, integrated and stored in data warehouses to support decision-making (Sugumaran and Bose, 1999). It can be derived that *data mining and warehousing* is still under-utilized in Mauritius.

Data mining is the automatic process of discovering meaningful correlations, patterns, and trends by sifting through large amounts of data stored in data warehouses. IT companies can thus extract previously unknown, actionable information from the growing base of accessible data in their data warehouses and consequently make business decisions *faster* and with a greater degree of *confidence*.

The difficulty however remains at the preliminary stages of selecting the proper set of tools for business managers' data analysis and mining needs, and in using and understanding these tools; technical expertise is thus required.

Technical expertise – Understanding of technology

No one expects people working in the CRM realm to have spent years in IT, learning how to develop applications or design system architecture. However, understanding how technology works and its limitations, and how it can be used in the context of the entire organization, is a critical skill. Finding people with such a mixed skill set (technical and marketing) can be challenging, but having people in charge of CRM who don't have a technical competency will likely create more challenges.

Factoring

Of the 93.3% companies that hold a database, very few had information about the Credit Rating (14.3%) and Credit limit (28.6%)
of their customers.

Many companies can make use of 'factoring' and *some have even started to*. Factoring can help companies to get the funding they need. An account receivable financing and factoring company gives the business an advance payment up front based on the accounts receivable and credit invoices. This allows the company to immediately get the cash flow and working capital it needs without having to wait until the credit period expires. Cash flow crunches can be avoided and companies do not have to worry about slow-paying or defaulting customers. If the sales go up, the amount of financing automatically goes up.

Customer Relationship Economics

Newell (2001) argues that it is not possible to manage customer relationships with every customer, the important questions to ask are: which ones and how many?

The survey showed that the companies having 25-100 staff maintained relationships with selected customers only, while only 26.3% of those having less than 25 employees focused on their market segments. Surprisingly, companies with more than 100 staffs seemed to treat all their customers on equal ground.

However, as Storbacka (1993) stated, customer retention is not enough; some long-lasting customer relationships, where the customers are obviously satisfied with what they get, are not profitable even in the long run. IT companies need to *segment* their market based on *customer relationship profitability* analysis which is a prerequisite for customer retention decisions. Their databases need to include information about the

profitability of customers[7.5] for them to target the 'good' customers. Companies need to *differentiate* customers first by their value[7.6] and then by their needs.

Success comes from great service!

Webster (1994) stated that the core product is less often the reason for dissatisfaction than the elements surrounding the core. The results show that IT companies found it more important to '*maintain a relationship with customers*' and '*value added services*' than '*the quality of products*'. But does that mean that IT companies can offer poor quality products? Crosby and Stephens (1987) hold that relationship marketing adds value to the product/service by meeting certain peripheral demands besides the core product/service quality. The value-generating processes of the companies have to be designed to make it possible to serve customers and produce and deliver a *total service offering*.

Internal focus

Berry and Parasuraman (1991) focused on the value of treating staff the way you would want them to treat customers. The success of CRM is, to a large extent, dependent on the attitudes, commitment and performance of the employees. Hence, for IT companies to succeed on the external marketplace they need to have initial success internally in motivating employees and getting their commitment to the pursuit of a CRM strategy. CRM is therefore, highly dependent on how well companies continuously organize the internal marketing process.

The results of the survey show that there is a low negative correlation between the rate of employee turnover and whether training is given to employees ($r = -0.67$). It seems that as the level of training increases in organization, the rate of employee turnover tends to decrease. Thus, IT companies need not only to *invest in their workforce* but also find various ways to maintain their level of motivation at an optimum level. Other means that were underutilized like reward system (26.7%), social activities (13.3%), incentives and benefits (26.7%) and spread of knowledge (30%) can be used alongside with training.

Knowledge Management

The common denominator in all *internal marketing* perspectives is *knowledge* renewal. E.g. to answer customer queries effectively and efficiently, front-line and support staff need to know procedures, have product knowledge and regular updates. Only 30% of IT companies focused on the '*spread of knowledge*' in companies; it can be deduced that IT companies have not yet realized the importance of knowledge management amidst organizations.

CRM Softwares

Some of the value that technology brings to the table of CRM is through increased customer interaction that does not necessarily occur with a human being. It offers the customer the convenience and ability to get something they need without having to rely on a busy human being or worse, lazy human being.

On the whole, moderate importance has been attributed to the use of sophisticated software to maintain a long-term relationship with customers (mean = 3.90). 25.0% of companies with less than 25 staff had a CRM software system. While companies with 25-50 employees did not have a CRM software system, those with more than 50 staff had at least one CRM software system. This leads to the deduction that small as well as large companies have the capability to invest in CRM softwares. IT companies that have not yet invested in CRM software must perform a cost-benefit analysis of CRM softwares see how this can enable a more systematic way of managing customer relationships on a larger scale.

Customer segmentation

Whether CRM efforts are focused on customer service, personalization, merchandising, or marketing messaging, defining what is the right communication to a specific customer under specific circumstances is a challenge. Defining customer clusters or customer segments is a critical step to being able to do this. Companies however should not expect a piece of software to solve all the challenges. Even if software dynamically segments users, companies still need to define attributes and build predictive models.

While many tools on the market offer clustering and segmentation capabilities, it helps to have those tools used by *people experienced* in analyzing data, developing segmentation models, and defining customer attributes.

Discussion

The goal of achieving better relationships with customers is too central to be ignored. CRM tools may have been overhyped but the key objectives underpinning them are to know customers better and to interact with them more intimately. CRM should not be regarded just an IT budget item. It is an expression of a larger business strategy in order to move closer to the customer. It needs careful planning, strong leadership and collaboration across the departments

The basic idea behind CRM is to collect, in one place, every piece of information about a customer and use that information to develop and implement more targeted and accurate marketing and customer servicing strategies. At the same time, CRM automation tools can reduce costs. Companies came to believe that by using technology to tailor their offerings to individual customers' needs, customer loyalty - and company profit would soar.

Data can be great to have, but once companies obtain it, the burden really is on how to use it to its full benefit, that is, not only using it for *the companies'* benefits, but for the *user's* benefit as well. Storing user data has its special responsibilities and privileges. IT companies must have a clear, easily accessible privacy policy and follow it to the letter, practice discretion and employ stringent security methods. While companies sometimes need demographic data to sell ads, they can give something back to the user in exchange for his/her data, like targeted news, special service, informational emails, or streamlined ordering. Once IT companies have got a detailed behavioural, demographic, and purchase data, and they have been able to segment their user population into distinct groups.

IT companies must also be able to distinguish between the various categories of customers:

- *The customer is loyal and profitable* – the companies can focus on deepening the relationship, strengthening loyalty and optimizing profitability through cross- and up-selling.
- *The customer is loyal but unprofitable* – the companies should maintain the relationship and secure loyalty because the customer may still become profitable through cross- and up-selling. If not, the customer should be dropped.
- *The customer is profitable but not loyal* – in this case the companies should focus completely on strengthening the relationship and building loyalty.
- *The customer is not loyal and unprofitable* – it is probably worth considering giving the customer to competitors.

The main benefits surrounding CRM lay in the fact it promises a win-win benefits, greater efficiencies and higher-spending customers. It is a data-driven approach that, at best, enables companies to assess each customer's current needs and potential profitability cost-effectively and to tailor offers and services accordingly. Done right, it enhances customers' loyalty and boosts revenue.

Conclusion

Like most technology investments, hardware and software on its own will not change a company. A clear business strategy is needed to achieve that. Agreeing on the goals of CRM investment and the ways to measure its progress is crucial in a CRM implementation. Effective training programmes help to address a weak point in many CRM implementations - people skills. It also requires effective leadership and the systems need to be owned and understood by the users for both these capabilities - technological and organisational to be embedded and demonstrate its merits.

CRM tools allow collection of meaningful data and analysis to gain true insights to help launch tailored marketing campaigns and increase customer loyalty. In order to radically improve marketing insights from data can be integrated into frontline operations, where real-time decisions and value-based offers, both human and automated can be delivered.

This survey has shown that IT companies were aware of the concept of CRM and that the majority of Mauritian IT companies were investing in CRM whilst the remaining were implementing partial CRM. Therefore CRM is not a myth. ‘Relationship with customers’, ‘value added services’ and ‘trust’ were also considered to be vital components for long term profitability. Mauritius is developing the right competences in the IT sector to compete in the global economy and make its aspiration of becoming a cyber island a reality. Future studies can be undertaken using larger samples and measure the outcomes of CRM implementation within the Mauritian IT sector.

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Appendix 1

Table 1: Pearson Correlation has been used to determine the relationships between the 2 variables above, that is, monitoring customer satisfaction and the presence of a database.

	Do you monitor the level of customer satisfaction in organization?
Does your organization have database?	**PEARSON CORRELATION (VALUE "r")**
	0.000

Table 1: Relationship between monitoring the level of customer satisfaction in the company and the existence of a database

Figure 1: Ways in which the various companies monitor the level of customer satisfaction in your company?