International Journal for Multidisciplinary Research (IJFMR)
E-ISSN: 2582-2160 ● Website: www.ijfmr.com ● Email: editor@ijfmr.com

Driving SME Performance in the Global South: A Systematic Review of Relational CRM Mechanisms, Outcomes, and Future Research Directions

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Abstract

Purpose: This systematic literature review synthesizes research from 2017 to 2025 on relational customer relationship management (CRM) within small and medium-sized enterprises (SMEs) across the Global South. It investigates the relational mechanisms through which CRM practices affect SME performance, accounting for the unique institutional, social, and economic dynamics of emerging and developing market contexts.

Design/methodology/approach: Guided by the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA 2020) framework, a selection process identified 45 empirical studies published across major academic databases. The review maps geographical, methodological, and theoretical trends, synthesizing relational CRM mechanisms and organizational outcomes.

Findings: Relational CRM operates not merely as a technological system but as a high-order relational capability. The analysis demonstrates that CRM practices enhance firm performance indirectly through core relational mechanisms: trust, commitment, satisfaction, relationship quality, customer engagement, and collaborative communication. These mechanisms translate into financial, customer, market, and organizational performance. However, these pathways are heavily moderated by internal digital capabilities and external environmental turbulence, institutional voids, and cultural relational norms.

Theoretical implications: The study synthesizes the Resource-Based View (RBV) and Social Exchange Theory (SET) into an integrated conceptual model. RBV explains relational CRM as an internal strategic capability, whereas SET characterizes the reciprocal customer-side mechanisms that convert firm efforts into sustained competitive advantage.

Practical implications: SME owner-managers in the Global South must prioritize relational mechanisms over simple technology acquisition. Investing in customer trust, personalized communication, and mutual commitment yields higher returns than unaligned operational software implementations.

Originality/value: This paper provides a systematic integration of relational CRM mechanisms and SME performance outcomes specifically focused on Global South contexts, offering an actionable agenda for future research.

Keywords: Relational CRM, Customer Relationship Management, SME Performance, Social Exchange Theory, Resource-Based View, Relationship Quality, Trust, Global South, Systematic Literature Review.

1. Introduction

1.1 Background to the Study

Small and medium-sized enterprises (SMEs) represent the structural backbone of economies across the Global South, accounting for over 90% of all businesses and providing the vast majority of private-sector employment (Manzoor et al., 2021). In developing and emerging regions, including Sub-Saharan Africa, Latin America, South Asia, and Southeast Asia, SMEs drive economic diversification, industrial innovation, and poverty reduction. Despite their critical economic role, SMEs operate in volatile, uncertain, and competitive market environments. Facing intense rivalry from both domestic informal entities and multinational corporations, these firms must secure sustainable growth pathways.

Historically, business survival depended on transaction-focused marketing strategies centered on short-term sales volume and aggressive price competition. However, escalating acquisition costs and hyper-competitive markets have prompted a strategic pivot toward relationship marketing. Modern market dynamics require SMEs to transition from transactional exchanges toward long-term customer relationship building. Within this paradigm, Customer Relationship Management (CRM) has emerged as a strategic capability for firm survival and market expansion (Amoah et al., 2023).

Crucially, CRM should not be conceptualized merely as an operational software application or a technological infrastructure project. While technological CRM tools facilitate data collection and sales force automation, their ultimate effectiveness depends on the relational mechanisms they enable (Chatterjee et al., 2021). In resource-constrained environments, software adoption alone rarely yields competitive advantage. Instead, firm success relies on cultivating relational CRM an organizational philosophy and strategic practice focused on building, maintaining, and enhancing mutual value, trust, and long-term commitment with clients (AlQershi et al., 2020). Relational CRM treats the customer relationship as a strategic asset, leveraging communication, empathy, and personalized service to drive continuous relational exchange.

1.2 Relational CRM and SME Performance

Unlike technological CRM, which emphasizes software infrastructure and data management, relational CRM focuses on human-centric capabilities, organizational practices, and exchange processes that strengthen customer-firm ties (Nam et al., 2019). It integrates relational dimensions such as open communication, shared values, conflict handling, personal responsiveness, and customer orientation (Shubita, 2024).

The fundamental premise connecting relational CRM to SME performance rests on a sequential path: relational CRM practices trigger positive customer-side psychological and behavioral mechanisms, which subsequently yield market and financial performance outcomes. When SMEs deploy relational CRM practices, such as tailored customer support, transparent communication, and reliable service fulfillment, they trigger underlying relational mechanisms including trust, commitment, satisfaction, relationship quality, customer engagement, and relational capital (Agyapong et al., 2024; Rotich, 2025).

These psychological and behavioral responses encourage customer retention, word-of-mouth advocacy, reduced price sensitivity, and higher lifetime value (Sadiku-Dushi et al., 2019). Consequently, relational CRM practices indirectly convert firm efforts into tangible performance outcomes, including revenue growth, profitability, customer acquisition, market share, and organizational resilience (Oduro & Mensah-Williams, 2023).

1.3 The Global South Context

Understanding relational CRM requires evaluating the specific socio-economic environments in which

firms operate. Evidence from developed economies cannot be indiscriminately generalized to the Global South due to distinct institutional, organizational, and cultural environments.

SMEs in the Global South face systemic resource constraints, including restricted access to formal credit, infrastructure deficiencies, digital skill shortages, and institutional voids. In regions marked by weak formal legal systems and contract enforcement mechanisms, business transactions rely heavily on informal networks, social capital, and interpersonal trust (Nketsiah & Van der Westhuizen, 2025). Relational orientation is often embedded within the cultural context; personal relationships, community ties, and reciprocity frequently govern commercial exchange.

Furthermore, Global South SMEs are heavily owner-manager dependent (Wiid, 2025). Decision-making, strategic posture, and direct customer interactions stem directly from the owner's personal network and social leadership. However, the Global South is not monolithic. Significant structural variations exist across Sub-Saharan Africa, Latin America, South Asia, and Southeast Asia in digital infrastructure, market maturity, regulatory clarity, and cultural dynamics. A tailored synthesis of relational CRM in these varied contexts is essential to understand how small firms leverage relationships to offset institutional and financial liabilities.

1.4 Problem Statement and Research Gap

Despite growing academic literature on relationship marketing, existing research exhibits theoretical, empirical, and contextual limitations:

First, mainstream CRM literature often evaluates CRM as a broad technological tool or operational software, frequently overlooking the social and psychological mechanisms that link CRM activities to financial outcomes (Chatterjee et al., 2021).

Second, empirical CRM studies remain heavily concentrated on large enterprises in North America and Western Europe. These models assume mature digital infrastructures, stable institutions, and formal contractual enforcement, conditions largely absent in developing nations.

Third, existing studies frequently examine individual relational variables (such as trust or satisfaction) in isolation, failing to integrate these factors into a multi-dimensional relational framework.

Fourth, literature on SMEs in emerging economies often focuses on generic customer outcomes (such as immediate satisfaction) without demonstrating how these intermediate outcomes translate into broader financial, non-financial, and organizational SME performance (Qalati et al., 2021).

Consequently, a research gap persists: the literature acknowledges the importance of customer relationships, but remains fragmented regarding the specific relational mechanisms through which relational CRM practices translate into SME performance within the institutional and economic environments of the Global South. This systematic literature review addresses this gap by synthesizing empirical research published between 2017 and 2025.

2. Research Objectives and Questions

This systematic review evaluates the state of relational CRM literature in Global South SMEs to synthesize structural mechanisms, contextual boundary conditions, and organizational outcomes.

2.1 Research Questions

- **RQ1:** What relational CRM practices and specific relational mechanisms have been examined in relation to SME performance in the Global South between 2017 and 2025?
- **RQ2:** Through what specific relational mechanisms do CRM practices translate into financial, customer, market, and organizational performance in Global South SMEs?

- **RQ3:** What contextual, organizational, and environmental factors moderate the effectiveness of relational CRM mechanisms in Global South SMEs?
- **RQ4:** What theoretical, methodological, and contextual gaps remain in the literature, and what future research agenda should be pursued?

3. Theoretical Foundations

To establish a clear framework for relational CRM in Global South SMEs, this review integrates two complementary theoretical perspectives: the Resource-Based View (RBV) and Social Exchange Theory (SET).

3.1 Resource-Based View (RBV)

Formulated by Barney (1991), the Resource-Based View posits that firms achieve sustainable competitive advantage by acquiring, developing, and deploying resources and capabilities that are Valuable, Rare, Inimitable, and Non-substitutable (VRIN). In small firm research, RBV explains how resource-constrained SMEs leverage internal competencies to compete against larger rivals.

Relational CRM represents a strategic organizational capability under RBV (AlQershi et al., 2020). While technology applications can be purchased off-the-shelf by competitors, a firm's internal capacity to deploy relational CRM, combining customer knowledge management, employee empathy, relationship-oriented routines, and communication capabilities, constitutes a rare and inimitable resource.

In the Global South, where financial and technological capital are scarce, relational CRM capability serves as an engine for resource augmentation. SMEs that cultivate deep customer knowledge, proactive communication routines, and trust-building capabilities transform raw relational assets into sustained customer retention and superior organizational performance (Oduro & Mensah-Williams, 2023).

3.2 Social Exchange Theory (SET)

Rooted in Blau's (1964) sociological framework, Social Exchange Theory posits that human and organizational interactions are governed by non-contractual exchanges built on perceived benefits, trust, and the expectation of mutual reciprocity. Unlike transactional economic exchanges characterized by immediate, formal obligations, social exchanges involve open-ended, long-term investments where one party provides value with the expectation of future reciprocal returns.

SET offers an explanatory framework for customer-side relational mechanisms. When an SME implements relational CRM practices, such as active listening, personalized care, fair conflict handling, and flexible service, customers perceive high relationship value and care. According to the principle of reciprocity, customers respond by developing psychological attachment, personal trust, and organizational commitment (Khan et al., 2025).

These psychological states manifest in behavioral reciprocity: continuous repeat purchases, immunity to competitor promotions, positive word-of-mouth recommendations, and direct involvement in service co-creation (Suryani et al., 2021).

3.3 Theoretical Integration: RBV and SET

Combining RBV and SET creates a conceptual framework bridging firm-level capabilities and customer-level relationship dynamics:

- **RBV operates on the firm side**, explaining how an SME structures, bundles, and deploys internal relational routines and customer-centric capabilities to generate strategic advantage (Barney, 1991).
- **SET operates on the exchange side**, explaining the psychological and behavioral mechanisms that occur within the customer when exposed to those firm capabilities (Blau, 1964).

Together, RBV and SET establish a theoretical chain: firm relational CRM capability (RBV) drives high-quality social exchange interactions (SET), which generate reciprocal customer relational assets (trust, commitment, engagement), ultimately resulting in sustainable competitive advantage and SME performance outcomes.

4. Methodology

4.1 Systematic Review Design

This study employs a systematic literature review design following the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA 2020) framework (Page et al., 2021). A systematic review design ensures methodological transparency, reproducibility, and rigorous synthesis, minimizing selection bias through explicitly defined search strategies, eligibility criteria, and structured data extraction procedures.

4.2 Search Strategy and Databases

A search was conducted across five academic publication databases: Scopus, Web of Science, ScienceDirect, Emerald Insight, and Wiley Online Library. The publication window was restricted to studies published between January 2017 and December 2025.

The search strategy combined Boolean operators (AND, OR) across four key thematic blocks:

- **Block 1 (CRM & Relationship Marketing):** ("Customer Relationship Management" OR "CRM" OR "relational CRM" OR "relationship marketing" OR "customer engagement" OR "relationship quality").
- **Block 2 (SMEs):** ("SME" OR "SMEs" OR "small and medium enterprise" OR "small business" OR "microenterprise").
- **Block 3 (Relational Mechanisms & Performance):** ("trust" OR "commitment" OR "satisfaction" OR "loyalty" OR "firm performance" OR "financial performance" OR "competitive advantage").
- **Block 4 (Context):** ("Global South" OR "developing economy" OR "emerging market" OR "Africa" OR "Latin America" OR "South Asia" OR "Southeast Asia").

4.3 Eligibility Criteria

Studies were evaluated against explicit inclusion and exclusion criteria to ensure academic quality and topical relevance.

Inclusion Criteria:

- Published in English in peer-reviewed journals between 2017 and 2025.
- Focuses primarily on small and medium-sized enterprises (SMEs) or small micro-firms.
- Investigates relational CRM practices, relationship marketing, or specific relational mechanisms (e.g., trust, commitment, loyalty).
- Evaluates organizational, financial, market, or customer performance outcomes.
- Empirically situated within countries defined as emerging, developing, or Global South economies.
- Presents original empirical qualitative, quantitative, or mixed-methods data.

Exclusion Criteria:

- Studies published before 2017 or after 2025.
- Non-peer-reviewed literature, including conference abstracts, book chapters, working papers, dissertations, and editorials.
- Studies focusing exclusively on large corporations, multinational enterprises, or state-owned monopolies.

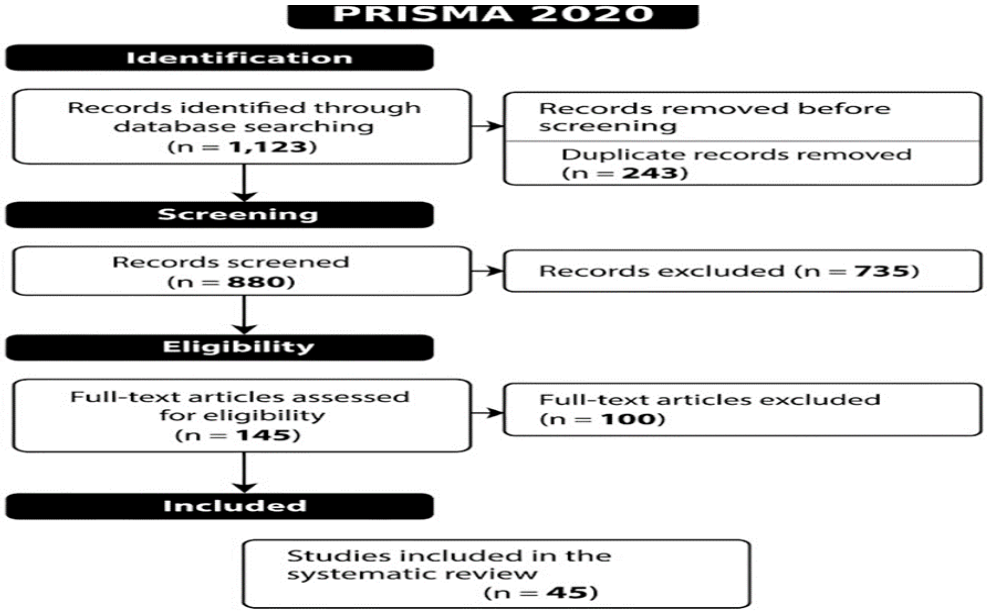
- Research focusing solely on technical/software architecture without evaluating relational or firm performance dimensions.
- Studies conducted entirely within developed high-income economies.

4.4 Selection Process

The initial database search yielded 1,123 potential records. After removing 243 duplicate entries using bibliographic management software, 880 unique records remained. The titles and abstracts of these 880 records were screened against the inclusion/exclusion criteria, resulting in the exclusion of 735 studies that were conceptually irrelevant, non-empirical, or set outside the specified geographic scope.

The remaining 145 full-text articles were retrieved and assessed for eligibility. Following full-text evaluation, 100 articles were excluded due to missing relational CRM operationalizations, non-SME samples, or insufficient performance data. This filtering process yielded a final sample of 45 empirical studies included in the review.

Figure 1: PRISMA 2020 flow Diagram



5. Descriptive Characteristics of Included Studies

5.1 Temporal Distribution

Publication trends between 2017 and 2025 demonstrate growing academic focus on relational CRM within Global South small businesses. Publications steadily increased over this period, reflecting growing recognition of digital transformation, social CRM adoption, and customer retention strategies during global market disruptions (Trawnih et al., 2021).

5.2 Geographic Breakdown

The 45 synthesized studies cover various geographical sub-regions within the Global South, highlighting regional differences in economic structure and relational dynamics:

- **Sub-Saharan Africa (35.6%):** Ghana, Nigeria, Kenya, South Africa, Uganda (Agyapong et al., 2024; Nketsiah & Van der Westhuizen, 2025; Oduro & Mensah-Williams, 2023; Rotich, 2025).
- **South Asia (24.4%):** India, Pakistan, Bangladesh (Chatterjee et al., 2021; Khan et al., 2025).

- **Southeast Asia (22.2%):** Indonesia, Malaysia, Vietnam, Thailand (Patma et al., 2021; Qalati et al., 2021; Suryani et al., 2021).
- **Latin America (11.1%):** Brazil, Mexico, Colombia, Peru.
- **Middle East & North Africa (6.7%):** Jordan, Egypt, Morocco (Trawnih et al., 2021).

Sub-Saharan Africa and South Asia represent the majority of included studies, driven by significant academic interest in micro-enterprise survival, informal commerce, and mobile-enabled relationship management.

5.3 Methodological and Analytical Profile

Methodologically, the reviewed literature relies heavily on quantitative research designs. Cross-sectional survey instruments dominated the empirical landscape, typically collecting self-reported data from SME owner-managers or primary customers.

Analytically, Partial Least Squares Structural Equation Modeling (PLS-SEM) emerged as the primary analytical tool across more than half of the included studies (e.g., AlQershi et al., 2020; Qalati et al., 2021). This reflects PLS-SEM's suitability for complex non-parametric frameworks, moderate sample sizes, and exploratory structural modeling typical of small business research in developing markets.

6. Synthesis of Relational CRM Mechanisms

The systematic analysis reveals that relational CRM practices do not impact SME outcomes in isolation. Instead, they operate through interconnected psychological, behavioral, and structural mechanisms.

6.1 Trust Building

Customer trust emerges as the primary relational mechanism linking firm CRM behavior to customer retention and firm performance (Nketsiah & Van der Westhuizen, 2025). In Global South economies marked by institutional voids and limited legal recourse, trust functions as a critical governance mechanism that replaces formal contracts.

Relational CRM practices, such as fulfillment reliability, transparent pricing, post-sale support, and open communication, consistently build customer trust. When SMEs demonstrate competence and integrity, customer risk perceptions drop, enabling sustained, low-friction economic transactions.

6.2 Customer Commitment

Commitment represents a customer's enduring desire to maintain a valued relationship. The literature distinguishes between affective commitment (emotional attachment and shared values) and calculative commitment (perceived economic dependence and switching costs).

Relational CRM fosters high affective commitment by making customers feel recognized, respected, and valued (Khan et al., 2025). In Global South contexts, affective commitment generated through personalized customer care yields high resistance to low-price competitor offers.

6.3 Relationship Quality

Relationship quality is conceptualized as a high-order construct comprising trust, satisfaction, commitment, and minimal relational friction (Rotich, 2025). The synthesized literature demonstrates that high relationship quality reduces transaction costs, minimizes negotiations, and drives customer lifetime value (Lecerf & Omrani, 2020).

For resource-constrained SMEs, high relationship quality acts as a defensive buffer, insulating the business during supply chain disruptions or operational delays common in developing markets.

6.4 Customer Satisfaction and Value Perception

While transactional satisfaction measures short-term evaluations of specific purchases, cumulative relatio-

nal satisfaction evaluates the full customer experience over time (Sadiku-Dushi et al., 2019). Relational CRM enhances cumulative satisfaction by delivering consistent service quality, rapid inquiry resolution, and tailored value propositions (Shubita, 2024).

In emerging markets, perceived value includes both functional quality and social/relational value, reinforcing customer appreciation for accessible, highly responsive small enterprise managers.

6.5 Customer Engagement and Social CRM

A major trend in the 2017–2025 literature is the evolution of relational CRM into Social CRM, leveraging digital communication platforms like WhatsApp, WeChat, Facebook, and Instagram to foster active customer engagement (Amoah et al., 2023; Chatterjee et al., 2021).

In developing markets, mobile-first instant messaging platforms allow SMEs to maintain low-cost, continuous, dynamic interaction with customers (Patma et al., 2021; Suryani et al., 2021). This ongoing dialogue transforms passive buyers into active participants who co-create value, provide direct feedback, and amplify the firm's reach through digital word-of-mouth recommendations.

7. Impact of Relational CRM on SME Performance Outcomes

The synthesized literature provides evidence that relational CRM mechanisms drive multi-dimensional firm performance. The synthesized outcomes span four primary categories:

7.1 Financial Performance

Financial indicators remain the benchmark of enterprise viability. Relational CRM mechanisms directly and indirectly improve financial metrics by:

- **Driving Sales Volume and Revenue Growth:** Repeat purchases from trust-committed customers generate predictable, expanding revenue streams (Shubita, 2024).
- **Enhancing Profitability and Profit Margins:** Retaining existing customers costs significantly less than acquiring new ones. Furthermore, highly committed customers demonstrate lower price sensitivity, enabling SMEs to maintain healthy profit margins (Nketsiah & Van der Westhuizen, 2025).
- **Maximizing Customer Lifetime Value (CLV):** Deep relationships increase customer lifetime spending through cross-selling and up-selling opportunities over extended temporal horizons.

7.2 Customer-Level Performance

Customer performance outcomes capture the direct behavioral metrics of relationship health:

- **Customer Retention and Reduced Churn:** Trust and relationship quality lower customer defections, providing client stability in volatile markets (Rotich, 2025).
- **Positive Word-of-Mouth (WOM) and Advocacy:** Satisfied, engaged customers act as brand advocates. In close-knit Global South communities, informal verbal and digital referrals serve as a primary low-cost customer acquisition engine (Suryani et al., 2021).
- **Brand Loyalty and Switching Resistance:** Emotional commitment buffers SMEs against aggressive pricing strategies from larger corporate competitors (Sadiku-Dushi et al., 2019).

7.3 Market and Competitive Performance

Relational mechanisms strengthen an SME's position within its broader operating industry:

- **Market Share Expansion:** High retention paired with organic word-of-mouth acquisition expands the SME's local market share (Khan et al., 2025).
- **Sustainable Competitive Advantage:** Competitors can duplicate products or match prices, but cannot easily replicate deep, trust-based relational networks built over years of personal interaction (AlQershi et al., 2020).

- **Successful Market Penetration:** Established relational networks provide the credibility needed to launch new product lines or expand into adjacent geographic markets (Lecerf & Omrani, 2020).

7.4 Non-Financial and Organizational Performance

Relational CRM yields qualitative benefits that enhance internal firm operations:

- **Organizational Resilience:** Strong customer relationships help SMEs weather macro-economic shocks, inflation spikes, and local market disruptions through sustained client loyalty (Agyapong et al., 2024; Trawnih et al., 2021).
- **Collaborative Innovation:** High engagement encourages transparent customer feedback, enabling SMEs to quickly adapt products and services to shifting market demand (Oduro & Mensah-Williams, 2023).
- **Enhanced Firm Reputation:** Ethical relational CRM practices build community social capital, strengthening the firm's broader reputation among suppliers, financiers, and local institutions (Nketsiah & Van der Westhuizen, 2025).

8. Contextual Moderating Factors in the Global South

The relationship between relational CRM capabilities, customer mechanisms, and SME performance is not uniform; it is shaped by several internal and external contextual moderators.

8.1 Digital Capabilities and Infrastructure

An SME's internal digital literacy and technological maturity strongly moderate relational outcomes (Chatterjee et al., 2021). While low-tech relational efforts (such as in-person rapport) remain effective, combining personal relationships with digital capabilities, like mobile CRM software or structured social media management, significantly amplifies relational reach, responsiveness, and performance impact (Amoah et al., 2023; Patma et al., 2021).

8.2 Institutional Voids and Regulatory Environments

Institutional voids, including weak formal contract enforcement, inefficient courts, and unpredictable regulatory bodies, shape business exchanges across the Global South.

Under high institutional void conditions, formal transaction mechanisms carry higher cost and risk. Consequently, the performance impact of relational mechanisms like trust and mutual commitment becomes even more pronounced, serving as a vital informal governance structure (Nketsiah & Van der Westhuizen, 2025).

8.3 Environmental Turbulence and Volatility

External market turbulence, high inflation, currency fluctuations, and economic uncertainty alter relationship dynamics (Agyapong et al., 2024; Homburg & Wielgos, 2022). In highly turbulent environments, relational CRM provides essential stability, enabling SMEs with high customer trust and relationship quality to retain clients far more effectively than transactional competitors (Trawnih et al., 2021).

8.4 Cultural Orientation and Social Capital

Cultural norms heavily influence exchange behaviors. Collectivist values, high power distance, and strong community structures across regions like Sub-Saharan Africa, South Asia, and Latin America prioritize personal connection, respect, and long-term reciprocal ties. Relational CRM strategies aligned with these local socio-cultural norms deliver stronger customer attachment and higher performance returns (Wiid, 2025).

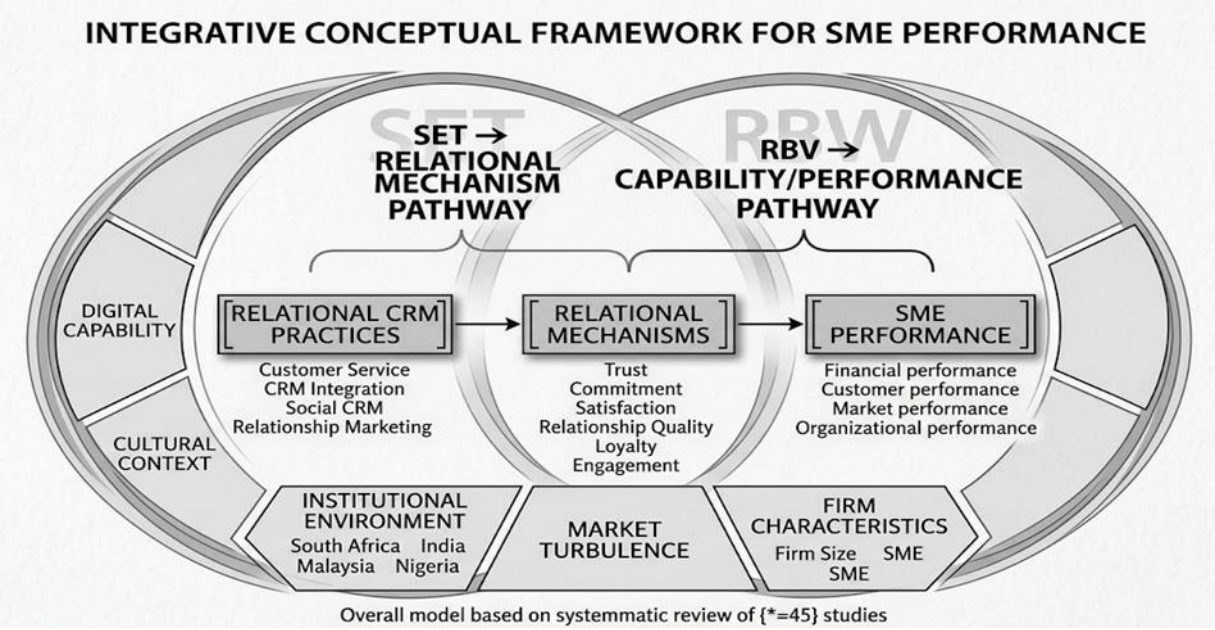
9. Integrated Conceptual Framework

To synthesize the literature's empirical insights, this review presents an integrated conceptual framework mapping the relationship from firm-level relational CRM capabilities to intermediate exchange mechanisms, moderating contextual drivers, and final SME performance outcomes.

The theoretical framework links internal firm capabilities (RBV) to customer-side relational exchanges (SET):

1. **Firm Relational CRM Capabilities (RBV Perspective):** Customer Knowledge Management, Relational Communication, Responsiveness & Flexibility, Personalization Capabilities, and Conflict Handling Routines (AlQershi et al., 2020; Barney, 1991; Oduro & Mensah-Williams, 2023).
2. **Relational Mechanisms (SET Perspective):** Interpersonal & Firm Trust, Affective Commitment, Relationship Quality, Perceived Value & Satisfaction, and Digital Customer Engagement (Blau, 1964; Khan et al., 2025; Rotich, 2025; Suryani et al., 2021).
3. **SME Performance Outcomes:** Financial Performance (Revenue Growth, Profitability, CLV), Customer & Market Outcomes (Retention, Advocacy, Sustainable Advantage), and Organizational Resilience (Agyapong et al., 2024; Nketsiah & Van der Westhuizen, 2025; Shubita, 2024).
4. **Contextual Moderators:** Digital Capabilities & Tech Literacy, Institutional Voids & Weak Enforcement, Environmental Turbulence & Volatility, and Cultural Relational Norms (Amoah et al., 2023; Chatterjee et al., 2021; Homburg & Wielgos, 2022).

Figure 2: Integrated Conceptual Framework



This framework demonstrates that relational CRM capabilities (rooted in RBV) build essential relational mechanisms (rooted in SET). These intermediate mechanisms convert firm practices into tangible financial, customer, market, and organizational performance outcomes, within the boundary conditions set by Global South operating environments.

10. Discussion

10.1 Key Findings and Synthesis

This systematic review demonstrates that relational CRM enhances SME performance across the Global South. However, the path from practice to performance is indirect. Relational CRM generates firm performance not simply because software or operational routines are implemented, but because those practices build key psychological and social assets: trust, commitment, relationship quality, and engagement (AlQershi et al., 2020; Rotich, 2025).

The findings highlight that in resource-constrained, institutionally weak environments, relational capabilities serve as an effective substitute for large capital investments and formal legal mechanisms (Nketsiah & Van der Westhuizen, 2025). Small businesses that systematically listen to, communicate with, and deliver value to their clients build defensive and offensive market advantages that larger corporate rivals struggle to duplicate.

10.2 Integration of RBV and SET

By integrating RBV and SET, this review clarifies the theoretical framework connecting firm actions to market results. RBV explains how an SME's internal relational CRM capability acts as a VRIN resource, converting scarce operational inputs into high-value market capabilities (Barney, 1991; Oduro & Mensah-Williams, 2023). SET completes the model by explaining customer-side responses: relational CRM practices trigger positive social exchanges, prompting customers to reciprocate with loyalty, price tolerance, advocacy, and repeat business (Blau, 1964; Khan et al., 2025).

Together, RBV and SET explain both firm capability construction and customer exchange dynamics within a single framework.

10.3 The Distinctive Global South Context

Context is central to relational CRM effectiveness. In developed market economies, CRM often relies on automated algorithms, formal data processing, and legal contract enforcement. In contrast, in the Global South, relational CRM is personal, interpersonal, and culturally embedded (Wiid, 2025).

Mobile instant messaging platforms have bridged the digital divide, allowing resource-constrained SMEs to maintain continuous personal relationships at scale (Amoah et al., 2023; Patma et al., 2021). Trust acts as informal governance, mitigating institutional risks and lowering transaction friction for small enterprises (Nketsiah & Van der Westhuizen, 2025).

11. Theoretical Contributions and Managerial Implications

11.1 Theoretical Contributions

This systematic review advances the relationship marketing and SME management literature in three fundamental ways:

1. **Consolidation of Relational Pathways:** It synthesizes a body of literature, establishing a conceptual model connecting relational CRM practices, intermediate relational mechanisms, and multi-dimensional SME performance.
2. **Dual Theoretical Integration:** It unites RBV (firm-side capability) and SET (customer-side reciprocal exchange) into a dual framework, explaining both how relational capabilities are structured and why customers respond positively to them (Barney, 1991; Blau, 1964).
3. **Contextual Conceptualization:** It contextualizes relational CRM theory within the structural, institutional, and cultural realities of the Global South, moving beyond the application of Western corporate models.

11.2 Managerial Implications for SME Owner-Managers

For SME entrepreneurs and owner-managers operating across developing and emerging markets, this study offers strategic guidance:

- **Focus on Relationships Over Software:** Avoid purchasing expensive, complex software without first establishing customer-centric values, empathetic communication, and reliable service routines (Chatterjee et al., 2021). Technology should support relationship building, not replace it.
- **Prioritize Customer Trust:** Treat customer trust as a primary financial asset. Deliver consistent quality, address customer grievances quickly, and practice transparent pricing to lower customer risk perceptions (Nketsiah & Van der Westhuizen, 2025).
- **Leverage Mobile Social CRM:** Use accessible, low-cost digital tools like instant messaging platforms to maintain personalized, ongoing communication with key client segments (Amoah et al., 2023; Patma et al., 2021).
- **Shift Focus from Acquisition to Retention:** Allocate strategic attention and resources toward retaining high-value existing customers, as long-term retained relationships yield higher profit margins than continuous customer acquisition (Sadiku-Dushi et al., 2019).

12. Future Research Agenda

Despite empirical advances between 2017 and 2025, theoretical, methodological, and contextual gaps remain in the relational CRM literature.

12.1 Theoretical Directions

- **Multi-Theory Integration:** Future studies should integrate dynamic capabilities theory and institution-based views alongside RBV and SET to better model how SMEs adapt relational capabilities during severe institutional or macro-economic shocks (Agyapong et al., 2024).
- **Dark Side of Relationships:** Research should investigate potential negative aspects of deep customer relationships in small firms, such as client lock-in, opportunistic demands from long-term clients, or operational burn-out among owner-managers.

12.2 Methodological Opportunities

- **Longitudinal Research Designs:** Over 70% of current studies rely on cross-sectional survey data, limiting causal claims. Future research should employ longitudinal designs to track how relational mechanisms evolve and impact firm performance over time.
- **Dyadic and Objective Data Collection:** Scholars should collect dyadic data matching SME owner responses directly with customer perceptions, while replacing self-reported financial metrics with objective accounting or transaction records.

12.3 Contextual and Emerging Frontiers

- **Under-Researched Regions and Micro-Enterprises:** Expanded empirical focus is needed on under-represented Global South regions (such as Central Africa and indigenous Latin American communities) and informal micro-enterprises.
- **Artificial Intelligence and Automation:** As AI-driven communication and predictive analytics reach developing markets, future research must evaluate how small firms can integrate automated AI tools without degrading the personal trust and human attachment central to relational CRM.

13. Conclusion

This systematic literature review synthesizes research from 2017 to 2025 on relational CRM mechanisms

and SME performance across the Global South. The analysis reveals that relational CRM acts as a strategic engine for small business growth, operating through core relational mechanisms: trust, commitment, relationship quality, satisfaction, and engagement.

Supported by an integrated Resource-Based View and Social Exchange Theory framework, the study demonstrates that firm-level relational capabilities drive customer reciprocity, yielding improved financial, customer, market, and non-financial performance. In the institutionally complex, resource-constrained environments of the Global South, cultivating deep, trust-based customer relationships is a strategic capability for long-term firm survival, competitiveness, and sustainable growth.

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