

**THE IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT ON RETAIL  
BANKING USING SELF-SERVICE CHANNELS**

by

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## DECLARATION

I, **Tracy Bothma**, here with declare the following:

- This work has not been previously accepted in substance for a degree and is not being currently submitted in candidature for any degree.
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Tracy Bothma

November, 2012

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## **ABSTRACT**

If you do not own the latest technology today it is thought that you are left behind in this technology driven age. More businesses use Self- Service channels to accommodate the increasing demands of customers. It has been said that the use of self-service channels can reduce input costs, increase efficiency and improve customer service. Unfortunately, many customers are left unsatisfied because retail banks are moving away from the human interaction when visiting a branch or advise customers to use their self-service channels, sometimes without any assistance. This causes customers to move banks, complain and in so doing reduce profits and customer relationships with their banks.

This research's main objective was to determine the impact of customer relationship management on retail banks that make use of self-service channels. A theoretical overview of self-service channels and customer relationship management was given. Advantages and disadvantages of each option were explored. The researcher wanted to explore the relation between customers using self-service channels and the assistance and protection provided by retail banks. The customer experience questionnaire used in this research asked retail banking customers from the South African population to determine how customers perceive and experience their banks' self-service channels and customer service. Many questions relating to their needs and wants with regards to banking have been explored.

The results show that most customers are satisfied with their banks in general but do feel that the banks can improve their customer service and assistance with regards to using self-service channels like ATM's, online and telephone banking and E-Wallet. It has concluded that most customers choose their banks based on advertisements and other media, not customer service, product range or word-of-mouth. The general perception is that customers say that their bank charges do justify the customer service received.

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## **CHAPTER ONE**

### **PROBLEM STATEMENT AND SCOPE OF STUDY**

#### **1.1 INTRODUCTION**

With increasing competition between “brick and mortar” operated banks and emerging Internet banks, many banks are struggling to meet performance targets because they are experiencing difficulty in developing competitive advantage, reaching potential customers and investing in their staff. The banks that define and implement solutions to these problems are the banks that successfully grow and thrive in the future of retail banking (Customer services strategies for the banking industry, 2006:3).

According to (NCR, 2010:1) Banks self-service channels are vital in the success of thriving in a new environment. Self-Service Channels can provide the following benefits to banks when used.

- Building customer relationship with result in customer loyalty
- Providing more focussed attention on the customer, delivering value added products and services.
- Expand in move the business into new markets due to competitive advantage
- Restoring and building brand image and awareness

Because of the competition between banks they all attempt to be first with new products on the market and innovative new services. Most of these innovations are technology based applications and usability issues are often overlooked. This may lead to neglecting the customer's need and satisfying the current customer base (Green & Van Belle, 2001:1)

The topic of Customer relationship management and customer service are very important factors when developing markets with customer expectations that increase. This is even more so in developing countries where education and customer expectations are linked to educational and literacy increases (Berndt, Herbst and Roux, 2005: 1)

According to Onut, Erdem&Hosver (2000:1)many financial institutions like banks, insurance companies and other service providers have realised the impact of using CRM in acquiring new customers, retaining existing customers and maximise their lifetime value. For institutions to maintain good relationship with their customers, businesses have to coordinate IT and marketing departments for optimal success.

As important as transparency is, people can quickly find out what competitors strategies are and react to that. This includes the way in which technology is used to facilitate the interactions between an organisation and its customers. Customers are now more focussed on convenience and how much a company would do for them. Because of this customer expect, in some cases, more specialised and personalised service from service providers (Onut et al. 2000:1).

Customer centricity is a new approach that management should adopt in practice. Furthermore, organisations need to see CRM as a tool for long term relationship building rather than once off encounters. Another factor that needs to be taken into account is that this takes time to develop and is not instant (Atos Origin, 2005:3)

By simply implementing CRM software solutions and technologies may assist a company in developing their CRM strategy but alone does not deliver the desired results of increased customer satisfaction. Instead, companies have to develop cross-departmental processes that all four steps in the CRM cycle to happen namely: plan, interaction, process, leverage and then plan anew (Atos Origin, 2005:3).

## **1.2 BRIEF OVERVIEW OF LITERATURE**

According to Masocha, Chiliya&Zindiye (2010) technology has helped organisations successfully reduce costs by increasing efficiency across all departments. For this reason many banks have shifted their focus inwards toward upgrading and automating almost all aspects of their banking processes and procedures. At the same time, availability and usage of technological advancements which one can manage e-commerce from have increased on the consumer's side. For example, the use and ownership of personal computers and the internet have increased in households, business and government organisations. The electronic delivery of banking services are therefore ideal for banks to meet customers' expectations



(Waiching, 2008:58). The conclusion made is that e-banking will outdo traditional banking in the future. Kamel (2005:306), points that more developing countries are looking and improving their technological infrastructure with focus on e-banking, e-commerce and e-learning. E-banking is still a new development in the South African financial markets (Mosachaet al.2010).

According to Sannes (2001: 4), the success of self-service adoption relies on communication and information provided between the banks and its customers. Many customers will need more information to reduce the uncertainty of using self-service channels. Many people feel less hesitant going into the bank branches. The amount of uncertainty is much less for many people going into a branch and being served. The uncertainty level is dependent on the exchange of information between the customer and the bank personnel with the transaction. The uncertainty level is normally lower with standard transactions done in the bank than non-standard services offered. For a customer to willingly replace the traditional service-encounter with self-service channels they need all information necessary in operating the service because there is not always assistance. The internet and web applications are enabling customers to access more information. With this said, the banks face the challenge of what information to make available for customers to be able to use self-service channels and what not to share in order for them to control the customers decision.

In the article published by CRM in the banking industry (2012), at the core of creating the perfect CRM strategy is the development of mutual benefits for all departments and persons involved. The aim is to create competitive advantage by being the best at communicating, delivering and developing the existing customer relationship over and above acquiring new customers. This is why the concept of the product life cycle is being replaced by the customer life cycle. The focus is now on developing products and services that will satisfy the customers need and adding extra value to build or maintain the relationship.

According to (Onut, Erdem&Hosver, and 2000:1) the aim of CRM is to assist organisations use technology and people to see how people behave and gain value from them. If this is implemented with success the following are the benefits derived from this:

- Provide better customer service,
- Make call centres more efficient,
- Help staff close deals faster,
- Simplify marketing and sales processes,
- Discover new customers,
- And increase customer revenues.

The above overview thus directs the researcher to the main problem of this study mainly;

### **1.3 MAIN PROBLEM STATEMENT**

How can banks improve the use of their self-service channels by using customer relationship management strategies?

### **1.4 SUB PROBLEMS**

The following sub problems were identified as part of a research strategy to resolve the main problem statement:

- a) What are self-service channels that are used by the banking industry?
- b) What is customer relationship management?
- c) How do customers experience customer relationship management to facilitate self-service channels?
- d) How can the results of sub problems (a), (b) and (c) be used to accomplish a practical customer relations management strategy to assist more customers to use self-service banking channels?

### **1.5 RESEARCH OBJECTIVES**

Research objectives for this research paper include:

- a) Defining what self-service channels are in the banking industry.
- b) Giving an explanation of what customer relationship management is.

- c) Completing a literature study on the sub-problems as set out above.
- d) Delivering a report on the findings in the empirical study
- e) Developing an integrated model to enhance the use of self-service channels by using customer relationship management strategies researched.
- f) Presenting a proposal of conclusions and recommendations to retail banks to practically implement the integrated model develop in this research paper.

## **1.6 DEMARCATION OF RESEARCH**

### **1.6.1 Customer**

This study will be limited to 60 banking customers of various banks

### **1.6.2 Geographical demarcation**

The empirical component of this study will be limited to Port Elizabeth, Eastern Cape, South Africa.

### **1.6.3 Subject of evaluation**

Self-service channels in the banking industry and customer relationship management.

## **1.7 DEFINITION OF SELECTED CONCEPTS**

### **1.7.1 Self-service channels**

According to Sannes (2000: 1) self-service technologies are technological applications that let customer's complete transactions independently of any direct assistance from the bank staff. Self-service technologies are useful for banks and financial institutions because information processing is essential to these organisations. Examples of self-service banking are banking via telephone or the internet. Electronic funds transfers at point of sales terminals, automated teller machines and interactive kiosks that are provided by banks.

Self-Service channels are technological developments which are used to perform routine banking transactions like: withdrawals, deposits, transfers and payments. The different forms of Self-service channels used in the retail banking industry are Automatic teller machines, Automatic deposit machines, cell phone banking, internet banking and telephone banking. These are mutually beneficial to the organisation as well as the bank because it saves time, costs and uses less staff resources.

### 1.7.2 Customer relationship management

Customer relationship management can be defined as the establishment, development, maintenance and optimisation of relationships that are beneficial to the company as well as the customers. CRM which is effective focuses on the needs and desires of the customer and is done by centralising CRM as part of the business so that the interpretation spreads throughout the organisation to people, strategy and all other parties involved ( CRM in the banking industry, 2012).

Customer Relationship Management focuses on the human element when banks introduce new technologies which do not need employees to constantly assist as in the case of Self-Service Channels. Customer Relationship Management is vital in the retail banking industry's success because there is less human contact involved in using self-service channels. Many customers are uncertain of how to use these technologies and need assistance from banking employees in completing these transactions.

### 1.7.3 Customer

The definition of a customer (also known as a client, buyer, or purchaser) according to Reizenstein (2004: 119) and Blythe (2008:18) as quoted by Wikipedia (2012) is "the recipient of a service, product, or idea, obtained from a seller, vendor, or supplier for a monetary or other valuable consideration. "

A customer is anybody who interacts and performs transactions in the marketplace. The researcher views all people as customers because people all make purchases and sell products or services to make a living. In the context of this research paper a customer is someone who makes use of the bank's products and services.

## **1.8 SIGNIFICANCE OF THE RESEARCH**

Acquiring customers and then retaining them are the basic objectives of any organisation according to Haag and Cummings (2010: 43). This is the reason why CRM has become one of the most critical IT systems in organisations today. A CRM system is put in place to gather information from its customers so that the organisation can learn from the data gathered. Customers communicate with companies in different manners. Each manner of interaction or communication should be pleasant, enjoyable and error free.

According to Haag and Cummings (2010:43), Multi Channel service delivery is an organisations way of interacting with its customers. Methods including email, fax, hone and the Web are all methods of interaction. One of the functions of the CRM system is to monitor all interactions with customers. All communication between the customer and the organisation should be recorded per customer to ensure that customers are satisfied with the service received, if not they might change to another provider. It is not a strange thing that customers change providers after a bad service encounter. Therefore the biggest goal of a CRM system is to minimise these negative interactions and ensure satisfactory experiences.

Taking into consideration the above mentioned, the retail banking industry is expecting more customers to voluntary make use of all these new technologies without always having some knowledge or assistance the first time. Therefore there is the need to do further study on how the retail banking industry can assist customers to use Self-Service Channels using a redefined Customer Relationship Management system.

This research paper is aimed at bridging the gap between the customer's hesitance and lack of knowledgeso that they can transact using the Self-Service Channels that will be discussed confidently. Through the proposed research a mutually beneficial solution with recommendations will be revealed.

## **1.9 RESEARCH DESIGN**

### **1.9.1 Research methodology**

The following procedures will be adopted to solve the main and sub-problems:

### **1.9.2 Literature survey**

Key factors that are needed to develop a customer relationship management strategy to improve the use of self-service channels will be identified from the literature.

### **1.9.3 Empirical Study**

The empirical study will consist of:

#### **a) Mail Survey**

A mail survey will be conducted among customers using a questionnaire, compiled by the researcher, to establish what the respondents' needs are to improve the uncertainty of using self-service channels.

#### **b) Measurement instrument**

A comprehensive questionnaire will be compiled for this research project, based on the literature study presented in Chapter Two and Chapter Three.

#### **c) Sample**

A sample size of 60 Customers of various retail banks in Port Elizabeth in the Eastern Cape, South Africa will be selected as the sample population for this study. Random sampling will be used for this purpose.

#### **d) Statistical analysis of the data**

The statistical procedures used to interpret and analyse the data will be determined in consultation with a statistician at the time the questionnaires have been filled in.

#### **1.9.4 Development of an integrated model**

The results of the literature survey and the empirical survey will be integrated to develop a mutually beneficial Customer relationship management strategy to facilitate the use of self-service channels in the retail banking industry.

#### **1.10 PROPOSED PROGRAMME OF STUDY**

The research has been planned to include the following chapters:

Chapter One:

Describes the scope of the study in which the following were included: introduction; problem statement; sub problems; demarcation of research; definition of main terms; significance of the study and the methodology and research design used. This chapter also includes an outline of the programme of study.

Chapter Two:

A literature study will be conducted in which theoretical views of what self-service channels are will be discussed. The definition, benefits to the company as well as the customer and significance thereof will be discussed.

Chapter Three:

A further literature study will be completed by identifying what Customer relationship management is. Definition, benefits, and various strategies will be discussed to develop a strategy to assist companies improve self-service channel service excellence.

Chapter Four:

A description of the research methodology used.

Chapter Five:

The empirical results will be analysed and the findings summarised.

Chapter Six:

From the previous chapter's research and findings a strategy will be applied and integrated into a conclusion and recommendations.

## **1.11 SUMMARY**

The focus of this research proposal was to present the main problem addressed in this research document and to show the procedure followed in addressing the main and sub problems. Key terms were clarified and defined to ensure consistency throughout this research paper.

The next section of this research proposal deals with the literature study that outlines what self-service channels are in the banking industry as well as other important factors that impact businesses to use these channels.

## **TIMETABLE OF STUDY**

Chapter 1	January, February 2012
Chapter 2	March, April 2012
Chapter 3	May, June 2012
Chapter 4	July, August 2012
Chapter 5	September, October 2012
Chapter 6	November, December 2012



## **CHAPTER TWO**

### **THEORETICAL STUDY OF SELF-SERVICE CHANNELS**

#### **2.1 INTRODUCTION**

The aim of this chapter is to define Self-Service channels and look at the most commonly used Self-Service channels. This chapter will address the sub problem which poses the question: what are self-service channels that are used by the banking industry? Clarification on the term Self-service as well as Electronic commerce is given. There will also be focus on E-Commerce that makes all Self-Service channels possible, influential factors with regards to online use, business operations over the Internet. Obstacles and solutions for crossing over to online banking functions were also looked at in this Chapter.

It is relatively easy to offer financial services on the Web because there is no physical product involved. Security and reliability issues are the most worrying factors for the customers. These are the same concern that people have with normal banking as well. Many people who are willing to purchase products on the internet are unwilling to move their banking to an internet based methods because they do not trust a website to provide these services. On the other hand, people who are willing to try this are increasing rapidly (Schneider, 2011:166).

Changing consumer needs, innovative financial products, changes in the industry structure and a mix of delivery channels are reshaping the banking industry is what Green and Van Belle (2001:1) are discovering. The reason for all the success behind it is the innovation of the internet. The internet has revolutionised the banking sector so that customers now have 24-hour access to their money and accounts. It saves time and cost much less than traditional branch banking. The internet dissolves distance and empowers the customer to decide their method of banking and use of their money.

Schneider (2011:167) reckons that online banking operations form only a small portion of the world's financial transactions at the moment. More and more people are adopting the new concept for their banking. Many banks benefit from serving

customers online due to cost effectiveness and to provide services similar to inside the bank branches.

## 2.2 DEFINITION OF SELF-SERVICE CHANNELS

According to Search CRM's website (2012), Web self-service is a method for customers and employees to access the internet to perform routine tasks. This is done independently without any assistance from physical personnel. This innovation allows employees and customers to access self-service 24-hours a day and support on the internet. The determining success factor for this innovation to work successfully is the quality and quantity of information provided to manage and use these services. There are various benefits to the organization of which cost-effectiveness is probably the most evident. This is lower than compared with telephone banking or email services provided by a staff member.

## 2.3 COMMONLY USED SELF-SERVICE CHANNELS

This section will focus on the five most commonly used Self-Service Channels in the retail banking industry in South Africa.

### 2.3.1 Online Banking

Hudgins and Rose (2010:118)note that the internet is one of the most preferred methods in transacting currently and to link customers to financial service providers. Management have found that online customers might be more profitable, keep larger balances in their accounts and purchase a wider variety of products and services offered.

Hudgins and Rose (2010: 118) go on to list what one can do via the Internet:

- Verify in real time account balances at any time and from any location
- Move funds instantly from one account to another
- Confirm that deposits of funds have been received, cheques have cleared, and online transactions have been completed

- View and print images of cheques and transactions that have passed through a customer's account
- Submit a application for loans and credit cards
- Pay accounts online

Schneider (2011:478) has commented that two methods for storing cash are accepted currently namely online and offline storage. Online storage means that the customer does not personally posses electronic cash and are rather hold by a third party which is normally an online bank when involved in transactions over the internet. These systems work in the way that when something is purchased the merchant has to contact the customer's bank to get payment for the purchase. This is a method of eliminating fraud and ensuring that the money is valid.

It is part of every business to bill a customer for goods and services. Traditional billing methods are costly, take too much time and require a lot of paper. There are different departments like to Accounts Payable department who keeps record of each transaction manually and then post it to a database. Updating the customer information and ensuring that changes are made. Electronic cash transactions are more efficient and bring accuracy and speed to the organisation and the customers. Transferring electronic cash on the internet cost less than conventional banking. Traditional bank branches require staff, teller machines and take much longer than the internet. Electronic cash transfers occur over internet using an existing infrastructure and uses existing computer systems. No staff supervision is needed. With this method merchants can pay each other and consumers can make payments to each other (Schneider, 2011: 480).

### 2.3.2 Mobile Banking

Botha, Bothma and Geldenhuys (2011:400) reckon that telephone banking is a popular banking channel among people who have cell phones but not computer and internet access. This is especially true of a developing country. Similar services are provided on the cell phone as in online banking. By doing this banks are enabling more customers

to make use of their services. Many more people in South Africa own a cell phone rather than a computer in 2000; banks have used this information to develop cell phone banking. In the section below Botha, Bothma et al (2011:400) describes a number of local cellular network operators and banks have joined forces to bring mobile banking to the consumer:

- Standard Bank and MTN: In August 2005, MTN and Standard Bank presented a mobile banking system. MTN banking gave Standard bank access to their client base and opportunity for both to grow their customer base. The product was called Mobile money which enabled customers to transfer money to another individual, account payments and SMS notification.
- ABSA and Vodacom: A month after Standard Bank and MTN launched a mobile banking system; ABSA presented the idea of waiving its cell phone banking charges until 31 March 2006.
- First National Bank: In mid-2005, FNB grew its mobile banking services and included payments to the existing package of balance enquiries, transfers and airtime purchase.

### 2.3.3 Telephone Banking

According to the information on Wikipedia (2012), telephone banking is a service provided by a financial institution, allowing people to do transactions over the telephone. Most banks make use of a automated telephone banking service where customers are asked to use the keypad to enter certain responses or sometimes banks use voice recognition capabilities. Before any transaction may be performed security checks are to be done by a physical person on the other side. This service does not offer cash deposits or withdrawals but offer most of the other normal transacting services.

Hudgins and Rose (2010:117) found that many financial service providers have call centres to help their customers in obtaining account information and in carrying out transactions, saving customers the inconvenience of going to the branch or driving to the ATM. These call

centres manage increasing numbers of calls and banks empower these centres more to provide information to the customer. Questions can be answered and it provides a cross-selling opportunity to the parties which in turn also assist in building a long term relationship.

#### 2.3.4 Automated Teller Machines and Automated Deposit Machines

Wikipedia (2012:1), describes that most ATM's are connected to interbank networks, which means that customers can withdraw or deposit money from ATM's from other banks or even in other countries. ATM transactions depend on customer authorization and then in response from the institution from which the transaction is happening. This all happens via communication networks often called ISO 8583 messaging system. For using ATM's most institutions charge a fee for every transaction.

Hudgins and Rose (2010:114) found that ATM's are a unique combination comprised of a computer terminal, record keeping system and cash vault. This enables the customer to enter an online bookkeeping system from the institution via a plastic card or PIN number that the customer enters. Access can be granted 24 hours a day. If authorisation is done many transactions such as balance enquiries can be done, withdrawals or deposits, and payments. This whole evolution of the ATM terminal has made routine branch services like cashing cheques possible and enables the personnel to spend more time on selling other products and improve customer service while doing it.

Hudgins and Rose (2010:115) reckon that the ATM is one of the most effective manners of doing basic financial services and is more cost effective than going into the branch and be assisted by staff. In certain instances branch personnel are still more efficient than the ATM's, especially in the case of more complex transactions. ATM's are still developing and many institutions have lengthened the menu to include airtime and bus ticket services.

### 2.3.5 Electronic Wallets

Schneider (2011: 483) describes an E-wallet serving a function similar to a physical wallet. It can hold credit card numbers and electronic cash. E-wallets are convenient in the sense that you only access it once and do not need to reopen on every site, for example online shopping on various sites. There are two categories into which E-wallets can be split based on where they are stored. Server-side E-wallets are when a customer's information is stored on a remote server belonging to a specific merchant or wallet publisher. A client – side E-wallet is when a customer's information is stored on their own computer, which means that the customer must first request the merchant to enable before spending money.

## 2.4 ELECTRONIC COMMERCE

According to Haag and Cummings (2010: 128), Electronic commerce is an accelerated form of commerce enhanced by IT applications. E-commerce enables customers, consumers and companies to form new relationships via the Internet which would not be otherwise possible. E-commerce breaks down the barriers of time, geography, language, currency and culture.

## 2.5 E-COMMERCE BUSINESS MODELS

There are nine major E-commerce business models. All nine will be briefly described below. The most popular are Business to Business and Business to Consumer

### 2.5.1 Business to Business

Research done by Haag and Cummings (2010:129) revealed that business to Business e-commerce occurs when a business sells products and services to customers who are primarily businesses. Business to Business e-marketplaces are one of the biggest growing methods of doing business. Organisations are more aware of the creation of supply chain management systems, cutting costs everywhere and that they must form information partnerships with other companies. This sometimes includes that companies

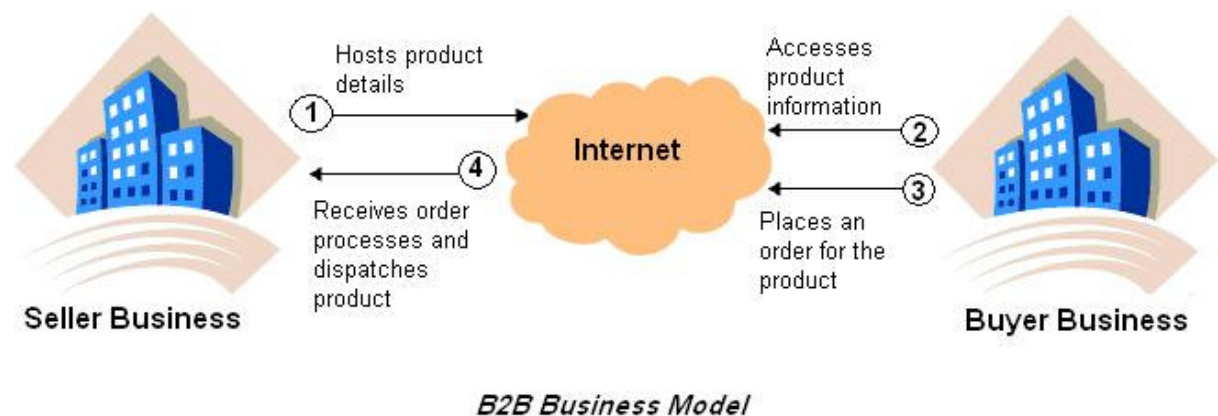
should share new business developments and product offerings with each other.

According to EServ.com (2012) the advantages of the B2B model are:

- It can maintain the complete supply chain management system during all processes and procedures.
- It can cut costs and ensure that the right product reaches the right customer

The B2B model is predicted to become the most productive method of doing business in future. Below is an illustration of the model.

Figure 2.1



Source: EServ.com (2012)

### 2.5.2 Business to Consumer

Haag and Cummings (2010:129) describe business to consumer transactions as e-commerce when businesses sell products and services to individuals via the internet. There is direct interaction between the customer and the company. Customers can go online and evaluate different company's products and services to get the best deal. Customers have the option to purchase the same products and services from other websites and companies whenever they feel like it, other than in the business to business model where companies try to establish long term relationships.

### 2.5.3 Consumer to Business

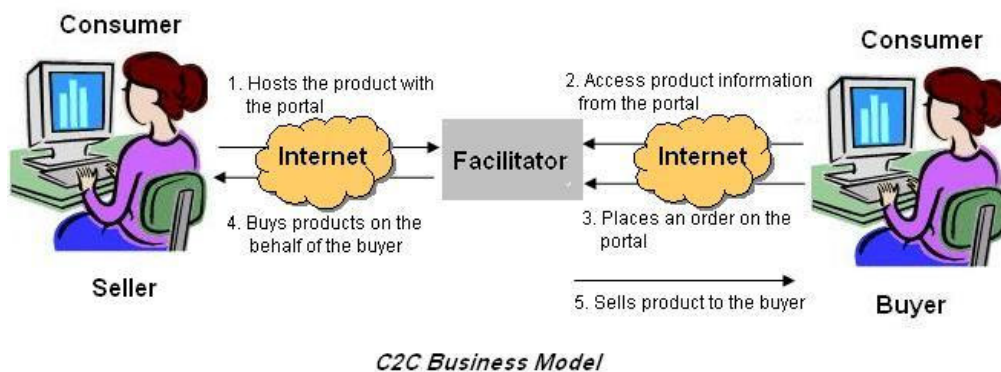
Consumer to Business e-commerce happens when a customer or individual sells products or services to a company. This is the direct opposite of the business to consumer model. Demand is driven by the customer and the supply is met by the company in the example of Business to consumer model where in the consumer to business model it is the opposite; the customer drives supply and the company drives demand. Currently this segment is only a fraction of the revenues to be made in the e-commerce space. This is expected to grow because businesses are realizing that individuals are more than just consumers of products and services that they sell (Haag and Cummings, 2010:130).

### 2.5.4 Consumer to Consumer

Consumer to Consumer e-commerce can be described as commerce happening between individuals. This business model normally takes place through an intermediary company. Many of these intermediary sites are advertisement supported, which means that their profits are made by selling advertising space on their website (Haag and Cummings, 2010:130)

Eserv.com (2012) describes this model below. If an individual would like to transact they would approach a website where they can advertise their product or service, normally a intermediary website that will connect the buyer and the seller. These intermediary websites also facilitate the transaction. Some intermediary sites do charge individuals to use this service.

Figure 2.2





Source: EServ.com (2012)

#### 2.5.5 Business to Government

Business to Government e-commerce is when a company sells its products or services to a government department. Electronic government is a new digital capability that enables government departments to operate more efficiently (Haag and Cummings, 2010:131).

In the book Introduction to E-commerce, Schneider (2012: 20) describes business to government transactions as the transacting of information, products or services between companies and government agencies. These services may include:

- E-procurement services, where companies can find out what the needs the government departments are
- A virtual workplace where companies and government departments can coordinate projects, schedule online meetings and manage the process via the internet.
- Rental of on-line applications and databases designed especially for use by government agencies.

#### 2.5.6 Consumer to Government

Consumer to Government e-commerce is when an individual sells a product or service to a government department. This is similar to the consumer to business model with the exception that the buyer is the government and not a company. This segment of business is small and unremarkable currently (Haag and Cummings, 2010:131).

#### 2.5.7 Government to Business

Government to Business e-commerce happens when government departments sell products or services to a business. Good examples of this are services such as disaster assistance and the ombudsman which are normally free. Other services such as financial services would be charged for (Haag and Cummings, 2010:132).

#### 2.5.8 Government to Consumer

Government to Consumer e-commerce refers to business between a government and the citizens of the country. These services normally include paying taxes and registering vehicles. This model often does not fit well into the demand and supply context (Haag and Cummings, 2010:132).

#### 2.5.9 Government to Government

Government to Government e-commerce refers to transactions between a nation's government department or sometimes between departments from different countries or nations. This would include foreign aid (Haag and Cummings, 2010:132).

### 2.6. BENEFITS OF E-COMMERCE

In an online article by NCR (2010:5) it was said that the highly competitive climate where banks and other self-service providers are competing are aiming to improve overall effectiveness, enhance customer interactions and cut costs. There is also the aim of increasing revenue by the use of self-service channels. A successful self-service channel will provide the following advantages:

- *Building customer relationship growth which result in customer loyalty.* Banking has become more flexible where the customer is free to open more than one account with one bank. Customers can now open secondary accounts to manage their money more effectively. This is one of the reasons why banks are relying more on self-service channels in the hope that the customer can access their accounts whenever they want and build loyalty from this.
- *Delivering customer-centric value added products and services.* Some of the reasons why people open accounts at various banks is the added benefits it offers such as location of ATM's and online banking reliability. With this said visibility is vital and presence awareness just as important to banks. Banks have also changed their focus from just performing at best capacity in rush times to negative communications and lost transactions.
- *Acquiring new markets by competitive advantage.* In the last ten years banks have moved toward catering for certain target markets for examples student

accounts and pensioner accounts. This has evolved that the banks now offer products unique not just to one or two factors but many more including; income, lifestyle, status groups and demographics. This has significantly assisted banks in entering new markets and acquiring customer loyalty because of the product offerings.

- *Restoring brand image and credibility.* Because of geographical differences banks should take this into account and proceed cautiously in restoring image.

Schneider (2011:17) reckons that companies invest in e-commerce simply because it can generate profits. All advantages of e-commerce can be summarised as e-commerce decreases costs and assist in generating profits. For the customer e-commerce has increased sales opportunities as well as creating buying opportunities for companies. New business partners can be identified by using e-commerce. Price negotiations and delivery can also be arranged easier using e-commerce. This process reduces costs to both the buyer and seller and therefore the conclusion that e-commerce benefit the whole of society. Electronic payments of tax refunds, pension's money and welfare support cost less to issue using the internet than traditional methods.

According to Botha et al (2011:12) the drivers of the new economy can be described by ten new perspectives and dynamics. These are not the only factors but these were highlighted.

The field of e-commerce and the new economy is relatively recent and new principles are continually being developed:

- *New perspectives and tangible values:* Moving physical products is much more costly than processing information. The value of a company increases by improving intangible assets like people; strategic integration and having business interact by means of the internet.
- *New space dynamics:* As a result of the internet distance is no longer an issue and the world is at the customer's disposal. In exactly the same method this could be the organisations competitors. Businesses are not facing competition from competitors in the physical but now on a worldwide scale.

- *New perspective on time:* Because of the internet's capability to speed up transactions and assist customers in a faster manner, this places more demands on the business to ensure quick processing times and customer satisfaction.
- *New perspectives on the value of people:* People who are able to develop and maintain smart ideas incorporating innovative technology are becoming more important in organisations. The manners in which these people are treated are evolving.
- *New growth dynamic:* Every department in the organisation is dependent on the IT network. Because of this, if a company reaches critical mass the exposure can be explosive to the growth of the company.
- *New determination of value:* Traditionally it was thought that scarcity increases a product or services value, although in current years the more internet users there are, the more value the internet enjoys.
- *New distribution dynamics:* Traditional logistics and distribution companies see the new interaction of buyers directly connected to the seller as a threat. With the increasing info-clutter created by the Internet there is a new intermediary service needed to ensure smooth transactions. These companies would "clean up" data and turn it into usable information for companies.
- *New market dynamics:* Customers do not need to physically go and compare prices on a product or service. They just use the internet and look up the information that they need. In the same way sellers can get the best information.
- *New transactions dynamics:* it is all about customising products and services to suit every individual. This is much easier to customise over the internet than physically. This process is adding value to the customers purchasing experience and is creating a competitive edge for these companies that are doing it and for those not using it, it becomes a threat.
- *New dynamics for the satisfaction of needs and desires:* If a customer wants a certain product they will find and source it over the internet. It is quicker, cheaper and tailor-made. All geographical barriers are broken.

## 2.7 CHALLENGES OF USING E-COMMERCE

Some business processes might never lend themselves to e-commerce according to Schneider (2011:19). He explains his statement he made by using the following example. Items such as jewellery are expensive and take more time to make a decision on. In a case like this, the buyer might prefer to see, feel and touch the piece before purchasing which cannot be done over the internet.

Another difficulty facing many companies that would like to evolve their business to the E-commerce era is struggling to integrate the existing databases and processes with the new ones. There are a few companies offering software to help with this transition, but in some cases are not as effective as planned. The plan in is to integrate the business' current information system with an online integrated approach. This service can be very costly. When this transition is in the process of being done other problems such as employee resistance, cultural barriers and legalities need to be looked at. Some customers are very sceptical of conducting their business over the internet and giving merchants their credit card numbers and other customers just refuse to change their ways and prefer the traditional way. The legal environment in which e-commerce is done is in some areas unclear and conflicting, and it has been commented that government regulators have not always kept up with new and growing e-commerce technologies (Schneider 2011:19).

Botha et al (2011: 36) describes that security is most definitely one of the big barriers to e-commerce. Think about the basic communication model to explain the problem. The communication model contains a sender of a message, the message, the intermediaries managing the message and the recipient of the message.

Botha et al (2011:37) further researched the problem and focussed their research to factors that pose threats to the Internet communication methods used in connecting with customers. E-commerce threats can be split in four categories that hold relevance to internet security.

- *Integrity threats:* "These refer to unauthorized modification of data in the Internet channel as listed below" :
  - Active wiring tapping: this is when an intruder gets access to the e-commerce message signals. It makes the data unreliable.

- Cyber vandalism: this happens when an unauthorised person changed the content on a web page, destroys it or replaces it after hacking into the main website.
  - Masquerading: This happens when someone pretends to be someone else. This is called spoofing. This means that someone creates a false website to fool web visitors.
- *Availability threats*: This is defined as the prevention of data flow or obstruction causing lengthy page opening delays. The technical effectiveness of the website is not what it's supposed to be. Below are some methods of what can happen.
  - Delay: The aim is to slow down the processing speed of a customer's computer or the website being visited. This can be a motivating factor for some to go to another website.
  - Denial of Service: There are a few methods of doing this. Influx of emails and junk mail can cause the website to not function at all. Information is completely removed from the file it is transmitting from. More seriously money can be redirected into the wrong account.
- *Secrecy Threats*: This would be described as unauthorised access to information and privacy. Most websites promise to keep all customers' information private although there are some cases where unauthorised access was the reason for privacy rules been broken. Most people are the most sceptical of such violations of privacy if their information is given out over the internet. There are special software programmes called sniffer programs to help prevent the loss of such private and confidential information.
- *Authentication threats*: this relates to knowing who the person you are selling to or buying from is. Verification of the parties involved, because the internet transactions need to be thought of as secure. There is an authentication process to follow to ensure that all parties are verified before transactions are done. Authentication takes on various forms, such as:
  - Passwords, both parties should have the same password
  - A possession like a card, club card
  - Signatures, which are unique to one person

(Botha et al. 2011: 38)

## 2.8 INTERNET SECURITY SOLUTIONS

According to Haag and Cummings (2010:145), it does not matter if your customers are other businesses or individuals but either would be concerned about security measures when entering transactions on the internet. The main focus is on electronic information especially relating to the privacy of payments and the electronic money used in transactions. There are a few main security solutions namely encryption, secure socket layer and secure electronic transactions. These are only but a few.

- Encryption

Encryption takes the content of files and scrambles it around so that one cannot read it without the correct description key. There are many methods of doing this, for example: replacing letters in each word in a sequence, scrambling the letters in words et cetera (Haag and Cummings 2010:145).

Wikipedia (2012) explains that encryption, which is actually a part of cryptography, takes messages and transforms them in a way which is not understandable or unusable for other people. There is public encryption which can be explained as; there are actually two keys, one key is public and the other private. The public key can be used for encryption and the private key for decryption. This is all based on the nature of the information. In some cases information is changed slightly or a completely mix up of letters. Companies need to make sure that their keys are registered with a certificate authority.

- Secure Socket Layers (SSL)

A SSL makes it possible to create a secure and private connection between the internet and a web server's computer. It also encrypts information and sends information via the internet. Unfortunately, they do not make for the best security options when transferring information but is widely used in the Business to consumer business model. Customers can tell if their information is transferred by means of a SSL. The ways in which one can see this is when the web address starts with https://(notice the inclusion of the "s") as opposed to just http:// or if the lock sign appears in the browsers bottom window (Haag and Cummings 2010:145).

The illustration from Verisign (2012) explains how SSL can protect Websites where E-commerce is being done.

Figure 2.3



- Secure Electronic Transactions (SET)

A SET is most commonly used to verify monetary transactions over the internet. It can ensure that transactions are legitimate and also makes them secure. Like a SSL and SET this security method also encrypts its information before sending it over the internet. The merchant can now verify and identify the person who is purchasing goods and services from them before the transaction happen. Credit card numbers and secure information can be verified to businesses that the individual intends to do business with. A few well known companies like MasterCard, American Express, Visa and Microsoft all make use of this security method (Haag and Cummings 2010:145).

## 2.9 SUMMARY

Research findings in Introduction to E-commerce (2012: 27) state that there is not just one clear definition of what e-commerce or e-business is. Therefore the need to have the terms used clarified and identified. E-commerce impact three major stakeholders namely: society, businesses and customers

Advantages such as cost cuts, improved efficiency and effectiveness, customisation and creating a global marketplace have placed the internet and e-commerce as some of the preferred methods of shopping and doing business. There are also disadvantages to e-commerce namely; reliability, security, information overload and cost of access. It has been noted that companies who are successful in using e-



commerce platforms understand the advantages and disadvantages of using the internet for business. All departments should be involved such as people, policy and technical abilities in the macro environment. The interaction of people with each component of e-commerce is to be understood to be successful. Businesses are still learning new methods of connecting all departments in the organisation to effective form part of the new technology era (Introduction to E-commerce, 2012: 28).

In this chapter focus was given too many important aspects when individuals and business deal with online applications and self-service channels. As discussed above, many people are still hesitant to use new technologies to make transactions more efficient. Security issues and solutions are still a threat to new entrants using online connections. Throughout this chapter the literature does not discard the human interaction and Chapter three will be an in depth study of how Customer Relationship Management plays a vital role.

## **CHAPTER THREE**

### **CUSTOMER RELATIONSHIP MANAGEMENT AND RELATIONSHIP MARKETING'S SIGNIFICANCE ON SELF-SERVICE CHANNELS**

#### **3.1 INTRODUCTION**

In this chapter attention is given to answer the sub problem asking what Customer relationship management (CRM) is. Further research was done to define the term CRM and Relationship management. Important factors considered in this chapter are the impact of relationship marketing, relationship development, customer service, and technology. In the last section of this chapter the researcher discusses how E-commerce and customer relationship management work together to accomplish a more sophisticated market place.

Goldenberg (2008:17) describes Customer relationship management (CRM) as a “business approach that integrates people, process and technology to maximise relationships with customers. CRM increasingly leverages the Internet provide seamless coordination among all customer-facing functions. “

According to Berndt and Tait (2012:7) not all customers are the same, so they needed to be treated as individuals or differently. The secret is to know who your best customers are. For businesses that have millions of customers it will not be effective to try and communicate with them on a one-to-one basis. Customers should be categorised or divided in segments depending on the information available about them. The idea is to segment them according the potential value they can add to the organisation. Once divided in segments one can design an appropriate strategy to communicate to each segment.

#### **3.2 CUSTOMER RELATIONSHIP MANAGEMENT DEFINED**

An article published by Cool Avenues (2012) defines Customer relationship management as the maintenance and optimisation of mutually beneficial long-terms relationships between an organisation and its customers. Successful CRM aims to understand the needs and wants of customers and how to ensure customer satisfaction. Understanding what customer's need and wants are, CRM focuses' on

placing these important factors at the heart of the organisation and integrates this with people, strategy and technology. Using CRM can give an organisation a competitive edge as to being the best at understanding, implementing and integrating the strategy to maintain, acquire and develop new customers, communicating and delivering customer expectations while creating valuable customer relationships. Customer life cycles focus on the development of new products and services and also look at what the same customer might need in future by adding extra services or benefits (CRM in the banking industry, Cool Avenues, 2012).

CRM has been use for only a few years, Berndt and Tait (2012: 3) noted. The focus of CRM is to create a customer-centric business culture, in other words to get and maintain customers and ensure that the product offering is better and services added are better than the competitor. Many organisations claim to be customer-centric but very few are truly focussed on this. Being customer-centric competes with other business orientations namely; product orientation, production and sales orientation. Product orientated business believe that a customer chooses a product based on best quality, performance, design and features. In many marketing decisions the customer is not valued. Production orientated businesses believe that customers will always choose the lowest priced product. Sales orientated companies believe that investing enough money in advertising, selling and public relations will persuade customers to purchase their products. Customer centricity puts the customer in the centre of all decisions made. It takes information about customers to improve and develop better suited products and services according to what was analysed in the customer information analysis.

### 3.3 BENEFITS OF USING CUSTOMER RELATIONSHIP MANAGEMENT

Research compiled in the literature by Goldenberg (2008:4) states that the successful implementation of CRM applications holds many advantages to the organisation that want to automate sales, marketing and customer relations. The most successful benefits that can be experienced from implementing a CRM strategy are:

- *Better sales/ marketing information* – Customer data collected such as names, background and needs and wants are achieved by implementing an effective database.
- *Improved productivity* –With a CRM system the organisation can have a more targeted marketing approach to certain segments which in turn will yield more leads than targeting everybody. This is a more efficient way of doing it.
- *Enhanced customer care* –A lot of paperwork is eliminated because of the automation the CRM strategy provides and in turn creates more time for staff to spend on giving customers satisfactory service. This will also enable staff to focus on problem areas more promptly and resolve customer queries.
- *An increase in gross revenue per sales representative* –This is possible due to automation of systems which also helps to increase the staff's efficiency at work.
- *Decrease in general and administrative cost of sales* –The database benefit helps with a more target marketing approach when marketing information and literature are sent to customers. The database will highlight which customer needs what. By doing this costs are also cut.
- *Increase in win rates for forecasted sales* - there is more information about the customer available which assists field workers to select more viable selling options and to let go on those that are not so promising. They have a better chance at closing the deal with a concentrated approach.
- *Improvement of value of deals* – Staff are working with carefully selected customers who hold the same values as the organisation and this in turn promotes customer satisfaction.
- *Improvement of quality rating provided by customers* –Customer are more satisfied because of speedy service and products according to what they wanted. This increases customer satisfaction levels and helps to build valuable relationships with customers (Goldenberg, 2008:5)

### 3.4 RELATIONSHIP MARKETING

Relationship marketing, as defined by Berndt and Tait (2012:6) aims to satisfy existing customers and by using word-of-mouth spreading to acquire new customers

about superior service and satisfaction. This also shows the trust the customer has in the organisation. People will use this to identify after sales service centres for repairs of questions. Relationship marketing also focuses on showing to the existing customer that the organisation cares about their existing customer base as much as they care for new customer while creating a long lasting relationship with their customer. There are various methods of retaining a customer namely; customer care centres and after sales service to ensure that customers come back, and delivering what the customer wanted.

According to a definition of Futrell (2000) relationship marketing is the combination of product, price, place, customer service and promotions to create customer loyalty. The idea behind relationship marketing is that your loyal customers constantly need attention. Three levels of relationship marketing will be explained below.

- *Transaction selling* – product or service is sold to a customer and no further contact is made
- *Relationship selling* – some after sales service in terms of courtesy customer satisfaction calls are made to ensure future needs
- *Partnering*– the seller continually tries to improve its service, sales and operations

Botha et al (2011:163) quoted Turban (2000:84) on the explanation of one-to-one marketing. One-on-one marketing is made possible by the opportunities that the Internet presents. The basic concept of one-on-one marketing is customisation, in other words, treat every individual differently. No two customers will ever be the same. It has been found that many organisations decide to use this approach due to the fact that it generates more profit and creates long term relationships with the customers. One-on-one marketing is a form of relationship marketing and therefore aims to continuously improve its service to customers. With each internet based transaction the business can get more information about what the customer wants and needs and accordingly match the online product or service offering, and by customising the product to suit the individual customer loyalty is built. One of the most significant advantages of conducting transactions online is that it enables the

business to understand the needs and wants of its customers better and by doing so improves the business on all levels.

Botha et al (2011: 164) have distinguished three of the most vital factors when considering the one-on-one marketing approach:

- The accessibility and readiness of a database from which customer information can be used to make important decisions,
- The development and implementation of customised marketing strategies and processes
- Using the internet to create and maintain buyer-seller relationships and communications

The example by Berndt and Tait (2012:7) that best explains relationship marketing is the one of the retail bank and its clients. Imagine an unhappy customer with regards to the bank charges that the bank asks. The customer is adamant in making an appointment to see someone at the bank to resolve this issue. In the banking industry the person the client would like to see is called a relationship manager or consultant. The customer would also like to see the same person for further discussions about confidential matters relating to the bank to avoid speaking to a stranger the next time the customer has a query. Relationship managers need to know their products and markets very well, so that they can help the customer make the best informed decisions. It is advisable that relationship managers are always updated with new events and products that are offered by the bank.

#### 3.4.1 The principles of online marketing

Due to the new focus on customer relationships the traditional “four P’s of marketing” need to be relooked. Technology is now enabling organisations to combine the four P’s in different ways and in so doing giving the customer exactly what they need and give customers choice in terms of product, place, price and distribution. Another important factor to consider is that it is now the customer who chooses and not the marketer anymore (Berndt and Tait, 2012:10).

An article written by Montgomery, (2012), states that online marketing is challenging traditional marketing. The following are all factors influencing the new professional marketing mix; Technology – distance has disappeared, previously location was an advantage or disadvantage but not anymore. A customer can buy anything and get it to him from anywhere in the world. Consider the example of an expat living overseas. This person does not have to get a new account in a new town; he can keep the one he had and communicate via the internet. Word of mouth marketing is being transformed – In the past networking was done on the golf course or the country club, church or local chamber where prospects could be discussed and the reputation of provider could be discussed very quickly. Currently, this still happens but even more importantly is the company's reputation on their website and social media pages. If a company is not online with a website it is considered that this is not a reputable company and customers look elsewhere – There are more and more people going onto the internet to look at the latest trends and companies and to educate themselves. Online visibility and good online reputation counts a lot for a successful company to survive.

Berndt and Tait (2012:10) suggest that by using technology appropriately, an organisation can customise its service and serve each customer individually. A data-driven approach will cause organisations to evaluate each other's customers' needs and wants and to adapt their service or product offering accordingly. This could lead to an improved product and service offering as well as potentially increase profits. This approach includes the use of multiple channels namely; internet, direct mail, telesales and promotions. The businesses that use technology enable themselves to potentially be closer to their customers and in so doing gain a competitive edge.

#### 3.4.2 Customer lifetime value

Wikipedia (2012) describes the customer lifetime value in marketing as the following. "Customer lifetime value (CLV), lifetime customer value (LCV), or lifetime value (LTV) is the net present value of the cash flows attributed to

the relationship with a customer". The reason why this is mentioned and important is because although mathematical the emphasis is on long-term customer relationships and not maximizing short-term sales.

Wikipedia (2012) go further saying that the Customer lifetime value has significant value because it represents how much each customer is worth in terms of money. This is useful in the marketing department to ensure that the money is spent on the right segment of customers. This is not a perfect calculation but still useful. The specific calculation depends on the nature of the customer relationship. Customer relationships are divided into two categories. Contractual or retention situations customers who do not renew their business with the organizations is considered "lost for good". The second category is customer migration, which means that although the customer is not a regular buyer the organization still considers him a customer because they believe that in the future a purchase will be made. A firm will not know when to let go of certain customers because there is no cut off, where as with the retention situation one knows when the relationship is over.

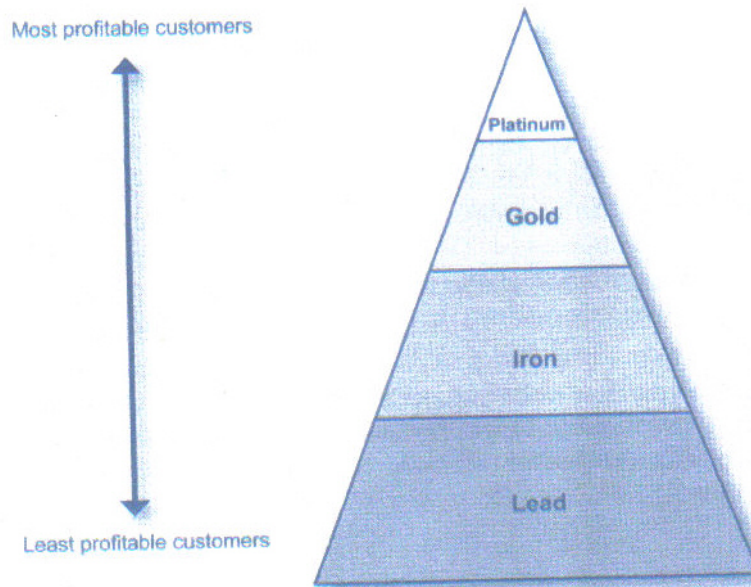
Berndt and Tait (2012: 31) have also researched the topic and have commented that the evaluation of CLV is based on the fact that the customer's future purchasing behaviour will be the same as the past behaviour. There are various statistical methods that can be used to calculate the future purchase patterns using information from past purchases. Consider the following example; a customer brings in R1000.00 per month for the company on groceries bought from Shoprite over a period of two years. It is a safe assumption that for the next two years this customer will spend the same money every month. There are a number of reasons why this can change, but this is the trend the customer has set and can be used for the purposes of the CLV calculation.

A stable financial picture can be formed once an organisation knows the value of its customers using the CLV calculation. It will point out the fact that there is a small portion of customers who account for the majority of profits generated.



Knowing this, a company now go and divide its customers into four segments, as seen below (Berndt and Tait, 2012: 33).

Figure 3.1



The customer pyramid adapted from: Berndt and Tait (2012:33)

Berndt and Tait (2012: 34) provide an explanation of the four segments of the pyramid as outlined below.

- *Platinum segment*: This segment represents the top twenty five percent of the CLV. This portion of customers is typically the most loyal and is not price sensitive but place more value on service and customer service.
- *Gold segment*: This twenty five percent of customers have a lower CLV than the platinum customer. This is because these customers are more price sensitive. These customers bring in a big percentage of profits but are also aware of what competitors have and are not as loyal as the platinum customer segment.
- *Iron segment*: These customers have a very little CLV score and therefore are not significant to organisations profits.
- *Lead segment*: In this segment customers have the lowest CLV score, and it has been found that they demand the most attention although they do not do

much for the profits of the organisation. In some cases these customers cost the organisation money (Berndt and Tait, 2012).

### 3.4.3 Relationship Management versus Transactional Marketing

Rouse (2009) has found that transactional marketing is a “business strategy that focuses on single, "point of sale" transactions”. The aim is to maximize the revenue that each individual bring in and focusing on developing a relationship with the individual.

Rouse (2009) further explains that the transactional approach is based on the traditional marketing mix of the “four P’s”.

- Product –Creating and developing products according to customer needs and wants
- Pricing –Realising a price which is mutually beneficial. Price that is attractive to customers and still allows the organisation to profit from it.
- Placement –Distribution channels that are effective and quick
- Promotion –brand awareness and visibility of the brand and product so that it appeals to customers

In concluding findings Rouse (2009) commented that an alternative to the transactional model, relationship marketing, aims to ensure future contact with the customer and retention. According to customer relationship management (CRM) expert Michael Lowenstein, short term customer relationships could be caused by transactional marketing approaches that do not focus on customer retention, but end up as passive or reactive. It is also noted that with the statement made, the traditional marketing mix will always play a vital part in the organizations success. The biggest disadvantage of using the relationship based model for business is that it is expensive. However, nurturing and retaining good customer relationship in the long run will show a significant improvement on the return on capital. The use of CRM strategies can also make a difference. Most companies will use a combination of both methods mentioned in this literature.

Gummesson (2002: 17) holds the view that relationship marketing and transactional marketing are the opposites. With transactional marketing, when a customer purchases products once or multiple times it does not mean that you can expect future purchases from the same customer. Customer can buy from one organisation repeatedly without feeling any loyalty towards the organisation or expecting a closer customer relationship. There are also no records of customer purchases and not much is known about the customer. Micro-economic theory state that price will be the main determined for a purchase to be made.

### 3.5 RELATIONSHIP DEVELOPMENT

In a journal article written by Drysdale (1999:3) it is vital to keep and attract customer to the organisation. The cost benefits outweigh keeping existing customers instead of attracting new ones consistently. Gaining new customers can cost an organisation up to ten times the price of keeping an existing customer. In terms of relationship building the aim is to engage with the customer on a long terms basis and improve the relationship in order to retain the customer. Many organisation build relationships with their customers by means of loyalty programs, credit points and discounts. This takes dedication and commitment from the organisation to peruse such programs for their customers. If an organisation peruses these programs there can be significant results from doing this and will increase customer loyalty and in turn build customer relationships. The customer loyalty ladder illustrates the benefits of relationshipsmarketing and the equilibrium of keeping customers and acquiring new ones. The ladder explains how you can take customers on various levels and convert them into strong advocates who will be ambassadors for the organisation.

Figure 3.2



The relationship marketing ladder of loyalty

Source: Peck, H., Payne, A., Christopher, M., Clark, M. (1999) Relationships Marketing Page 45

Botha et al (2010:375) reckons that CRM represents a change in marketing focus from sales to customer gaining and retention. The focus is always on the customer and CRM technologies and strategies can bring many departments in the organisation together to form a mutually beneficial structure.

Botha et al (2010:375) have used a quote of McKenna (1993) to highlight what the key elements to relationship marketing are:

- Being a market leader by developing suitable products and services.
- Fostering and engaging in long terms customer relationships to be able to understand what customers want.

- Continual product and service research and improvements by analysing and gaining feedback; and
- Creating relationships with other organisations in order to gain a competitive edge at all times.

Botha et al (2010:375) go on to write that there are basically five activities that should be practised to focus on the customer (Peppers & Rogers, 1997):

- *Identification*: learn as much as possible via conventional or online marketing about the customer. This will assist the organisation in creating conversation and future interactions with the customer.
- *Individualisation*: Customise every purchase, especially over the internet, to every specification of the customer. This aids the one-on-one marketing approach.
- *Interaction*: By continues interaction with the customers the organisation can learn as much as possible and be able to serve them better. There is no better method than the internet available to get more information about the customer.
- *Integration*: Integrate the customer relationship with all departments of the organisation for maximum satisfaction
- *Integrity*: Create and foster trust from the customer. The best method of developing this is over the internet because of good information and speed.

### 3.6 CUSTOMER SERVICE AND CUSTOMER RELATIONSHIP MANAGEMENT

Wikipedia (2012) defines customer service as supplying customers of service before, during and after the purchase. According to Turban et al. (2002), customer service is a string of events to enhance and develop customer satisfaction. Customer satisfaction is the feeling the customer has if the product or service has met the customer's expectation. It has been said that there is a decrease in recent years with regards to quality of service and customer service. The reason for this is mainly the lack of support and understanding from different levels of management and policies. Companies have been made aware of the problem and new methods of customer service

have been employed to ensure that customers are satisfied and to aid performance indicators.

Blumberg (2003:177) has commented that part of customer service is the resolving and assistance of problems by trained personnel. There are various methods that can be used to resolve customer's queries and problems satisfactory. The answer lies in the approach taken. Customers get frustrated and irritated with personnel who cannot answer service related questions and just try anything to solve the problem. Customer service departments need highly trained personnel to deal with customers and offer satisfactory service levels and customers do not want to absorb the cost of training new personnel. Not all customers will accept waiting patiently to be helped because of staff being trained and are inexperienced, nor allow the personnel to call other colleagues to assist in routine tasks.

Customers pay for the service given and expect real value for money. With the fast paced technological era in which organisations operate it is seen as vital that personnel be trained on all new applications and be able to give satisfactory service at all times. Organisations will benefit by supplying their personnel with formal as well as on-the-job training to ensure that they are informed of new development and products at all times and should not be done at the cost of quality and service levels (Blumberg, 2003:177).

In conclusion to this matter Blumberg (2003:177) commented that a lack of skilled personnel is a concern for the organisation as a whole and affects all departments, not just the service department. Shifts such as consolidation and downsizing have affected internal staff especially in the service departments. In many instances, expertise are lost with these processes and not replaced for some time or not at all and this affects customer satisfaction levels. The definition of responsive service has also changed. Customer expectations have risen due to the faster processing times to receive information and the likes over the internet. The same is expected of service departments. In other words, because technology has evolved and the development of the internet everything gets done faster and customers expect that service is also speedier.

Gummesson (2008:164) has wrote that the employees who never meet external customers do not know customer behaviour and needs. This causes employees to develop their own impressions of how customers are and what they need. Technology can change this and make it easier for all employees. Banks have moved their relationships from face-to-face contact to faceless with the help of the ATM, internet and other machines. One can now withdraw money from any ATM which implies that some people will not know that they are not using their holding banks machines or services. A lot of the banks communication has been diverted to the internet, ATM's or even the call centres. In many cases the only voice you hear is over the phone and is automated and some customers cannot accept this method of communication. Every time one phones the call centre you would speak to a different person every time. The call centre staffs are rarely trained to deal with more complex matters than the routine transactions and services (Gummesson, 2008:165).

### 3.6.1 Customer expectations

According to an article written by Miller (2012), a customer expects a product to work the first time. When a purchase was made at a discount store, the expectation of quality will be lower than a specialised store. Even with this in mind, the customer expects the product to work the first time. There is a clear expectation of what customers expect when it comes to product and service. The objective is that people expect good quality products based on the price they pay for it. Customer expectations in terms of service are based on the customer's perception of the organisation and the industry. These impressions are formed by past experiences, and the experiences of other customers.

Giving bad service which is below customer expectations is bad, but in context of creating loyalty also not acceptable. The point is that customers get more than they expect and this creates loyalty and customer satisfaction. Customer satisfaction comes from consistently exceeding customer expectations (Miller, 2012).

Berndt and Tait (2012:41) have concluded that service and customer service are becoming a more integral focus point for customers as well as organisations especially in the way customer relationships are built. The following are to be considered.

- *Changing customer experience:* Customer are more educated and informed than ever before and they demand more from organisations than in the past. With that said customer expectations have also risen. Therefore companies have to be proactive and solve problems before they start. Competitors have been exceeding these rising expectations but have added value to service and quality. The competition has also increased between organisations because whatever the customer wants is available.
- *The increased importance of customer service:* Service is being used as a competitive edge and this has been proving to assist organisation become more profitable by offering better products and services than competitors.
- *The need for a relationship strategy:* A customer strategy needs to be formulated, implemented and controlled. If this is properly in place it will create value for the customer and will compliment the elements of the marketing mix (Berndt and Tait, 2012:41).

### 3.6.2 Success factors for Service excellence

To become a leading customer-centric organization and exceed the objectives of a set customer service strategy, there are five success factors that are key as published by Bosch (2005:23):

- Senior Management & Political Support ~ there should be a company culture change in order for a customer centric organisation to be built and this entails staff on all levels.
- Adequate Resources ~ There should be enough capital and resources to support a customer centric model



- Staff Buy-In and Communication ~ Employees should be involved throughout the whole process in order for them to be empowered and that they understand every aspect of the process.
- Clear Vision ~ the organisation should have an idea what the customer centric organisation will look like after the transition so that this can serve as a guide for decision making in the future.
- Enabling Technology ~ information and technology support should be solid in order for the transition to a customer centric organization (Bosch 2005:23).

### 3.7 OPERATIONAL CUSTOMER RELATIONSHIP MANAGEMENT

Operational CRM as defined by Operational CRM's website (2012) is aimed at automating, improving and enhancing customer interactions. The main focus area is how an organization will automate their processes, marketing and service procedures. Here follows some of the automating processes to be followed when using CRM software applications.

1. *Marketing automation*- this process includes using databases to gather customer information and use this as part of the automated marketing strategy to target certain segments and use various channels doing this. Campaigns are one way in which companies can easily gain information by direct contact with customers. Another option with the automation is event marketing which implies that offers will pop up in certain customer's inboxes as a form of interaction and marketing. This has been found to retain customers or to regain customers.
2. *Sales-force Automation*- CRM system software and applications are also used in acquiring new customers, not in just keeping them. The first thing to do is to record all interactions with the specific customer and save it on the CRM system. There are other steps such as validating leads of prospective buyers. This will then be used by sales representatives to try and get business from these customers by offering targeted deals.
3. *Service Automation*- this process includes the automation of the organisations service activities. All interactions between the customer and the organisation such as contact details, web sites, blogs, mail and call centres are all part of

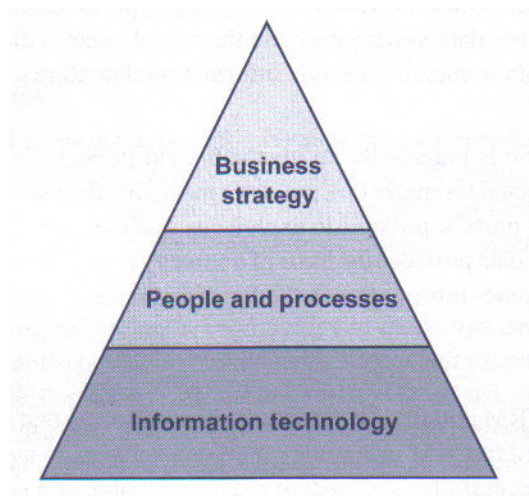
the operational CRM process. This process can record information from every customer so that it can be accessed at a later stage to build a profile and create loyalty. In this manner, it eliminates unnecessary calls to customers whose history tell the organisation they are not in need of certain products and services (Operational CRM: 2012).

### 3.8 CUSTOMER RELATIONSHIP MANAGEMENT TECHNOLOGY

In an article by Web Associates (1999:1) they are of the opinion that CRM's traditional aim was to manage and enhance the business-to-customer interaction and relationship. CRM is helping companies to keep and to acquire new customers and therefore the activities of the CRM function have increased and in saying that costs as well. Managing customer relationships are costly especially if multi channel communication is required. Web-based CRM programs and processes use the internet to integrate different organisational processes and departments and by doing this cuts costs of customer facing operations while still achieving the main objective which is to enrich the customer experience.

Berndt and Tait (2012:162) say that the companies that have been successful with CRM processes have implemented the processes, understand the definition of CRM and have integrated all departments. These companies have seen the value of automation and use technology in the organisation to make this more effective. CRM must start with business changes in the organisation which are then automated for effectiveness and efficiency. Companies can only make the change if clear company objective guide the process and then the technology can be applied. A business that is customer centric will most definitely reap the rewards of the CRM technology. Below is an illustration of a customer centric business model.

Figure 3.3



Customer-centric business model

Source: Berndt and Tait (2012: 162)

Goldenberg (2008:176) have concluded that to a large extent, most customer service activities have been assigned to customer service centres. In many cases contact or call centres become web-enabled so that they can also manage incoming mails, chats and other web-based interactions with customers. Here is an example of how CRM software works to deliver the best customer care all the time. Three customers need help at the same time. Customer one calls through to the call centre to ask a question on the company's 0800 toll free number, customer two comes in with an email query and customer three comes in with a web chat. The CRM technology queues these peoples request in a logical manner so that the customer centre employee, assuming she is trained to manage multiple channels, begins answering the customers' requests. Automated responses allow the employee to respond to more than one customers query at the same time. Customer interactions and conversations are recorded and saved in the customer's profile. There are certain customer service measurement tools that are in place to consistently monitor the level of service given and to see where they can improve their service more.

### 3.9 E-COMMERCE AND CUSTOMER RELATIONSHIP MANAGEMENT

Web Associates (1999:3) holds the view that more and more people are using the internet as a way of life and their expectations are ever increasing. These customers have a low tolerance for problems and mistakes. Customers have the perception that if they cannot be instantly satisfied with a company's service they just go to another website and companies services. The options are endless and searching for a competitor on the internet is very easy, so this makes it of high importance that companies must at all times deliver satisfactory customer service. E-CRM systems is a term that can be used to describe and integrate all CRM processes and looks at a holistic approach in generating and following up on leads.

"Customer service and support is an important and undisputed part of the CRM picture" is what the article from Web Associates (1999:4) confirmed. There is an increasing need for customers to have pre and post sales information to empower them in decisions especially in multi channel processes. The customer call centre is a component of e-service and this service is integrated to be able to help customers with self-service channels and interactive support with multimedia portal management access points at businesses.

E-service products, which aim to link all customer interactions into one logical string of communications, can include the following methods according to Goldenberg (2008:117);

- "Self-service with the method of Frequently asked Questions (FAQ's)
- Email management response
- Interactive Web-text chat with a live agent
- Virtual agent, artificial intelligence that processes natural language queries and presents responses from a knowledgebase"

According to Goldenberg (2008:123), there are a few key challenges with regards to a customer self-service's implementation:

- Customer dissatisfaction can lead to the organisation losing customers which resulted from irritation and self-service bays not operating well
- Some customers feel that the customer experience has been dehumanised and this to them is unacceptable.
- Some customer might object to the automated response commenting that the information is inadequate and incomplete
- Some organisations might not have completed the entire CRM transition process to include all departments and there might be a communication leak in the eye of the customer.
- Some customers might find it disruptive when cross selling and up selling happens at a service encounter.
- Failure to train staff and equip them with enough knowledge to answer all relevant questions.
- Failure to supply alternative options when the self service options are out of service.

Customer service and the manner in which it is given will be the differentiating factor in companies in the future. E-services were developed to assist organisations in achieving the best customer service and to maintain the standards. It offers a complete integrated solution to all company departments (Goldenberg, 2008:124).

### 3.10 SUMMARY

In a summary, Berndt and Tait (2012: 37) concluded that CRM aims to enhance customer relationships. The main reason why companies like to interact with customers is to create customer loyalty which in turns lead to customer retention and will impact the CLV of a customer. There are many ways in which a customer's profitability and value can be measured and once known what the value is the appropriate strategy can be put into place.

CRM application and software are not replacing the traditional business processes but rather fix, improve and enhance the existing ones to assit the

organisation in maximising customer relationship and by doing so generate more profit. Automating the wrong process can be costly and companies should have a clear guideline if they are planning to make the transition to using CRM systems. This can also cost the organisation more resources (Goldenberg, 2008:93).

This chapter focussed on what Customer relationship management is and what the important aspects of it is. The researcher also looked at how CRM and E-commerce play a vital role in the marketplace currently. In the next chapter the research methodologies to be used for conducting customer surveys are to be discussed.

## **CHAPTER FOUR**

### **RESEARCH METHODOLOGY**

#### **4.1 INTRODUCTION**

The objective of this chapter is to present an overview of the methodology that is used in this research paper. This chapter will provide a theoretical background to the research methodology used. This theoretical background will guide the researcher in the process of compiling data and analysing the data for reporting.

This chapter covers topics on the research design, qualitative and quantitative methods of research, data collection, and questionnaire design and data analysis. Each of these topics will be theoretically discussed and the option that the researcher uses will be highlighted.

#### **4.2 RESEARCH DESIGN**

Wikipedia (2012) summarises that research design is considered as a "blueprint" for research and aims to answer the four main questions namely: which questions are to be studied, what data is relevant to the research, what data is to be collected and how the results will be analysed. The questions asked as well as the research design will depend on the success of the research. To every research design there is positive and negative factors. There are three basic designs considered in sociology which present reliable information. These are; cross-sectional, longitudinal and cross-sequential. Research designs can be divided into fixed and flexible designs (Robson, 1993). Another way of describing fixed and flexible designs are quantitative and qualitative research designs. It is important to note that is not a clearly divided concept for example, fixed designs are not always qualitative and flexible designs are not always quantitative. Fixed designs are more theory driven and variables are more controlled where flexible designs there is much more flexibility in terms of the variables and data collection process.

In the next section the researcher will discuss the three most used research designs in detail and then describe the method chosen for this research.

#### 4.2.1 Exploratory research

When there is little information about a research topic and previous theories have not been applied this research is exploratory. Here is an example to explain what is meant by exploratory research. If your aim was to get more students to use the universities computer lab, you might have to do exploratory research to find out what the students want and what appeals to their age group. This type of research design aims to clarify problem states, collects data and creates and eventual hypothesis and theories about the research (Ann, 2011).

Wiid and Diggines (2011: 55) suggest that the objective of an exploratory study is as follows:

- To learn and discover new information about a topic or phenomena.
- This research design is sometimes done as a preliminary survey before a full research study is to be done about the phenomena
- To clarify and explain concepts
- To see if there is any purpose to study the phenomena further
- To develop and create new areas of study under an existing phenomena and in so doing advance information with regards to the phenomena

The main objective of exploratory research is not to collect accurate data, but to gain better understanding into a certain phenomena and to develop it further. Some of the methods of research that are followed are in-depth interviews, case study analysing and using other sources. This research aims to develop a hypothesis and is not driven by it. Wiid and Diggines (2011: 55) conclude methods for conducting exploratory research include:

- Secondary data analysis; one could do a study on previous literature done on the phenomena
- Experience research; surveys and interviews with people who have interaction or experience with the phenomena studied
- Case studies can stimulate the researcher by previous cases that has happened



- Pilot studies: information can be gained from an affected sample of subjects by the specified phenomena and this can be used to guide a larger full scale study.

In conclusion, exploratory studies are not driven by an existing hypothesis but rather to formulate a hypothesis by using in-depth interviews or surveys to learn something new about the existing phenomena.

#### 4.2.2 Descriptive research

According to a definition by Ann (2011), descriptive research is done with a specific research question or hypothesis in mind. There are set subjects, populations and market segments from the start. It provides a problem or research questions, populations and methods of analysis even before the research is started and this used as a guideline throughout the study.

Wiid and Diggines (2011: 56) propose that descriptive research is considered necessary if there is ambiguity about a certain population or subject. This research design can be used to identify strengths, weaknesses, opportunities and threats. It can further answer important questions namely; what, where, who and why. One of the main objectives is an analysed description of a specific group, culture, organisation, attitude of customers or a tribe. All of this research is based on inconclusive previous research and the researcher might want to have questions answered in the study with regards to certain aspects of previous research done on the phenomena. The most important consideration about descriptive research is collecting accurate and reliable information. Longitudinal and cross-sectional methods are used to collect the data used in these studies. Wiid and Diggines (2011: 56) go further and give a breakdown of the two types of studies below.

- Longitudinal studies –Longitudinal studies are examples of time-series research where an activity is done and measured over a period of time and repeatedly. It is done over a set period of time to see if there is change every time it is done. There are two types of longitudinal studies:
  - Panels of people or subjects are used to rely on. Activities are repeatedly measured on certain variables. Measurement is taken every time a test is done on each person.

- In discontinuous or omnibus research the information from the people vary and is different from each other. Each person is given something else to be measured on.
- Cross-sectional studies – Cross sectional studies is a type of research design from which information is collected only once from subjects or the sample.

For the purposes of this study descriptive research was used. There is a main problem statement that guides the study with specific questions that the researcher aims to answer by using theoretical literature of previous studies.

#### 4.2.3 Causal research

Wiid and Diggines (2011: 56) describe the purpose of causal studies as causality between variables and events happening. It reveals the cause and effect that variables have on each other. Descriptive research might reveal some connection between particular variables where causal research confirms or describes the relationship or connection between these variables. This type of research tries to confirm the direct link between variables and also tries to show what direction the link is making. It explains the subject or phenomena in terms of causes.

In another description of casual research, Wikipedia (2012) describes the objective of causal research as the need to test a hypothesis by using a cause and effect variable. The aim is to determine what the particular variable is on certain behaviour in people or customers. If the research suspects a cause and effect relationship between variables, causal research is to be used. It is noted that the variable that is suspected to cause the effect needs to be kept consistent and then measure the reaction that the other variable has on the population. Because of the complexity of this research design there is not guarantee that there are not other factors or variables that can change the phenomena.

Wiid and Diggines (2011: 54) conclude that causal research can be conducted by means of laboratory or field experiments:

- Laboratory experiments: The exact environment is recreated in a controlled experiment and then the variables are measured as they would have been naturally

- Field experiments: these are spontaneous experiments that are measured in a natural setting or real marketing conditions. There is not the same control over variables like in a controlled environment.

#### 4.3 QUALITATIVE RESEARCH

Struwig and Stead (2010: 4) have researched the following about Qualitative research. There are many methods of qualitative research is not a clearly defined research method although there are differences from quantitative research. Differentiating characteristics are apparent in field like management, anthropology, archaeology, psychology, ethnography, symbolic interactions, and post modernism. The following research methods can be employed to assist in this type of research; voluntary participation from subjects, interviews or focus groups. Therefore this method can be classified as multi method. One has to be very specific in describing the research method is qualitative designs are chosen due to the ambiguity.

In a journal article Woods (2006) comments that qualitative research aims to learn how participants interact with variables, how they attach value to something or their interpretation of certain situations.

#### 4.4 QUANTITATIVE RESEARCH

In an article published by Hopkins (2008), quantitative research aims to determine the relationship between a dependant and independent variable. This research is normally either descriptive or experimental in nature. Descriptive studies confirm associations between variables. Experimental studies establish causality. For a descriptive study to get an accurate estimate of associations of variables a sample of hundreds or thousands of participants. An experimental study might use much less people in a sample. Accuracy and reliability will depend on how specific the researcher chooses the sample of participants.

Descriptive studies do not aim to change behaviour of any conditions because measurement is taken as it is. With experimental study measurements are taken and some sort of intervention is tried and then the experiment is measured again (Hopkins, 2008).

For the purpose of this research study the researcher will make use of quantitative research methods such as descriptive research design as describes in the literature above.

#### 4.5 DATA COLLECTION

Wiid and Diggines (2011: 59) suggest that the researcher must determine what method to use for collecting the primary data. Primary data can be collected in three different ways namely, observation, experimentation or surveys. Below are descriptions of each collection method.

- Observation is when a situation or people are observed. An example of such observation could be when the researcher sits in a supermarket and monitors certain behaviours of customer entering the store and documenting it on a predesigned form. Observation can be done by using mechanical or electronic equipment such as electronic television meters to calculate how many people watch certain television programmes.
- Experimentation is similar to testing. Experiments are conducted in a controlled environment and finding or data collected are then generalised to apply to the wider population. An example is when a store chain chooses one store to test their new display methods and depending on the outcome it will be applied to all the company's stores.
- The survey method aims to collect information from participants by asking direct and indirect questions by means of a mail or personal questionnaire. The results can be facts or opinions.

The Becker et al. (2012) says that surveys are one the most commonly used tools when conducting quantitative research in the field of social sciences. A sample from a specified population is chosen a predesigned questionnaire is given to all the participants to complete. There are different methods of doing this such as online questionnaires or surveys, via post or mail, a telephonic interview or face-to-face interview. Information can be collected from large or small populations using this method.

Samples of participants were chosen to voluntary complete a face-to-face interview. A self administered questionnaire is to be used to collect primary data for this

research study. The researcher is of the opinion that a questionnaire is an accurate collection tool to get the best data.

#### 4.6 QUESTIONNAIRE DESIGN

Wiid and Diggines (2011: 172) conclude that the questionnaire is the best method of gathering information from respondents. Solving the original research question will depend on the questionnaire design used. Below is some of the information that needs to be answered in the questionnaire.

- Relevant information for the specified target market needs to be gathered
- Data must be comparable
- Bias should be minimised
- It should be inviting and motivating so that respondents want to participate
- It should promote the respondent in being honest when answering questions
- It should facilitate the interview and data processing process

The questionnaire designed for this research paper is directed at South African banking customers. The three stages of questionnaire content are described as follows:

- Stage one is an introductory cover letter explaining what the study is about and assuring the respondent that the information will be treated with confidence
- Stage two covers questions with regards to demographics and about the respondent's age, race, income and educational levels. Possession of certain items such as laptops, computers, cell phones et cetera can also be asked
- Stage three directs questions to the respondent in relation with the theory chapters.

##### 4.6.1 Questionnaire structure

Yang (2009: 64) quotes Cooper and Schindler (2006: 398) saying that the questionnaire can be structured, which means that there are a set of fixed choices to answer the questions with or unstructured answers which are mostly open ended.

According to Churchill and Iacobucci (2005:229) as referenced by Yang (2009:64) comments that unstructured questions are mostly used where the problem is not

specific and there is more flexibility in observations. Unstructured questions are ideal for experimental studies where structured observations come with set or clearly specified behaviours that can be observed as it happens.

The questionnaire used in this study followed both the structured and unstructured approach. The questionnaire began with Section A which consisted of eight questions with regards to age, gender, income, race and possession of cell phone and computers. Section B followed with sixteen questions relating to Self-Service technology experiences or opinions of the respondents. Section C consisted of twenty three questions that referred to Customer Relationship management in the branch and the respondents overall experience when being served at the branches.

#### 4.6.2 Question type

Generally, there are two main types of questions which are commonly used in surveys: open-ended and closed questions. In the section below both these methods will be discussed.

##### 4.6.2.1 Closed questions

The Canada Business website (2012) has given a detailed explanation of the four types of closed-ended questions are most used. They are rating scale, forced choice, dichotomous and demographic/firm graphic questions. The researcher has to make sure that the scale for all questions are the same so that it is comparable.

- Rating scale questions

Respondents answer these questions depending on a situation. Three frequently used types of rating scale questions are Likert-type scales, balanced scale and semantic differential.

##### *a) Likert-type scales*

- Example: "Using a scale of 1 to 5 where 1 means very dissatisfied and 5 means very satisfied, rate your satisfaction with the performance of \_\_\_\_\_ on the following factors...."

- The advantage of using this method is that it is easy to analyse and compare with competitors
- The disadvantage of using this method is that errors can occur because it has to answer the question “why” before a survey can be started.

*b) Balanced scale*

- Example: "Based on the product description, please tell me if you would definitely buy, probably buy...."
- The aim is to predict future interaction and the advantage is that it is flexible for analysing
- The disadvantage of this method is that it does not address the “why” and a clear direction has to be determined before the survey is given to respondents.

*c) Semantic differential*

- Example: "Please read the following list of opposites that might be used to characterize the brands. On a scale from 1 to 7 where 1 is slow and 7 are fast, how would you describe \_\_\_\_\_?"
- The advantages of using the method is the flexibility of analysis and easy to compare to competitors
- The disadvantage of this method is that it does not address the “why” and a clear direction has to be determined before the survey is given to respondents.

- *Forced-choice questions*

Respondents have a few fixed options to make their selection from

*a) Paired comparisons*

There are two alternative scenario answers from which respondents have to choose.

- Example: "When you are deciding which \_\_\_\_\_ brand you are going to purchase, which of the following characteristics is more important: \_\_\_\_\_ or \_\_\_\_\_?"
- It is quick to answer and is very clear.
  - The disadvantage of this method is that it does not address the "why" and a clear direction has to be determined before the survey is given to respondents.

#### *b) Forced preference*

Respondents are asked to choose among various alternatives to complete the question. There are two of forced-preference questions:

- 1) The forced-preference ranking approach requires respondents to rank options from high to low.
- 2) The alternation ranking approach asks respondent to rank their answers from favorite to least favorite.

- Example: "Looking at the list of \_\_\_\_\_ and thinking about all of them again, please tell me which one you think is best."
- The advantage of using this method it that you can clearly see what is best and worst options
- The disadvantage of this method is that it does not address the "why" and a clear direction has to be determined before the survey is given to respondents.

#### *c) Dichotomous questions*

Respondents must choose between two alternatives.

- Example: "In the past 30 days, have you seen or heard any advertising for \_\_\_\_\_? Yes or no?"
- It is quick and does not allow ambivalent answers.



- Disadvantage of this method is that it does not allow for alternatives.

#### *d) Demographic/firm graphic questions*

Demographic/firm graphic questions are asked at the conclusion of the study for classification purposes in analysis.

- Examples: "Into which category does your age fall?" "What level of education do you have?" "What is the size of your organization?"
- Advantages include quick and easy to answer
- Some questions might be viewed as offensive or very personal and this is the disadvantage of this method

#### 4.6.2.2 Open-ended questions

Canada Business website (2012) state that there are two types of open-ended questions: free response and free response with pre-codes.

- Free response
- Example: "Why do you say you are very interested in \_\_\_\_\_?"
- The advantage of using this method is because it answers the question "why" and true reflections for interpretation are given.
- Disadvantage include that it takes more time than a closed ended question.
  - Free response with pre-codes
- Example: "What do you see as the strengths of this product? a) You don't have to use it with other products; b) Ease of application; c) It is effective; d) Other (specify); e) None; f) Don't know."
- Advantage of this method is that it addresses central issues.
- Disadvantage is that it is more time consuming than a closed question.

#### 4.6.3 Pretesting

Only when a questionnaire has been completed the accuracy in determining if the goal has been achieved with it. Therefore pre-testing is vital before it is given to the whole sample of respondents so that if corrections need to be made it can be corrected before the full study receives them (Crawford, 1997).

Crawford (1997) goes further and describes the purpose of pre-testing the questionnaire is to determine:

- “whether the questions as they are worded will achieve the desired results
- whether the questions have been placed in the best order
- whether the questions are understood by all classes of respondent
- whether additional or specifying questions are needed or whether some questions should be eliminated
- Whether the instructions to interviewers are adequate”

Normally only a few respondents are chosen for the pre-test. These respondents should represent the whole sample group for the best results. After the pre-testing has been done the researcher can see where to improve or change the questionnaire and then finalize the questionnaire to be used for the study. This final scheduling could include the order of questions, numbering or added questions (Crawford, 1997).

Wiid and Diggins (2011: 181) commented that once completed, its vital to have the questionnaire tested and refined if necessary. The pre-testing can be done individually or in a group setting.

The pre-testing enables the researcher to determine.

- The time it will take the respondents to complete
- If there are problems answering the questionnaire
- If the questionnaire instructions are clear and understandable
- Whether the flow of the questionnaire is natural and conversational

#### 4.6.4 Sampling design

In an explanation of sampling methods Wiid and Diggines (2011: 199) commented that sampling methods can be divided into two major categories namely probability and non-probability sampling. With probability sampling each unit of the population have a positive input and an equal chance in being chosen. With non-probability sampling the probability of the selection is unknown and cannot be determined. This method is less time consuming, more convenient and cheaper in practice to apply. Therefore the popularity of using non-probability sample methods especially in market research and opinion surveys.

Wiid and Diggines (2011: 199) conclude the basic difference in the application of the two methods is:

- “In non-probability sampling methods, no indication can be given of possible bias or error margins of estimates of population characteristics;
- In probability sampling methods, the sample error of a given sample size can be estimated statistically if the sample design meets certain requirements”.

According to Welman, Kruger and Mitchell (2011: 56) we can distinguish between probability samples and non-probability samples:

Examples of probability samples are:

- Simple random sample
- Stratified random sample
- Systematic sample
- Cluster sample

Examples of non-probability samples are:

- Accidental or incidental sample
- Quota sample
- Purposive sample
- Snowball sample
- Self-selection sample

- Convenience sample

For the purposes of this study probability methods were used. The cluster sampling method was chosen and used. Retail banking customers was the population and the cluster from which the final sample was identified. “Cluster sampling happens when you draw pre-existing, heterogeneous groups from the population. All the members of the selected clusters eventually constitute the sample” (Welman et al, 2011: 65).

#### 4.7 DATA ANALYSIS

Business dictionary's website (2012) describes data analysis as the chronological analysis and interpretation of information gathered by examining each component of the data provided. This only forms part as one of the many steps in the research process. Information from various sources are collected and then reviewed and only thereafter analysed to form a conclusion and findings. There are four major data analysis steps to be followed. Each step will be discussed in the next section.

##### 4.7.1 Data preparation

Cvent's website (2012) commented that most researchers spend a lot of time determining and examining what the customer's needs are. Thereafter a schedule to collect data is planned and this will serve as a guideline to assist the researcher. The aim of collecting all this information is to transform the data collected into understandable and valuable research. This is a time consuming part of the process and sooner or later the data collection will take place.

Cvent (2012) further researched and found that there are several simple, but sometimes overlooked steps to assist the researcher in properly preparing the data. They are:

- **Questionnaire checking:** Checking the questions asked and removes unacceptable questions. This step also includes numbering of pages or questions, incomplete instructions or questions and cut off dates.
- **Editing:** This steps look to eliminate ambiguity in answers.

- **Coding:** Coding prepares answers to be statistically measured if no numbers were used
- **Transcribing:** This means to make data useful and accessible for further processing
- **Cleaning:** This step looks at inconsistencies and fixes it. Faulty logic and out of range values are also dealt with
- **Statistical adjustments:** This applies to statistical changes that need to be made on questions that contained weighting and scales
- **Analysis strategy selection:** this is the final step where all data is refined and the selection is made what to interpret and present.

#### 4.7.2 Reliability and Validity

“The idea behind reliability is that any significant results must be more than a one-off finding and be inherently repeatable”. This statement was posted on the Experiment-resources website (2012). Reliability means that if other researchers were to conduct the same experiment under the same conditions should generate the same results. This will ensure that the wider scientific community accepts the hypothesis more easily. Without this test the research has not fulfilled all the criteria of testability. The researcher’s result might be wonderful but if any inconsistencies in the research design the scientific community will not accept the hypothesis. Internal validity and reliability is at the heart of experimental design (Experiment-resources website 2012).

Experiment-resources website (2012) describes external validity as the process of analyzing the findings to determine if there are any other causal relationships. Control groups or randomization can assist in this process but no method can be made completely successful. This is the reason why any scientific research design only puts a possible cause for the studied effect. There are also the possibilities of external factors that might influence the results and findings. Controlling all the causal relationships might be the best way to ensure validity and redoing the experiments again and again.

#### 4.7.3 Descriptive analysis

An article published by Social research methods (2012) defines descriptive statistics as “basic features of the data in a study. They provide simple summaries about the sample and the measures. Together with simple graphics analysis, they form the basis of virtually every quantitative analysis of data”.

Descriptive Statistics are used to present quantitative research in a manageable and usable form. It helps the researcher to analyze a large volume of data into a simpler and easier workable load. Consider the following example, “consider a simple number used to summarize how well a batter is performing in baseball, the batting average. This single number is simply the number of hits divided by the number of times at bat (reported to three significant digits). A batter who is hitting .333 is getting a hit one time in every three at bats. One batting .250 is hitting one time in four. The single number describes a large number of discrete events (Social research methods, 2012)

#### 4.7.4 Inferential analysis

Social research methods website (2012) says that with inferential statistics, the researcher is trying to reach and conclude findings over and above the fact stated. An example of this would be to generalize from a sample what the population might think about a topic. We use descriptive statistics to simplify what the meaning of the current research is.

An easy example of inferential analysis is where the researcher would like to test if there is a difference in the average performance of two groups when compared. This is done on a single measurement. The researcher might want to compare sixth grade boys and girls in math's tests or whether there is a difference on the outcome measure of the control group. When this needs to be tested the researcher should consider the t-test to be done before comparing averages between groups (Social research methods, 2012).

## 4.8 SUMMARY

This chapter gave insight to the research methods commonly used and the methods the researcher used to conduct the study such as planning the questionnaire and conducting it. Research analysis methods were also discussed. For the purpose of this study, self administered questionnaires are used to address the research problem. Structured and unstructured questions were used in the self administered questionnaire.

The targeted population used in this study are retail banking customers. Cluster sampling was used and hundred customers were asked to respond to the questionnaire. Four steps followed to analyse the collected data; namely, data preparation, reliability and validity, descriptive analysis and inferential analysis. The findings of the empirical study will be discussed in Chapter 5.

## **CHAPTER FIVE**

### **ANALYSIS AND INTERPRETATION OF THE EMPIRICAL STUDY RESULTS**

#### **5.1 INTRODUCTION**

Chapter 4 focussed on the methods that were used to collect and analyse the data from respondents. Many techniques were discussed and applied in the survey that was used to gather the information interpreted in this Chapter. Analysing the data methodically gave various interesting insights and is discussed in detail in this Chapter.

This Chapter focuses on interpreting, discussing and displaying the findings from the respondents that participated in the survey. Sixty customers participated in this questionnaire and all questions were answered. The chapter starts with analysing the biographical details of respondents and then moves on to look at two vital sections covered throughout the research namely: Self-service channel usage and customer service experience when using retail banks.

#### **5.2 BIOGRAPHICAL DETAILS OF RESPONDENTS**

This section covers many biographical details like age, gender, race, income, and possession of basic technology. Each topic will be discussed individually. The information displayed below was collected from Section A of the questionnaire.

##### **5.2.1 Respondents by age**

The results of this question were grouped into six age categories. The first group was age under 20 and the other categories followed namely: 21-30 years, 31-40 years, 42-50 years, 51-60 years and over 61 years of age. The results revealed that most of the sample was aged in the 21-30 categories, which are students or young working professionals. In Figure 5.1 below the age results are depicted as per categories.



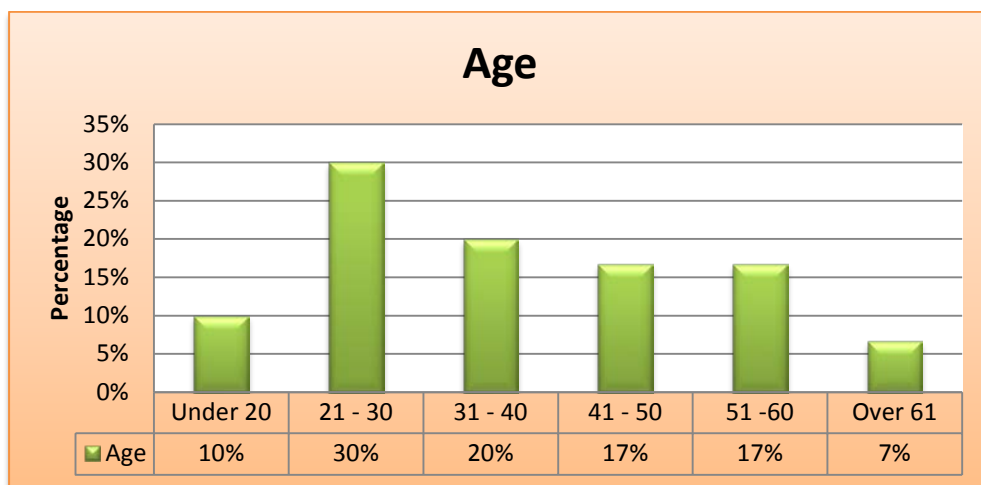
**TABLE 5.1 RESPONDENTS BY AGE**

<b>Respondents by age categories</b>	<b>Number of respondents</b>	<b>Percentage of respondents</b>
Under 20 years	6	10%
21 - 30 years	18	30%
31 - 40 years	12	20%
41 - 50 years	10	17%
51 – 60 years	10	17%
Over 61 years	4	7%
<b>TOTAL</b>	<b>60</b>	<b>100%</b>

Source: Results obtained from data collected in the customer experience questionnaire regarding their age.

Table 5.1 has been translated into a bar chart below.

**FIGURE 5.1 RESPONDENTS BY AGE CATAGORIES**

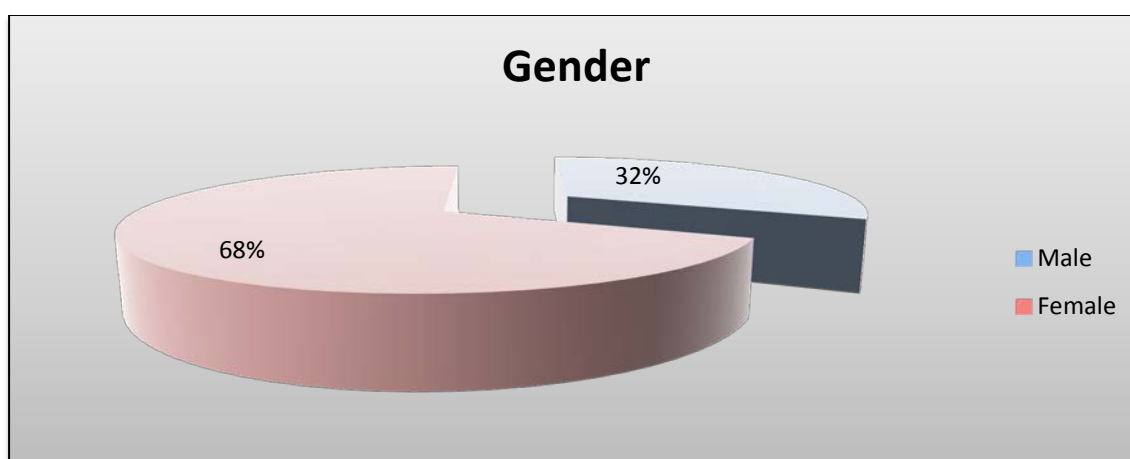


Source: Results obtained from data collected in the customer experience questionnaire regarding their age.

### 5.2.2 Respondents by gender

Results showed 32% male and 41% were female. Figure 5.2 illustrated this difference. See Figure 5.2 below.

**FIGURE 5.2 GENDER CATEGORIES**



Source: Results obtained from data collected in the customer experience questionnaire regarding their gender.

#### 5.2.3 Respondents by race

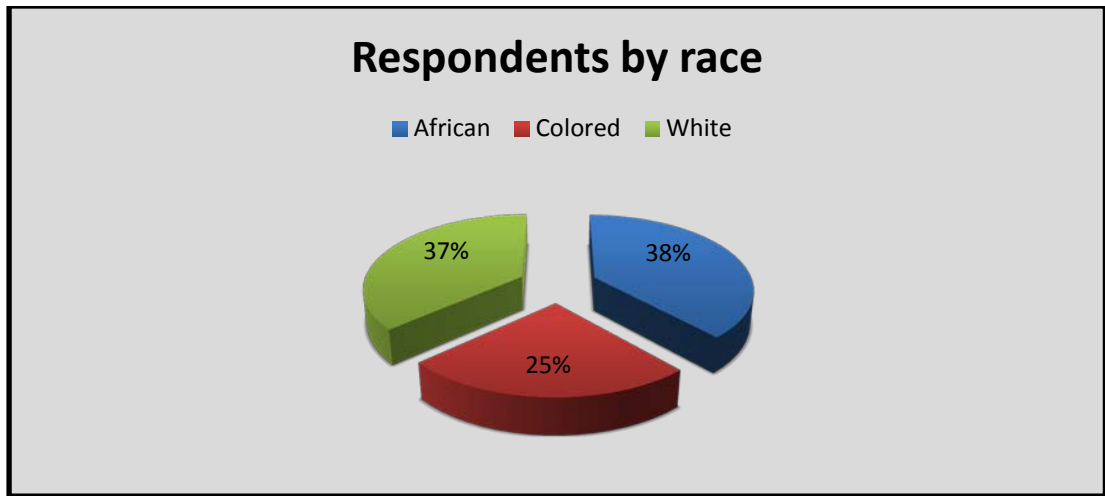
**TABLE 5.2 RESPONDENTS BY RACE CATEGORIES**

Respondents by race categories	Number of respondents	Percentage of respondents
African	23	38%
Coloured	15	25%
White	22	37%
Other	0	0%
<b>TOTAL</b>	<b>60</b>	<b>100%</b>

Source: Results obtained from data collected in the customer experience questionnaire regarding their race.

Table 5.2 above illustrates the findings of the race categories. The results show that 23 respondents were African, 22 respondents were White and 15 respondents were Coloured people. Figure 5.3 below illustrates the percentages per race category.

**FIGURE 5.3 RESPONDENTS BY RACE**



Source: Results obtained from data collected in the customer experience questionnaire regarding their race

#### 5.2.4 Respondents by preferred language

Respondents were asked if they were served in the language of their preference when they visit a branch. 67% said that they were served in their language of preference while 33% said that they were not served in a language of choice. With regard to the question of language preference respondents were asked what their language of preference was. Options of English, Afrikaans, Xhosa and other were given to choose from. 38% of respondents said that English was their language preference, 45% said that they preferred Afrikaans and 17% preferred Xhosa as their language of preference. 0% responded to other languages. Table 5.3 displays the breakdown of the results.

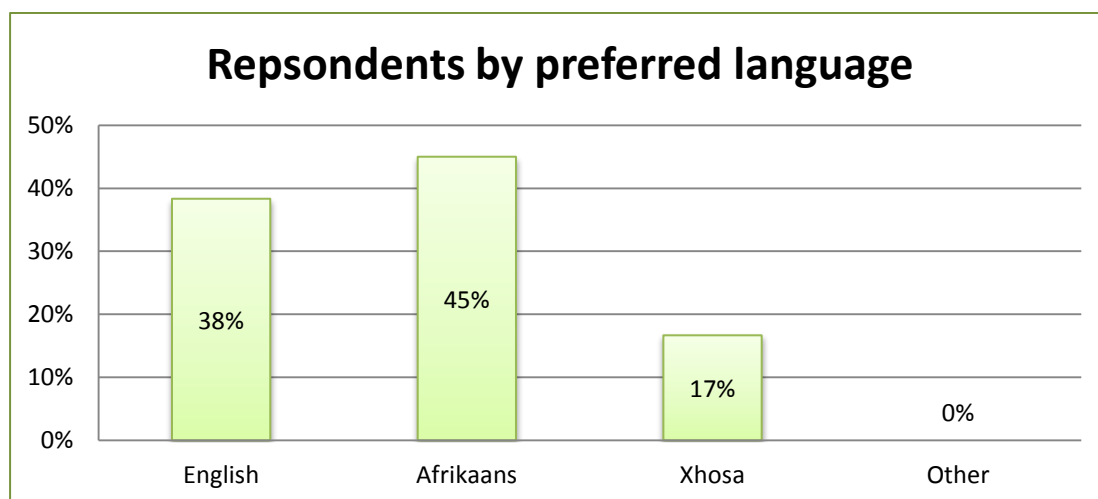
**TABLE 5.3 RESPONDENTS BY PREFERRED LANGUAGE**

Respondents by preferred language	Number of respondents	Percentage of respondents
English	23	38%
Afrikaans	27	45%
Xhosa	10	17%
Other	0	0%
<b>TOTAL</b>	<b>60</b>	<b>100%</b>

Source: Results obtained from analysing the respondents responses regarding their language of preference.

Figure 5.4 below shows the results in the form of a bar chart.

**FIGURE 5.4 RESPONDENTS BY PREFERRED LANGUAGE**



Source: Results obtained from analysing the respondents responses regarding their language of preference

#### 5.2.5 Education levels

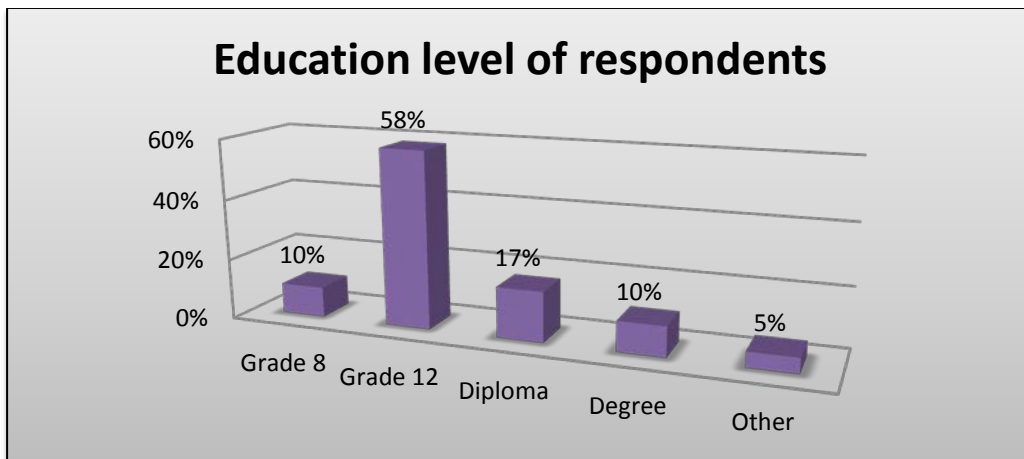
**TABLE 5.4 EDUCATION LEVELS OF RESPONDENTS**

Education level of respondents	Number of respondents	Percentage of respondents
Grade 8	6	10%
Grade 12	35	58%
Diploma	10	17%
Degree	6	10%
Other	3	5%
<b>TOTAL</b>	<b>60</b>	<b>100%</b>

Source: Results obtained from analysing the respondents responses regarding their level of education.

Figure 5.5 translates the statistics from Table 5.4 into a graph.

**FIGURE 5.5 EDUCATION LEVELS OF RESPONDENTS**



Source: Results obtained from analysing the respondents responses regarding their level of education.

The majority of respondents over 41 said that their highest level of education was Grade 12. 10% of respondents completed Grade 8, 58% of respondents completed Grade 12, 17% completed a Diploma, 10% completed a Degree and 5% completed other qualification that what was listed above. Table 5.4 and Figure 5.5 illustrate the findings above.

#### 5.2.6 Nett Income of respondents

**TABLE 5.5 RESPONDENTS BY NETT INCOME CATEGORIES**

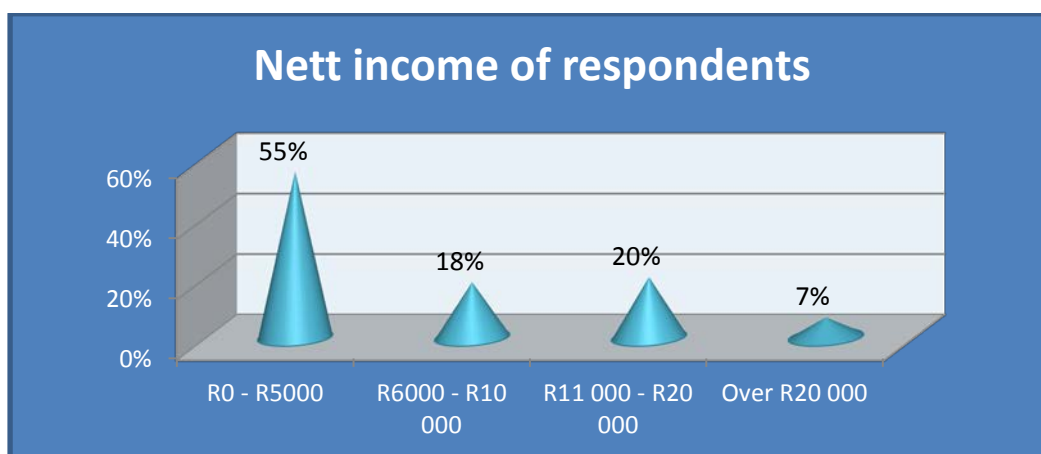
<b>Respondents by Nett Income</b>	<b>R0 – R5000</b>	<b>R6000 – R10000</b>	<b>R11000 - R20000</b>	<b>Over R20000</b>	<b>TOTAL</b>
Number of respondents	33	11	12	4	60
Percentage of respondents	55%	18%	20%	7%	100%

Source: Results obtained from analysing the respondents responses regarding their nett income.

Table 5.5 above shows the results by number of respondents and the percentage. It was noted that there might be a correlation between the education levels or respondents and their nett income per month. When

analysing the findings of this question one could see a definite trend in this sample. The first group was categorised between R0.00 to R5000.00 thereafter, R6000.00 to R10 000.00, R11 000.00 to R20 000.00 and lastly over R20 000.00. 55% of respondents said that they earn between R0.00 and R5000.00 per month. Figure 5.6 below show the results in a chart.

**FIGURE 5.6RESPONDENTS BY NETT INCOME CATEGORIES**



Source: Results obtained from analysing the respondents responses regarding their nett income.

#### 5.2.7 Possession of basic technology

**TABLE 5.6POSSESION OF BASIC TECHNOLOGY**

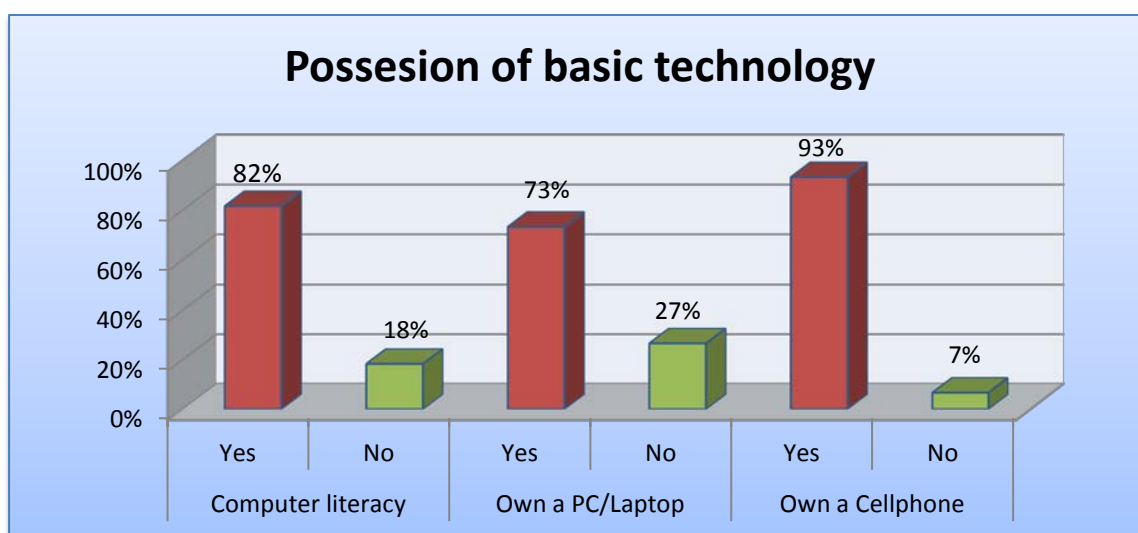
Question	Yes%	No%	Total%	N yes	N No	Total N
1. Are you computer literate?	82%	18%	100%	49	11	60
2. Do you own a PC or laptop?	73%	27%	100%	44	16	60
3. Do you own a cell phone?	93%	3%	100%	56	4	60

Source: Results obtained from analysing the respondents responses regarding questions asked about basic technology possession.

From table 5.6 it can be seen that this section presents three questions that were asked in the questionnaire relating to the possession of a laptop or computer and a cell phone. It was also asked if respondents were computer

literate. The table below illustrates the results and from this it is seen that 82% of respondents say that they are computer literate. The aim of these questions was to determine how many respondents own basic technology from which Self-Service Channels can be activated and used. Some of these services such as cell phone banking, and online banking can be done remotely. Figure 5.7 illustrates the respondent's answers to these three questions.

**FIGURE 5.7 POSSESSION OF BASIC TECHNOLOGY**



Source: Results obtained from analysing the respondents responses regarding questions asked about basic technology possession.

### 5.3 SELF-SERVICE CHANNEL USE

The findings that are interpreted and presented in this section were collected from Section B of the questionnaire. The questions respondents were asked focussed on the use, frequency and general concerns that banking customers have when using Self-Service channels. The findings have shown that most of the respondents are comfortable to use Self-Service channels but feel that they will increase the use of these innovations with further assistance from the bank.

### 5.3.1 Self-Service channels most used

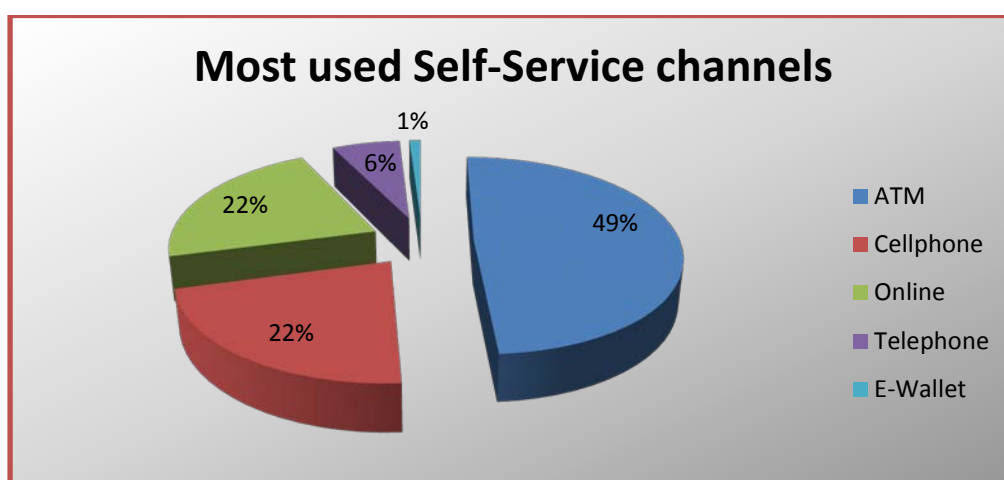
**TABLE 5.7 MOST USED SELF-SERVICE CHANNELS**

Most used self-service channels by respondents	Frequency	Percentage of respondents
ATM	47	49%
Cell phone	21	22%
Online	21	22%
Telephone	6	6%
E-Wallet	1	1%
<b>TOTAL</b>	<b>96</b>	<b>100%</b>

Source: Results obtained from customer experience questionnaire regarding self-service channels used by respondents.

Many Self-Service facilities are available at the branch and remotely. These options included ATM's, Cell phone banking, telephone banking, online banking and E-Wallet. Respondents had to choose which they use on a regular base. From Table 5.7 it is seen that results showed that most people still use the ATM's and people use cell phone and online banking equally. Very few people still use telephone banking and some use E-Wallet. Figure 5.8 below illustrates the results of respondents.

**FIGURE 5.8 MOST USED SELF-SERVICE CHANNELS**

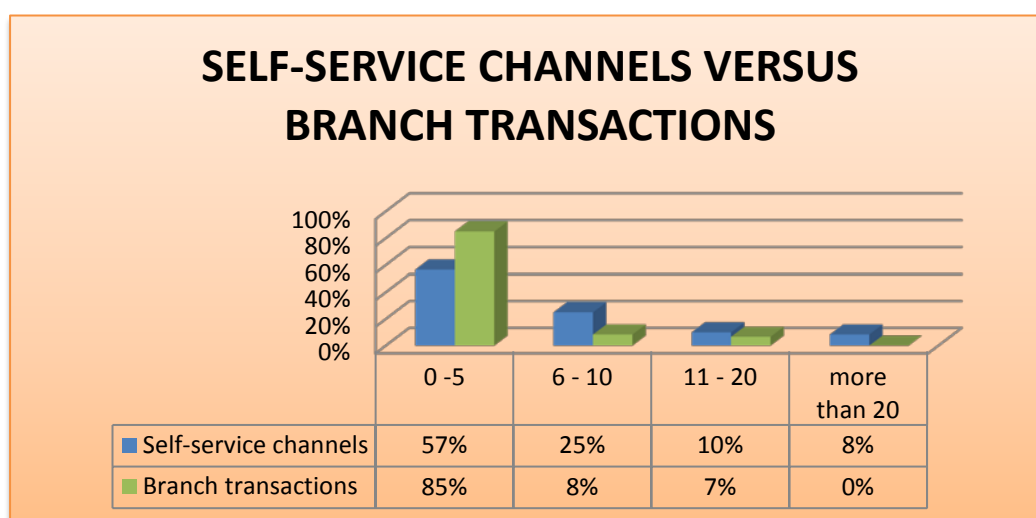


Source: Results obtained from customer experience questionnaire regarding self-service channels used by respondents.



### 5.3.2 How often respondents use self-service channels

**FIGURE 5.9 SELF-SERVICE CHANNELS VERSUS BRANCH TRANSACTIONS**



Source: Results obtained from customer experience questionnaire regarding the frequency of using Self-Service Channels and branch transactions.

In Figure 5.9 it can be seen how frequently customers use Self-Service Channels and how many times they go into the bank do to transactions. The researcher noted that respondents might use the above mentioned Self-Service Channels but this does not mean they use them frequently. It was also important to know how many times respondents use the Self-Service Channels. The responses were categorised in frequency and were divided into 0-5 times, 6-10 times, 11-20 times and more than 20 times a month. 57% of respondents said that they use the Self-Service channels only 0-5 times per month, 25% used them 6-10 times, 10% used them 11-20 times and only 8% used them more than 20 times. Table 5.8 below shows the frequency of using Self-Service Channels.

**TABLE 5.8 FREQUENCY OF SELF-SERVICE CHANNELS USED**

Frequency of self-service channels used	0 – 5 times	6 – 10 times	11 – 20 times	More than 20 times	TOTAL
Number of respondents	34	15	6	5	60
Percentage of respondents	57%	25%	10%	8%	100%

Source: Results obtained from customer experience questionnaire regarding the frequency of using Self-Service Channels.

### 5.3.3 Frequency of branch transactions

**TABLE 5.9 FREQUENCY OF BRANCH TRANSACTIONS PER MONTH**

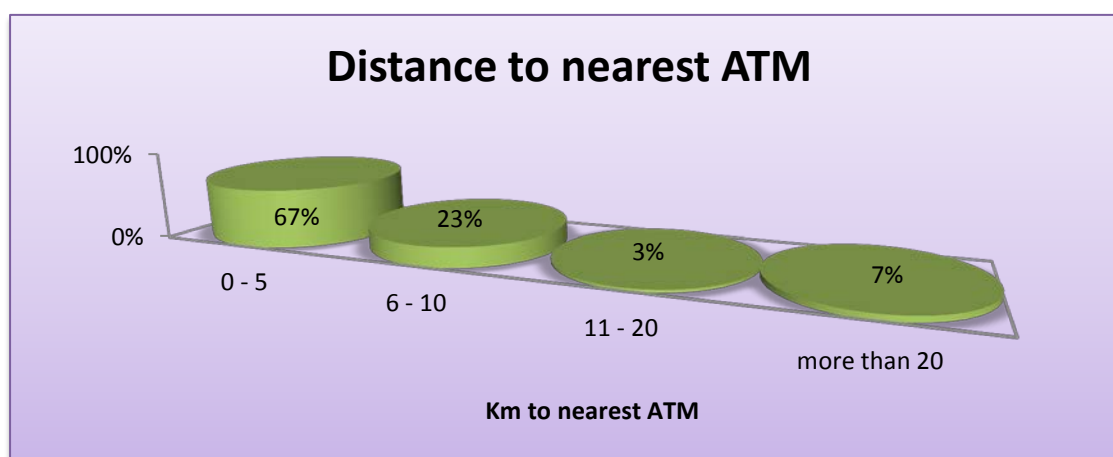
Frequency of self-service channels used per month	0 – 5 times	6 – 10 times	11 – 20 times	More than 20 times	TOTAL
Number of respondents	51	5	4	0	60
Percentage of respondents	85%	8%	7%	0%	100%

Source: Results obtained from customer experience questionnaire regarding the frequency of branch transactions

This question was asked to see how often respondents have transactions to complete within the branch. 85% of respondents said that they only go into the branch 0-5 times, 8% went to the branch 6-10 times and 7% of respondents used their in branch services 11-20 times. It was note that the option for more than 20 times per month resulted in 0%. It can be concluded from this sample that more people are going in the branches less than previously. These results can be derived from table 5.9 above.

### 5.3.4 Distance to nearest ATM

**FIGURE 5.10DISTANCE TO NEAREST ATM**



Source: Results obtained from customer experience questionnaire regarding the distance to the respondents nearest ATM

Figure 5.10 above illustrates the results from the respondents. This question was asked to see if there is a connection between the distance to the respondents nearest ATM and the reluctance of using self-service channels. The results were as follows: 67% said that the distance to the nearest ATM was between 0-5 km. 23% said that the nearest ATM was between 6-10 km, 3% said it was between 11-20 km and only 7% said that the nearest ATM was more than 20km. This concludes that this sample did not have much trouble reaching their nearest ATM. Table 5.10 shows the results in another form.

**TABLE 5.10 DISTANCE TO NEAREST ATM**

<b>Frequency of self-service channels used</b>	<b>0 –5km</b>	<b>6 – 10km</b>	<b>11-20km</b>	<b>More than 20km</b>	<b>TOTAL</b>
Number of respondents	40	14	2	4	60
Percentage of respondents	67%	23%	3%	7%	100%

Source: Results obtained from customer experience questionnaire regarding the distance to the respondents nearest ATM.

### 5.3.5 Degree of hesitance to use self-service channels and reasons for it

**TABLE 5.11 HESITANCE TO USING SELF-SERVICE CHANNELS**

<b>Question</b>	<b>Yes%</b>	<b>No%</b>	<b>Total%</b>	<b>N yes</b>	<b>N No</b>	<b>Total N</b>
1. Do you feel hesitant to use Self-service channels?	35%	65%	<b>100%</b>	21	39	<b>60</b>
2. Would you use self-service channels in the future with more assistance or information?	93%	7%	<b>100%</b>	56	4	<b>60</b>

Source: Results obtained from customer experience questionnaire regarding the hesitance customers have to using Self-Service Channels.

Table 5.11 shows the respondents answers when they were asked if they were hesitant to use Self-Service Channels. Only 35% of respondents said that they were hesitant to using self-service channels while the remaining 65% were competent to use self-service channels. Table 5.12 below analyses the question relating to hesitance further by asking what the reason is for being hesitant to use Self-Service Channels.

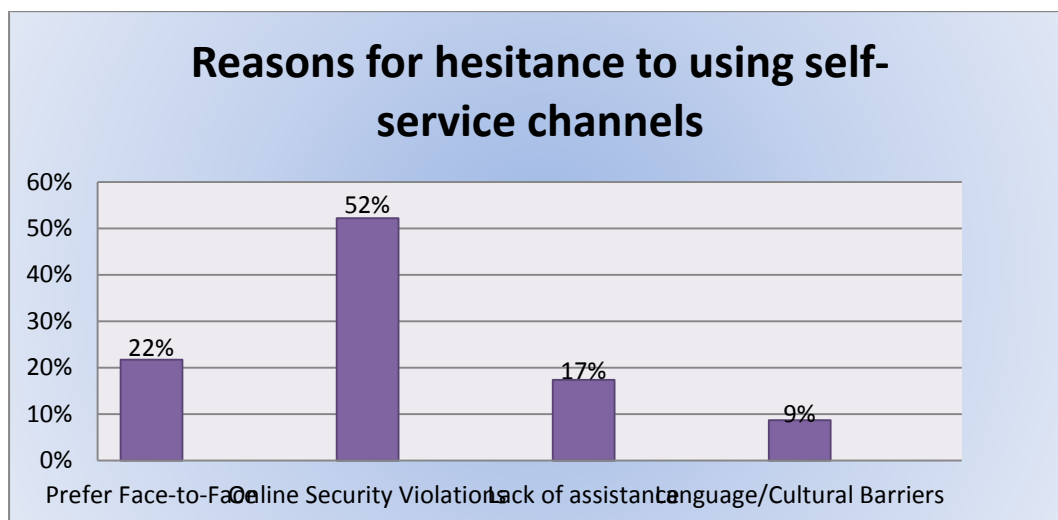
**TABLE 5.12 REASONS FOR HESITANCE TO USING SELF-SERVICE CHANNELS**

<b>Reason for being hesitant to use self-service channels</b>	<b>Just prefer face-to-face</b>	<b>Online security violations</b>	<b>Lack of assistance</b>	<b>Language or cultural barriers</b>	<b>TOTAL</b>
Number of respondents	5	12	4	2	23
Percentage of respondents	22%	52%	17%	9%	100%

Source: Results obtained from customer experience questionnaire regarding the hesitance customers have to using Self-Service Channels.

From Table 5.12 it can be depicted that 20% answered that security violation of online banking caused their hesitance, 8% just prefer face-to-face interaction, and 7% said that the lack of assistance caused them to be hesitant and 3% said that cultural and language barriers caused their hesitance. Taking into account that most respondents were comfortable using self-service channels the third question was focussed on knowing if the respondents would use self-service channels more if better assistance were given. 97% of respondents said yes and the other 3% said no. The figure 5.11 illustrates the results from respondents regarding the questions discussed above in a bar chart.

**FIGURE 5.11 REASONS FOR HESITANCE TO USING SELF-SERVICE CHANNELS**



Source: Results obtained from customer experience questionnaire regarding the hesitance customers have to using self-service channels.

#### 5.3.6 Communications methods preferred

**TABLE 5.13 COMMUNICATIONS FROM BANKS**

Question	Yes%	No%	Total%	N yes	N No	Total N
1. Do you like to receive marketing communication from the bank?	65%	35%	100%	39	21	60
Question	Email	Fax	Post	Telephone		
2. Which method of communication do you prefer?	49%	0%	26%	25%		

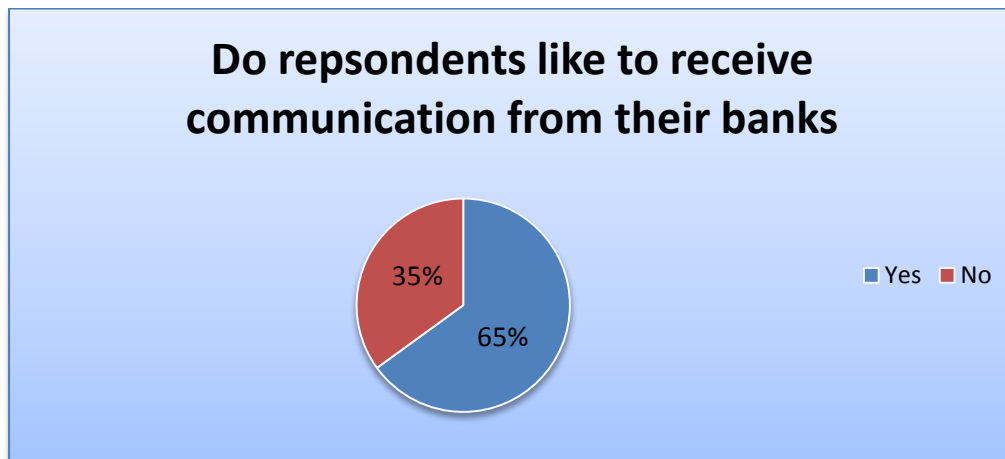
Source: Results obtained from respondents answers with regards to communication from their banks

In this section two questions were asked in terms of marketing communication with respondents. The first was if respondents wanted to receive communication from their banks or not. From Table 5.13 the findings indicate

that 65% of respondents want to receive communication and 35% do not. The second question was focussed on the communication methods preferred by respondents. Email, fax, telephone and post were the options given to respondents to choose from. Table 5.13 show that email communication was the preferred methods for 49% of respondents, 26% preferred post and 25% preferred telephone communication. Fax was given as an option and 0% responded that this was their preferred method of communication.

Figure 5.12 show if respondents like to receive marketing Communication from their banks or not below.

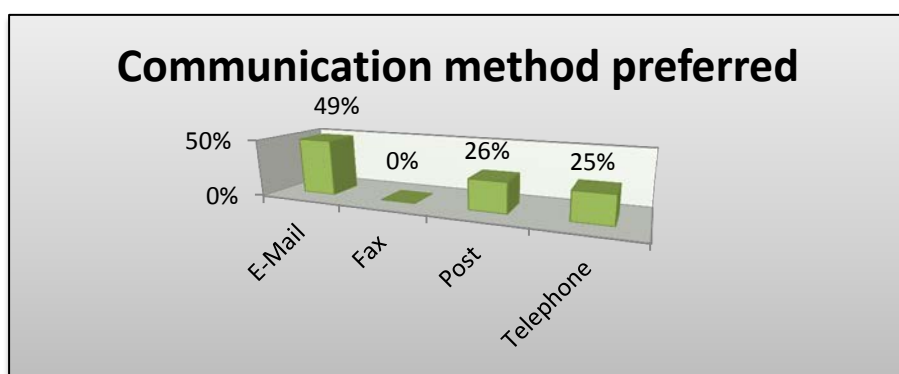
**FIGURE 5.12 DO REPSONDENTS LIKE TO RECEIVE COMMUNICATION FROM THEIR BANKS**



Source: Results obtained from respondents answers with regards to receiving communication from their banks.

Figure 5.13 below display the results in a bar chart.

**FIGURE 5.13 COMMUNICATION METHODS PREFERRED**



Source: Results obtained from respondents answers with regards to the preferred communication methods

#### 5.3.7 Level of staff knowledge and bank charges

**TABLE 5.14 BANK STAFF KNOWLEDGE RATING**

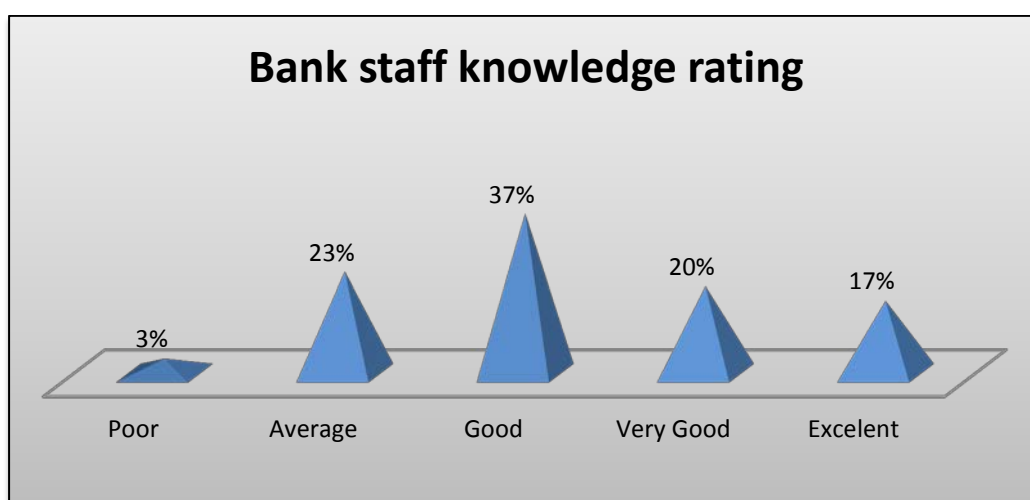
Bank staff knowledge ratings	Number of respondents	Percentage of respondents
Poor	2	3%
Average	14	23%
Good	22	37%
Very good	12	20%
Excellent	10	17%
<b>TOTAL</b>	<b>60</b>	<b>100%</b>

Source: Results obtained from customer experience questionnaire regarding how knowledgeable bank staff appears.

Respondents were asked to rate the level of the banking staff's knowledge. Table 5.14 above show the results. In this research questionnaire the respondents had options to rate the level of knowledge by marking poor, average, good, very good or excellent. The majority (37%), said that they feel the staff can be categorised as good, 23% said average, 20% commented very good, 17% reported excellent and 3% said poor.

Figure 5.14 is a translation of the information in Table 5.13 in chart form.

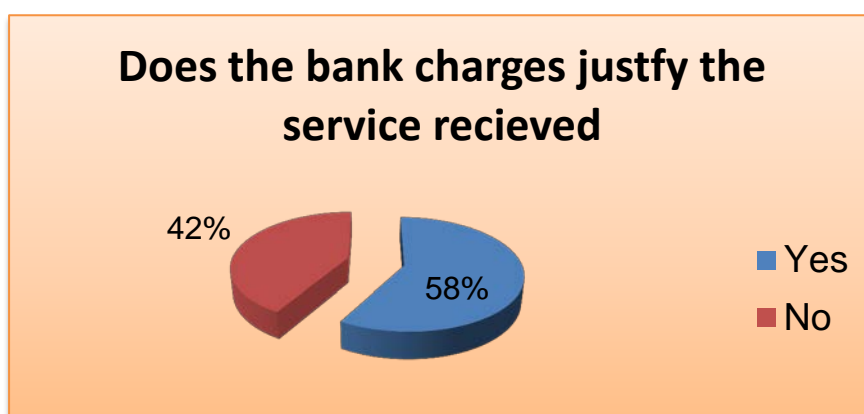
**FIGURE 5.14 BANK STAFF KNOWLEDGE RATING**



Source: Results obtained from customer experience questionnaire regarding how knowledgeable bank staff appears

Figure 5.15 below show if respondents think that their bank charges justify the service they receive.

**FIGURE 5.15 JUSTIFYING BANK CHARGES**



Source: Results obtained from customer experience questionnaire asking if the bank charges justify the services

The results showed that 58% were satisfied with the charges their banks charged. 42% of respondents said that the charges were not justifying the service they receive. From the respondents that said that the service did not



justify the charges felt that banks can work on improving their packages to customers, improve branch efficiency, improve queuing times and improve customer service.

#### 5.3.8 Area of expertise to improve banking services

**TABLE 5.15 AREA OF FUTURE IMPROVEMENT**

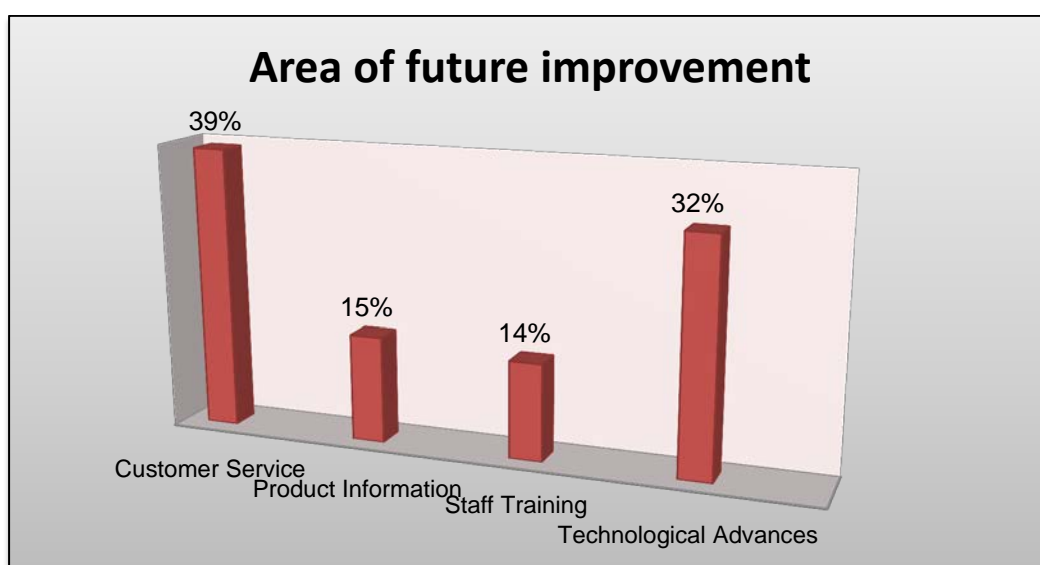
Area of expertise will make banking better in future	Customer service	Product Information	Staff training	Technological advances	TOTAL
Frequency	29	11	10	24	74
Percentage of respondents	39%	15%	14%	32%	100%

Source: Results obtained from customer experience questionnaire asking in which area of expertise the bank can make significant improvements in future.

The researcher asked respondents to choose the area of expertise where banks could make the biggest improvements and developments for future use. In Table 5.15 above the options that were given included: Customer service, product information, staff training and technological advancements. The two options that respondents thought would yield the best improvements were customer service and technological advancements, followed by product information and staff training.

In figure 5.16 below the results were interpreted in the form of a bar chart.

**FIGURE 5.16 AREA OF FUTURE IMPROVEMENT**



Source: Results obtained from customer experience questionnaire asking in which area of expertise the bank can make significant improvements in future.

## 5.4 CUSTOMER SERVICE EXPERIENCE

A large part of this research is about the customer relationship and interaction with the bank. Respondents have already identified that they would like to have banks improve the customer service aspect so that it can deliver a more satisfying and efficient service. This section was analysed with data collected of section C of the questionnaire. Questions about the appearance of the branches, staff and branding were asked. There was also focussed on general customer service perceptions and customer- centricity.

### 5.4.1 Service waiting times in branches

**TABLE 5.16 SERVICE WAITING TIMES IN BRANCHES**

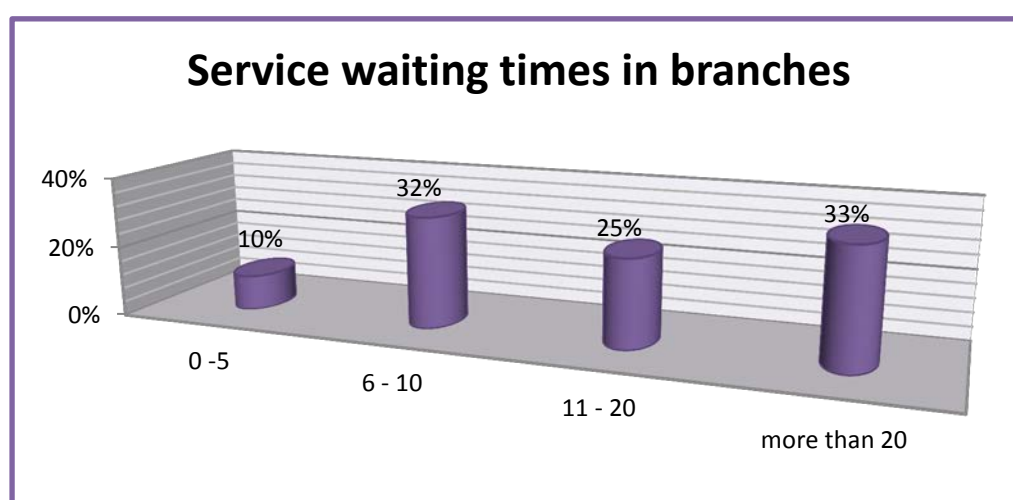
Service waiting times in branches	0 –5 min	6 – 10 min	11-20 min	More than 20 min	TOTAL
Number of respondents	6	19	15	20	60
Percentage of respondents	10%	32%	25%	33%	100%

Source: Results obtained from customer experience questionnaire regarding the time respondents wait to be served in the branch.

Table 5.16 shows how long customers generally wait to be served in the branch. 33% of respondents said that they wait more than 20 minutes to be served, 32% wait between 6 and 10 minutes, 25% wait between 11-20 minutes and only 10% are served within 0 to 5 minutes.

Figure 5.17 below shows the results in a chart form.

**FIGURE 5.17 SERVICE WAITING TIMES IN BRANCHES**



Source: Results obtained from customer experience questionnaire regarding the time respondents wait to be served in the branch.

#### 5.4.2 Information disclosure rates

**TABLE 5.17 SUFFICIENT INFORMATION TO MAKE DECISIONS**

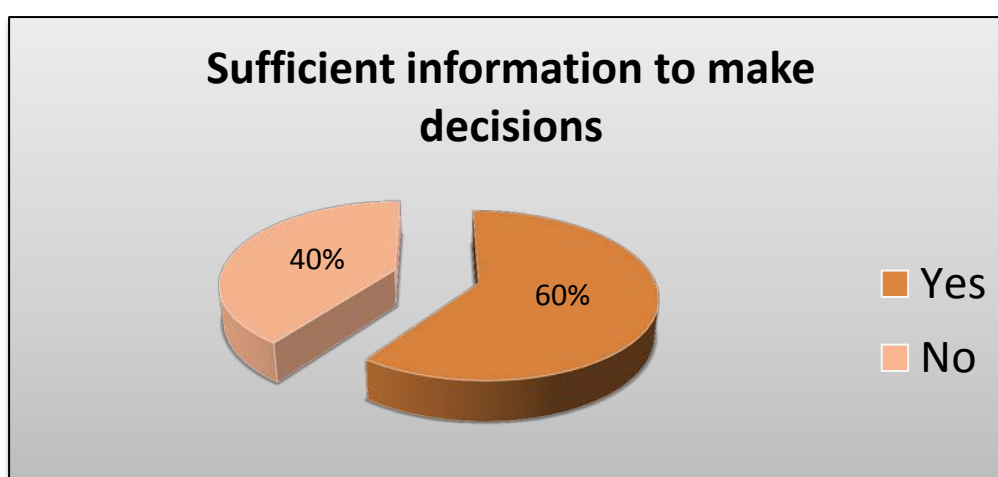
Question	Yes%	No%	Total%	N yes	N No	Total N
1. When choosing a product/service do you feel that you have enough information to make the most informed decision?	60%	40%	100%	36	24	60

Source: Results obtained from customer experience questionnaire regarding the amount of information provided to make decisions.

It is vital to have enough information before making a financial decision. In Table 5.17 respondents were asked if they felt that they had sufficient information when choosing a product or need to make a decision with regard to banking. 60% of respondents said that they have enough information and 40% said they did not.

Figure 5.18 below displays the information in a pie chart.

**FIGURE 5.18 SUFFICIENT INFORMATION TO MAKE DECISIONS**



Source: Results obtained from customer experience questionnaire regarding the amount of information provided to make decisions.

#### 5.4.3 Complaint resolution

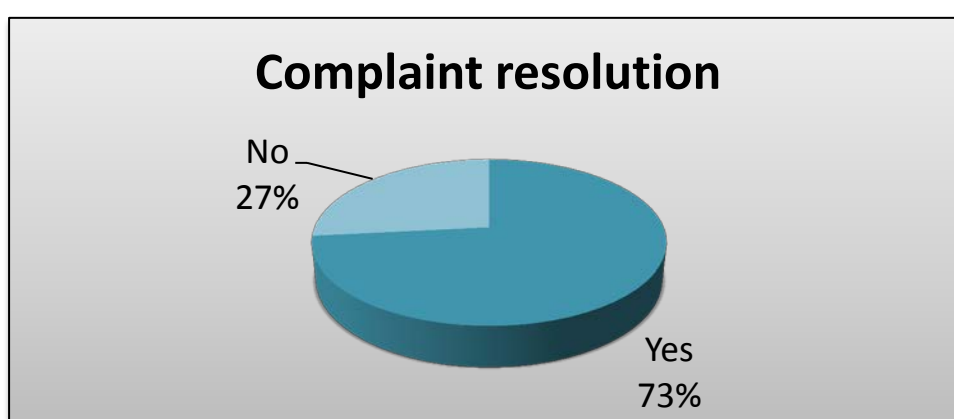
**TABLE 5.18 COMPLAINT RESOLUTIONS**

Question	Yes%	No%	Total%	N yes	N No	Total N
1. When you have a query/complaint, was this resolved in a satisfactory manner?	73%	27%	100%	44	16	60

Source: Results obtained from customer experience questionnaire regarding complaint resolutions.

Table 5.18 above show the results of questions asked about complaint handling. 73% of respondents were satisfied with their bank complaint resolution strategy while the remaining 27% said that their complaints were not dealt with in a satisfactory manner. Figure 5.19 below show the findings of this question below in a pie chart.

**FIGURE 5.19 COMPLAINT RESOLUTIONS**



Source: Results obtained from customer experience questionnaire regarding complaint resolutions.

#### 5.4.4 Overall banking experiences rated

From Table 5.19 below the respondents overall customer experiences were interpreted by rating the level of satisfaction with the following headings: poor, average, good, very good and excellent. 43% said that their experience was good, 7% said excellent, 23% responded very good, 23% answered average and 3% poor.

**TABLE 5.19 OVERALL BANKING EXPERIENCE RATED**

Question	Poor	Average	Good	Very good	Excellent	Total
1. How would you rate your banking experience?	2	14	26	14	4	<b>60</b>
	3%	23%	43%	23%	7%	<b>100%</b>

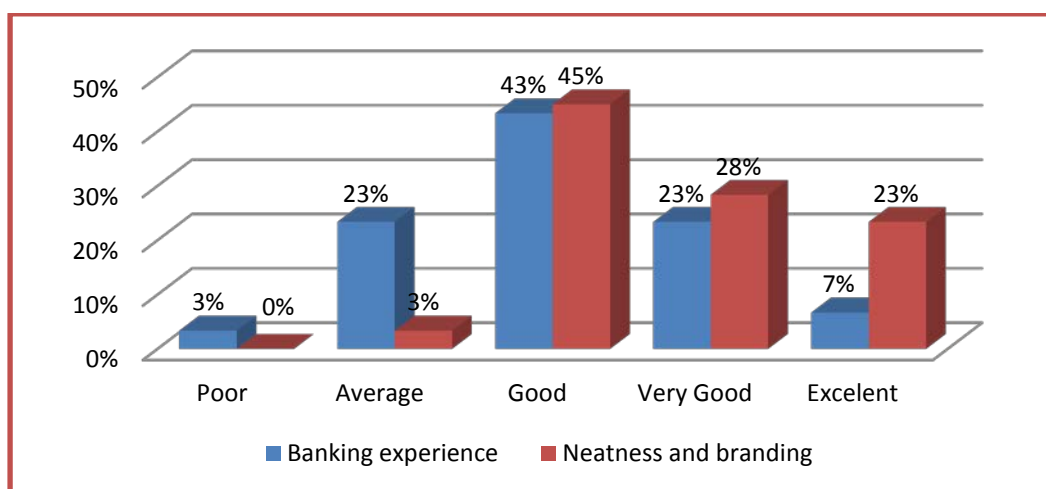
2. Rate the overall neatness and branding of the branch.	0	2	27	17	14	<b>60</b>
	0%	3%	45%	28%	23%	<b>100%</b>

Source: Results obtained from customer experience questionnaire regarding the respondent's overall banking experience perceptions.

#### 5.4.5 Neatness and branding of branches

Table 5.19 above show the respondents results when asked to rate the overall neatness and branding of their branches

**FIGURE 5.20 OVERALL BANKING EXPERIENCE RATED**



Source: Results obtained from customer experience questionnaire regarding the respondent's overall banking experience perceptions.

In Figure 5.20 above it can be seen what respondents answered to their perception of neatness and branding. Some people value the neatness and appropriate branding when going into their banking branches. The respondents responded in the following manner; 3% said it was average, 45% said that the branding and neatness was good, 28% said very good and 23% said it was excellent. No one responded that the branding or neatness was poor. The general perception is that the retail banks spend a lot of time and money to ensure that this is done well.

5.4.6 Motivating factors, marketing and advertising material for where respondents bank

**TABLE 5.20 MOTIVATING FACTORS**

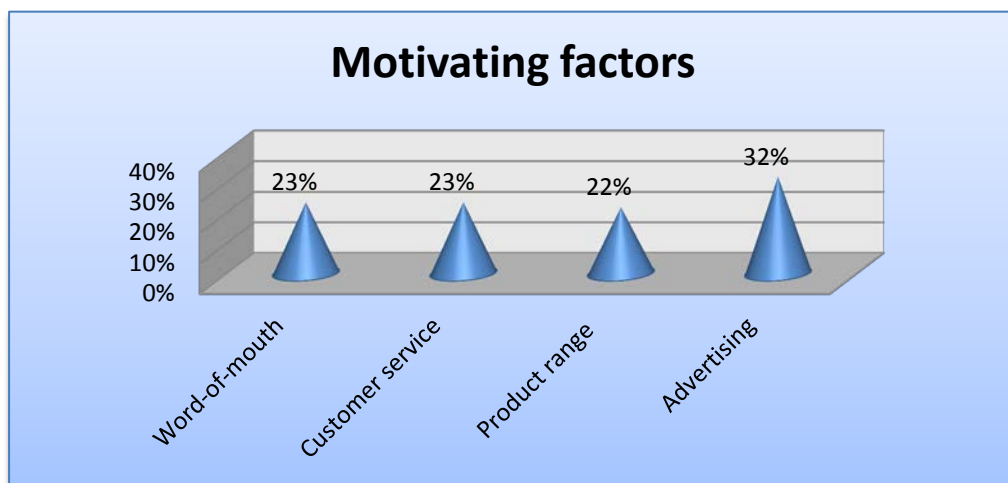
Motivation for banking with your bank	Word-of-mouth	Customer service	Product range	Advertising	TOTAL
Number of respondents	14	14	13	19	60
Percentage of respondents	23%	23%	22%	32%	100%

Source: Results obtained from customer experience questionnaire regarding the motivating factors for joining their banks.

Table 5.20 shows which motivating factor influenced the respondents to bank with their current bank. Respondents said that the most motivating factor for choosing their banks was advertising, followed by word-of-mouth and customer service and the product range banks offer. From Table 5.20 it is seen that advertising was voted for 32%, word-of-mouth and customer service 23% and product range 22%.

Figure 5.21 shows the results in a chart form below.

**FIGURE 5.21 MOTIVATING FACTORS**



Source: Results obtained from customer experience questionnaire regarding the motivating factors for joining their banks

#### 5.4.7 Degree of customer centricity

**TABLE 5.21 LEVELS OF SERVICE RATED**

Question	Poor	Average	Good	Very good	Excellent	Total
1. How customer centric do you think your bank is currently?	2 3%	14 23%	29 48%	12 20%	3 5%	<b>60</b> <b>100%</b>
2. Please rate the level of service you receive from a branch when doing transactions.	1 2%	14 23%	21 35%	15 25%	9 15%	<b>60</b> <b>100%</b>
3. Rate the level of service when using self-service channels at the branch	3 5%	12 20%	17 28%	20 33%	8 13%	<b>60</b> <b>100%</b>
4. How would you rate the quality of the products offered by retail banks?	3 5%	13 22%	28 47%	13 22%	3 5%	<b>60</b> <b>100%</b>

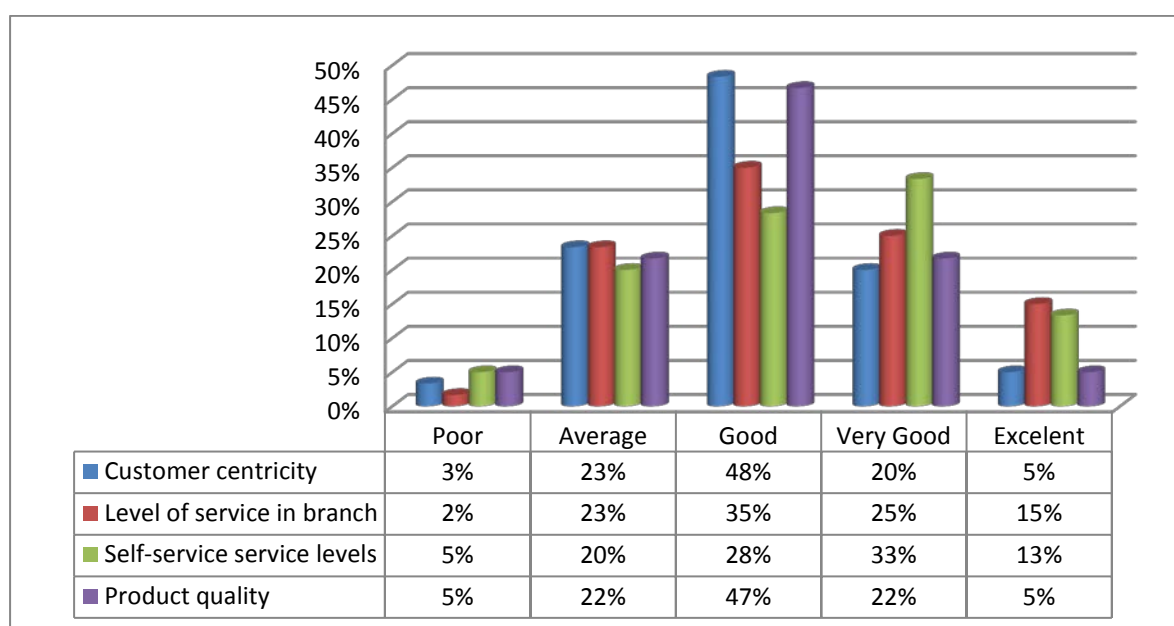
Source: Results obtained from customer experience questionnaire regarding the respondent's perception of service and quality levels.

Table 5.21 show the respondent's perception of the banks' customer-centricity above. Respondent's answers showed the following: 48% said that the customer-centricity was good, 23% said it was average, 20% said very good, 5% said excellent and 3% said that the focus was poor.



Figure 5.22 below shows the results of Table 5.21 in a chart form.

**FIGURE 5.22 LEVELS OF SERVICE RATED**



Source: Results obtained from customer experience questionnaire regarding the respondent's perception of service and quality levels.

#### 5.4.8 Level of self-service assistance at branches versus Self-services Channels

Figure 5.22 above illustrates the comparison between levels of service when going into the branch and when using self-service channels. 2% of respondents said that the service in the branch was poor, 23% said it was average, 35% said that the service was good, 25% said very good and 15% said that it was excellent. When looking at the results of how respondents felt about the level of service when using self-service channels the following was said: 5% said the service was poor, 20% said it was average, 28% said that it was good, 33% said very good and 13% said excellent.

#### 5.4.9 Quality of products offered by retail banks

From Figure 5.22 above it can be seen that 47% of respondents said that the product range was good, 33% said very good said that they products were very good and 5% said that they found the product quality excellent. A further 22% said that the quality was average and 5% said that it was poor.

#### 5.4.10 Confidentiality and interaction with staff in branch

**TABLE 5.22 BRANCH STAFF INTERACTION**

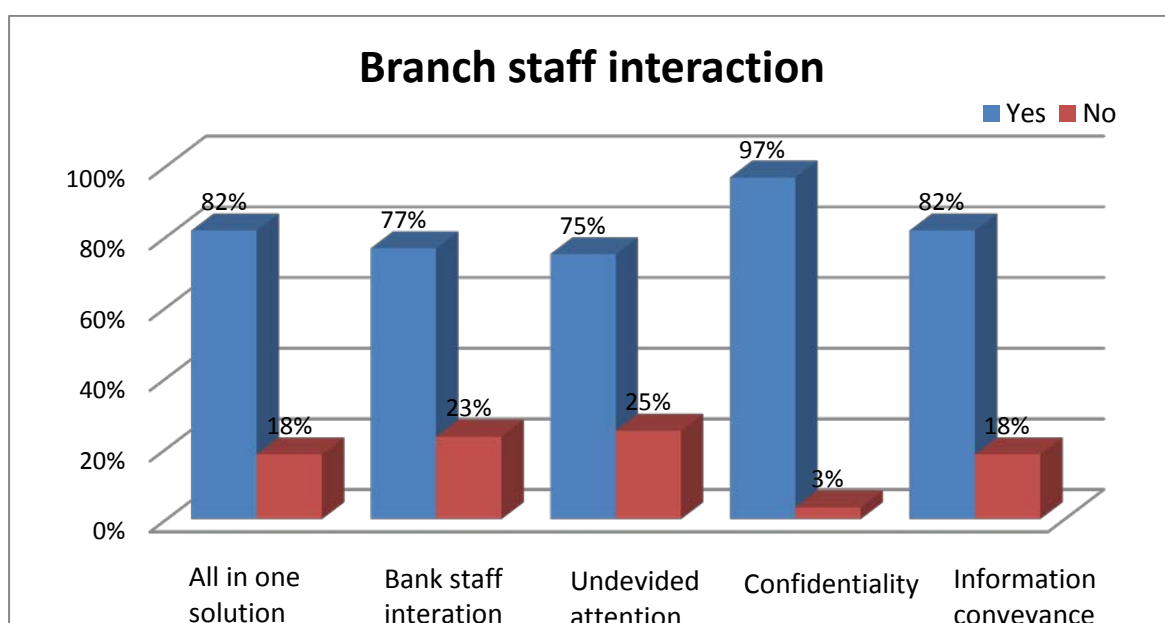
Questions	Yes%	No%	N yes	N No
1. Do you think the bank offers an all-in-one solution?	82%	18%	49	11
2. When you go to your branch, do you feel satisfied with the interaction you have with banking personnel?	77%	23%	46	14
3. Do you get undivided attention when with a consultant?	75%	25%	45	15
4. Do the consultant / bank personnel treat your information as confidential?	97%	3%	58	2
5. When discussing product options or advice given, are you happy with what is said and the manner that the information was conveyed?	82%	18%	49	11

Source: Results obtained from customer experience questionnaire regarding their interaction with branch staff.

In Table 5.22 above five questions asked to respondents were answered. These questions were with regard to if respondents were satisfied with the interaction between themselves and the branch staff. Respondents were asked if they thought their bank offered an all-in-one solution. 82% responded yes and 18% no. 77% of respondents said that they were satisfied with the interaction with branch staff and 23% were not. 75% of respondents said that they receive undivided attention when being served at the bank and 25% said no. 97% said that the consultant treat their information as confidential, while 3% said no. 82% of respondents are happy with the manner in which information is relayed and 18% were not.

Figure 5.23 below show the results of these five questions in a chart.

**FIGURE 5.23 BRANCH STAFF INTERACTION**



Source: Results obtained from customer experience questionnaire regarding their interaction with branch staff

#### 5.4.11 Respondents chosen banks and accounts

**TABLE 5.23 RESPONDENTS BY BANK**

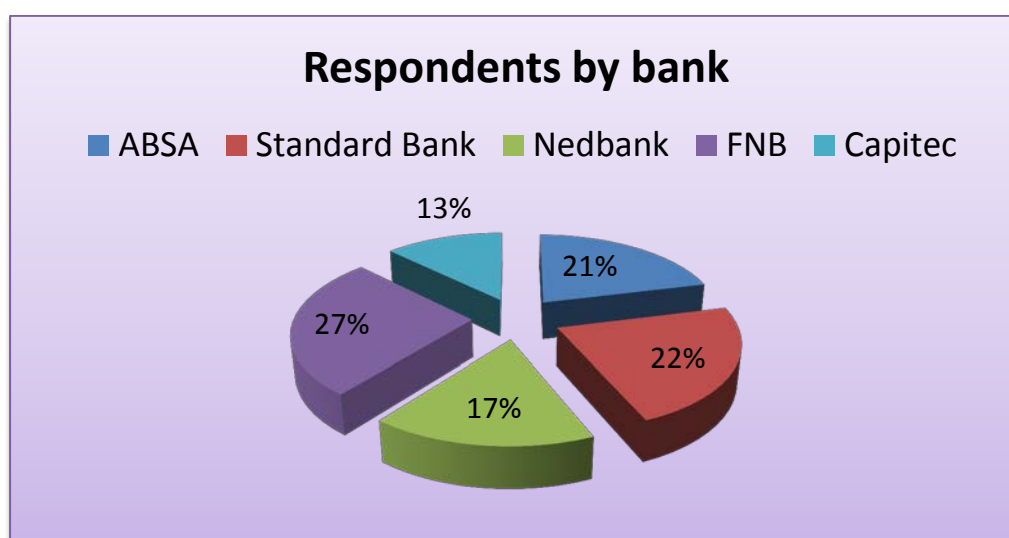
Where respondents bank	ABSA	Standard Bank	Nedbank	FNB	Capitec	TOTAL
Number of respondents	15	16	12	19	9	71
Percentage of respondents	21%	23%	17%	27%	13%	100%

Source: Results obtained from customer experience questionnaire regarding where they currently bank.

Table 5.23 show two of the most important questions asked such as; where respondent's bank and what accounts they hold. The results were as follows: 21% bank with ABSA, 23% bank with Standard Bank, 17% bank with Nedbank, 27% bank with FNB and 13% bank with Capitec Bank.

Figure 5.24 show the findings in a pie chart below.

**FIGURE 5.24 RESPONDENTS BY BANK**



Source: Results obtained from customer experience questionnaire regarding where they currently bank

**TABLE 5.24 RESPONDENTS ACCOUNT TYPES**

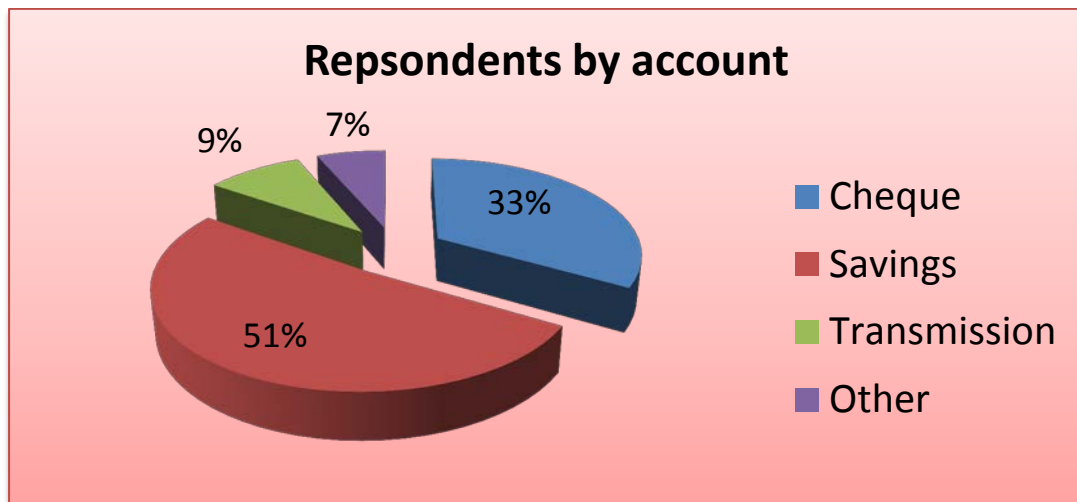
Respondents account types	Cheque	Savings	Transmission	Other	TOTAL
Frequency	26	40	7	5	78
Percentage of respondents	33%	51%	9%	6%	100%

Source: Results obtained from customer experience questionnaire regarding which bank accounts they hold.

Table 5.24above looks at the type of accounts that respondents hold with their bank. Some of them had more than one kind of account and this was also accounted for. The results showed the following: 33% had cheque accounts, 55% had savings accounts, 9% had transmission accounts and 6% had other accounts.

Figure 5.25 below shows the results in a pie chart.

**FIGURE 5.25 RESPONDENTS BY ACCOUNTS**



Source: Results obtained from customer experience questionnaire regarding which bank accounts they hold

## 5.5 SUMMARY

Findings and data collected by means of a questionnaire was discussed in this Chapter. The Chapter was introduced by biographical data from respondents asking questions such as; age, gender, income, race, preferred language and if respondents own a laptop, personal computer or a cell phone. The next section focused on questions relating to Self-Service Channels. Many questions were asked in terms of the frequency of using Self-Service Channels, hesitation to use Self-Service Channels, marketing communication, bank charges and how far the nearest ATM was. The last section covered the customer experience in general. This section looked at the respondent's perceptions and how they suggest banks could improve their services.

Most of the information collected and interpreted showed that respondents are generally satisfied with their banks in terms of service, staff, products and quality. It was found that although most respondents did not feel hesitant towards using Self-Service Channels the majority said they would use them more with assistance from the bank staff. It was also revealed that many respondents

believe that technological advancements and customer service can be improved to ensure a competitive edge.

## **CHAPTER SIX**

### **CONCLUSION AND RECOMMENDATIONS**

#### **6.1 INTRODUCTION**

The main objective of this study is to answer the question posed in Chapter one which is: How can banks improve the use of their self-service channels by using customer relationship management strategies? In Chapter five, the results of the research were interpreted and presented in table, graphic and descriptive forms. This chapter will focus on a synopsis of the previous chapters and gives conclusions and recommendations based on the empirical findings.

#### **6.2 SYNOPSIS OF THE STUDY**

Chapter one began with a brief description of the main problem statement followed by the sub problems identified to solve the problem. The researcher provided an overview of the literature which gave more background to the study. Research objectives were defined and demarcation of research was discussed. Definitions such as Self-Service channels, Customer, and Customer relationship Management were defined and discussed. A brief description of the significance of this research was also included. Research design and methodology concluded the content of Chapter one.

Chapter two and Chapter three gave a theoretical overview of selected literature to the topic. Chapter two focussed on Self-Service channels used in the retail banking industry. A detailed overview was provided disusing the different types of channels available. These self-service channels included ATM's, Online, telephone and cell phone banking as well as E-wallet. E-Commerce is a vital part of this Chapter and is defined so that readers can see that Self-Service channels cannot function without E-Commerce. The nine different types of E-Commerce business models were described and the researcher went on to explain the benefits and difficulties of using Self-Service channels. The last topic covered in this chapter was Internet security which is also a vital part.

Chapter three provided a theoretical overview into understanding Customer Relationship management and Relationship Marketing. Concepts of Customer

relationship management and relationship marketing were defined and explained. Relationship development stages and customer service excellence were described because these all form part of the Customer relationship Management strategy. Operational customer relationship management varies a little from the previous explanation and was clarified. In the last section of this chapter the researcher discusses Customer relationship management technology and how E-Commerce forms part of this cycle.

Chapter four gave an explanation of the methodology used in the study. Exploratory and descriptive research methods were described. The appropriate methods used for this study were also discussed in detail. Self-administered surveys and types of questions were briefly explained. Data analysis and interpretation methods were listed and the researcher discussed the method of using them.

Chapter five gave a description of the empirical study's findings. The first section covered questions relating to biographical data of the respondents like age, gender, race, income and possession of computers and cell phones. The second section focussed on questions relating to self-service channels. Respondents had to answer questions about the distance to the nearest ATM, services at the bank with regards to the self-service department, and the overall experience they have. The third section interpreted data collected about customer experiences in the bank. This section also asked respondents to rate the level of service, product quality, staff appearance and knowledge and the overall branch experience.

### 6.3 CONCLUSION AND RECOMMENDATIONS

Chapter five was all about the empirical findings of this research study. The purpose of this chapter is to conclude findings that will solve the main problem statement stated in Chapter one. The aim of the empirical study is to be able to draw conclusions and recommendations for the retail banking industry.

In Chapter three, there are eight benefits of Customer relationship management namely, better sales and marketing information, improved productivity, enhanced customer care, and increase in gross revenue per sales representative, decrease in general and administrative cost of sales, increase in win rates for forecasted sales,



improvement of value of deals and improvement of quality rating provided by customers. Chapter five analysed to evaluate the importance of each of these factors to the respondents. Therefore analysis of these eight benefits are critical because it might improve the retail banking industry's focus even more on the customer and manage branched according to the success of these findings.

The following factors have proven to be of high importance to the respondents of this study in terms of using self-service Channels and customer service experienced in the branches as well as using the bank's self-service facilities. An open ended question was posed to the respondents in the questionnaire with regards to suggestions on how the bank might improve their products and services. The following suggestions were highlighted by the respondents:

- Banks should advertise and promote their service on social networks
- Empower staff by adequate training
- Have more cultural variety in the branches to serve customers in the language of their choice
- Get more staff to work in peak times to eliminate long queues
- Focus on giving more assistance at the self-service section, because some people feel that they are being shown away and this represents bad customer service
- Introduce better banking packages and pricing to suit individual needs
- Standardise all technology across banks
- Be more transparent about interest, payback amounts and fees
- Focus on customer relationships to make customers feel more valued

According to Nash and Nash (2005), there are six steps to achieve a successful customer relationship management strategy. The steps will be discussed below.

1. Set a clear customer experience strategy for your organisation.

Companies should not just design a customer-centric slogan to impress customers and employees, but rather integrate all departments in the strategy. To be able to accomplish this, the following is very important to consider:

- understanding the mission and vision of the company

- define and relay the direction of customer service in the company
- customer service is a number one priority
- Implement a transparent communication program to outline the customer experience strategy

## 2. Selecting the correct people

In many recruitment processes interpersonal skills are not considered as important as functional expertise, technical knowledge and competence. It has been reported that the wrong attitude in customer service can impact the level of customer satisfaction. From this it is learnt that attitude is not a skill that can be taught but others are. When selecting people consider the following:

- Define the job objectives
- Have interviews which are scenario based and have assessments to evaluate cognitive thinking patterns
- Have a team make the final decision in the hiring process  
(Nash and Nash, 2005)

## 3. Develop, motivate and manage the people

Even if you recruit the correct people, they also need to be drawn into the customer relationship strategy which the organisation follows. If this is overlooked an excellent material service will be provided and the personal touch desired will be left out. To avoid this from happening consider the following factors.

- Provide training to deliver excellent customer service
- Reinforce these skills regularly and update employees of new innovations
- Consistently measure performance  
Invent a rewards or recognition program to keep employees motivated to deliver excellent service.(Nash and Nash, 2005)

#### 4. Establishing effective service delivery processes

It all comes down to the processes and procedures that need to be followed for effective management. Customers prefer to see efficient service delivery channels to make them at ease. Factors to consider ensuring that customers experience the efficient delivery service include:

- Make the process visible to all parties to see
  - Constantly evaluate critical points in the process
  - Define standards and processes on these objectives
- Create service level agreements to ensure internal service delivery excellence (Nash and Nash, 2005)

#### 5. Build continues improvement

Nash and Nash (2005) recon that no matter how effective your processes are or well trained the staff are things go wrong. Customers get frustrated and products are not always flawless. The organisations that are customer-centric are the organisations that recover from these events easier. This has been proven to build customer loyalty. To recover effectively consider the following suggestions:

- If customers do not compliment or complain, the organisation will not know where to improve on errors; therefore encourage customers to air their views.
- Train staff to effectively manage conflict and complaints
- Ensure that the real problem is resolved
- Focus on prevention rather than problem solving

#### 6. Ensure that managers are the key change agents

It has often been seen that senior management has the vision, missions and the commitment to introduce a customer relationship management system. It is the middle level managers who “makes or break” the change process and empowers the lower level staff to be key change agents. When doing this, it is recommended to:

- Involve the management team in the beginning of the process

- Ask managements participation in developing the customer relationship strategy
- Empower managers to coach and develop skills in order to reinforce the vision to every employ below them to deliver excellent customer service
- Reward and give recognition to managers on establishing and updating service delivery processes

Managers should be able to act as example to their teams

(Nash and Nash, 2005)

## 6.4 FURTHER RESEARCH

Focus has been given to various aspects of self-service channels and customer relationship management in this research. From this study it is seen that self-service facilities are becoming a norm across industries, not just banking. It is therefore that the researcher wanted to explore the impact customer relationship management has on self-service channels. It is evident from the questionnaires that respondents answered that most banking customers are satisfied with their current bank but would like to have some services such as customer service and self-service assistance to be improved. Banks would benefit from improving customer- centricity and doing so build customer loyalty in this competitive industry. A successful customer relationship management system and strategy is seen as a competitive advantage and is valuable to all departments.

This study only targeted 60 banking customers; it is recommended that further research which includes a large sample of customers should be conducted. Therefore, further research can be focussed on similar studies among different retail banks. Further, a comparison of the different banks findings can be evaluated to see how other banks customers adopt the use of Self-Service Channels experience customer service in branches from further research.

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P.O Box 452  
Hunters Retreat  
6017  
Port Elizabeth  
July, 2012

Dear Sir/ Madam

This survey is conducted in fulfilment of a Master Degree in Business Administration for which I am currently enrolled at the Nelson Mandela Metropolitan University. The purpose of the questionnaire is to determine how retail banks can get more people to use Self-Service channels by improving Customer Service.

It would be appreciated if you could complete the attached questionnaire. However, please note that your participation is completely voluntary. All information provided on this questionnaire will be treated as confidential and is only for statistical purposes. Please complete the questionnaire as honestly as possible and please ensure that you answer all questions.

Thank you for participating in this survey.

Tracy Bothma

## CUSTOMER EXPERIENCE QUESTIONNAIRE

### **SECTION A: BIOGRAPHICAL INFORMATION**

Please tick the appropriate box with a x.

1. What is your age \_\_\_\_\_

2. What is your gender

Male

Female

3. What race are you

African

Colored

White

Other

4. Highest level of education

Gr.08

Gr.12

Diploma

Degree

Other

5. Nett income per month

0-5000

6000-10000

11000-20000

20000+

6. Are you computer literate

Yes

No

7. Do you own a PC or laptop

Yes

No

8. Do you own a cell phone

Yes

No

### **SECTION B: SELF-SERVICE CHANNELS**

1. Which of the following Self-Service channels do you make use of

ATM

Cell  
phone

Online

Telephone

E-Wallet

2. How many times a month do you use Self-Service channels

0 to 5

6 to 10

11 to 20

more than 20

3. How often do you go into the branch to deposit/ withdraw money in a month

0 to 5

6 to 10

11 to 20

more than 20

4. Do you feel hesitant to use Self Service Channels in any way

Yes

No

5. If you answered yes to question 4, please choose the most appropriate reason why

Just prefer face-to-face interaction

Security Violations for online  
banking

Lack of assistance by bank personnel

Language or cultural barriers

6. Would you use Self-Service channels in the future with more assistance or information

Yes

No

7. What can the bank improve on in order for you to feel completely comfortable using their Self-Service channels

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8. How far is the nearest ATM from your home

0 to 5km	6 to 10km	11 to 20km	more than 20km
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9. How knowledgeable do the bank staff appear at the branch

Poor	Average	Good	Very good	Excellent
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10. Do you use any Self-Service channels for work/ business purposes and not for your own

Yes	No
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11. If you answered yes to Question 10, please state the reason why

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12. Do the bank charges you pay for transactions justify the level of service you receive

Yes	No
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13. If you answer to Question 12 was No, please tell us why you feel this way

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14. Do you like to receive marketing communications from the bank via email or post

Yes	No
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15. Which method of communication do you prefer

Email	Fax	Post	Telephone
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16. Which area of expertise do you believe will make banking better in the future

Customer service	Product Information	Staff training	Technological advances	
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### **SECTION C: CUSTOMER SERVICE EXPERIENCE**

1. How long do you wait to be served when going into the branch

0 to 5min	6 to 10min	11 to 20min	more than 20min
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2. When choosing a product/ service do you feel that you have enough information to make the most informed decision

Yes	No
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3. When you have a complaint/query was this resolved in a satisfactory manner

Yes	No
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4. If your complaint/ query was not resolved satisfactory how could it be improved

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5. When going to the branch, are you served in the language of your preference

Yes	No
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6. What is your language of preference

English	Afrikaans	Xhosa	Other
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7. How would you rate your banking experience

Poor	Average	Good	Very good	Excellent
------	---------	------	-----------	-----------

8. Rate the overall neatness and branding of the branch

Poor	Average	Good	Very good	Excellent
------	---------	------	-----------	-----------

9. Do you feel that the advertising and marketing material is insightful and appropriate

Yes	No
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10. What motivated you to bank with your bank

Word-of-mouth	Customer service	Product range	Advertising
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11. How customer-centric do you think the bank is currently

Poor	Average	Good	Very good	Excellent
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12. Please rate the level of service you receive from a branch when doing transactions

Poor	Average	Good	Very good	Excellent
------	---------	------	-----------	-----------

13. Rate the level of service when using the Self-Service channels at the branch

Poor	Average	Good	Very good	Excellent
------	---------	------	-----------	-----------

14. How would you rate the quality of the products offered by retail banks

Poor	Average	Good	Very good	Excellent
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16. Do you think the bank offers you a all-in-one solution

Yes	No
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17. If you answered no to question 16, please tell us why not

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18. When you go to a branch do you feel satisfied with the interaction you have with banking personnel

Yes	No
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19. Do you get undivided attention when with a consultant

Yes	No
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20. Does the consultant/ bank personnel treat your information as confidential

Yes	No
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21. When discussing product options or advice given, are you happy with what is said and the manner that the information was conveyed

Yes	No
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22. How would you describe the interpersonal relationship you have with the staff at the bank

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23. Do you have any suggestions how banks can improve their service to make your future experiences great.

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Thank you for your participation.