

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

INSTITUTE OF DISTANCE LEARNING

**CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES IN THE GHANAIAN
COURIER INDUSTRY: A CASE STUDY OF FEDEX GHANA LTD.**

KNUST

BY

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**A THESIS SUBMITTED TO THE INSTITUTE OF DISTANCE LEARNING, KWAME
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ADMINISTRATION**

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CERTIFICATION

I hereby declare that this submission is my own work towards the Commonwealth Executive Masters in Business Administration and to my best of knowledge, it does not contain any material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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Dean, IDL

Signature

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DEDICATION

This work is dedicated to my wife Adwoa Pinamang Desu, my children, Nana Frimpong Desu and Maame Esi Acquah Desu.

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ACKNOWLEDGEMENT

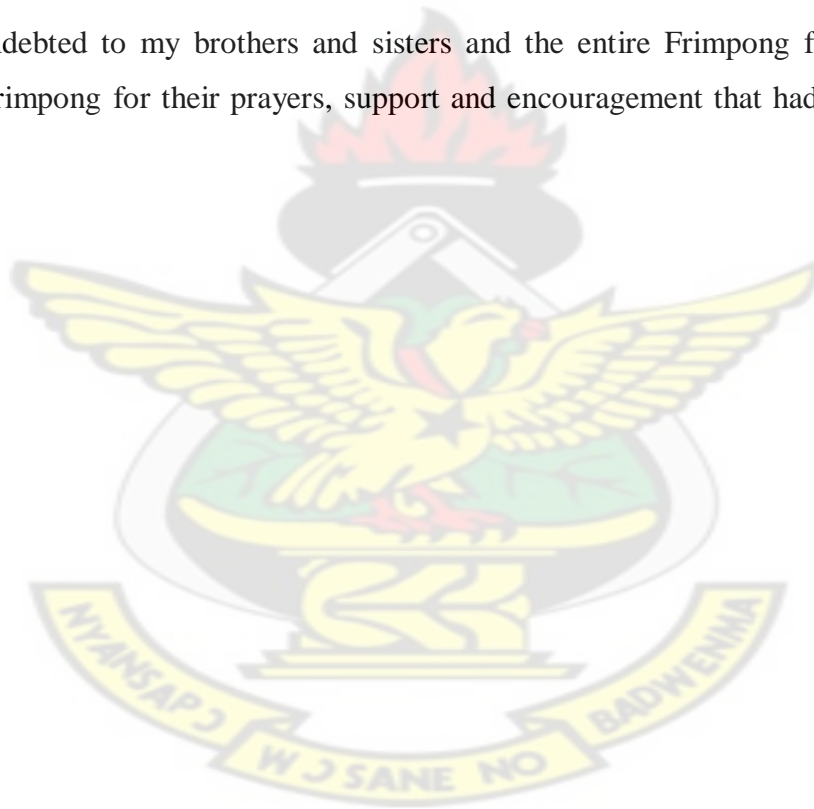
Many people supported me to bring this work to a successful end and need to be acknowledged.

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ABSTRACT

Marketing is one of the most dynamic fields in the management arena. The competitive nature in the business world continues to throw more challenges which firms must respond. That is why marketing ideas and trends keep surfacing to meet the numerous market challenges. One of such emphasis is relationship marketing. Relationship marketing is the process of creating, maintaining and enhancing strong value laden relationship with customers and other stakeholders. The main objective of the study is to determine how FedEx Ghana can attract, retain, enhance and develop a long-term customer relationship for a profitable industry. The study made use of both primary and secondary data. A sample size of one hundred (100), made up of twenty (20) staff of FedEx Ghana and eighty (80) customers were used for the study. The study pointed out that, the importance of relationship marketing in the courier industry cannot be overlooked in its role for customer loyalty. Also the study showed that the current wave of competition that has swept through the industry in Ghana has brought about a lot of pressure on staff to retain customers. The study indicates that, client rated the level of customer satisfaction as satisfactory; however, there is room for improvement. In view of the findings of the research, the following recommendations are made in order to sustain efficient customer relationship management at FedEx Ghana; employee empowerment, quality customer service marketing research and customer data base.

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CHAPTER ONE

GENERAL INTRODUCTION

1.0 Background to the study

The courier industry in Ghana has not been very developed. It was only recently (2006) that the government established the regulatory body for the industry; the Postal and Courier Services Regulatory Commission. With the provision of international courier services, the main players in the market have been DHL, FedEx, UPS, TNT, EMS and BKB. EMS, FedEx, DHL and a number of small courier companies provide Domestic Courier Services. According to the scanty statistics available (Source: Postal and Courier Regulatory Commission, 2006), DHL and EMS are the market leaders respectively in the provision of international and domestic courier services. FedEx is the market challenger in the provision of both the international and domestic courier services.

Even though the courier industry in Ghana is not well-developed, it is developing at about 10% per annum; according to the Postal and Courier Services Regulatory Commission.

The industry is characterized by the entry of small companies which normally do domestic business and whose operations do not influence the market shares of the major players in any way because of their insignificant contributions to the courier market share. The courier industry is primarily service-driven. Due to increased clients' sophistication, modern technology and keen

competition among the major players in the industry, it has become imperative that FedEx provides a high quality service to` retain and survive in the market place.

This study therefore attempts to investigate the customer relationship management practices of FedEx in the Ghanaian market place. In this chapter, the background to the study is given, a statement of the research problem is made, the objectives of the study are spelt out, research questions are posed, and significance of the study captured. It also included the structure of the study and definition of terms.

Marketing is one of the most dynamic fields within the management arena (Kotler, 2009). The competitive market continually throws out fresh challenges which firms must respond. It is therefore not surprising that new marketing ideas and trends keep surfacing to meet the challenges of the market. One of such emphasis is Relationship Marketing.

In the past, marketers had focused on creating customers, selling what they produced, without maintaining their customers; selling was most impotent in the selling (sale) concept (Kotler and Keller,2006). There has been a shift from transactions to relationship-focused marketing. Selling is not most important; it is a tip of the marketing iceberg. This had led to relationships rather than the transactions, (Gronroos, 1990). Relationship Marketing is widely accepted by marketing scholars and practitioners as an integral part of successful marketing today.

Marketing is focusing on creating lifelong customers; and holds the key to achieving organizational objective, which consist of being more effective than competitors in integrating

marketing activities, towards determining and satisfying the needs and wants of target customers by ensuring repeated transactions (Donney et al, 2002). Customers become partners and long-term commitments to maintain those relationships with quality product, service and innovation.

When a firm consistently satisfies the value expectations of the customer, the customer becomes loyal to the organization. Satisfied customers therefore become assets, being attached to the firms, which results in loyalty, which develops into long – term relationship (Paravatiyar and Sheth, 2009). The priority of any business must be to win and keep the customer. Emphasis should therefore be placed on customers by identifying, anticipating and satisfying their requirements profitably (Gronroos, 2000).

Relationship Marketing treats customers as partners. The role of Relationship Marketing is to identify, establish, maintain and enhance relationships with customers and other stakeholders at the profit, so that the objectives of all other parties involved are met; and that is done by a mutual exchange and fulfillment of promises (Gronroos, 2009). Further objectives of relationship marketing include the delivery of sustained and increasing levels of satisfaction and retention of those customers by the maintenance and promotion of the relationship (Christopher, 1996, Ravald and Gronroos, 2000).

It is now cost effective to keep and improve current customers rather than acquiring new customers. Successful marketers are working on effective strategies for retaining customers. It is therefore imperative for courier companies in Ghana to develop innovative customer-retention strategies.

The courier industry in Ghana is a growing one and very competitive, therefore, the players in the industry should focus on the retention and enhancement of customer relationships for the development of the industry.

1.1 Problem Statement

Due to the intensity of the competition in the courier industry some of the firms are losing customers to others due to lack of retention strategies. The competition takes the form of price wars, add-on innovative services, intensive and competitive advertising.

The courier industry has very high customer churn ratio. Customers keep switching around from one service provider to another for cheaper and better services. It has therefore become imperative to build and maintain long-term base of committed customers who are profitable for the organization through relationship marketing.

The statement of the problem is that firms in the industry are continually losing their customers to other firms in the industry. This has greatly affected the players in the areas of market share, low sales and weak competitive positioning. The solution to this problem is the practice of customer retention strategies to maintain customers for life.

1.2 Objectives of the Study

Based on the statement of the problem, the main objective of the study is to determine how courier companies can attract, retain, enhance and develop a long-term customer relationship for a profitable industry.

The specific objectives are:

1. To determine how relationship marketing is practiced in the courier companies especially, FedEx Ghana.
2. Investigate customer perception of courier companies relationship marketing practices.
3. To determine the service quality standards of courier companies, FedEx Ghana.

1.3 Research Questions

The major research questions to be answered in the study are;

1. How is relationship management practiced in the courier industry?
2. How do customers perceive relationship management practices in the courier industry?
3. What appropriate strategies for retention can be put in place to manage customer relationship management in courier sector?

1.4 Significance of the Study

A study of customer relationship management in the courier industry as mentioned earlier is important because of the significant role courier especially, plays in our daily life. It is therefore necessary for the stakeholders to be continually aware of the development and improvement in the industry.

The researcher is of the view that if the research objectives are achieved, it will be useful for the following parties:

- **Management of Courier operators:** The study will be useful to the courier firms, as a framework for effective study and managing the customers in the sector.

- **Academia:** The report will serve as a base for Academicians who want to conduct studies in customer relationship management in similar fields.
- **Policy Makers:** The study will serve as an input for policy formulation to regulate and supervise the industry.
- **The General Public:** The report of the study will assist individuals and organizations who want to conduct similar studies in the courier sector.

1.5 Scope and Limitation of the Study

The study cannot cover all areas in relationship management because of time constraints. Hence, the scope of this study will focus on customer relationship management especially, its practice, causes and strategies. The study is expected to cover one (1) business region (i.e Ashanti) of the country. The major difficulty anticipated in this research is the collection of data from staff members. Respondents might be reluctant to answer the questionnaire due to tight schedule. It is expected that this will affect the response rate.

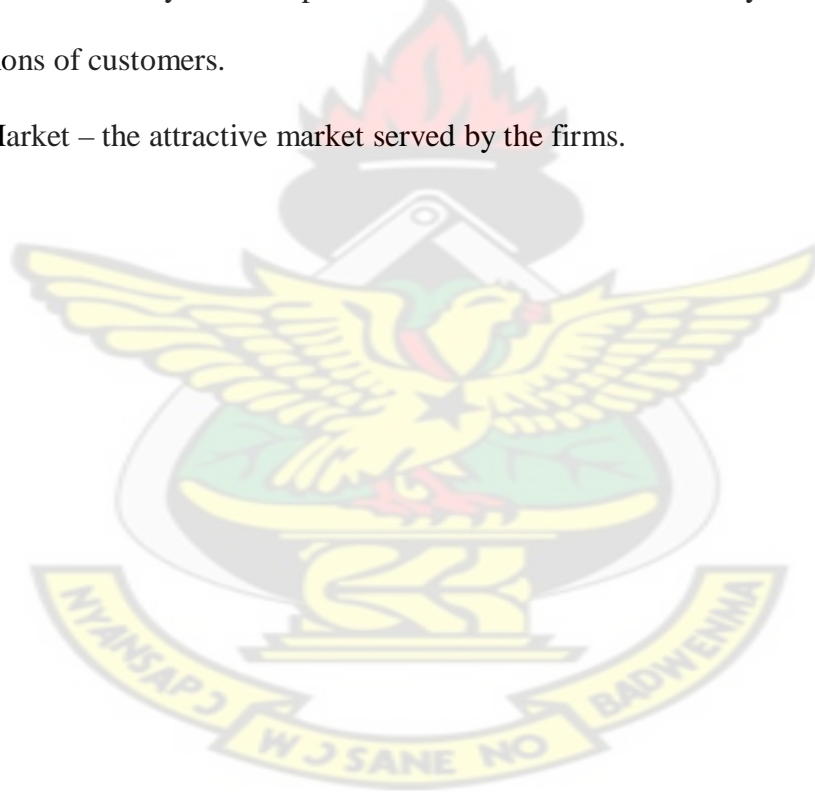
1.6 Organization of the Study

The study will comprise five chapters: Chapter one is devoted to the general introduction to the study; Chapter Two is mainly concerned with Literature Review and conceptual framework and Chapter Three provides the Methodology applied to achieve the research objective; while Chapter four deals with Data Presentation, Analysis and Discussions. Finally, Chapter Five provides a summary, conclusions, recommendations and issues raised for further research.

1.7 Definition of Terms

The following terms as used within the context of this study are defined as:

- Relationship management: as integrated effort to identify, maintain and build up a network with customers and continually strengthen the network of mutual benefits of both sides, through interactive individualized and value add contacts over a long period of time.
- Customer satisfaction is meeting the needs or exceeding the expectations of the customer.
- Quality is the ability of the product or service to continually meet the needs or expectations of customers.
- Target Market – the attractive market served by the firms.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews the earlier studies related to the stated questions of the study. Among the issues to be discussed include the structure of courier industry in Ghana, definition of terms and the concept of customer marketing relations and customer satisfaction models, especially Morgan and Hunt (1994) model and other key issues worth mentioning.

2.1 Concept of Marketing

Marketing has been described by Kotler (2006) as a societal and managerial process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others.

The Chartered Institute of Marketing (CIM) defines marketing as the management process responsible for identifying, anticipating and satisfying customer requirements profitably.

Marketing is also defined by American Marketing Association (AMA) as the process of planning and executing conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individual and organizational goals.

The CIM and AMA definition reflect a traditional transaction – oriented view of marketing. They contain no explicit recognition of the long- term value of a customer.

Theoreticians have developed alternative definitions which capture the nature of new marketing. Gronroos (1997), indicate that Marketing is to establish, maintain and enhance relationships with customers and other partners, at a profit, so that, the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfillment of promises. This definition attempts to incorporate both the transactional and relational qualities of marketing.

2.2 Concept of Relationship Marketing (RM)

Kotler and Armstrong (1996) report that, “Relationship Marketing (RM) is the process of creating, maintaining and enhancing strong value- laden relationships with customers and other stakeholders”. They further note that transaction marketing is part of the larger idea of RM. Beyond creating short term transactions, marketers need to build long term relationships with valued customers, distributors, dealers and suppliers. Marketers must build economic and social ties by promising and consistently delivering high quality products and services at fair prices. Kotler and Armstrong observe that increasingly, marketing is shifting from trying to maximizing the profit on each individual transaction to maximizing initially beneficial relationships with customers and other parties. Relationship marketing thus, differs from traditional mass marketing since it does not seek a temporary increase in sales, but attempts to create involvement and product loyalty by building a permanent bond with the customer (Anderson et al., 1994).

There has been a shift from transactional marketing to a relationship focus in marketing.

In relationship marketing, customers become partners and the firm must make long-term commitment to maintaining those relationships with quality service and innovation. This

involves dialogical method which is opened to two way interaction. Transactional marketing on the other hand, uses a mono logical method which is limited to two way interaction which aims to satisfy customer needs profitably.

2.3 Definitions of Relationship Marketing (RM)

Berry (1995), the first to publish work on RM taking in a service sector perspective states, “relationship marketing is attracting, maintaining and in multi – service organizations – enhancing customer relationship”. Gummesson (1994) proposes that Relationship Market (RM) is marketing seen as relationships, networks, and interaction. Others have attempted to define RM more broadly. Sheth and Parvatiyar(2000) describe RM as the understanding, explanation and management of the ongoing collaborative business relationship between suppliers and customers.

Gronroos (2000) state the Relationship Marketing is to identify and establish, maintain and enhance relationship with customers and other stakeholders at a profit, so that the objectives of all parties involved are met, and that is done by mutual exchange and fulfillment of promises. This is achieved by a mutual symbiosis and fulfillment of promises (Ndubisi, 2003).

Morgan and Hunt (1994) offer the broadest definition of RM. According to them, “RM refers to all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges”.

Relationship Marketing has thus advanced as the new paradigm of marketing in the 1990’s (Kotler, 2000) suggesting that the focus of marketing efforts are (and should be) shifting from

marketing mix manipulation for the purpose of immediate exchange transactions to those that focus on longer- term exchange relationships.

Driven by intense competition, escalating marketing costs, and a shortage of new sales prospects, relationship marketing's emphasis is on customer satisfaction and repeat patronage (Kotler, 2000). Relationship Marketing is defined by Joshua Levine (1993) as one of today's hottest marketing buzzword. He stresses that contact with customer is no longer just about sales and product delivery. It is about developing a long-term relationship and making customers feel good about their purchase and bringing them back to do more business.

Behind all this is the simple statistics that it costs roughly five (5) times more to get a new customer than to keep a current one. Therefore, the loyal customers are the ones who generate profits.

However RM can, but need not be, directed towards all customers. Most organizations are characterized by having both profitable and unprofitable customers, where the former subsidizes the latter (Zeithaml et al., 2001).

Retaining the profitable customers has become increasingly difficult in a competitive environment where other organizations specialize in offering attractive services and prices to this lucrative customers.

The whole concept of RM is being able to build a long lasting trust between the provider and the receiver of the good or service in such a way that no matter how far away you are, your customer could only want to be served by you. To be an effective competitor requires that there should be a trusted cooperation. Morgan and Hunt (1994) explain that relationship commitment and trust develop when partners provide one another with resources, opportunities and benefits unmatched by other, share and maintain high standard and values, communicate effectively about expectations, evaluate each other's performance and share closely held market intelligence, avoid taking opportunistic advantage what would be to the detriment of another partner.

For RM to be successful, it should involve more than the ultimate producer or consumer of a product or service. It includes selected suppliers, staff regulators, and many others. At the heart of RM is the desire to establish long –term, win-win relationships (Camping Magazine; Martinsville; Nov. 1994). Jay Kandampully (1997) puts up an argument that market competition now demands that organizations continually seek means to gain customer loyalty. He stresses the facts that while customer's expectations are continuously increasing, organizations are now required to go beyond their primary need of satisfying the customer to that of exceeding expectation to delight the customer.

This delight factor, Kandampully explains, “is in reality, the organizations’ ability to create a responsive relationship with the customer and to demonstrate their ability to serve with loyalty’’. Recently, there has been a large surge in competition, accompanied by the adoption of customer services within almost every field of business even in the courier industry it has become established as an integral part of product identity in the maintenance of market leadership.

Competition has had major implication for the customers, proving increased value, greater value for money and augmented levels of service.

Organizations in this way are forced to differentiate themselves from their competitors through their quality after sales services, as opposed to competing on the basis of price or product quality in the case of the courier industry. Customer loyalty is indeed the goal, it is a prerequisite, however, is far from mere satisfaction. The term loyalty presupposes the establishment of trust and a long-term relationship, the only way to gain this trust and long-term relationship is by first offering it.

Relationship Marketing therefore includes the delivery of sustained or increasing levels of satisfaction and retention of those customers by the maintenance and promotion of the relationship.

(Ravald and Gronroos; 199) define RM as the process of planning, developing and nurturing a relationship climate that will promote a dialogue between a firm and its customer, which aims to imbue to an understanding, confidence and respect of each other's capabilities and concerns when enacting their role in the market place and the society. They further explain that having confidence and respecting each other's confidence, capabilities and concerns is the key element in RM and helps to drive attention away from short and discrete transactions to sharing of concerns and aspiration.

They comment that it would be regrettable if it takes marketing another 40 years to understand what kind of relationships to pursue, how to build and nurture them and how to use them to accomplish the strategic objectives of the firm and its customers.

RM is seen by some authors as a ‘flavor of the month’ (Barnes, 1994) approach to marketing, others seem to agree that RM represents a genuine paradigm shift in marketing, from an exchange transactional focus, to one of long – lasting relationships (Sheth and Parvatiyar, 1995.2000). Relationship Marketing thus aims at increasing customer profitability while providing better services for customers. (Naidu et al., 1999; Palmatier and Gopalakrishna, 2005).

Relationship Marketing will not automatically lead to stronger relationships; rather, customers will exhibit different levels of relationships. (Berry, 1995).

2.4 The Origin of Relationship Marketing. (RM)

The practice of Relationship Management has a long history but it is only recently that it entered the Management Lexicon (Berry, 1983, 1995). Historical research indicates that merchants in the middle ages recognize that some customers were worth courting more seriously than others. Richer customers were offered credit terms; the poor paid cash.

Industrial markers, selling high priced capital goods, have long known that they must take a long– term view to make a sale. However, in the services marketing area, RM is practiced widely. Services provided by hotels, banks, health care and courier industries are particularly suitable for RM initiatives because they supply multiple services deliverable over several contracts, in person. Because of their participation in the production of services, customers come

face to face with employees and are able to form an interpersonal relationship with the service provider (Buttle, 1996).

2.5 The Nature of Relationships in Relationship Marketing (RM)

There has been some debate about the focus of RM. The earlier definitions suggest the RM focus, is the external customer. The recent writers widen its scope. Morgan and Hunt (1994) identify ten discrete forms of RM (See Table.1a)

Table 1a: The Relational Exchanges in Relationship Marketing (RM)

Supplier Partnerships	Lateral Partnerships	Internal Partnerships	Buyer Partnerships
1.Goods Suppliers	3. Competitors	6. Business units	9.Intermediate
2.Services Suppliers	4.Nonprofit Organizations	7. Employees	customers
	5. Government	8. Functional Departments	10.Ultimate Customers

Sources: Morgan R.M and S.D Hunt (1994) Journal of Marketing vol. 58

Marketing strategies have traditionally been developed both to push product through distribution channels (trade marketing strategy) and pull consumers towards the point of sales (consumer marketing strategy). A third form of marketing strategy has gained attention recently- the internal marketing strategy.

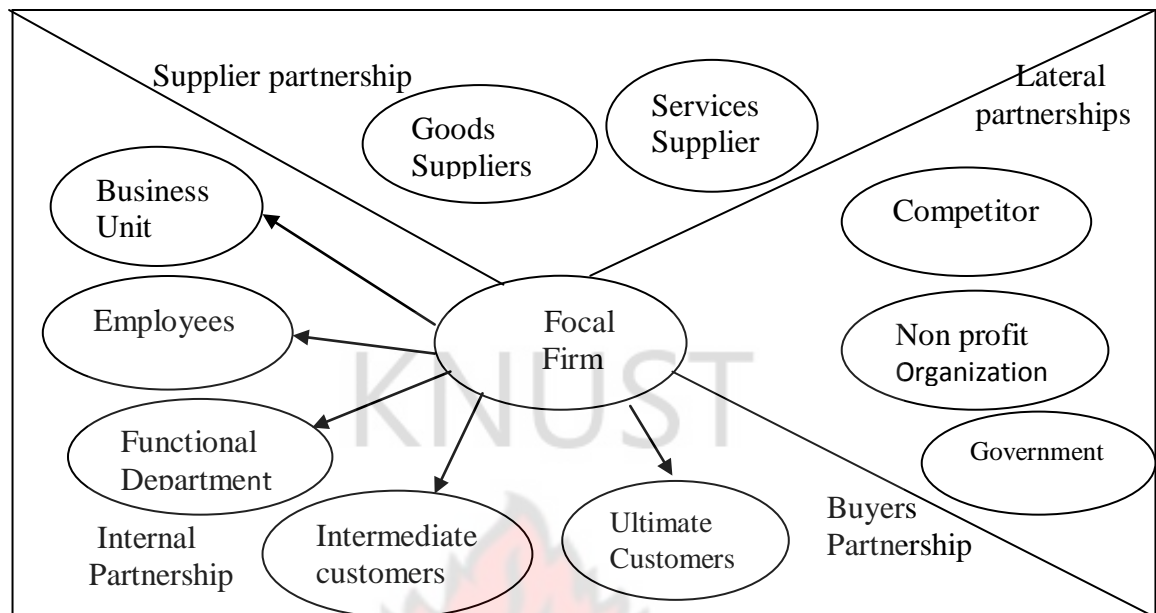
Internally marketing focuses on employees. It recognizes that every person in an organization is both a customer and a supplier. An organization final output, be it a good or a service is almost

always the product of operations and processes performed by people in series. A principal purpose of internal marketing is to ensure that the final outputs of the organization are of suitable high, external – customer- satisfying quality. For this to happen, each business process must be performed to high standard. It is therefore helpful for employees to view the next person in the series as a customer. Internal marketing is also concerned with ensuring all employees buy into the organization's mission and goals and successfully develop and execute strategies. These three relationships – company/intermediary, company/consumer and company/employee – are at the heart of most RM practices although the dominant four is on external customer relationships.

New words are being employed to describe these relationships. Customers are now associates or partners enmeshed in alliances or partnerships with companies. Levitt (1983a) and Dwyer, Schurr and Oh (1983a,) wrote; 'the relationship between seller and buyer seldom ends when the sale is made....the sale merely consummates the courtship'.

Then the marriage begins'. Dwyer et al. (1987) incorporate dating and divorce into the metaphor when they observe that supplier- customer relationships are marked by the five stages: awareness, exploration, expansion, commitment and dissolution. Morgan and Hunt (1994) represented Relationship Marketing as encompassing ten discrete forms of relationship exchanges involving interactive relationships for various purposes between the focal firm and array of the parties as shown in Figure 1a below.

Figure 1a: Relationships in Relationship Marketing (RM)



Source: Morgan and Hunt (1994)

Dwyer et al., (1987) categorized with reference to the focal firm as shown in the above diagram, its relational exchanges in supplier, lateral, buyer, and internal partnerships.

1. The partnering involved in relational exchanges between manufacturers and their goods' suppliers, as in "just –in-time procurement and: total quality management".
2. The relational exchanges involving service providers, as between advertising or marketing research agencies and their respective clients.
3. The strategic alliances between firms and their competitors, as in technology alliances, and global strategic alliances.

4. The alliances between a firm and nonprofit organizations, as in public purpose partnerships.
5. The partnerships for joint research and development, as between firms and local, state, or national governments.
6. The long-term exchanges between firms and ultimate customers, as implemented in “customer relationship marketing” programs, affinity programs, loyalty programs, and as particularly recommended in the services marketing area.
7. The relational exchanges of working partnerships, as in channels of distribution.
8. The relational exchanges involving functional departments.
9. The relational exchanges between a firm and its employees, as in internal market orientation in particular and internal marketing in general.
10. The within – firm relational exchanges, as those involving such business units as subsidiaries, divisions, or strategic business units (Moran and Hunt, 1994)

Channel member whose relationships take the relational form have expectations that the relationships will persist over time, exhibit mutual trust and make plans for the future

2.6 The Success of Relationship Marketing

For Relationship Marketing to flourish in any business organization, there should be foremost a supportive culture. Since RM represents a paradigm shift from the older, transactional way of doing business (Light, 2003) it inevitably poses threat, and demand changes of existing corporate culture. Relationship Marketing is typified by mutual co- operated and independence between customer and supplier (Sheth, 1994). Transactional marketing on the other hand, is characterized

as “manipulation of customers, exploiting their ignorance” (Gumesson, 1994). Under RM, sales likely to be replaced by reactions managers; customer relation is likely to be rewarded more highly than customer acquisitions; customer satisfaction data would receive billing equal to that of financial data in management meetings; and the CEO will spend as much time with customer as with department heads.

Internal marketing is a second prerequisite for successful RM (Gronroos, 2000). The goal of internal marketing is to convert employees to the new vision of RM, to promote the development of the new culture, to persuade them that it is sensible to buy into the new vision, and to motivate them to develop and implement RM strategies. The internal market’s expectations and head must be satisfied. “Unless this is done properly, the success of the organization’s operation on its ultimate, external markets will be jeopardized” (Gronroos, 2000). If the organization is unable to meet its employees needs, it is likely that they will defect to other jobs before being able to build long – lasting relationships with customers.

The firm must also understand customer expectations. Meaning, there must be a continuous flow of information into the business; continuity is required because expectations change over time. Work by Parasuraman, Berry and Zeithaml (1991), suggest that managers do not always have a clear understanding of customer bonus or commission.

For RM to be successful, companies must develop a supportive organization culture, market the RM idea internally, intimately understand customer’s expectations, create and maintain a detailed customer database and organize and reward employees in such a way that the objectives

of RM, customer retention is achieved. RM is characterized by a genuine concern to meet or exceed that expectation of customers and to provide excellent service in an environment of trust and commitment to the relationship. Firms that implement relationship marketing – base strategies recognize the importance of developing and maintaining long- term co-operative relationships with other firms and /or consumers. Specifically, RM – based strategy emphasizes that to achieve competitive advantage and, thereby, superior financial performance, firms should identify, develop, and nurture an efficiency – enhancing, effectiveness – enhancing portfolio of relationships (Hunt, 2000).

Relationship marketing research identifies a number of outcomes, goals, or indicators of successfully designed and implanted RM- based strategies (Morgan and Hunt, 1994). Successful RM-based strategies have been linked to improvements in competitive advantages in the marketplace, superior financial performance, increased levels of customer satisfaction, organizational learning partners' propensity to stay, acquiescence by partners and decrease in uncertainty.

The following seven types of factors influence RM-based strategy success. They are Relational factors, Resource factors ,Competence factors ,Internal marketing factors, Information technology factors, Market offering factors and Historical publics . Six successful relational exchanges factors are Trust, Commitment, Cooperation (Anderson and Narus, 1990; Morgan and Hunt, 1994), Keeping promises (Gronroos, 1990, 1994), Shared values (Brashear et al., 2003; Morgan and Hunt, 19994; Yilmaz and Hunt, 2002) and Communication (Mhr and Nevin, 1990; Mohr et al, 1996).

2.6.1 Trust and Promise

There are two essential elements in relationship marketing: promise and trust (Gronroos, 2000), which determine how a relationship is established, maintained and enhanced:

- A firm may attract customers by giving promises, thus persuading them to behave in some desired way. These promises may be explicit or implicit in the image of a brand. A new customer may be attracted and a new relationship built. Long – term profitability requires that the relationship be maintained and enhanced in order to retain the customer base. The fulfillment of the promises given is essential to achieving customer satisfaction.
- Trust has been defined as “a willingness to rely on an exchange partner in whom one has confidence” (Moorman et al, 1993,). This definition implies: belief that the other partner will follow the desired course of action; intention to behave and commit its resources according to that belief; uncertainty to the consequences of the trustee. As Gronroos (1994) points out, in many situations it is not clear who is the trustee and who is the trustor; more likely, both parties are in both positions, it is important to remark that trust requires personal relationships that transcend the individual.

This is also the stage of the relationship where trust begins to mature between the two parties as they become involved in a tighter and more sophisticated relationship (Wilson, 1995). As Ganesan (2000) explains, trust in the relationship occurs over time and is a consequence of repeated satisfying interactions between the buyer and the seller.

Satisfying the customer should be a primary goal of the marketing strategy. Studies have demonstrated that customer satisfaction leads to customer loyalty and positive repeat purchase intentions (Anderson and Sullivan, 1993; Formal et al., 1996; Patterson et al.,1997). However,

since satisfaction is cumulative, as explained above, it takes an effort both inside and outside of the selling firm to ensure customer satisfaction.

With the continual growth in information technology through the existence of internet and other modern information dissemination tools, it must be noted that relationship marketing cannot be effective without the incorporation of information technology.

2.7 Customer Satisfaction

According to Richard L. Oliver (1997), “satisfaction is the consumer’s fulfillment response. It is a judgment that a product or service features, or the product or service itself, provides a pleasurable level of consumption – related fulfillment”.

In less technical terms, (Zeithemil & Bitner, 2000) translated this definition to mean that satisfaction is the customer’s evaluation of a product or service in terms of whether that product or service has met their needs and expectations. Failure to meet the needs and expectations is assumed to result in dissatisfaction with the product or service. Gaining buyer’s trust is a critical task in many marketplace settings and establishing a social relationship parallel to the professional is a more “natural approach than a legal contract”.

As the various interactions between the two parties begin to exhibit consistence overtime, a commitment to one another and to the longevity of the relationship develops (Gundiach et al, 1995). By its very definition, commitment suggests a binding agreement where two parties pledge to perpetuate a relationship. Anderson et al (1994) suggest that cooperation is essential in a dynamic relationship and that commitment is the consequence of that need. Dwyer et al. (1987), argue that commitment between the two parties is indicative of the most advanced stage

of the relationship and therefore, at this point, both parties are actively involved in maintaining the relationship (Morgan and Hunt, 1994). Consider commitment as the keystone of relationship marketing, Cann (1998) proposes that, once the buyer and the seller reach commitment, the emphasis in the relationship now moves towards cooperation and long term maintenance of the relationships, so that the parties involved continue to experience positive and profitable outcomes (Morgan and Hunt, 1994).

Therefore, at the pinnacle of the relationship between the buyer and seller, sunk costs enforce or enhance the commitment that each party has towards the relationship. The failure of one of the partners may have catastrophic consequences for the other. Thus, while long –run costs are reduced, some risk may be increased. That is, if one of the partners has difficulties, the other may have to come to the rescue.

2.8 Customer Retention

In line with the whole concept of RM, which is being able to build a strong lasting trust between the provider and receiver of the good or service, customer retention is the key word. A basic strategy for customer retention is to implement a thorough means of monitoring and evaluating relationship quality over time (Zeithaml & Bitner, 2000). They often quoted axiom that “it cost at least five times as much to get a new customer as it does to keep an existing customer”. It goes without saying that satisfied customers are more likely to be loyal customers and retaining loyal customer is important for company’s profitability.

2.8.1 Customer Retention through Effective Communication

Every time you interact with a customer, it is a moment of truth. Gearson describes it as moment of truth because it is a chance for you or your employees to represent the company positively and satisfy a customer. The establishment of good rapport and communication with customers will guarantee continuous eagerness of customer to do business with the company and refer others.

2.8.2 Customer Retention through Training

Rightly put, Gearson writes that untrained employees present a bad image of company. If your workers understand your product or service but cannot speak and listen to customers, you will not be in business very long. Customers who do not get the attention they think they deserve will take their business elsewhere. Some of the training programs for customer retention are Customer Service, Team Building, Communication Skills and Sales Training Basics.

All companies must invest in retaining customers. This is because established customers tend to buy more, are predictable and usually cost less to service than new customers. In addition, they tend to be less price-sensitive and may provide free word-of-mouth advertising and referrals prospective customers. Furthermore, customer retention also makes it difficult for competitors to enter a market or increase their share in that market. Apart from these benefits, it is however important to realize fundamentally the relationship marketing stands on the quality and willingness of the people in organization who implement it.

2.8.3 Customer Retention through Customer Service Marketing

Gearson highlighted the issue that one's business does not have to be on a seesaw of losing customers and seeking new ones. It has to go beyond customer service by increasing customer retention and enhancing marketing efforts, all at the same time. In fact, customer retention policies double as excellent marketing approaches for one's business. Some of these activities are top customer preference programs, Personal letters, telephone calls, customer reward and recognition programs, customer special events etc.

2.8.4 Customer Retention through Recovery

Not all customers are happy customers. Sometimes, one has to make up for bad service or product. Gearson explains that service recovery means actions that tell that customer you will take care of his or her problem. Restitutions are what you give your customers to compensate them for inconvenience. It is important to appreciate the fact that not all customers will be happy. Among these unhappy customers, not all of them will complain. So the customers who complain are your lucky tips. They are taking the time to help you improve your business. It is therefore your responsibility to take time to acknowledge and resolve their complaints as quickly as possible.

2.8.5 Customer Retention through Value Chain

The value chain here is the employer and the customers. A chain is only as strong as its weakest link. It pays to set up your value chain in a way that every link is strong. Gearson stresses on the need to treat employees well, if one wants its customers treated well. Employees are customers; recruit and train the best people with the best attitudes. Then empower them to make decisions.

Give them authority to go with their responsibility of serving the customer. Recognize and reward their accomplishments and achievements. Treat them as your best customers. If you serve them well, they will serve you and your customers well.

With regard to customers, Gearson says, listen to them. Find out what they need, want and expect. Then give them everything and more, exceed their expectations, delight them and put more value in the chain. This will make them comfortable and secure with you and they will continue to do business with you.

2.9 The impact of Information Technology (IT) on Relationship Marketing.

One of the main tools used in delivering customer service is the use of IT. Technology is constantly changing. We can no longer assume that our current range of products will continue to be demanded by our customers. The advent of the computer, of course, has revolutionized just about every facet of business life, whilst the merging of couriers and computer technology is causing a fundamental reappraisal of a whole host of industries, with new ones springing up to replace those that do not keep abreast of changing technology (Blattberg et al., 1994).

The marketplace has never been static, and need to anticipate and respond to change has been a basic prerequisite for survival since business first began. However, it can fairly be said that marketing management today faces a greater number of challenges of a more complex nature and from a wider number of sources. The impact of technology on marketing relationships is one of the most serious challenges.

It is much broader than advertising, data collection, home pages, selling products/service, direct mail, data base, or public relations. It will have a profound effect on the way firms market their products and services. Marketing scholars, managers, and marketers must begin to take it more seriously (Glazer, 1991; Hoffman and Novak, 1996). Marketers and managers must be aware of the new development in technology and their possible effects because technology can and does affect business activities and relationships in different ways. It influences communication and coordination processes within a network with alliances and other collaborators. Technological advances and implementation can revolutionize an industry or destroy it. How an organization uses, or does not use, technology is important for its long- term relationships and its long run survival.

Yet information technology (IT) and information systems (IS) are most essential to provide the information needed for successful relationships or partnering (Sharda, 1997).

Without information partnership and information sharing (relationship based on information), Tom Peters emphasizes, “all other aspects of partnership remain stuck at the stage of lip service or less” (Konsynski and McFarlan, 1990). Venktraman (1997) states the following:

How best to extract value from information technology (IT) resources is a major challenge facing both business and (IT) managers, particularly as they turn their focus from searching for the competitive benefits of strategic information systems and striving for benefits beyond process reengineering.

To this statement one can add that IT should also be a considerable issue for the marketers as they strive for benefits beyond relationship marketing. The Internet, extranets and EDI are some of the tools of IT.

2.10 The Multiple Dimensions of Relationship Marketing Orientation (RMO).

The primary impetus behind the concept of relationship marketing is to foster a long-term relationship and there by create repeat purchases. However, it is still not clear whether exchange theory can sufficiently explain the existence of relationship. It may be necessary to look beyond the literature of RM towards marketing in general and to adopt the RMO construct as originally proposed by Calaghan et al. (1995). The items used to measure the RMO construct were further enhanced by bonding, empathy, reciprocity and trust.

2.10.1 Bonding

Bonding is defined as the dimension of a business relationship that results in two parties (customer and supplier) acting in a unified manner toward a desired goal (Callaghan, et al., 1995). Various bonds exist between parties and indicate different levels of relationships. They have served effectively to control social and business behavior in society (Hinde, 1997). The dimension of bonding as it applies to RMO consists of the developing and enhancement of consumer and brand loyalty.

2.10.2 Empathy

Empathy is the dimension of a business relationship that enables the two parties to see the situation from the other's perspective. It is defined as seeking to understand somebody else's desires and goals. The empathy dimension plays a major role in Chinese business relationships (Hawang, 1987; Brunner et al., 1989) and is also apparent in western business relationships (Houston et al., 1982). These indicate that empathy is a necessary condition to foster a positive relationship between two parties.

2.10.3 Reciprocity

Reciprocity is the dimension of a business relationship that causes either party to provide favors or make allowances for the other in return for similar favors or allowances to be received at a later date (Callaghan et al., 1995).

2.11 Conceptual Framework for the study

The conceptual framework for this study is basically the reiteration of the fact that many organizations are eager to provide quality service to gain customer loyalty but fall short because they simply fail to have a sufficient understanding of the expectations of their customers. The emphasis here is that the success of an organization ultimately depends on services to reflect the relationship and trust it is able to build with its customers.

The effectiveness of this relationship is however determined by each and every member of the organization and his or her ability to become genuinely customer – oriented and go beyond specified job tasks in order to anticipate and surpass customer expectation. Competition in the

courier sector is vibrant and for their survival, operators would have to possess something special and hard to imitate that allows them to outperform their competitors and gain competitive advantage. This study is therefore based on the notion that relationship marketing and practice of good customer retention strategies will lead to sustainable competitive advantage and is basically the key to sustain superior long-term performance of any business.

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CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter discusses the methodology employed to achieve the objectives of the research. The methodology includes the population, sampling, primary and secondary data, research instruments and analysis of data. This research is non-experimental exploratory study designed to find out the practice of relationship marketing in the courier industry for customer retention.

3.1 Population and Sampling

The population of the study was made up of staff and customers of FedEx Ghana who are made up of individuals. It is estimated as about hundred staff and thousand nine hundred clients totally, two thousand (2000) in all.

3.2 Sampling Frame

The sample size of one hundred (100) made up of twenty (20) staff and eighty (80) clients of FedEx Ghana. The customers were sampled across all the regions of Ghana. Stratified random sampling technique was used to enable the researcher to achieve the objectives of the study. FedEx has its offices in all the regional capitals of Ghana. The sample size of hundred was representative of the population of FedEx Ghana.

3.3 Data Collection

Primary and secondary data collection was used for the study.

3.3.1 Primary Data

Questionnaires as a research instrument, was used to collect the primary data. The questionnaire was generated based on the objectives of the study.

The researcher administered the questionnaires personally to the respondents to elicit the necessary data. The items of the questionnaires mainly consisted of close- ended type and few open-ended ones. The researcher explained the significance of the research to the respondents. The questionnaire was coupled with interviews. The researcher got the opportunity to interview the respondents and therefore observed covert behaviors necessary for the research.

3.3.2 Secondary Data

Secondary sources of data were also used to supplement the primary data. The secondary sources of data were used to obtain additional information to buttress the responses gathered from the questionnaires. A number of both published and unpublished materials on courier industry and relationship marketing including academic marketing journals, articles, magazines, were obtained from University of Ghana and Kwame Nkrumah University of Science and Technology Business School libraries and also in –house corporate materials of courier companies were used.

The data that were collected from the secondary sources significantly, assisted in the development of primary data collection instruments and the interpretation of results. The rationale for using this source of data was that they were cheaper and easily accessible.

3.4 Data Analysis

Raw data collected were edited to detect and correct errors and omissions to ensure consistency and validity. Next, the data was coded and tallied item by item and input into the computer. Microsoft Excel Software was used to analyze the data. Descriptive statistics was used to summarize and present the information in the form of percentages, frequency, pie chart and graphs.

3.5 Scope and Limitation of the Study

The study cannot cover all areas in relationship marketing because of time constraints. Hence, the scope of this study was focused on customer relationship especially, its practice, and customer retention. The study is expected to cover Ashanti regions of Ghana.

3.6 Limitations of the Study

The major difficulty encountered in this research was the collection of data from staff members. Respondents were reluctant to answer the questionnaire for their tight schedule and also for fear of leaking information to competitors. Time frame to complete the project was also a major constraint.

3.7 Profile of Federal Express Corporation.

Federal Express Corporation is a global giant in business and one of the biggest in the world. The entire Corporation is organized along broad business lines each of which is represented by a FedEx brand. Thus, there is FedEx Express, which deals with time-definite, global express transportation and supply-chain solutions; FedEx Services, which deals with information

technology, sales and marketing services; FedEx Global Supply Chain services, which deals with a portfolio of services to improve supply chain management; FedEx Customer Information Services, which deals with meeting customers' information needs; FedEx Ground; which deals with small package ground delivery; FedEx Home delivery; which deals with low-cost home delivery; FedEx Smart Post; which deals with home delivery via the United States Postal Service, FedEx Kinko's Office and Print Services; which deals with document solutions and business support service; FedEx Freight; which deals with less than truck load trucking service; FedEx Customs Critical; which deals with expedited door-to-door super-critical delivery and FedEx Trade Networks; which deals with customs brokerage and trade facilitation solutions.

It is worthy of note that apart from FedEx Express which operates worldwide – currently in 220 countries and organized along continental Regional offices-, most of the other divisions of Federal Express Corporation only operate in the United States. The worldwide head office of Federal Express Corporation is in Memphis, Tennessee in the United States. FedEx operates in five regions of the world, which are the United States; headquartered at Memphis, Tennessee; Canada; headquartered at Toronto, Ontario; Europe, Middle East and Africa; headquartered at Brussels, Belgium; Asia Pacific; headquartered in Hong Kong and Latin America and the Caribbean; headquartered in Miami, Florida.

The company was established by Frederick W. Smith who remains the founder, group chairman, president and chief executive officer. The company has about 140,000 staff worldwide and serves more than 220 countries worldwide. The company has more than 42,000 motorized

vehicles worldwide and more than 55,000 drop-office locations. The company has an average package volume of more than 3.3million packages a day.

Its logo comprises the varnished purple and varnished orange. Every FedEx company around the world shares a common mission, strategy and values; and takes pride in fulfilling the purple promise; which is “I promise to make every customer experience outstanding”. The corporate mission of FedEx is “FedEx Corporation will produce superior financial returns for its shareowners by providing high value-added supply-chain transportation, business and related services through focused operating companies. Customer requirements will be met in the highest quality manner appropriate to each market segment served. FedEx will also strive to develop mutually rewarding relationships with its employees, partners and suppliers. Safety will be the first consideration in all its operations. All corporate activities will be conducted with the highest ethical and professional standards”. The unique FedEx operating strategy works seamlessly and simultaneously on three levels: Operate independently; by focusing on its independent networks to meet different customer needs. Compete collectively; by standing as one brand worldwide and speaking with one voice. Manage collaboratively; by working together to sustain loyal relationships with its workforce, customers and investors.

3.7.1 Profile of Integrated Air Services, Ghana

The Integrated Air Services Ghana limited is a wholly Ghanaian-owned company with a partnership arrangement among its three owners. It was incorporated under the Companies’ Code of Ghana in March, 1993. The Integrated Air Services Ghana is a licensee of the Federal Express Corporation and a ‘Global Service Participant’ for Federal Express Corporation. It has branches in seventeen cities and towns; which include all regional and some strategically-

located district capitals. The Integrated Air Services Ghana Limited provides both the picking up and delivery of express shipments, boxes and freight; both within and outside of Ghana.

3.7.2 Background of Federal Express Corporation

Federal Express Corporation officially began operations on April 17th, 1973, and was established by Frederick W. Smith who is its founder, chairman, president and chief executive officer. Sixteen packages were shipped to Canada in 1975, the first night of its international operations. Volumes have grown tremendously since then and the company has expanded rapidly through strategic acquisitions worldwide and through the use of Service Partners or Global Service Participants in some countries that are not directly served by FedEx.

As an American corporation that was founded in the United States, it is understandable that FedEx would have majority of its operations in the United States. Although certainly a global company today, it did not start out that way. The United States domestic system enabled the company establish a broad base of international customers and provided the cash flow to fund major regions which are the United States, Canada, Europe, Middle East and Africa, Latin America, the Caribbean and the Asia Pacific.

3.7.3 Background of Integrated Air Services, Ghana

The Integrated Air Services Ghana Limited is a courier service providing company that ships express packages, boxes and freight in Ghana and worldwide on behalf of its customers. It is a Global Service Participant and Licensee of Federal Express Corporation.

3.7.4 Corporate Vision and Mission

The vision of Integrated Air Services Ghana Limited is:

“To be the preferred and leading courier service provider in Ghana by offering total logistics’ solutions to our valued clients; thereby giving them total value for money and maximum returns to shareholders”.

The mission of Integrated Air Services Ghana Limited is:

“To provide excellent, reliable, pleasurable and convenient shipping experience to our valued clients within the shortest possible time from the point of pick up to the point of delivery”.

3.7.5 Nature of Business Activities

Business activities in Integrated Air Services Ghana Limited are carried out along two main lines; the domestic courier service and international courier service. The domestic courier service basically concerns the pick up and delivery of express shipments, boxes and bulk packages from any point to any other point in Ghana. The company has four main domestic products which are:

Overnight Delivery Service

This involves the next day delivery of all shipments that are picked and meant for all destinations countrywide. The cut-off time for pick up is 9.00 pm; and the delivery time is between 7 .00 am and 9.00 am the next day.

Same Day Delivery Service

This is the same day delivery of shipments picked from one point to another within Ghana. There are two types; the intra-city same day delivery which involves the pick up and delivery of shipments from one point to another within the same city or town within the same day.; and this service is available only in Accra, Kumasi and Takoradi. The second type is the inter-city same day delivery which involves the pick up and delivery of shipments from one city or town to another within the country. This product is available countrywide. The cut-off time for pick up for this product is 9.00 am daily.

The Domestic Bulk Service

This involves the pick up and delivery of bulk shipments from one destination to another within Ghana. Volumes here may range from several hundreds of kilos to several tons. This product is available countrywide. There is no cut-off time for pick up with this product.

Special Projects Service

These are specially-designed and highly-customized products that are meant to satisfy the special and peculiar needs of clients.

3.7.6 Support Systems and Related Strategies

The support systems in Integrated Air Services Ghana Limited, licensee of Federal Express Corporation broadly enable it to deliver on its customer experience statement that has been aptly summarized in the “Purple Promise”.

The related strategy is to live up the “Purple Promise” by:

- doing whatever it takes to satisfy our customers
- always treat customers in a professional, competent, polite and caring manner
- handle every transaction with the precision required to achieve the highest quality service
- Process all customer information with 100% accuracy.

This should be done by every member of staff at every moment of customer contact.

Tracking Systems

FedEx has a sophisticated tracking and tracing system that enables its clients to check on the status of their shipments from the point of pick up to the point of delivery. This enables the clients to obtain an up-to-the-minute status of their shipments in transit. The customer, with an internet access logs on to www.fedex.com, clicks on track and one is able to check on the status of his/her shipment. In Ghana however, the software being used to track and trace is new and undergoing trials at the moment.

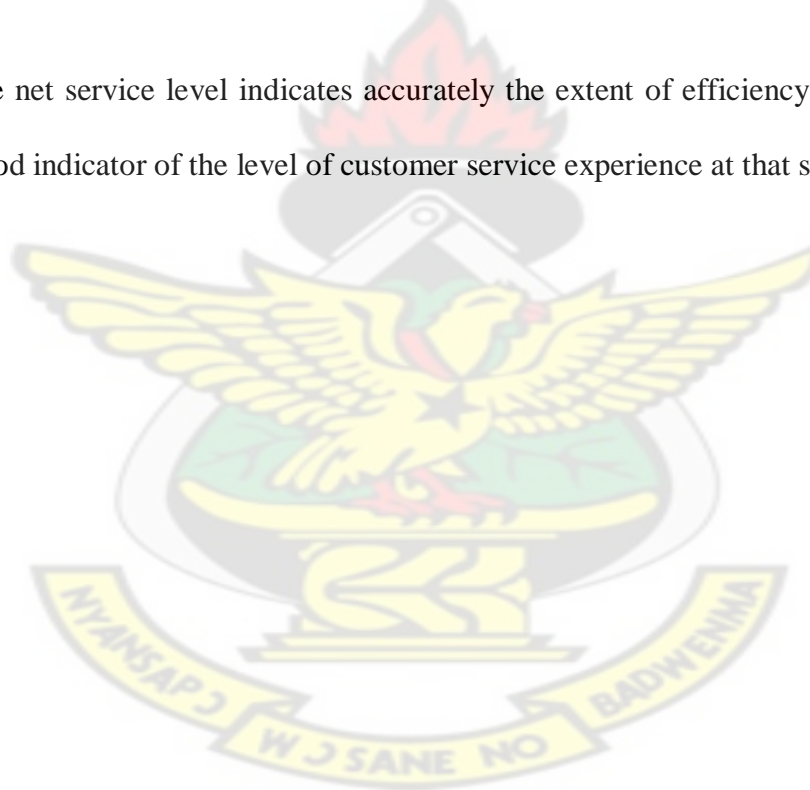
The Cosmos Intranet

COSMOS is an acronym that stands for **Customer-Oriented Services and Management Operating System**. COSMOS is a world wide program in FedEx consisting of more than 240 screens. It is used for dispatching, mailing and tracing shipments, advising customer supplies, tracing shipments, communicating between FedEx locations, receiving information about services such as delivery commitments, service delays and FedEx locations. Without COSMOS, FedEx cannot be as fast and reliable with its present day volumes. A user name and password is required to access COSMOS and the system can only be accessed by accredited Customer Service Personnel only.

3.8 Net Service Level Indicator

The net service level is always indicated or assessed with a percentage. The ideal net service level indicator for all FedEx and GSP locations should be 100%. The minimum should not however be below 80%. The net service level is the quantified summary of all aspects of operations in FedEx or GSP location such as on-time pick ups and deliveries, package delivery within commitment periods and all others that go to enhance service efficiency. This is measured weekly for every location and ideally should be between 90% and 100%; or the local station's operations team has lots of questions to answer.

In summary, the net service level indicates accurately the extent of efficiency of FedEx station and is a very good indicator of the level of customer service experience at that station.



CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.0 Introduction

This chapter looks at the presentation, discussion and analysis of data collected from the field by providing detailed information on the findings of the study and detailed discussion on responses obtained from the various questions posed to the respondents as well as the analysis of the findings. Descriptive statistics was used in presenting the data. Frequencies, percentages and charts were employed to explain certain points where necessary.

4.1 Demographic Background of Respondents

Samples were selected based on targeted units using the non-probability sampling method of random sampling, specifically the Purposive Sampling. This method ensured that representative samples of all the known elements of the population occur in the sample.

A sample size of one hundred (100), comprising twenty (20) staff and eighty (80) customers of the targeted population responded to the administered questionnaires; scheduled interviews with other executives who are not really related to the day to day operations of the units targeted were also conducted. The break down of the respondents is shown in Table 1b and Figure 1b below.

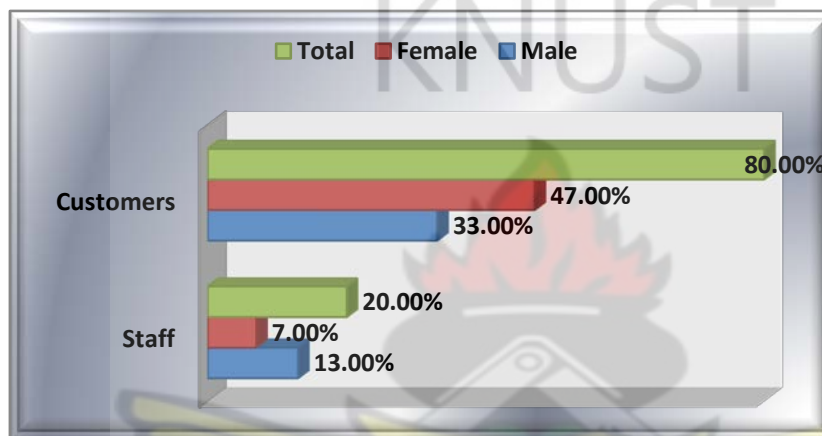
Table 1b: Respondents Distribution

<u>Respondent Distribution</u>						
Details	Male		Female		Total	
	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)
Staff	13	13.00%	7	7.00%	20	20.00%
Customers	33	33.00%	47	47.00%	80	80.00%
Total	46	46.00%	54	54.00%	100	100.00%

Source: Field Survey, 2011

It was revealed in Table 1b that, 20% of the respondents were staffs of FedEx and 80% was recorded in relation to its customers. The study again disclosed that the administered questionnaires exhibited a ratio of 1:1.2 with regard to male and female distribution respectively, with the female respondents exceeding the male by 17.4%, as illustrated in Figure 1b below.

Figure 1b: Respondents Distribution



Source: Field Survey, 2011

The ratio is an indication of enough evidence that there are more women customers of FedEx and by extension in the industry; albeit, they fall short of the male staff respondents by 5%. It came out clearly that, the male dominance of the staff was due to the nature of the courier services whereby heavy parcels and mails needed to be lifted and loaded on trucks for dispatches, despite the fact that the female basically are operating as frontline executives. In summary, this is an indication that both men and women were fairly represented; and further explains the recent emerging interest in customer relationships in Ghana by women executives.

The Range of Ages

The ages of (staff) respondents are within the range of 20 and 50 years. The staff had the age group, 31 – 40 years as the modal age group with as many as 13 out of the 20 staff (representing

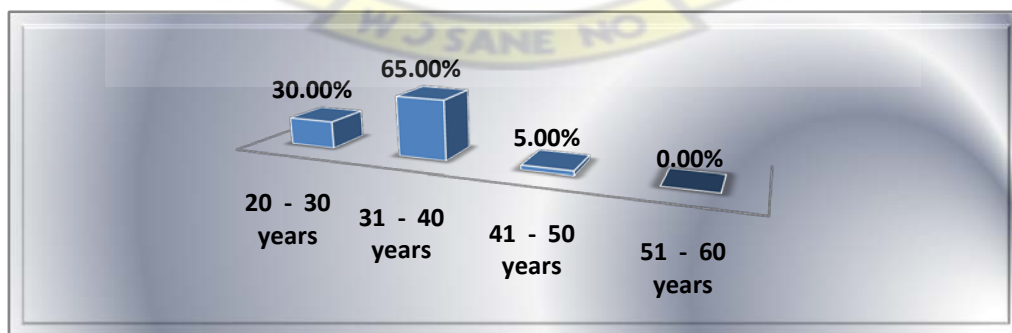
65% of the respondents); followed by the 20 - 30 years group scoring 30% of the respondents. There were no respondents for the age groups of 51 – 60 years and the 41 - 50 years groups as shown in Fig 2a below. The study indicates that the workforce of FedEx Ghana is basically made up of significant number of young and energetic workforce, however, representation by older folks was virtually zero, and except for the one individual whose age was 45 years. The ages of the staff could be explained as deliberate move by management to employ only young people due to the masculine nature of the job and also the dispatches of parcels and mails hence, the need to have personnel with this caliber rather than the old folks who have little or no energy to undertake such energy supping enterprise.

Table 2a: Ages of Staff

Age	Frequency	Percentage (%)
20 - 30 years	6	30.00%
31 - 40 years	13	65.00%
41 - 50 years	1	5.00%
51 - 60 years	0	0.00%
Total	20	100.00%

Source: Field Survey, 2011

Figure 2a: Ages of Staff



Source: Field Survey, 2011

The customers on the other hand, had ages ranging between 16 and over 50 years, with 26 – 35 years being the modal age group (registering 33.75% of customer respondents; 27 in absolute terms). The group age 36 – 45 years was the next highest recorded, the over 50 years attained 20% (16); while the least represented for customers 16 – 25 years had 16.25%. The results indicated that there was a fair distribution of ages which was evidenced by a mixture young and middle ages groups. It further showed that FedEx Ghana has done well attracting young customers suitable for relationship building.

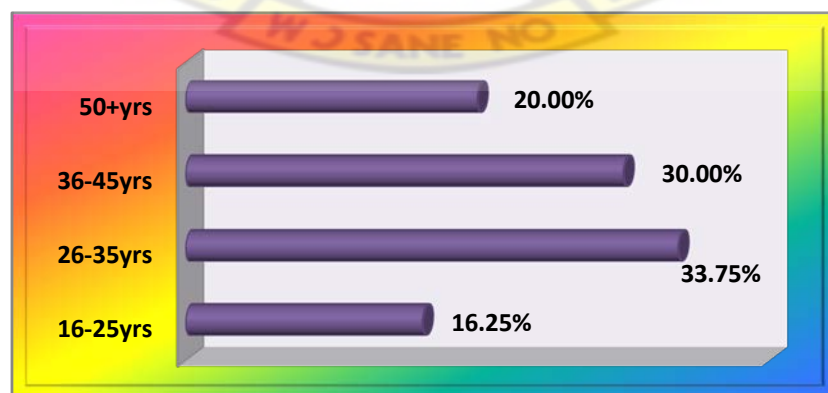
Table 2b: Ages of Customers

Age	Frequency	Percentage (%)
16-25yrs	13	16.25%
26-35yrs	27	33.75%
36-45yrs	24	30.00%
50+yrs	16	20.00%
Total	80	100.00%

Source: Field Survey, 2011

The above data is picturesquely represented below as Figure 2b.

Figure 2b: Ages of Customers



Source: Field Survey, 2011

The number of years with FedEx GH Ltd.

As shown in Table 3, the study identified five (5) significant periods of within which the respondents had been with the company either as a staff or a customer. Out of the 100 respondents contacted 8 (8%) staffs and 22 (22%) had been with the company between 2 – 4years; which tentatively is also the modal year group of the distribution (aggregately 30% of total respondents).

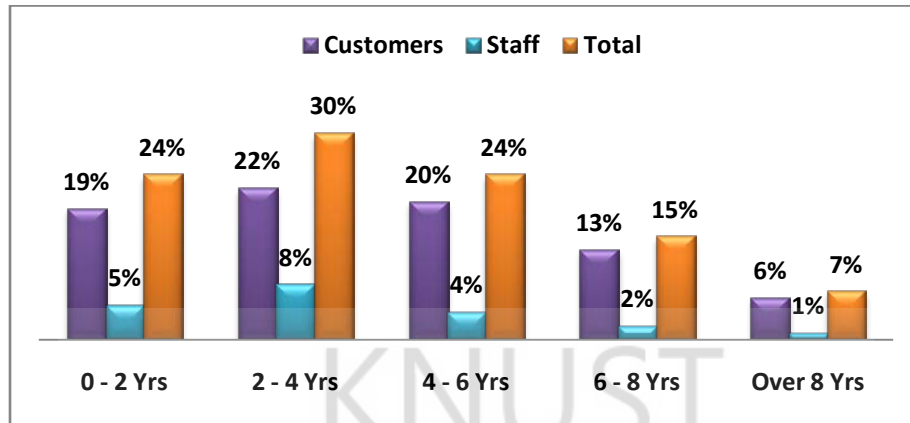
The study showed that FedEx has been able to attract 19% new customers into its fold which is evident by the 19 customers who had at one time or the other dealt with the company less than 2 years, albeit, a reduction of the subsequent 2 – 4 years' 22 customers. It is worth noting that FedEx Ghana's customer base was gradually increasing by the trend of 6% customers for over 8 years, 13% customers for the period 6 and 8 years, 20% of customers for the period 4 – 6 years, 22% of customers for 2 – 4 years.

Table 3: Number of years with FedEx

Years	Frequency			Percentage (%)		
	Customers	Staff	Total	Customers	Staff	Total
0 - 2 Yrs	19	5	24	19.00%	5.00%	24.00%
2 - 4 Yrs	22	8	30	22.00%	8.00%	30.00%
4 - 6 Yrs	20	4	24	20.00%	4.00%	24.00%
6 - 8 Yrs	13	2	15	13.00%	2.00%	15.00%
Over 8 Yrs	6	1	7	6.00%	1.00%	7.00%
Total	80	20	100	80.00%	20.00%	100.00%

Source: Field Survey, 2011

Figure 3: Number of years with FedEx



Source: Field Survey, 2011

Assessing the staff period of working with FedEx, the study espoused that, 25% of the staff had been with the company for between period 4 and over 8 years; and 75% less than four years. It stands to reason that FedEx can boast of 25% very experienced staff as compared to the 75% inexperienced that blends with the latter for performance efficiency.

4.2 Responses of Staff on Customer Relationship Management

All analysis under this sub-head were undertaken with the sample size of 20 in mind, thus, computations were performed with the latter as the base figure of the percentages quoted. Therefore, the entire analysis for staff was done within sample frame.

4.2.1 Current Job Position

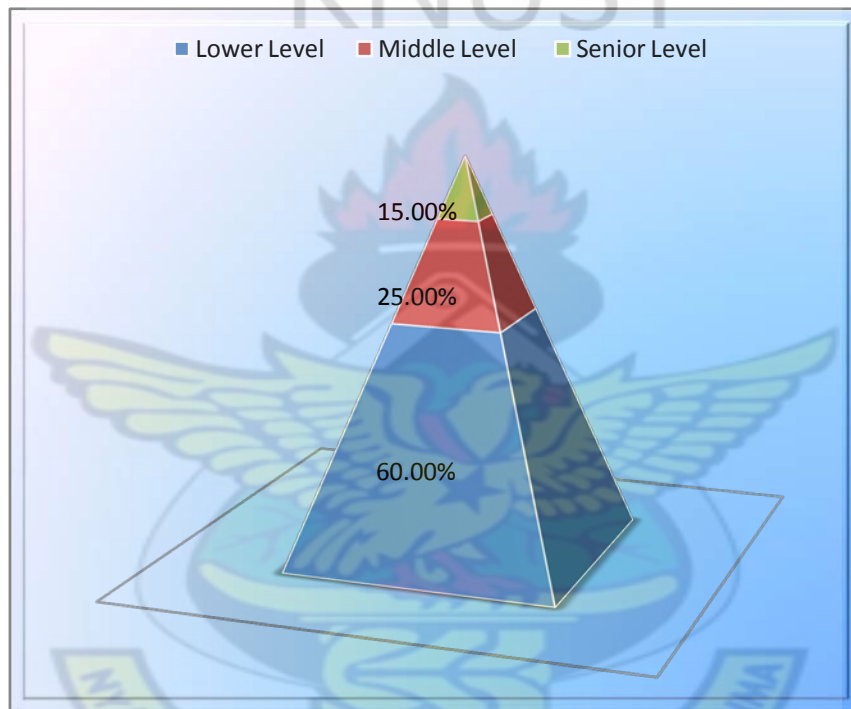
The study showed a pyramid-shaped organizational structure with as many as 25% for the Middle Level, and 60% for Lower level; while the apex was made up of 15% Senior Executives as illustrated in Table 4 and Figure 4 below.

Table 4: Job Positions

Job Position	Frequency	Percentage (%)
Lower Level	12	60.00%
Middle Level	5	25.00%
Senior Level	3	15.00%
Total	20	100.00%

Source: Field Survey, 2011

Figure 4: Job Positions



Source: Field Survey, 2011

The above illustration is a clear indication of FedEx's organizational structure being in conformity with contemporary structures of businesses.

4.2.2 Unit/Departmental Representation

The analysis of staff respondents as per departments was performed based on the total of 20 staffs; using pie chart for illustration within 100% as indicated in Figure 5a and Table 5a.

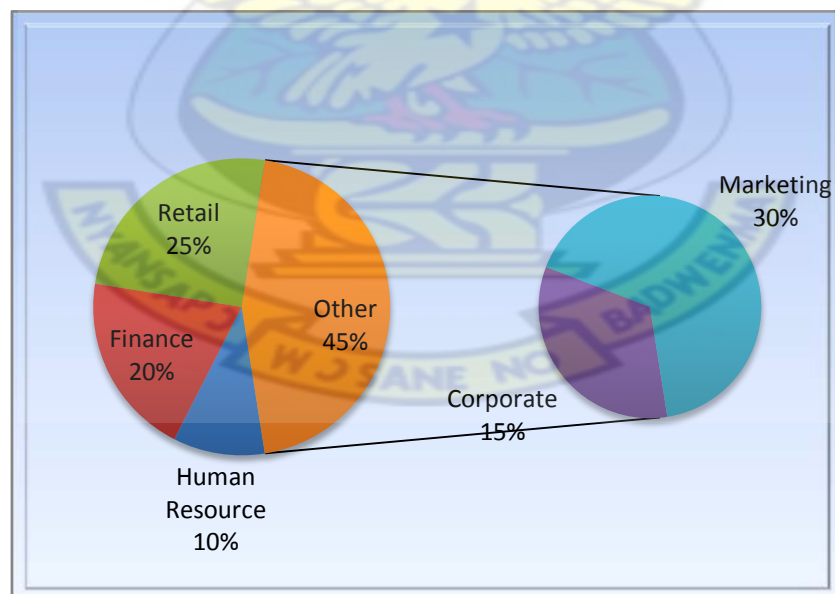
Table 5a: Unit/Departmental Representation

Department	Frequency	Percentage (%)
Human Resource	2	10.0%
Finance	4	20.0%
Retail	4	20.0%
Corporate	3	15.0%
Operations	5	25.0%
Marketing	2	10.0%
Total	20	100.0%

Source: Field Survey, 2011

As indicated in Figure 5a, the study depicted that the operations unit became the modal class with 25% representation. The Finance and Retail departments attained 20% representation each; followed closely by corporate unit which recorded 15% and marketing and Human resources units shared the least class with representation by the 10% being the least.

Figure 5a: Unit/Departmental Representation



Source: Field Survey, 2011

4.2.3 Industrial assessment on competition through customer relationship management

This section seeks to find out from respondents whether or not the industry promotes healthy competition and the need for customer relationship management practices taking cursory look at some of the causes of competition as represented in Table 5b and picturesquely in Figures 5b and 5bi below. The study is based on 8 main variables/notions which are coded as A1, A2...A8.

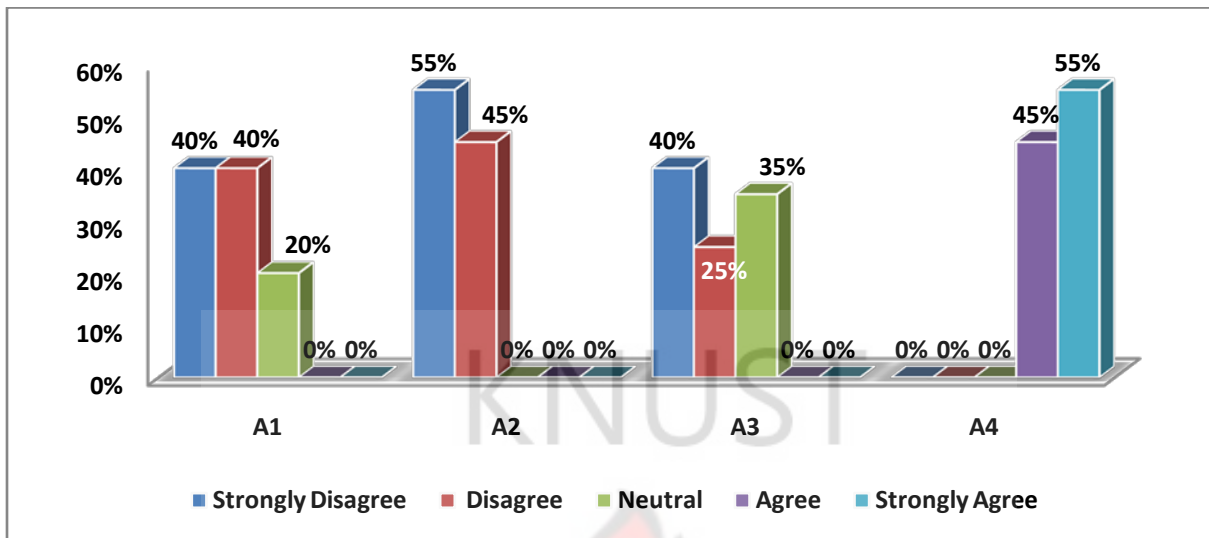
When respondents were asked to indicate whether or not they agree to the fact that A1: CRM in the industry is high, there was 40% each strongly disagreed and disagreed respectively; 20% staff respondents were undecided on the subject matter. An executive explained that in spite of the competition in the industry, managements' strategic approach so far as CRM is concerned would need new and vibrant impetus to reach the set goals for all players in the industry. The respondents indicated overwhelmingly that FedEx is not enjoying some form of monopoly in the industry, which was coded A2 by the 55% strongly disagreeing and 45% disagree to the notion

Table5b: Industrial Assessment

Code	Detail	Strongly Disagree		Disagree		Uncertain		Agree		Strongly Agree		Total	
		Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)
A1	The degree of Customer Relation is high in the industry in Ghana	8	40%	8	40%	4	20%	0	0%	0	0%	20	100%
A2	Your company enjoys some sort of monopoly in the industry in Ghana.	11	55%	9	45%	0	0%	0	0%	0	0%	20	100%
A3	Your company charges higher rate for their services among the operators in the industry in Ghana	8	40%	5	25%	7	35%	0	0%	0	0%	20	100%
A4	Customer Retention is good; do you agree?	0	0%	0	0%	0	0%	9	45%	11	55%	20	100%
A5	There has been pressure from the Postal & Courier Regulatory Authority in recommending measures to respond to customer needs.	0	0%	0	0%	2	10%	9	45%	9	45%	20	100%
A6	The promulgation of the Postal & Courier Act was to promote competition among operators in Ghana.	0	0%	0	0%	7	35%	9	45%	4	20%	20	100%
A7	The proliferation of courier companies in Ghana in recent times has fuelled competition for customers.	0	0%	0	0%	3	15%	10	50%	7	35%	20	100%
A8	Increased customer awareness and sovereignty has brought about competition among operators.	0	0%	3	15%	7	35%	10	50%	0	0%	20	100%

Source: Field Survey, 2011

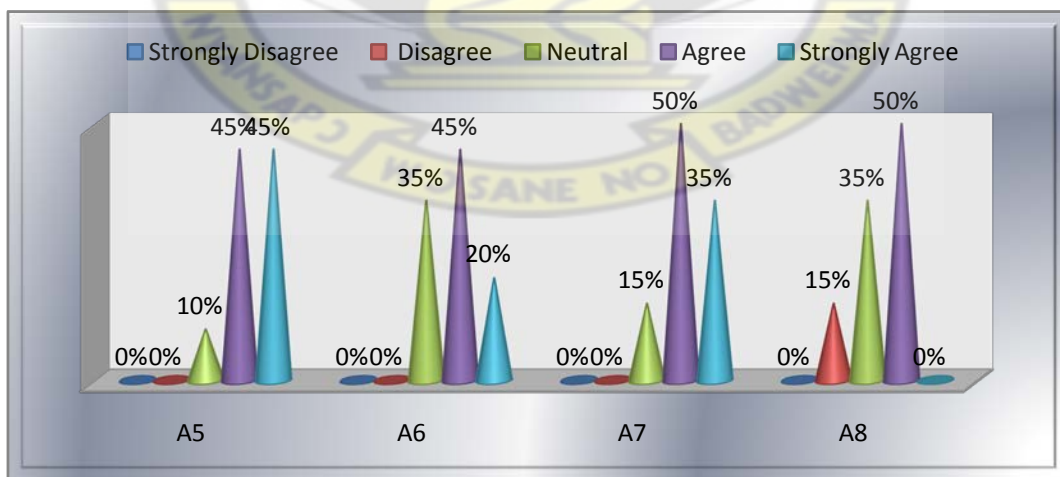
Figure5b: Industrial Assessment



Source: Field Survey, 2011

Concerning 'A3: Your Company charges higher rates for their services among the operators in the industry in Ghana', majority, 65% of the respondents and 35% were however not certain. A4, coded for 'Customer retention is good; do you agree?' revealed during the survey that 45% agree and 55% strongly agree.

Figure5bi: Industrial Assessment



Source: Field Survey, 2011

On the issue of ‘A5: There has been pressure from the Postal & Courier Regulatory Authority in recommending measures to respond to customer need’, 90% aggregate response in support of the assertion. It is rightly so, if the response to A1 is anything to go by, hence the pressure from the Authority could only be said to be justified. A management member however, disclosed in an interview that even though the authority’s role is not sometimes direct, its effect in promoting CRM is enormous; ‘The promulgation of the Postal & Courier Act was to promote competition among operators in Ghana’ coded A6 had a 65% cumulatively agreeing to it, with the remaining 35% uncertain. ‘A7: The proliferation of courier companies in Ghana in recent times has fuelled competition for customers’, registered 15% uncertain and an aggregate 85% agreeing to the assertion; ‘A8: Increased customer awareness and sovereignty has brought about competition among operators’ saw 50% rooting for the notion, but 15% disagree and 35% uncertain.

4.2.4 Effects of Customer Relationship Management to FedEx Ghana Ltd

Here the study sought to find out from respondents the effects of the increased CRM in the industry with regards to FedEx Ghana Ltd by the use of seven variables/notions coded B1, B2, and B3...B7. Table 6 and Figures 6a and 6b provides details as illustrated below.

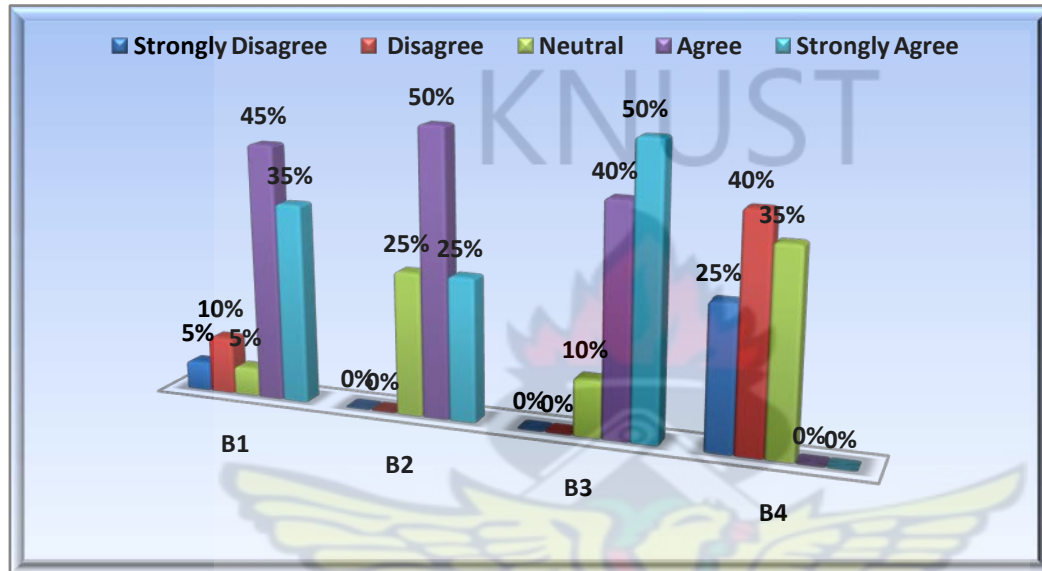
Table 6: Effects of CRM

		Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
		Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)
B1	There has been reduced customer base	1	5%	2	10%	1	5%	9	45%	7	35%	20	100%
B2	There has been reduced revenue base	0	0%	0	0%	5	25%	10	50%	5	25%	20	100%
B3	The market share of the company has reduced	0	0%	0	0%	2	10%	8	40%	10	50%	20	100%
B4	There has been decline in service charges	5	25%	8	40%	7	35%	0	0%	0	0%	20	100%
B5	There has been enhanced customer service	0	0%	14	70%	6	30%	0	0%	0	0%	20	100%
B6	There has been loss of customer revenue or waiver of charges	0	0%	5	25%	5	25%	5	25%	5	25%	20	100%
B7	There has been reduced profit margin	8	40%	4	20%	2	10%	2	10%	4	20%	20	100%

Source: Field Survey, 2011

For B1 which is on the customer base of the firm, 15% collectively disagree, and 80% aggregately agreed that there has been reduced customer base, while 5% were neutral.

Figure 6a: Effects of CRM



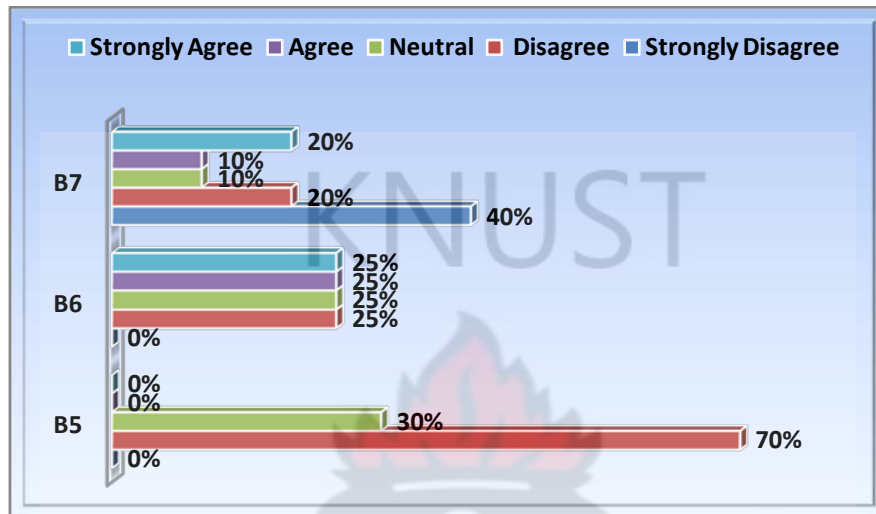
Source: Field Survey, 2011

On effects of the CRM on revenue base of the company, coded B2 showed that 75% of respondents were of the view that there has been reduction in revenue base with 10% being neutral. Most of the respondents affirmed the view that there has been a decline in the market share of the company, coded B3 (40% agree, 50% strongly agree, 10% neutral).

In the case of 'B4: There has been decline in service charges', the study showed that 65% cumulatively disagreeing while the remaining 35% recorded in terms of 35%. It is a known fact that competition and customer service are the activities that enhance or facilitate the purchase

and use of a product or service. Building long term relationships with customers is vital for successful business.

Figure 6b: Effects of CRM



Source: Field Survey, 2011

The study revealed an overwhelming dissent of 70% to the 'B5: There has been enhanced customer service', while 30% of them were undecided. Concerning the assertion 'B6: There has been loss of customer revenue or waiver of charges'; there was an aggregate 50% agreeing, 25% neutral and 25% dissenting. For 'B7: There has been reduced profit margin' respondents indicated cumulative disagreements of 60%, disagree as against the 30% agree as shown above.

4.2.5 Responding to Customer Relationship Management by FedEx Ghana Ltd.

This section explored some of the ways through which staff of FedEx (GH) Ltd responded to their Customer Relationship Practice as shown in Table 7a and Figure 7a, 7ai and 7aii. Ten (10) variables coded, C1, C2...C10 were identified under this specific survey.

Table 7a: Responding to CRM

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
Wider array of products have been developed	0	0%	9	45%	0	0%	11	55%	0	0%	20	100%
Frequent staff training for improved customer service	0	0%	10	50%	0	0%	7	35%	3	15%	20	100%
Charge higher rates to make profit.	7	35%	8	40%	0	0%	5	25%	0	0%	20	100%
Charge lower rates to attract more customers.	0	0%	2	10%	3	15%	13	65%	2	10%	20	100%
Expanded branch network	0	0%	0	0%	2	10%	18	90%	0	0%	20	100%
Vigorous advertising campaign (outdoor, print and electronic)	8	40%	12	60%	0	0%	0	0%	0	0%	20	100%
Establishment of a corporate service centre to serve exclusively the needs of our corporate clients.	0	0%	2	10%	3	15%	7	35%	8	40%	20	100%
Introduction of an ultra-modern customer contact centre	7	35%	9	45%	2	10%	2	10%	0	0%	20	100%
The creation of the office of the service manager to man the service	8	40%	8	40%	4	20%	0	0%	0	0%	20	100%
Our response to the competition through the massive expansion project has been carefully matched with other resources such as IT infrastructure and human resources.	0	0%	0	0%	3	15%	17	85%	0	0%	20	100%

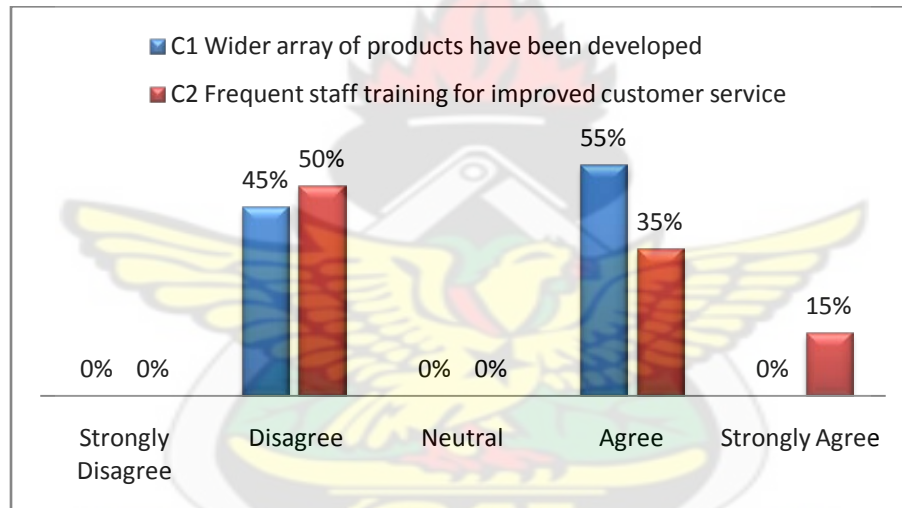
Source: Field Survey, 2011

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Figures 7a depicted that 55% of respondents indicated that FedEx has a wider array of products and services developed to serve the needs of its valued customers, albeit, 45% disagreed. On staff training, majority of respondents affirmed to the notion coded C2 that there is frequent staff training for improved customer service; with 50% collectively of them agreed, while this agrees with Carlton (1987) that the customers' first impression of an organization during contact with frontline staffs hence, the need to have the needed skills to build customer loyalty; albeit, 50% also dissented to this notion

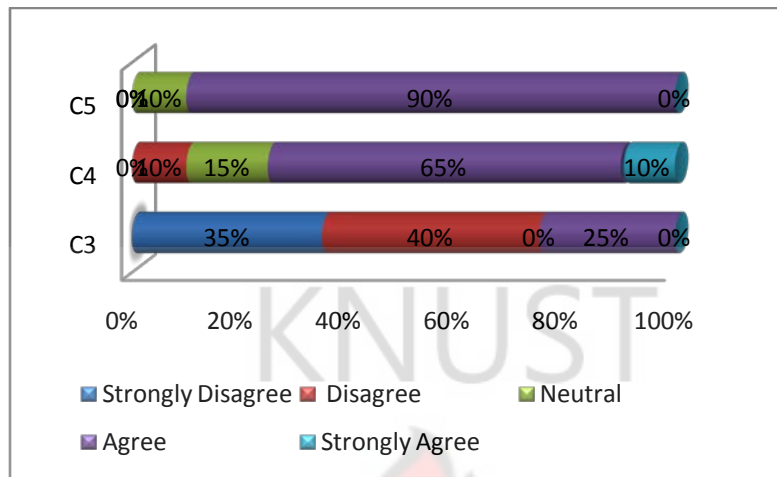
Figure 7a: Responding to CRM



Source: Field Survey, 2011

On the higher rate of fees charged to make profit for the service rendered coded C3, had 75% of response dissenting to this view, 25% assented. C4: Charge lower rates to attract more customers brought to the fore 10% disagree, 15% neutral, 75% collectively agreeing to the notion as illustrated by Figure 7b below. Also, 'C5: Expanded branch networks' has been major factor in reaching to higher heights in customer relationship marketing, and was thus affirmed by the 90% response shown, while the remaining 10% were uncertain

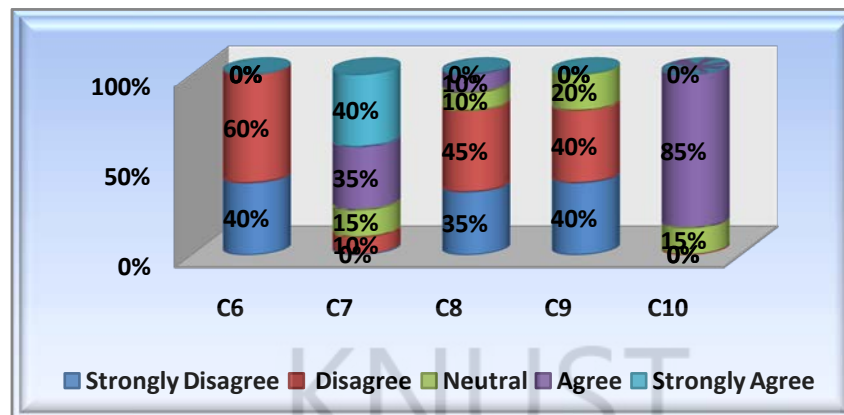
Figure 7ai: Responding to CRM



Source: Field Survey, 2011

The survey showed that C7 in respect of advertising, 100% of respondents observed that the company has not resorted to a vigorous advertising campaign in both the print and electronic media. The setting up of corporate service centers to exclusively serve the needs of corporate clients, 10% disagreed to the assertion, while 15% were undecided and 75% cumulatively agreeing to the notion. Again, C8: Introduction of an ultra-modern customer contact centre respondents indicated that 80% collectively disagreed of the introduction of an ultra-modern customer contact centre and 10% uncertain while 10% disagreed.

Figure 7a: Responding to CRM



Source: Field Survey, 2011

The company's approach to customer relationship marketing was weakened, with 80% majority in disagreement of the creation of an office for a service manager as proposed by C8. It was further observed that, 85% of employees agreed and 15% uncertain to the notion "C10: response to the competition through the massive expansion project has been carefully matched with other resources such as IT infrastructure and human resources".

4.3 Customers' Responses on Customer Relationship Management

The analysis of customer respondents was performed based on the total of 80 respondents; using pie chart for illustration within 100% as indicated in subsequent paragraphs.

4.3.1 Customers Preference Aside FedEx

The analysis of customers respondents' in relation to preferred operators showed EMS as the most preferred among other players that FedEx customers like to do business with by the strong showing of 47.5% (38 respondents out of the total 80 in absolute terms) Figure 7b and Table 7b below. Further prying showed that due to low cost strategy of the EMS its prices are quite cheaper, hence the patronage. DHL followed as the most preferred with almost 19% (15 persons

in absolute terms); UPS registered almost 14% at the next most preferred, and precedes STC, Ford, Falcon and VIP with 7.5%, 6.3%, 5% and 1.3% respectively.

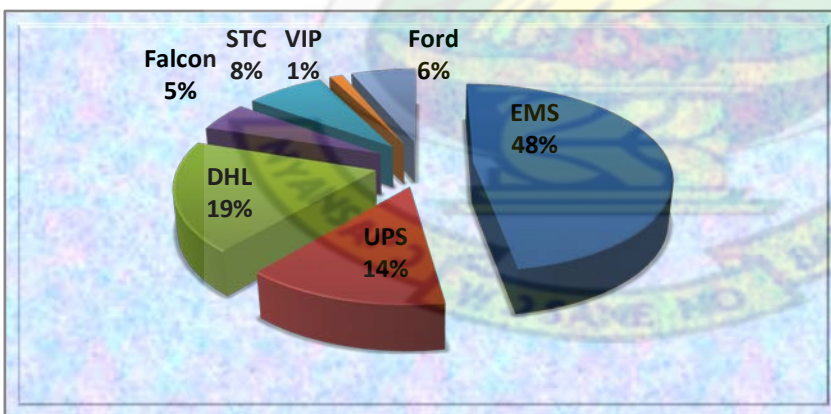
Table 7b: Operators aside FedEx

Operators	Frequency	Percentage (%)
EMS	38	47.5%
UPS	11	13.8%
DHL	15	18.8%
Falcon	4	5.0%
STC	6	7.5%
VIP	1	1.3%
Ford	5	6.3%
Total	80	100.0%

Source: Field Survey, 2011

Thus the results bring to the fore the need for management to adopt strategies which would entice customers to remain loyal to FedEx only and not to think of having other service provider, with particular attention on EMS, Ghana Post and DHL (18.8%).

Figure 7b: Operators aside FedEx



Source: Field Survey, 2010

4.3.2 Customers' Occupation

The study identified four major destinations as occupations for customer respondents, namely, self-employed, professionals, civil or public servants and students. The professional class was

modal group with 45% representation, the self-employed attained 29%, students achieved 15% and the least class, civil/public servants got 11% representation.

Table 8: Customers' Occupation

Occupation	Frequency	Percentage (%)
Self-Employed	23	29%
Professional	36	45%
Student	12	15%
Civil/Public Servant	9	11%
Total	80	100.0%

Source: Field Survey, 2011

This finding therefore implies that the customer base of the firm is primarily business people and students who are very much likely to be loyal provided the right customer relationship marketing strategies are adopted. These are also people in the position could be attached to a firm like a leach provided the appropriate service quality is in place.

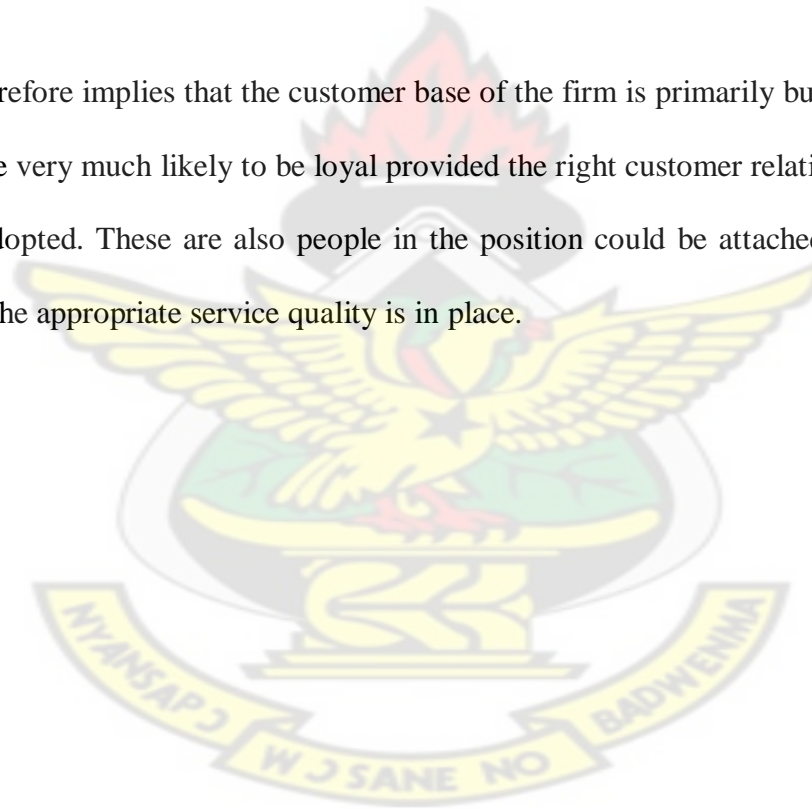
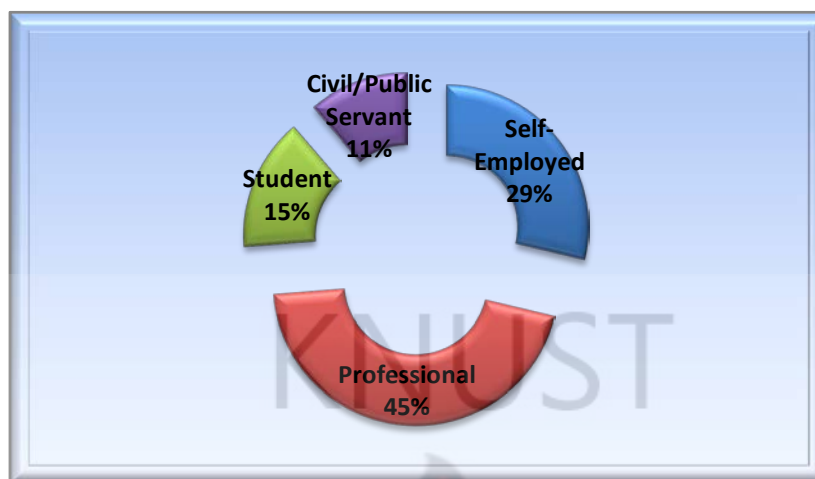


Figure 8: Customers' Occupation



Source: Field Survey, 2011

4.3.3 Customers' Educational Background

The study revealed that 15% and 8.7% of the customers are professional and university certificate holders; almost 14% had basic education, while 22.5% and 35% had secondary and diploma certificates respectively. Furthermore, it could easily be said that apart from a marginal percentage (5%) of customers who are illiterates most of the customers are highly educated and well informed and competent in their area of operations. Details are shown in Table 9 and Figure 9 below.

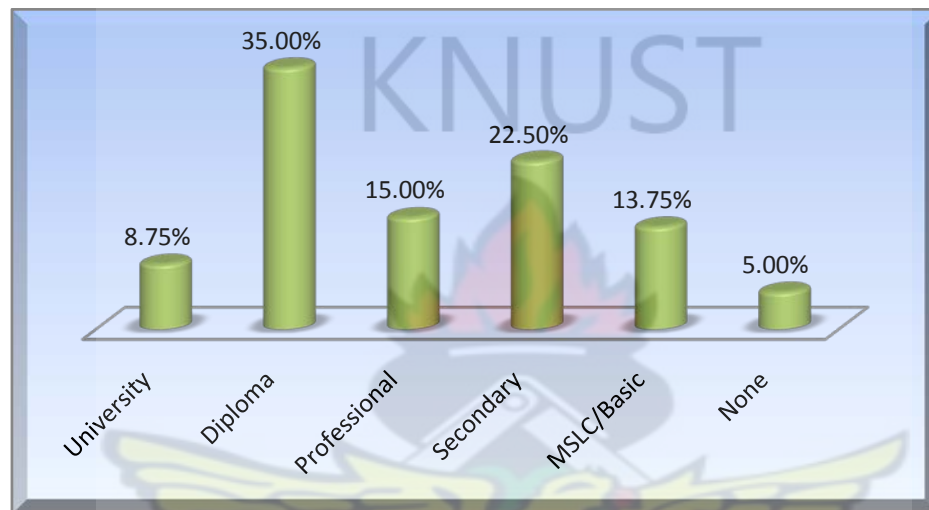
Table 9: Customers' Educational Background

LEVEL	Frequency	Percentage (%)
University	7	8.75%
Diploma	28	35.00%
Professional	12	15.00%
Secondary	18	22.50%
MSLC/Basic	11	13.75%
None	4	5.00%
Total	80	100.00%

Source: Field Survey, 2011

Again, it also means that the customer relationship marketing of FedEx so far had succeeded in capturing more of the literate into its nest and less of the illiterates. Perhaps this could provide the firm the opportunity to reach out more to illiterate class of the society.

Figure 9: Customers' Educational Background



Source: Field Survey, 2011

4.3.4 Customers' Reasons for Choosing FedEx

This is the section that explored the reasons influencing the choice of customers in relation to CRM to choose FedEx as its preferred courier company. Six (6) variables coded, D1,D2,...D6 were identified under this specific survey and the response to the Customer Relationship are represented by Table 10 and Figures 10a and 10b.

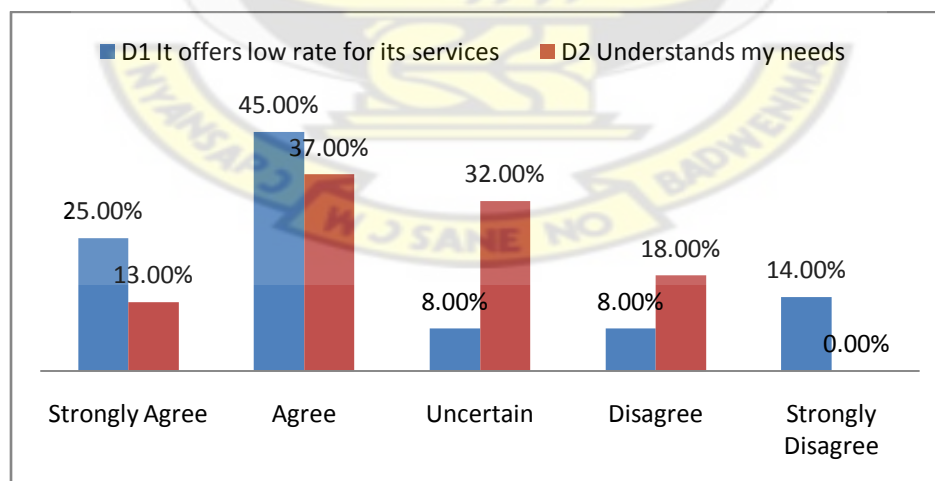
Table 10: Customers' Reasons for Choosing FedEx

Code	Reasons of Choice	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
D1	It offers low rate for its services	25.00%	45.00%	8.00%	8.00%	14.00%
D2	Understands my needs	13.00%	37.00%	32.00%	18.00%	0.00%
D3	Provides efficient service	32.00%	39.00%	16.00%	5.00%	8.00%
D4	Wider range of service	19.00%	49.00%	22.00%	5.00%	5.00%
D5	Personalizes service	31.00%	41.00%	10.00%	11.00%	7.00%
D6	Community minded/Socially responsible	39.00%	38.00%	10.00%	9.00%	4.00%

Source: Field Survey, 2011

Customers' response to the assertion of whether or not FedEx offers low rates for its services, 25% strongly agreed, 45% agreed, with 8% disagree, 14% strongly disagree and 8% uncertain. By inference, FedEx's rates are low for its services it renders. Again, customers cumulatively believed that the staff of FedEx understands their needs by the 50% response shown, while 32% were uncertain and 18% disagreed.

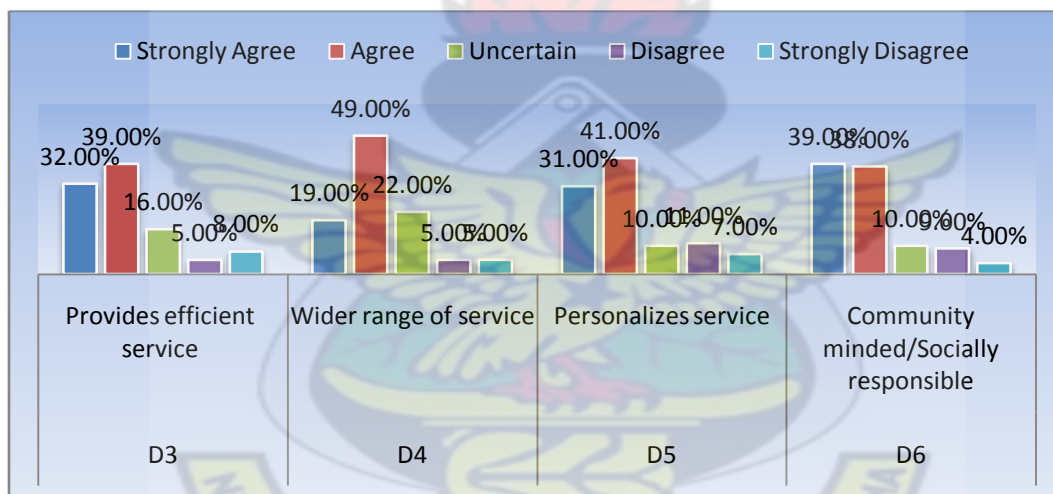
Figure 10a: Customers' Reasons for Choosing FedEx



Source: Field Survey, 2011

Also, the over 70% collective assenting response to the notion of the provision of efficient service is a further boost to customer satisfaction and confidence in FedEx. The study further indicated that a response of 68% of respondents who thought FedEx has a wider range of services and 22% were not certain, albeit, 10% disagree. Personalization of services also received a higher vote of 72% agreeing while FedEx is community minded by the 77% aggregate affirmation to the notion though 10% uncertain and 13% collectively disagreeing. It could therefore be concluded that all the parameters provided for the choice of customers patronizing FedEx, customers have shown a positive response to all.

Figure 10b: Customers' Reasons for Choosing FedEx



Source: Fieldwork, 2011

4.4 FedEx's CRM practices compared with other operators

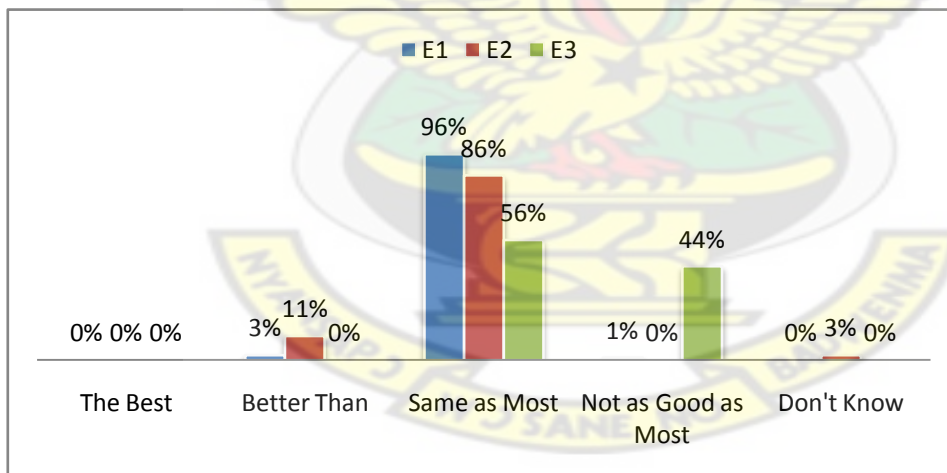
This section dealt with 14 variables coded E1, E2...E14 which explored the strong area of operations of FedEx in respect of CRM as one the best courier company in Ghana graphically are represented by Table 11 and Figures 11a, 11b and 11c.

Table 11: FedEx's CRM practices compared

Code	Detail	The Best		Better Than		Same as Most		Not as Good as Most		Don't Know		Total	
		Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent	Freq	Percent	Freq	Percentage
E1	Vigorous advertising campaign	0	0%	2	3%	77	96%	1	1%	0	0%	80	100%
E2	Ability of FedEx to respond to customer needs	0	0%	9	11%	69	86%	0	0%	2	3%	80	100%
E3	Branch Proximity	0	0%	0	0%	45	56%	35	44%	0	0%	80	100%
E4	Introduction of innovative products/development of new products and services	0	0%	0	0%	0	0%	0	0%	80	100%	80	100%
E5	Fees charges for service provided	0	0%	0	0%	80	100%	0	0%	0	0%	80	100%
E6	Easiness to do business with	8	10%	53	66%	19	24%	0	0%	0	0%	80	100%
E7	Treating customers as individuals	0	0%	0	0%	59	74%	21	26%	0	0%	80	100%
E8	Opportunity to complain	0	0%	0	0%	0	0%	46	58%	34	43%	80	100%
E9	Ability to resolve complaints on schedule	0	0%	0	0%	8	10%	72	90%	0	0%	80	100%
E10	The physical environment at FedEx	0	0%	3	4%	9	11%	66	83%	2	3%	80	100%
E11	Services are very efficient and reliable	0	0%	43	54%	33	41%	0	0%	4	5%	80	100%
E12	Responding to changes in the market	0	0%	7	9%	73	91%	0	0%	0	0%	80	100%
E13	Quality of services	0	0%	8	10%	72	90%	0	0%	0	0%	80	100%
E14	Quality of products	0	0%	4	5%	76	95%	0	0%	0	0%	80	100%

The assertion ‘Vigorous Advertizing Campaign, coded E1, revealed that FedEx embarks upon vigorous advertizing campaign just same as most of the other operators in the industry by the overwhelming 96% representation. Again, E2 revealed by 86% representation that FedEx has the ability to respond to the needs of customer just the same as most operators; thus FedEx needs to adopt strategies which would propel them to attain a bigger market share if they have to pull out of the group doing the same things as the others. FedEx in simple terms need to be more ambitious, since from its current stand point it seems to be complacent with its achievements so far. Furthermore, E3, on branch proximity, indicated that respondent went in for ‘same as most’ by 56% response and 44% chose the ‘Not as good as’ as illustrated in Figure 11a. In other words, FedEx have to strategically locate branches more accessible to the general public for effective services without having to trek long distances for the required quality service.

Figure 11a: FedEx’s CRM practices compared 1a:

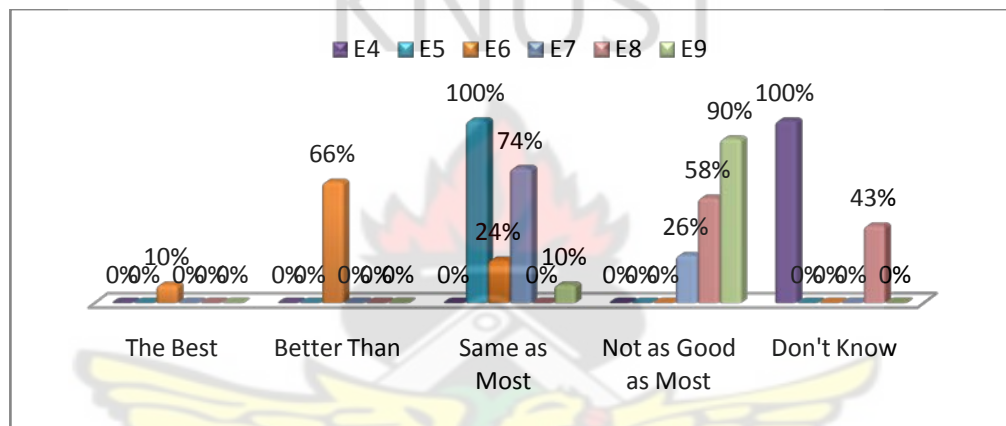


Source: Fieldwork, 2011

FedEx through ‘E4: Introduction of innovative products/development of new products and services’ was assessed by the 100% representation of uncertainty or ‘Don’t know’ as an indication that the firm is not doing too well at all in the area of innovations of

products/development of new products and services. FedEx is advised not to lose sight of the fact improving upon their innovativeness and product development is the crux of survival in contemporary business. ‘E5: Fees charges for service provided’ showed that FedEx pricing is very competitive with the revelation that fees charged are as the same as the players in the industry.

Figure 11b: FedEx’s CRM practices compared

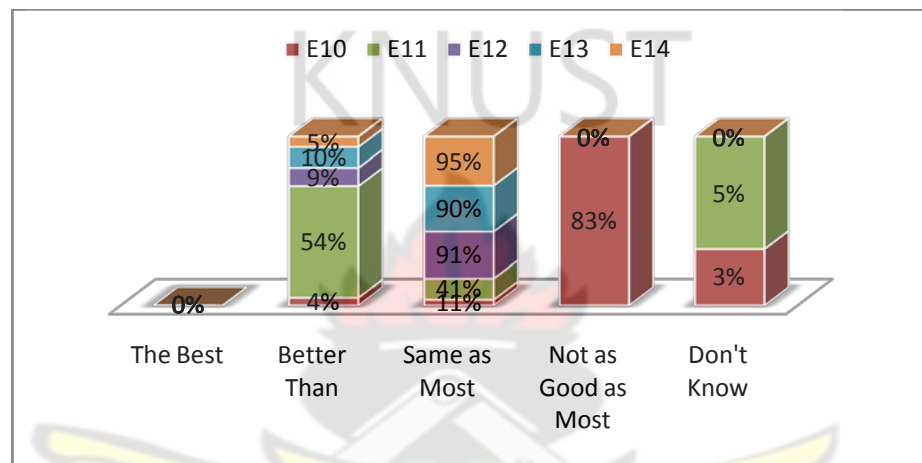


Source: Fieldwork, 2011

The study revealed that the notion ‘E6: Easiness to do business with’ was noted to receive ‘the best’ by 10%, ‘better than’ by 66% and 24% in the ‘same as most’ concerning FedEx Ghana Ltd. This is the only variable that FedEx scored ‘the best’ and deserves commendation. This implies that FedEx’s customer care is good, howbeit, there is more room for improvement if the better than rate is 66% and 24% sees its operations as not too different from the operators in the industry. The assertions, E7-‘treating customers as individuals’ showed FedEx in the light of ‘same as most’ operators by the 74% representation and the 26% showing for ‘Not as good as most’. E8-‘helping customers with their finances’ and E9-‘opportunity to complain’ also indicated 58% and 90% representation for ‘Not as good as most’ respectively.

However, 'E10: The physical environment at FedEx' depicts 4% 'better than', 11% 'same as most', 83% 'not as good as most' and 35 for 'don't know'; thereby implying that the physical edifice and environs of FedEx is just as ordinary as any other operator. Perhaps the company has to make its ambience more attractive and comfortable for business.

Figure 11c: FedEx's CRM practices compared



Source: Fieldwork, 2011

In the case of 'E11: Services are very efficient and reliable', the survey shows 54% 'better than', 41% 'same as most' and 5% 'don't know'; implying that though FedEx's services are efficient and reliable, in certain instances, it could be likened to the ordinary services to the other operators. 'E12: Responding to changes in the market' shows 9% 'the best' and 91% 'better than'; thus implies that the company is more sensitive to the activities of the market more than the rest of the operators in the industry. 'E13: Quality of services' and 'E14: Quality of products' have virtually the same response as E12 above.

FedEx for both the elite and commons/preferred

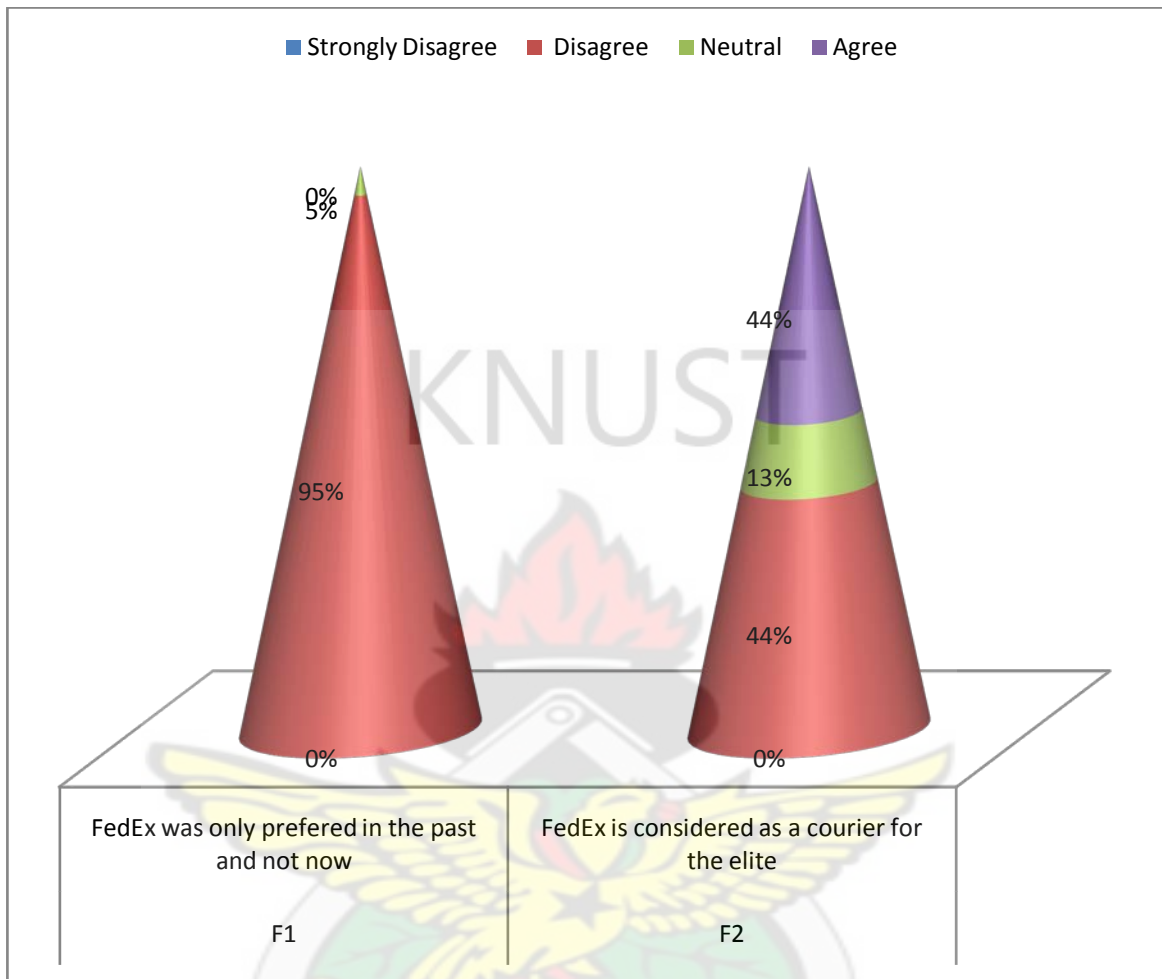
As illustrated in Table 12 and Figure 12 below, 95% indicated that FedEx has been a good client in the past and not within current dispensation. Perhaps the company's strategy of appealing to customers in relationship marketing needs a critical look especially when such as a high percentage of respondents thought FedEx's performance in the past is better than the current.

Table 12: FedEx for both the elite and commons/preferred

Code		Strongly Disagree		Disagree		Neutral		Agree	
		Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)
F1	FedEx was only preferred in the past and not now	0	0%	76	95%	4	5%	0	0%
F2	FedEx is considered as a courier for the elite	0	0%	35	44%	10	13%	35	44%

Source: Fieldwork, 2011

Figure 12: FedEx for both the elite and commons/preferred



Source: Fieldwork, 2010

The study revealed a split on the issue of FedEx being classified as an elite firm in the industry, coded F2; 44% disagree and 44% also agree to the notion.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter provides the summary of the research findings, conclusions and the requisite recommendations.

5.1 Summary of Findings

The laizer-faire approach of the Ghanain economy is having a tremendous impact on the postal and courier industry, thus resulting in an intense competition across national boundries, particularly for markets, and directly for customers. Therefore, organizations need to grow and retain and also pouch more customers in such a globally competitive market place, by adopting appropraite management strategies in customer satisfaction. In order to survive this competition, companies have different ways of realising competitive advantage to survive competition for customers which FedEx is not an excerption. Obviously, the prime objective of FedEx was to determine the best approach that can be put in place to attract, retain, enhance and develop a long-term customer relationship for a profitable industry by specifically, determining the efficiency customer relationship management being practiced in FedEx Ghana Limited.

A sample size of one hundred (100), comprising twenty (20) staff and eighty (80) customers of the targeted population responded to the administered questionnaires using the non-probability sampling method of random sampling, specifically the Purposive Sampling; 20% of the respondents were staffs and customers of FedEx registered the remaining 80%.

5.1.1 Demographic Representation:

A ratio of 1:1.2 with regard to male and female distribution respectively with the female respondents exceeding the male by 17.4%, was detected; which portrayed enough evidence that there are more women customers to FedEx and by extension in the industry; albeit, they fall short of the male staff respondents by 5%. The ages of (staff) respondents are within the range of 20 and 50 years. The staff had the age group 31 – 40 years as the modal age group with as many as 13 out of the 20 staff (representing 65% of the respondents); followed by the 20 - 30 years group scoring 30% of the respondents. There were no respondents for the age groups of 51 – 60 years and the 41 - 50 years groups. The customers on the other hand, had ages ranging between 16 and over 50 years, with 26 – 35 years being the modal age group (registering 33.75% of customer respondents; 27 in absolute terms). The group age 36 – 45 years was the next highest recorded, the over 50 years attained 20% (16); while the least represented for customers 16 – 25 years had 16.25%.(8%) staffs and 22 (22%) had been with the company between 2 – 4years; which tentatively is also the modal year group of the distribution (aggregately 30% of total respondents).

The study showed that FedEx has been able to attract 19% new customers into its fold which is evident by the 19 customers who had at one time or the other dealt with the company less that 2 years, albeit, a reduction of the subsequent 2 – 4 years' 22 customers; as many as 25% for the Middle Level, and 60% for Lower level; while the apex was made up of 15% Senior Executives. Four major destinations as occupations for customer respondents, namely, self-employed, professionals, civil or public servants and students were identified. The professional class was modal group with 45% representation, the self-employed attained 29%, students achieved 15%

and the least class, civil/public servants got 11% representation. The study revealed that 15% and 8.7% of the customers are professional and university certificate holders; almost 14% had basic education, while 22.5% and 35% had secondary and diploma certificates respectively.

5.1.2 Industrial assessment on competition through customer relationship management

In spite of the competition in the industry, managements' strategic approach so far as CRM is concerned would need new and vibrant impetus to reach the set goals for all players in the industry. The respondents indicated overwhelmingly that FedEx is not enjoying some form of monopoly in the industry. FedEx charges higher rates for their services among the operators in the industry in Ghana', as was reflected by the collective disagreeing of 65% and 35% not certain. Response concerning 'Customer retention is good; do you agree?' revealed during the survey that 45% agree and 55% strongly agree. There has been pressure from the Postal & Courier Regulatory Authority in recommending measures to respond to customer needs. The promulgation of the Postal & Courier Act was to promote competition among operators in Ghana evidenced by the 65% cumulative support. The proliferation of courier companies in Ghana in recent times has fuelled competition for customers revealed an aggregate of 85% agreeing to the assertion; Increased customer awareness and sovereignty has brought about competition among operators' saw 50% rooting for the notion.

5.1.3 Effects of Customer Relationship Management to FedEx Ghana Ltd

The customer base of the firm was found to have reduced by the 80% aggregately agreed response, while 5% were neutral; the CRM on revenue base of the company, 75% of respondents in support of the fact that the revenue base has suffered some reduction and 10% being neutral. Most of the respondents affirmed the view that there has been a decline in the market share of the company.

The study showed that there has not been decline in service charges by the 65% cumulatively disagreeing response. The study revealed an overwhelming dissent of 70% to the assertion that ‘there has been enhanced customer service; and ‘there has not been reduced profit margin’ as evidenced by the cumulative disagreements of 60% disagree as against the 30% agree.

5.1.4 Responding to Customer Relationship Management by FedEx Ghana Ltd

55% of respondents indicated that FedEx has a wider array of products and services developed to serve the needs of its valued customers, albeit, 45% disagreed; majority of respondents affirmed to the notion that there is frequent staff training for improved customer service; hence, the need to have the needed skills to build customer loyalty; albeit, 50% also dissented to this notion. Expanded branch networks’ has been major factor in reaching to higher heights in customer relationship marketing, and was thus affirmed by the 90% response shown, while the remaining 10% were uncertain. The survey showed that in respect of advertising, 100% of respondents observed that the company has not resorted to a vigorous advertising campaign in both the print and electronic media. The setting up of corporate service centers to exclusively serve the needs of corporate clients, 10% disagreed to the assertion, while 15% were undecided and 75% cumulatively agreeing to the notion. Again, 80% collectively disagreed with the assertion of introducing an ultra-modern customer contact centre and 10% uncertain while 10% disagreed.

5.1.5 Customers Preference Aside FedEx

The analysis of customer respondents in relation to preferred operators showed EMS as the most preferred among other players that FedEx customers like to do business with by the strong showing of 47.5% and DHL followed as the most preferred with almost 19% (15 persons in absolute terms); UPS registered almost 14% at the next most preferred, and precedes STC, Ford, Falcon and VIP with 7.5%, 6.3%, 5% and 1.3% respectively.

5.1.6 Customers' Occupation

The study identified four major destinations as occupations for customer respondents, namely, self-employed, professionals, civil or public servants and students. The professional class was modal group with 45% representation, the self-employed attained 29%, students achieved 15% and the least class, civil/public servants got 11% representation.

5.1.7 Customers' Reasons for Choosing FedEx

FedEx's rates are low for its services it renders; FedEx understands the needs of customers by the 50% response shown, while 32% were uncertain and 18% disagreed. Also, the over 70% collective assenting response to the notion of the provision of efficient service is a further boost to customer satisfaction and confidence in FedEx. The study further indicated that a response of 68% of respondents who thought FedEx has a wider range of services and 22% were not certain, albeit, 10% disagree. Personalization of services also received a higher vote of 72% agreeing while FedEx is community minded by the 77% aggregate affirmation to the notion though 10% uncertain and 13% collectively disagreeing.

5.1.8 FedEx's CRM practices compared with other operators

FedEx embarks upon vigorous advertizing campaign just same as most of the other operators in the industry by the overwhelming 96% representation; 86% representation showed that FedEx has the ability to respond to the needs of customer just the same as most operators; on branch proximity, respondent went in for 'same as most' by 56% response and 44% chose the 'Not as good as'. FedEx is not doing too well at all in the area of innovations of products/development of new products and services; Fees charges for service provided' showed that FedEx pricing is very competitive with the revelation that fees charged are as the same as the players in the industry. The study revealed that the Easiness to do business with FedEx is 'better than' by 66%

and 24% in the 'same as most'. This is the only variable that FedEx scored 'the best' and deserves commendation. Although FedEx's services are efficient and reliable, in certain instances, it could be likened to the ordinary services to the other operators.

5.2 Conclusions

The objective of any modern business entity is to have the competitive edge in the marketing of its product by the adoption of market oriented philosophy. Although, the study showed that FedEx Ghana uses market orientation to improve upon sales by sustaining, retaining and bring down the rate of customer switching, there is still room for improvement in virtually all the items considered in the questionnaire due to the turbulent nature of the industrial rivalry.

The male dominance of the staff was due to the nature of the courier services whereby heavy parcels and mails needed to be lifted and loaded on trucks for dispatches, despite the fact that the female basically are operating as frontline executives. Both men and women were fairly represented; and further explain the recent emerging interest in customer relationships in Ghana by women executives. The management of FedEx employed more young people due to the masculine nature of the job and also the dispatches of parcels and mails.

Industrial assessment on competition through customer relationship management

Despite of the competition in the industry, managements' strategic approach so far as CRM is concerned would need new and vibrant impetus to reach the set goals for all players in the industry.

Responding to Customer Relationship Management by FedEx Ghana Ltd

Management should adopt strategies which would entice customers to remain loyal to FedEx only and not to think of having other service provider, with particular attention on the EMS of

Ghana Post and DHL (18.8%). FedEx lacks innovation in products/development; making it good for business for both the company and customers. Majority of the staff sampled were of the opinion that competition has brought about enhanced customer service which is really helping the firm to stay in business. Branch proximity needs to improve looking at its current status. There is also the opportunity to complain at all their centers. Customers were however, not much enthused about the time frame within which their complaints are resolved. They were however satisfied complaints are resolved efficiently.

5.3 Recommendations

In view of the findings of the research the following recommendations are made in order to sustain effective customer relationship marketing at FedEx Ghana Limited.

Identification of Customers Needs

FedEx Ghana should improve upon the ability to identify customer needs and wants by tailoring their products to meet their needs, thus, the genuine needs and wants of specifically, defined target customers should be met.

Innovative Products

The firm should use its resources to create product/services that satisfy their customer requirements. They should always appeal to the tastes of customers by dragging them along with by coming out with very innovative products at lower rates.

Customer Relationship Managers

The company should appoint a customer relationship manager, whose responsibility would be planning, controlling and taking actions and strives to provide the customer satisfaction, as a way of achieving its own business objectives. In other words, he/she should recognize that identification, satisfaction, and retention of customers are the key to prosperity.

Customer Database

Maintaining customer database through the use of technology aim at providing current information which greatly facilities the provision of excellent customer care. In addition, there should be periodic examination of performance and measure of customer satisfaction.

Customer Innovativeness

In order to meet the changing customer needs the current trends in customer care should be identified as customer – oriented company services, integrated customer care, accessibility for customer through customer information hotlines, news letter etc.

Individualized Customer service

Whenever possible the company should try to deal with customers as individuals, respect their time, circumstances and priorities; and should periodically ask their clients how they are doing. The feedback that they give will provide insights as to how they perceive the organization.

It is hoped that the recommendations made would help improving market orientation strategies as a tool in sustaining clients and improving profitability and sales.

5.4 Areas for further Research

Since the study could not cover the whole country and all the knowledge in CRM, future researchers interested in this area could also look at how other courier firms could adopt customer relationship management strategies in their businesses. It is expected that this study will serve as a ‘springboard’ for future researchers.

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QUESTIONNAIRE TO STAFF

Dear Sir/Madam

You have been selected to respond to this questionnaire for the study of “*Customer Relationship management Practice in the Ghanaian Courier Industry, “the case of FedEx Ghana Limited”*”. You are assured that any information you provide is solely meant for the research and nothing else. Your response to the questions will be kept confidential.

Thank You.

SECTION A: Please complete this section by ticking the applicable box

1. Gender
☐ Male ☐ Female
2. Age
☐ 20 – 30years
☐ 31 – 40years
☐ 41 - 50years
☐ 51 – 60years
3. Number of years with the company
☐ 0 – 2years ☐ 2 – 4years ☐ 4 – 6years ☐ 6 – 8years ☐ over 8 years
4. Which of the following best describe your current job position?
☐ Lower Level Executive
☐ Middle Level Executive
☐ Senior executive
5. Please tick the department in which you work below
☐ Human Resources ☐ Finance ☐ Retail ☐ Corporate ☐ Others: Specify.....

SECTION B: Choose from the suggested list below your level of agreement to the following statement which indicates various customer relationship marketing drivers in the courier industry.

Details	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Comments
The degree of customer relationship is high in the industry in Ghana						
Your company enjoys some sort of monopoly in the industry in Ghana.						
Your company charges higher rates for their services among the operators in the industry in Ghana						
Customer retention is good; do you agree?						
There has been pressure from the courier in industry in recommending measures to respond to customer needs.						
The promulgation of courier Act was to promote competition among operators in Ghana.						
The proliferation of courier companies in Ghana in recent times has fuelled competition for customers.						
Increased customer awareness and sovereignty has brought about competition among operators.						

SECTION C: Effects of customer relationship marketing to FedEx Ghana Limited

Details	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Comments
There has been reduced customer base						
There has been reduced revenue base						
The market share of the company has reduced						

There has been decline in service charges						
There has been enhanced customer service						
There has been loss of customer revenue or waiver of charges						
There has been reduced profit margin						

SECTION D: Response to customer relationship marketing by FEDEX Ghana Limited

Details	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Comments
Wider array of products have been developed						
Frequent staff training for improved customer relationship						
Charge higher rates to make profit.						
Charge lower rates to attract more customers.						
Expanded branch network						
Vigorous advertising campaign (outdoor, print and electronic)						
Establishment of a corporate service centre to serve exclusively the needs of our corporate clients.						
Introduction of an ultra-modern customer contact centre						
The creation of the office of the service manager to man the service						
Our response to the competition through the massive expansion project has been carefully matched with other resources such as IT infrastructure and human resources.						

What are the main difficulties in practicing customer relationship practice at Fedex Ghana Ltd?

In your opinion, suggest how best to improve CRM Practice At FedEx Ghana ltd?

.....

QUESTIONNAIRE TO CUSTOMERS

Dear Sir/Madam

You have been selected to respond to this questionnaire for the study of “Customer Relationship Management in the Ghanaian Courier Industry, the case of FEDEX Ghana Limited”. You are assured that any information you provide is solely meant for the research and nothing else. Your response to the questions will be kept confidential.

Thank You.

Please choose the option that applies to you by placing a tick in the bracket of your choice.
Please give only ONE answer.

SECTION A: Bio Data and courier History

1. Gender: 1. Male ☐ 2. Female ☐
2. Age Group: 1. 16-25 ☐ 2. 26-35 ☐ 3. 36-49 ☐ 4. 50+ ☐
3. How many years have you been with FedEx?
1) 0-2 ☐ 2) 2-4 ☐ 3) 4-6 ☐ 4) 6-8 ☐ 5) 8+
4. Apart from FEDEX do you have any relation with other Courier companies?: - 1.EMS ☐
2.Falcon ☐ 3. ☐
OTHERS.....
5. Which of the following best describe the type of service enjoyed with the company?
1. Parcel ☐ 2. Postage ☐ 3. Others Specify.....
6. Which of the following best describe your occupation?
1) Self employed ☐ 2) Professional ☐ 3) Student ☐ 4)
Other Specify-----
7. Which of the following best describes your level of education?
1) University and above ☐
2) Diploma ☐
3) Professional Training ☐
4) Secondary Education ☐
5) Middle School/ Basic Education ☐
9) None ☐

SECTION B: When completing this section, please indicate how the following statements apply to FedEx Ghana in your opinion.

I chose FedEx because

Details	Strongly Agree (1)	Agree (2)	Uncertain (3)	Disagree (4)	Strongly Disagree (5)
1. It offers low rate for its services					
2. Understands my needs					
3. Provides efficient service					
4. Wider range of service					
5. Personalizes service					
6. Community minded/Socially responsible					

SECTION C: In your own opinion, please indicate how FedEx can be compared other operators in Ghana on the statements below:

Details	The Best (1)	Better than Most (2)	Same as Most (3)	Not as Good as Most (4)	Don't Know (5)
1. Vigorous advertising campaign					
2. Ability of FedEx to respond to customer needs					
3. Branch proximity					
4. Introduction of innovative products/development of new products and services					
5. Fee charges for service provided					
6. Easiness to do business with					
7. Treating customers as individuals					
8. Helping customers with their finances					
9. Opportunity to complain					
10. Ability to resolve complaints on schedule					

11. The physical environment at FedEx Gh					
12.Services are very Efficient and reliable					
13. Responding to changes in the market					
14. Quality of customer service					
15. Quality of products					

SECTION D: How do you view in the areas listed in the table? Choose your corresponding view.

Disagree	Strongly agree	Agree	Uncertain	disagree	Strongly disagree
1. FedEx was only preferred in the past and not now					
2. FedEx is still a courier for both elite and the commons					

What are the main difficulties in practicing customer relationship practice at Fedex Ghana Ltd?

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In your opinion, suggest how best to improve CRM Practice At FedEx Ghana ltd?

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