THE CHALLENGES AND PROSPECTS OF INTERNET MARKETING IN THE BANKING INDUSTRY IN GHANA: A CASE STUDY OF GHANA COMMERCIAL BANK (GCB) LIMITED

BY

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A Thesis Submitted to the Department of Marketing and Corporate Strategy, Kwame Nkrumah University of Science and Technology in partial fulfillment of the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION (MBA)

KNUST School of Business

College of Arts and Social Sciences

MAY, 2009

DECLARATION

I hereby declare that this submission is my own work towards the MBA and that, to the best of my knowledge, it contains no 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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ABSTRACT

The internet has become undoubtedly a major delivery channel for marketers. It has resulted in what is now known as internet marketing which connects buyers and sellers electronically through an interactive computer system. The banking sector in Ghana has not been left out in the utilization of internet in its operations. The study looked into the prospects and challenges of internet marketing in the banking industry in Ghana. The study used Ghana Commercial Bank (GCB) Limited branches in Kumasi Metropolis as a case study because it had the largest number of branches in the Kumasi Metropolis. Customers and management of the branches were surveyed and subjected to interview and administration of questionnaires. The results generally indicated that among the major challenges of internet marketing in the banking sector include unawareness of internet services by customers; lack of acceptance of internet transactions; difficulties in accessing the internet; computer illiteracy and frequent breakages in internet links. However, certain prospects identified include increase in online products/services development; enhancing service delivery and extra income generating capabilities. It also indicated that successful internet marketing can be affected by speed of internet link, information accuracy, interactive website and up to date information. The study revealed that the acceptance level of internet transactions among customers was as low as 39.6%. Though internet marketing may be facing certain challenges in Ghana, it can be overcome through greater collaboration between the marketing departments and the IT departments.

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CHAPTER ONE

INTRODUCTION

1.1 Background of study

Dramatic changes in global economies and societies of the last decade have grabbed the attention of almost every person in every business in every industry, from banking and air travel to communication. One major driving force behind such dramatic changes in the global economies and societies is the internet (Boone and Kurtz, 2002).

Internet, once a preserve of the military, scientists and engineers is now being embraced by a lot of users and other professionals. It is gradually being widely accepted that the information technology revolution is impacting and will continue to impact on the conduct of business (both local and international) in this millennium (Opoku, 2004). The Internet can no longer be regarded as a fad. The commercial uses of the internet have become the fastest growing part in the world of the World Wide Web.

The Internet has affected marketing in many other ways. Some businesses have already found successful ways of advertising, marketing, and distributing their products and services. These innovators have been willing to go out on a limb and to "swim in new waters." Other marketers are hesitant and are waiting to see all the pluses and minuses of using the Internet for their particular needs. They face a dilemma because they are afraid to jump on the bandwagon but they are afraid of being left far behind by the current online businesses (Herbig and Hale, 1997).

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Internet marketing, also referred to as web marketing, online marketing, Internet advertising, or eMarketing, is the marketing of products or services over the Internet (www.wikipedea.org, 2008). Boone and Kurtz (2002) also define internet marketing as the marketing activities that connect buyers and sellers electronically through interactive computer system. The Internet has brought many unique benefits to marketing, one of which being lower costs for the distribution of information and media to a global audience. The interactive nature of Internet marketing, both in terms of providing instant response and eliciting responses, is a unique quality of the medium.

Internet marketing is sometimes considered to have a broader scope because it refers to digital media such as the Internet, e-mail, and wireless media; however, Internet marketing also includes management of digital customer data and electronic customer relationship management (ECRM) systems. (www. wikipedea.org, 2008)

Internet marketing has become an important issue for many businesses around the world which have any form of commercial presence (Lee, 2001). It ties together creative and technical aspects of the Internet, including design, development, advertising, and sales. Internet marketing does not simply entail building or promoting a website, nor does it mean placing a banner ad on another website. Effective Internet marketing requires a comprehensive strategy that synergizes a given company's business model and sales goals with its website function and appearance, focusing on its target market through proper choice of advertising type, media, and design.

A bank is a financial institution whose primary activity is to act as payment agent for customers and to borrow and lend money (www.wikipedia.org, 2008). Other

financial activities had been added to the primary activities over time. For example banks are important players in financial markets and offer financial services such as investment funds.

Banks act as payment agents by conducting checking or current accounts for customers, paying cheques drawn by customers on the bank, and collecting cheques deposited to customers' current accounts. Banks also enable customer payments via other payment methods such as telegraphic transfer, EFTPOS (Electronic Funds Transfer at Point of Sale), and ATM.

The banking industry has not been left out in utilization of internet in its operations. The number of banks offering the ability to perform banking tasks online has also increased. Online banking is believed to appeal to customers because it is more convenient than visiting bank branches. Currently over 150 million U.S. adults now bank online, with increasing Internet connection speed being the primary reason for fast growth in the online banking industry. Of those individuals who use the Internet, 44 percent now perform banking activities over the Internet.

Majority of customers are accepting online banking culture because of many favorable factors. A study conducted by Qureshi *et al*. (2008) concluded that usefulness, security and privacy are the main perusing factors to accept online banking system in Pakistan. The other factor is amount of information which is provided to the customers by different means like advertisement through print and electronic media about online banking is useful in customer acceptance of online banking in Pakistan. These factors have a strong and positive effect on customers to accept online banking system. Online banking system is getting appreciation in

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different parts of the country due to which almost 50% of the customers shifted from traditional banking system to online banking system (Qureshi *et al.*, 2008).

By any measure the number of Internet users is growing at an incredible rate - one ultra-conservative source, IBM, states a base of at least ten million users increasing at a rate exceeding 100 per cent per year, and a government study estimates the number of companies offering information and services for sale over a combination of Internet and VAN service providers will be 100,000 by 1997 and one million by 1999. Critical mass will come soon for Internet Web sites (Heinen, 1996). Worcester (2000) also says that it is estimated that the Internet doubles in size every 11 months and the World Wide Web doubles every 53 days. Users have been estimated at 707 million by January 2001 and already 70 per cent of university students have e-access on campus or at home. "Our very lives are increasingly dominated with e-mails, Web sites, surfing, and technology".

Darkwa (2002) had reported that, 0.3 per cent (that is about 6,600,000 people) of Ghana's population would have access to the internet by the end of 2008. This value suggests that more and more Ghanaians would have access to the internet by the end of 2010. As more Ghanaians get access to the internet, it will facilitate the growth of other businesses as seen in the U.S.A.

1.2 Organisational Profile of Ghana Commercial Bank Limited

Ghana Commercial Bank was founded in May, 1953 and is headquartered in Accra, Ghana. The bank was wholly government owned until 1996 when under the economic recovery program part of the government ownership was divested. Total

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government ownership stands at 21.36% while institution and individual holdings add up to 78.64%.

It has 2,224 employees as at the end of 2008. Its objective among others is to support the private sector and facilitate the nation's economic growth.

The vision of the bank is "To be the established leader in commercial banking in Ghana, satisfying the expectations of customers and shareholders, providing a wide range of cost efficient and high quality services nation-wide through the optimization of information technology and efficient branch network" (www.gcb.com.gh, 2008).

For the achievement of its mission, the Bank is committed to: The provision of first class customer service. Focusing on its core business/competencies-commercial banking; Constant improvements in the use of information technology; Ensuring that staff are well motivated and have a conducive work environment; Recruiting and retaining the best human resource to carry out the Bank's mandate; Applying best practices in internal policies, procedures, processes and service delivery and Constant improvement in shareholder value.

In consonance with GCB Limited's motto - We Serve You Better - the Bank is represented in all the 10 regions and 110 districts of the nation in a bid to make banking accessible to all Ghanaians.

1.2.1 GCB Limited's Products and Services

Ghana Commercial Bank Limited provides banking products and services for individuals and corporate entities in Ghana. Its personal banking products and

services include current accounts, savings accounts, overdrafts and loans, and automated teller machine (ATMs) cards. The company's corporate banking products and services comprise current accounts, call deposit accounts, and cash management services; short and medium term credit facilities in local and foreign currencies; fixed deposits, treasury bills, negotiable certificate of deposits, and premium certificate of deposits; money transmission services, including telegraphic transfer, cash collection, and Internet banking; and international payments, foreign currency purchases, bills for collection, letters of credit, foreign exchange accounts, guarantees, pre-export finance, and post-shipment finance for importers and exporters. Ghana Commercial Bank also offers business advisory, customer service and product development, relationship management and market structuring, and business development services for small and medium sized enterprises.

Other products of GCB Limited include: Royal banking, GCB Limited Moneygram, Project Finance, Cocoa Financing, GCB Limited MasterCard, GCB Limited Kudi Nkosuo, Commernet Plus, GCB Limited Inland Xpress and Smart Pay.

As of December 31, 2007, Ghana Commercial Bank operated 136 branches, 11 agencies, and 66 ATMs. The bank has now opened 150 branches across the country. Ghana Commercial Bank Limited has also announced that from March 2009 it will start mobile banking service in all its branches in Ghana. The move is to help send banking services to the doorsteps of every Ghanaian, as well as changing the face of banking through Information and Communication Technology (ICT). The term mobile banking is used for performing balance checks, account transactions, payments and others via a mobile device such as a mobile phone (www.investing.businessweek.com, 2009)

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1.2.2 Organisational Structure of GCB Limited

The general organizational structure of the bank is shown in figure 1. The bank has several departments which are collectively headed by the managing director. Each department has a head who reports to the either the deputy managing director operations or deputy managing director finance and administration as shown in the diagram.

General managers of Inspection, Internal audit and Legal departments report directly to the managing director. This is to facilitate quick flow of sensitive information. The link between Systems and IT department and Marketing department is that they all report to the deputy managing director (operations).

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Figure 1. Organizational structure of GCB Limited
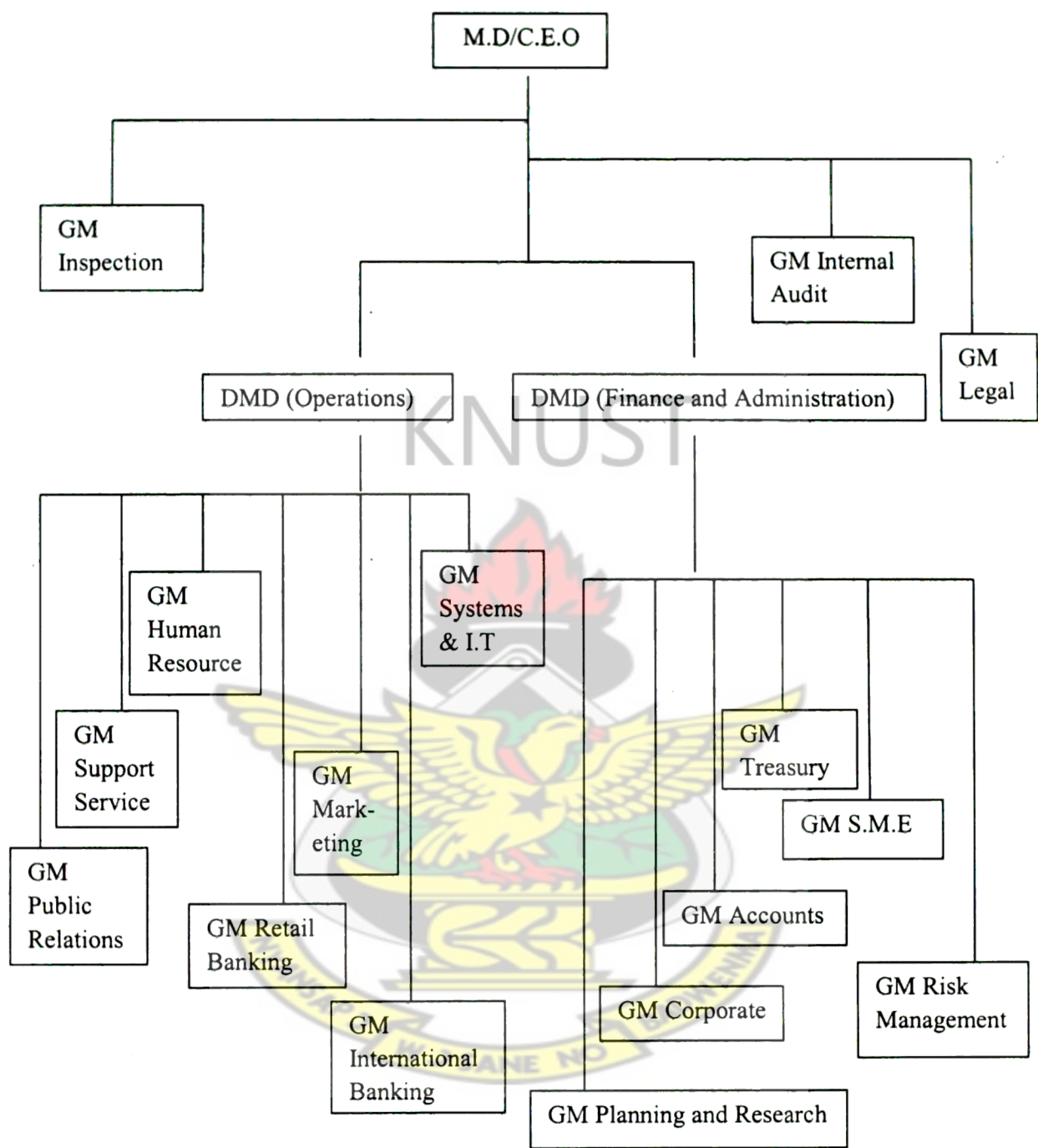
Note: GM means General Manager; DMD means Deputy Managing Director

Source: Researcher's own construct

1.3 Problem Statement

With the inception of Automated Teller Machine (ATM) into the banking service in Ghana, it was expected that long queues was going to be a thing of the past. However, there seems to be long queues in most of our banks especially in GCB Limited. This has consistently created dissatisfaction in customers causing some of them to switch to other banks.

Again, the increase in rural banks and the influx of foreign banks (example, Zenith Bank, Intercontinental Bank, just to mention a few) into the country coupled with various attractive products that comes with them has made the banking industry in Ghana very competitive. The banks therefore need to spend more time and money in developing innovative strategies to attract and maintain customers in order to survive the competition.

1.4 Objectives of the study

The following were the objectives of the study:

- To identify the prospects of internet marketing in the banking industry in Ghana.

- To identify the challenges of internet marketing in Ghana Commercial Bank (GCB) Limited.

- To evaluate the success of internet marketing as a growth strategy in Ghana Commercial Bank.

- To evaluate the use of internet marketing as a competitive tool for Ghana Commercial Bank.

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1.5 Research Questions

The research sought to answer the following questions:

- What are the prospects and challenges of internet marketing in the banking industry in Ghana?

- What are the challenges of internet marketing in Ghana Commercial Bank (GCB) Limited?

- How can internet marketing be used as a growth strategy in GCB Limited?

- How can internet marketing be employed as competitive tool by GCB Limited?

1.6 Justification of the study

Traditionally, businesses competed on the basis of size. Larger corporations developed economies of scale in manufacturing, distribution, and marketing to drive their costs down while simultaneously enhancing the quality of their products. Today, competition must be based on speed, not size. Product cycles have become so shortened that size can not be increased fast enough. Companies need to find a broad-based comparative advantage that increases speed across their entire value chain. Creating high-quality information about your products, services, and corporate needs and disseminating that information faster and more effectively than your competition gives you a time-based competitive advantage for every function in your organization. Continuously providing information-based value to your customers can afford you a comparative advantage in a time-based competitive environment. The

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Internet is the medium for delivering information-based value to the global marketplace (Heinen, 1996).

The Internet is now regarded as an important and perhaps a transformational marketing medium for business to business (B2B), business to consumer (B2C) and consumer to consumer markets (C2C). Consumers use the Internet for many different reasons ranging from only gathering information to purchasing products online (Opoku, 2004). The adoption of the internet is faster than it has been for any media. Whereas it took 38 years for the radio and 13 years for the TV to reach 50 million users, the internet achieved this level in only five years (Ellsworth and Ellsworth, 1997).

Modern customers or consumers are always looking for speed, convenience, comfort, privacy and security in service delivery. One major tool that helps companies to achieve speed and convenience to customers is the internet. Marketing continues to perform its function of bringing buyers and sellers together; it just does it faster and more efficiently than ever before through the internet/ electronic medium (Boone and Kurtz, 2002).

According to Boone and Kurtz (2002) and Warren (2004), online shoppers or buyers obtain the following benefits from purchasing from the internet: lower prices, convenience, and personalization. It goes on to say that, marketers can find new markets and customers who could not have been served adequately using 20th century techniques.

Costs of operations in most companies are likely to rise in the face of great competition. More money is devoted to promotional activities in order to get and

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sustain customers, and researches are normally conducted in order to produce to meet customer needs in a competitive environment. Boone and Kurtz (2002) had argued that Internet marketing is relatively inexpensive when compared to the ratio of cost against the reach of the target audience. Companies can reach a wide audience for a small fraction of traditional advertising budgets. The nature of the medium allows consumers to research and purchase products and services at their own convenience.

Herbig and Hale (1997) had said that the future is looking bright for marketers who use the Internet networking services. The evolution of the virtual experience and the promise of cyberspace have recently begun to open doors to information which was previously inaccessible. Everyone from public universities to big business is racing to cash in on what promises to be the future of information and communications.

Due to the increased use of personal computers and the decrease in prices, the online services will be attracting more people since they can be applied to just about any product or service. Marketers and advisers need to be more creative in marketing the products and services. Marketers need to convince people that this is a convenient way of shopping. They will also need to make financial transactions safe and easy. People in general seem to lead very busy, active lives. For this reason, they will want to do some of their shopping in the privacy of their own homes and as their time permits. Of course, they will not do all of their shopping through the Internet. People will still like to go out shopping since this is also a way of socializing. The number of online users will definitely increase once marketers make online services pleasant, easy, convenient, affordable, and safe. The Internet has certainly affected marketing aspects.

With $1.5 billion worth of consumer goods sold over the net in 1998, which was predicted to double to $3.7 billion by the end of 1999, the Internet is of obvious interest to marketing professionals, not least to those involved in academic publishing where the Internet has not only changed the method of doing business but also transformed the product (Ashcroft and Hoey, 2001).

1.7 Scope of study

The study was undertaken in Ghana Commercial Bank (GCB) Limited in Kumasi Metropolis. The study targeted customers and some officials of GCB Limited in Kumasi metropolis.

The research was conducted between December, 2008 and July, 2009.

1.8 Research Methodology

This section of the research describes the methods, the scope and the procedures which were used in collecting and analyzing the data. Data was collected from both secondary and primary sources.

1.9 Limitations of the study

The research was limited to the branches of GCB Limited in Kumasi Metropolis because of time and financial constraints. This means that generalization of the

results could be possible if further studies are conducted in other banks across the country.

1.10 Organization of the study

The dissertation was in five chapters, chapters 1,2,3,4 and 5. Chapter 1 spells out the general introduction to the work. It also outlined the problem of the study, the objectives, justification of the study, scope and limitations of the study.

Chapter 2 looked into various literatures that were related to the work. It tried to dive into other literature that had been published by various authors in similar fields.

Chapter 3 discussed the method used in the data collection and analysis.

Chapter 4 discussed the findings of the work. It discussed the findings in relation to literature.

Chapter 5 gave a summary of the findings and made some recommendations. It also draws the conclusion of the work.
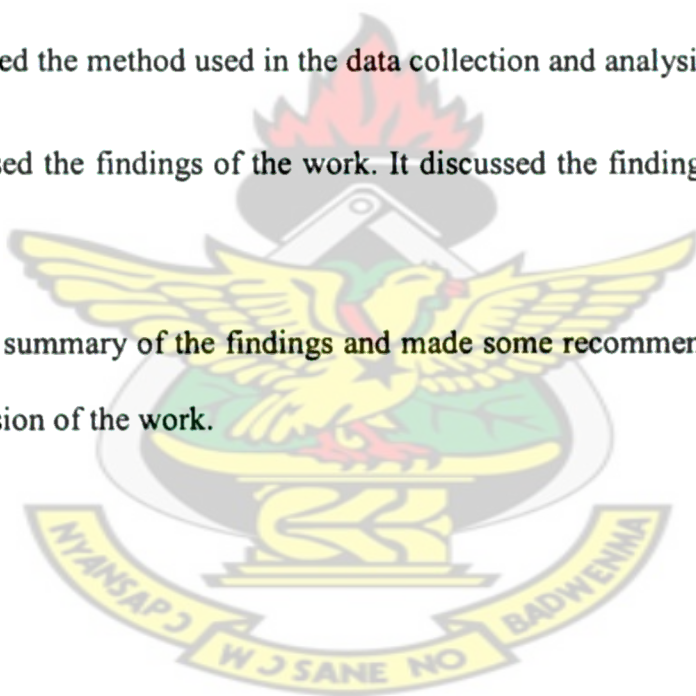
CHAPTER TWO

LITERATURE REVIEW

2.1 Ghanaian Banking Industry Today

Over time, technology has increased in importance in Ghanaian banks. Traditionally, banks have always sought media through which they would serve their clients more cost-effectively as well as increase the utility to their clientele. Their main concern has been to serve clients more conveniently, and in the process increase profits and competitiveness. Electronic and communications technologies have been used extensively in banking for many years to advance agenda of banks (Abor, c. 2004).

The banking industry in Ghana has seen tremendous improvement in the field of ICT usage. Most customers can now access their accounts on several electronic delivery channels like telephone, mobile phone, computers and EFTPOS (example, e-zwich pay points).

The number of banks has also increased significantly to over 20 banks despite an increase in the minimum capital requirement of GHC 60million (Bank of Ghana press release on 14/02/08, www.bog.gov.gh). This number excludes the rural banks that have also gain grounds in the financial sector. With such an increase in the number of banks, the industry has become very competitive. Managers in this industry therefore seek to find various means to stay in the competition. This has resulted in the use of electronic delivery channels to gain competitive advantage.

One major electronic delivery channel that is gaining popularity is the internet. According to Abor (c. 2004), many banks are making what seem like huge

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investments in technology to maintain and upgrade their infrastructure, in order not only to provide new electronic information-based services, but also to manage their risk positions and pricing. At the same time, new off-the-shelf electronic services such as online retail banking are making it possible for very small institutions to take advantage of new technologies at quite reasonable costs. These developments may ultimately change the competitive landscape in the financial services.

2.2 The Internet as a Marketing Tool

The Internet is a vast computer network interconnected globally. It offers organizations inexpensive, and sophisticated tools for advertising, taking and placing orders, promoting their philosophies, and communicating with their customers all over the world. These Internet tools are: e-mail, mailing list, newsgroup, World Wide Web (WWW), and indirectly cybermall (Palumbo and Herbig, 1998).

The term 'electronic mail' or e-mail is used to describe various systems for sending data or messages electronically via a telephone or data network and a central 'server' computer. E-mail has replaced letters, memos, faxes, documents and even telephone calls- combining many of the possibilities of each medium with new advantages of speed, cost and convenience (CIM Study Text, 2005). E-mail offers many advantages for internal/external customer communication. The advantages include:

- Messages can be sent and received very fast (allowing real time messaging dialogue)

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- E-mail is economical (estimated 20 times cheaper than fax): often allowing worldwide transmission for the cost of a local telephone call (connecting to the local service point of the internet Service Provider).

- The recipient gets a 'hard copy' message, and the sender has documentary evidence of message transmission and retrieval by the recipient (for legal/logistical purpose).

- Messages can be sent worldwide at any time.

- The user can prepare complex documents (spreadsheets, graphics, photos) for sending as 'attachments' to e-mail covering messages. These can be printed out by the recipient, as a convenient alternative to fax.

- E-mail message management software (such as Outlook Express) has convenient features such as: message copying (to multiple recipients); integration with an 'address book' (database of contacts); automatic alert messages sent when the target recipient is unable to access his or her e-mail immediately, with alternative contact details; stationary and template features, allowing corporate identity to be applied; facilitates for mail organization and filing.

Mailing lists enable groups to be sent the latest information on specific themes. They are ideal for managers seeking to keep up to date.

Newsgroups enable electronic conferencing, whether earnest or trivial. As with terrestrial conferences, virtual conferences should be selected carefully. The good ones facilitate the exchange and development of ideas, combined with worldwide

networking opportunities (Sandelands, 1997). Newsgroups provide a way to share discussions with specialized audiences.

The 'world wide web' (or 'Web') is a navigation system within the internet. It is based on a technology called 'hypertext' which allows documents stored on host computers on the internet to be linked to one another. When you view a document that contains hypertext links, you can view any of the connected documents or pages simply by clicking on a link. The web is the most powerful, flexible and fastest growing information and navigation service on the internet (CIM Study Text, 2005). Herbig and Hale (1997) reported that The Web is one of the most effective methods of providing information because of its visual impact and advanced features. It can be used as a complete presentation medium for a companies' corporate information or information on all its products and services. Smaller companies can also provide their own information on a global scale through the Web.

According to Opoku (2004), the number of connections to the Internet is expected to double in size every year. If the current expected growth rate persists, there will be more than 200 million networks connected to the Internet by the close of this year.

Pallab (1996) had also said that the Net represents a $300 billion market. Over 30 million companies and households around the world use the Internet as a communications link through e-mail, interactive advertisement, bulletin boards, research and online discussion groups. At its most basic level, the Internet serves as a seemingly endless catalog of marketing messages and advertising in an interactive fashion. Only two years ago, one would have to be a computer veteran even to contemplate using the Internet for anything but e-mail, but today even small businesses are jumping on the bandwagon and are investing in their own personal

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gateway to marketing on the Internet. Marketing analysts are calling the Internet a tool for "guerrilla marketing." Even large computer software companies, like IBM, Apple, AT&T, Microsoft, and Lotus Development are investing millions of dollars to develop new state-of-the-art tools and services aimed at helping companies expand electronic business through the Internet.

In the past, many firms had a "geographic monopoly" because they had little or no local competition, and customers were uninformed about the cost of the same product elsewhere.

Settles (1995) argue that internet marketing is not a replacement of conventional marketing such as direct mail, advertising, and whatever else that one does to generate sales. He described cybermarketing as a process in which you use cyberspace as a communication tool to complement conventional marketing. Settle (1995) also identified four-dimensional strategy to cybermarketing success:

- Using cybermarketing to help you market more effectively to your existing customer base.

Let us consider this scenario. If you have at least 10,000 to 20,000 customers with whom you communicate at least once a year and you have new products or product enhancement ot sell then, a typical direct mail to 10,000 people can average GHC1 per person when you factor in postage, design and production of the letter, a brochure, a response card, any other direct mail goodies and the assembling and mailing of the piesce. That is GHC 10,000- plus it will take anywhere from three days to three weeks for delivery, once you drop everything off at the post office.

Alternatively, 10,000 e-mail transmission of that same information may cost you at most a few hundred Ghana Cedis, depending on the speed of your Internet connection, and the transmission will be delivered within a couple of hours from when you send them. You have the expense of writing the piece, and maybe some graphic design work, but that is pretty much it.

Another great thing about this medium is that, whether you mail to 10,000 or 100,000, your incremental increases between these numbers are negligible. But access to high-speed transmission lines, and the increases are irrelevant when you consider what you are saving. The real commitment is time when working online. That is the real cost. What money you do spend is still much less than developing traditional marketing.

- Using cybermarketing to provide service and support more cost-effectively.

Being in cyberspace make sense (and saves some Ghana cedis), even if you are not in the high-tech business. Take Amway for example. Amway is probably the king of multilevel marketing (one person recruits ten people, and so on). Its products are a far cry from high tech, but Amway nevertheless discovered an enormous value in providing support to distributors through its own private CompuServe forum.

Before CompuServe, an Amway distributor with a $10,000 order had to spend over an hour with an Amway operator going through a tedious and complicated ordering process. This wasted both the distributor's and the operator's time. Now, that same process requires the distributor to spend just a few minutes online to do the same task, without the help of an operator.

- Using cybermarketing to market more effectively to prospective customers.

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Even though you are in the business of providing information, you can still make a buck picking up new customers without getting flamed (Settles, 1995).

However, unless you are a new company, consider this dimension as icing on the cake after successfully achieving the first two enumerated above. As time goes on, and more people get comfortable with ordering products online, generating new customers will become a more prominent part of cybermarketing.

The cost justification for using cyberspace to generate new business is the same as for cybermarketing to existing customers; the cost for reaching 10,000 prospects electronically (or having them reach you) can be the same as that for reaching 10,000 customers that you already have. Sometimes cybermarketing is a cost-effective way to indirectly build a customer base.

- Using cybermarketing to supplement your traditional marketing and vice versa.

Nothing in marketing should happen in a vacuum, and cybermarketing is no exception. If you spend a few hundred (or a few thousand) Ghana cedis to set up an online presence, then protect that investment by promoting your online areas in brochures, during sales presentation, to the press, and so on.

Being online gives you great opportunities to really tell your story about why people should buy your product or service. Cyberspace picks up where your other marketing activities leave off. No matter what you do, you can not tell the whole marketing story through conventional marketing as inexpensively as you can in cyberspace (Settles, 1995).

2.2.1 Advertising on the Internet

To marketers, IT offers organisations inexpensive and sophisticated tools for advertising, taking their philosophies and communicating with their customers all over the world. With the number of users growing monthly at an estimated rate of 10 percent and an average of one million people, the Internet is the fastest growing global telecommunication network in the world (Opoku, 2004). The Internet for instance is providing a lot of countries with the broad and vast communication network that is driving the formulation of a huge global electronic marketplace. This marketplace created by the Internet is shared, real-time, global and open. A wide range of services are being embraced by marketers including e-mail, list servers, newsgroup, file transfer protocol and the World Wide Web which are providing results.

Heinen (1996) reported that "Advertising in traditional media - including print, radio, television and direct mail - inherently is a one-way medium where the best strategy is to encode message content in a way that complements the chosen media and then position it so that the target audience will receive the message with as much comprehension as possible. For any single advertising choice, the same message is broadcast to every audience member in the same way. Two problems encountered in traditional advertising approaches are: wasted exposures to inappropriate audiences; and where a message is lost amid both distractions and conflicting attractions".

A study by Lace (2004), says that internet advertising is more likely conducted by companies in the automotive-and-durables and financial-services sectors (over 75 per cent use Internet advertising) compared with clients in the food-and-drink and travel-and-tourism sectors (less than 50 per cent use Internet advertising. Furthermore,

advertisers in the automotive-and-durables sector typically spend the most, whereas clients in the FMCG and travel-and-tourism sectors spend the least.

In trying to look at the effects of internet advertising using the AIDA (drawing customer Attention, raising Interest, stimulating Desire and calling for Action) model, Lagrosen (2005), said that consumers rated internet advertising as somewhat weak in terms of catching consumer attention. It is not really probable that prospective customers will come across the website while surfing aimlessly in the way that people without purpose may come across traditional advertising. This problem can be overcome through banner advertising at popular websites and through information and links from portals or other relevant sites. Often the companies rely on traditional advertising to direct prospective customers to their websites. This highlights the value of integration of different communication tools.

According to Lagrosen (2005), internet users considered internet sites as stronger in terms of raising customer interest. Once the prospective customers are there, the companies can entice them with plenty of information and inspiration in an interactive way. The content of the sites can be renewed frequently so as to encourage repeat visits.

In terms of stimulating desire, the ample possibilities for publishing elaborate material and interactive options on the internet give companies plenty of opportunities to raise the desire of prospective customers.

With regards to action, there are several possibilities for the websites. Selective promotional offers can be posted on the website or sent by e-mail. Through integration with a customer card system, like that of SAS, these offers can even be

completely customized to match the interests of the individual customers. Further, it is usually possible to actually take action and book a journey or a hotel room or use the services of insurance companies and banks on the net.

In order that marketing communications efforts reach their full potential they need to be integrated into a co-ordinated framework (Burnett and Moriarty, 1998). Thus, internet communication activities need to be integrated in the overall marketing communications mix. They need also to be co-ordinated with the operations of the company (Lovelock, 2000).

The Web can also be used to raise the profile of an organisation, thus increasing awareness of it among differing groups (or market segments), both user and non-user. This can be achieved in various ways: through the promotion of new initiatives, through a change or improvement of image (towards modern, dynamic, imaginative, fun, proactive) and through improving or enhancing customer service (Ashcroft and Hoey, 2001).

2.2.2 Selling on the Internet

Online purchase is still a small percentage of Internet usage; however, most analysts expect it to increase dramatically once consumers feel safe about their purchases and protection of their privacy. Research has revealed that, users spend 10 hours per week surfing the web whilst 4.5 hours are spent reading newspapers (Opoku, 2004). In December 1993, only $100 million worth of goods were sold over the Internet. But by 1995, the Internet market had grown to over $300 billion in goods sold (Boisseau, 1995).

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Cronin (1995) believes that a well designed electronic distribution of information can match the effectiveness of personal selling. Early marketers anticipated that security issues would inhibit consumers from giving credit card details and placing orders over the Web, and that many categories of people would be reluctant to purchase without seeing, touching or trying the product first. However, the growth of online shopping has outstripped expectations as consumers find that the benefits of shopping around for low cost and added convenience outweigh the disadvantages. According to Davis (2000), retailers are realizing that the internet is a growing market and they have to be there. In the US, most of the large traditional retailers- including Wal-Mart stores, the world's biggest retailer-already have online stores. Boston Consulting estimated revenue for internet retailing at US $13 billion for 1998, a mere 0.5 per cent of US retail sales. Verdict Research also predicted online spending in the US to increase by more than 1100 per cent between 1999 and 2004, from US $943 million to US $12 billion (Davis, 2000).

2.2.3 Internet as a Distribution Channel

E-channels have gained increasing popularity and have attracted the attention of both academics and practitioners. Electronic distribution channels provide alternatives for faster delivery of banking services to a wider range of customers (Kaleem and Ahmad, 2008). However, despite the internet being an IT application with significant potential with respect to internal bank operations, most researchers have concentrated on the adoption of the internet as a distribution channel of financial services (Mols, 2000; Jayawardhena and Foley, 2000; Yakhlef, 2001; Black et al., 2001).

Kaleem and Ahmad (2008) identified electronic banking as the latest in the series of technological wonders of the recent past. ATMs, TeleBanking, Internet Banking, Credit Cards and Debit Cards have emerged as effective delivery channels for traditional banking products.

2.2.4 Effects of Internet on Pricing

Internet marketing is relatively inexpensive when compared to the ratio of cost against the reach of the target audience. Companies can reach a wide audience for a small fraction of traditional advertising budgets. The nature of the medium allows consumers to research and purchase products and services at their own convenience. Therefore, businesses have the advantage of appealing to consumers in a medium that can bring results quickly. The strategy and overall effectiveness of marketing campaigns depend on business goals and cost-volume-profit (CVP) analysis. Internet marketing has drastically reduced marketing cost such as cost of advertisement, distribution and selling. It therefore allows manufacturers to sell their product at a relatively cheaper price.

Internet means global presence. A Web page in Dallas is seen also in Santiago, Chile. That means prices for products in developed markets will also be seen in the developing market. Matching the right price to a specific territory has been a critical factor in successful businesses. But now, with the Internet, specific territories hold no meaning (Palumbo and Herbig, 1998).

One major advantage of internet marketing is its ability to reach a larger audience with minimal or no cost.

2.2.5 Marketing Research through the internet

The Internet is promised a brilliant future among the favorite tools of marketing researchers. However the internet as a marketing research tool is relatively new and marketing researchers need to learn how to use it.

Marketing researchers may use the Internet to meet three different types of research objectives:

1. They can study how the Internet is used as a marketing tool;

2. They can use the Internet as an alternative medium for traditional questionnaire surveys; or

3. They can use the Internet to study Internet consumer behaviors (Furrer and Sudharshan, 2001).

According to Pallab (1996), advertising is not the only benefit to using the Internet. It also serves as a huge database for research and demographic data. Each transaction that takes place on the Net can be tracked to the user. Therefore, pertinent information about the purchaser can be collected to develop target-marketing strategies.

Of equal importance, the Internet's discussion boards and electronic mail provide marketing with a means to communicate directly with its customers. This capability provides organizations with the ability to identify product opportunities, changes in the competition, unaddressed customer needs, shifts in price/performance/value propositions, and a host of other indispensable information points that are difficult, if not impossible, to obtain through more traditional and more costly means.

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2.3 The Impact of Internet on the Economy

The dawn of the 21st century witnessed the change from a century-old industrial economy to its electronic successor- an economy based on the internet and other related online technologies. Many people see e-commerce as the fuel of the 21st century. Since the web first opened for commercial activity in 1993, e-commerce has become the leading force in changing the way the world lives and breathes (Boone and Kurtz, 2002).

In 2002, e-commerce in the United States alone totaled $ 3billion or about 2 percent of the gross domestic product (GDP); by 2005, it was expected to jump past 6 percent of GDP (Boone and Kurtz, 2002). According to Schibrowsky *et al.* (2007), in the US alone, total internet driven sales revenues have grown from a negligible amount in 1995 to over $50 billion in 2004 (61 percent of which is business-to-business), and are expected to rise at an annual rate of over 20 percent (Direct Marketing Association, 2004).Industry analyst predicts that up to 60 percent of entire industries will be committed to e-commerce within 10 years- so rapid are the economic changes that even the predictions must be updated almost daily.

Boone and Kurtz (2002) identified that the impact of the internet on the United States economy translated to an increase estimated at between $10billion and $20billion in GDP. The wonderful world of the web is being explored by small, previously unheard of companies as well as large, multinational corporations.

2.3.1 The Impact of Internet on the Markets

The use of internet by businesses and customers has grown very rapidly. Virtually all of the major firms in the U.S now have some type of internet presence, which means that in order to do business with them, their customers and suppliers must also have access (Etzel *et al.*, 2004).

The traditional model of marketing communication has the seller largely in control of the information flow. Consumer product firms decide when and where to advertise their products, and business marketers design the message their sales people will present and plan their visits to clients. Clearly these choices are made with the customer in mind, but they are made by the seller.

In the online environment the interactions are controlled by the recipient. It is the internet user who must sit down at the computer, search out a website, and decide what pages to examine or ignore. Since these visitors make an effort to get a site, it is assumed that they are candidates for strong selling messages (Etzel *et al.*, 2004).

One of the features of the internet is easy access to more and better information. Customers of FedEx can track the location of a shipment at every stage of its journey because every package is bar-coded and scanned between 15 and 20 times between pickup and delivery. Likewise, consumers can acquire information previously available only to sellers

Ability to make comparisons on the internet forces online firms to be aware of and responsive to the prices charged by other web marketers. However, it has another implication. Customers can now gather comparison information from the internet and use it in negotiations with traditional marketers.

2.3.2 The Effects of Internet on the Banking Industry

Banking involves several activities such as accepting deposits, withdrawals, borrowing and lending of money, preparing accounts and so on. The traditional banking system used a lot of stationary (especially paper) in their business transactions.

In an increasingly competitive environment, providers of financial services require an effective marketing-intelligence system – not only for marketing managers, but also for the managers and employees of bank branches. There are several reasons for branch employees needing access to marketing intelligence. First, branch employees are involved in the service-production process. They interact actively with customers and become "part-time marketers". With one-to-one marketing becoming increasingly important, the role of branch employees in satisfying the customer is vital, and the need for marketing information is intensified. Second, bank customers have become more demanding in terms of the level of service they expect from bank employees, and they now attach greater emphasis to the expertise demonstrated by frontline personnel (Lievens et al., 1999). This has enormous impact on customer retention. Third, market information has now become easily accessible via the internet (Jayawardhena and Foley, 2000), and internet customers themselves can find information on competitive alternatives and price comparisons. Taking these three points into account, banks have a definite interest in making all necessary market information available to their branch managers and employees (Lymperopoulos and Chaniotakis, 2005). Intranet has made this possible.

As well as being a major driver of changes in the relationships between banking firms and their consumers, information technology (IT) is also, potentially, a major

driver of the development of new products through the providers' internal information systems (ISs) (Lymperopoulos and Chaniotakis, 2005).

According to Abor (c. 2004), the Ghanaian banking industry has experienced great technological change from the use of ATM machine, telephone banking and mobile phone banking, internet banking and electronic fund transfer at point of sales (EFTPoS). The technological advancement in the sector had improved the delivery of products and services in this sector.

Networking of branches has also become possible through the use of internet. Different branches can now easily communicate and perform transactions more quickly since the barrier of distance does not exist in the cyber world. Customers do not have to necessarily travel to the branches where they have their account before they could receive any attention. It provides convenience and flexibility to customers and increases productivity of the bank.

The number of banks offering the ability to perform banking tasks online has also increased. Online banking is believed to appeal to customers because it is more convenient than visiting bank branches. Currently over 150 million U.S. adults now bank online, with increasing Internet connection speed being the primary reason for fast growth in the online banking industry. Of those individuals who use the Internet, 44 percent now perform banking activities over the Internet (www. wikipedia.org., 2008).

2.4 Application of Internet as a Marketing Strategy

The internet has created opportunities for firms to create their own websites to communicate with other businesses and consumers, and to conduct transactions. The objectives of these sites are to reduce costs, generate revenue, or both.

In addition to creating new businesses, the web has changed existing ways of doing business. For example, it has stimulated some unlikely alliances between traditional retailers and web access providers (Etzel et. al, 2004.)

For any marketing strategy to be successful, it is essential that an accurate marketing mix is identified. The marketing mix is a collective term given to a set of key marketing tools controlled by an organisation, with the purpose of fulfilling the needs and wants of a particular market (Kinnell and MacDougall, 1994). However, online marketing creates almost a double marketing mix. While an online service or a Web site can be viewed as the promotion element of the four Ps, it is also a product to which the other three Ps of the marketing mix need to be considered. Perhaps, in this context, it is more appropriate to use Kotler's four Cs, which are more geared to the marketing of services. Product becomes customer. Place becomes convenience – and an online service/Web site must be convenient and easy to use or customers will simply not use it. Price becomes cost to the user, and this includes time and energy. Again, if it takes too much time and energy to find what is wanted, customers will not come back. Promotion becomes communication, and it is just as vital to use the right communication methods online (Ashcroft and Hoey, 2001).

Traditional marketing research techniques including surveys and focus groups are being conducted on the web. Clearly, using the web for research does not eliminate

all the problems of more conventional methods. For example, just as in a mail survey, the researcher can not be sure who completed an internet survey. But it does offer some unique opportunities. For example, the graphics or visual images of products in motion and from different angles allow respondents in focus group or survey certain vital information.

2.5 Benefit/Advantages of Online Marketing

According to Kotler (2004) and Warren (2004), the advent of the internet has greatly increased the ability of companies to conduct their business faster, more accurately, over a wider range of time and space, at reduced cost, and with the ability to customize and personalize customer offerings.

The advantages of online marketing strategies over traditional methods are only beginning to be realized. In fact the benefits of online marketing cannot be over emphasized. Some of the benefits of online marketing are given below:

Online marketers can find new markets and customers who could not have been served adequately using 20th century techniques. Christopher (nd), had said that "the good thing about the Internet is that you will have a global audience and at the same time, target it locally". Should you find yourself capable of handling multiple niches, it will be very easy to refocus your targets and make the needed expansion. For example, you may start out a business in a single municipality, but with consistent exposure, you will eventually have the capacity to expand globally.

Another advantage of online marketing to the firm is that, it produces cost savings in every area of the marketing mix- product, promotion, price, and distribution- as electronic marketing replaces the traditional brick-and-mortar approach.

Online marketing is also noted to greatly reduce the time involved in reading target markets. Many business writers label e-commerce as easy commerce, since online marketing tools allow the direct exchange of information, such as order fulfillment and customer service, in a seamless fashion without involvement of marketing intermediaries (Boone and Kurtz, 2002).

Communicating with suppliers, customers, and distributors over the Web is much more cost-effective and time-effective than the letters, phone calls, faxes, and personal sales calls that were the conventional methods of the last century.

2.6 Limitations/Hindrances of Online Marketing

In the world of interactive marketing, companies today face fierce competition for visibility and growth. It is important to not only have an updated, attractive and user friendly website-but to ensure that most users can locate and access the website (www.hitsgalore.travel).

There are very attractive websites that companies have paid top dollar to have designed. These sites are often hard for people with slow internet connections such as dial up to access. It is also important to consider that an increasing amount of business people are now accessing the internet through PDA devices and cell phones, which often have difficulty loading complex websites, causing you to lose potential clients and business growth.

Also remember that these people are now on the go with cell phone internet access, and very little time to spend on each task, so the chances of them waiting for your page to load is small. If they were looking on a search engine for a product or service, it is important to ensure that your company website has been search engine optimized for clients to locate you.

Another of these internet marketing limitations concerns search engines. The way these sites work is that they rank your site according to how well it seems to match the user's query. It's not an exact science, but it has to do with what words you have in your title, metadata, and in the text on your site itself.

You might have heard about these keywords or about Search Engine Optimization (SEO). That's one of the most popular buzz words on the internet today, and everyone seems to want their site optimized. Basically, SEO is the practice of using keywords a certain number of times on your site so that search engines will consistently rank it very high.

From the buyer's perspective, the inability of shoppers to touch, smell, taste or "try on" tangible goods before making an online purchase can be limiting. However, there is an industry standard for e-commerce vendors to reassure customers by having liberal return policies as well as providing in-store pick-up services.

Internet marketing requires customers to use newer technologies rather than traditional media. Low-speed Internet connections are another barrier: If companies build large or overly-complicated websites, individuals connected to the Internet via dial-up connections or mobile devices may experience significant delays in content delivery.

A survey of 410 marketing executives listed the following barriers to entry for large companies looking to market online: insufficient ability to measure impact, lack of internal capability, and difficulty convincing senior management.

Palumbo and Herbig (1998) enumerated the following as some of the hindrances that a company is likely to face when it operates online marketing:

- Cultural differences - Among the most important of which are: languages which include obstacles in translating images (symbols) which have different meanings across nations; and colors which have different symbolic values.

- Privacy - Although the level of personal privacy varies across nations, the Internet may not be appropriate for direct marketing; so a company needs to adopt the right approach to deal with this issue globally.

- Censorship - As more governments are erecting barriers to free cyberspace by restricting network access, limiting content and even criminalizing some kinds of communication. A company should modify its Web presentation, if it is considered immoral, against public policy or state security by the government of its target market.

- Security - The financial transaction's security is one of the most common problems on the Internet. However, new software is being developed to create an encrypted message which allows one to transmit a credit card's number safely.

- International law - A company is exposed to several legal restrictions. For example, in France, foreign brands must be translated into French; in

Germany comparative advertising is prohibited. So, a company should check its material before posting on its Web page.

- Intellectual property - On the Internet duplication is part of the system; however, the copyright law covers the Internet and, some governments are working together to create a global harmonization of this law.

- Telecommunication infrastructure - A company should not expect to find across nations the same technical standards that exist in the USA. In some nations, telecommunication's problems will pose the biggest single obstacle to global markets.

- Personal computers availability - The rate of computers at home connected to the Internet vary widely across the globe, so it could be troublesome to reach some markets.

- Credit cards use worldwide - In some countries credit cards are not as popular as they are in the USA and they may be Limited to a specific segment of the market or restricted to domestic purchases only.

Wymbs (2000) also identified competition as another hindrance to online marketing. He argued that, since the internet is a global medium, companies using it are always potentially addressing international audiences. This might lead to increased international competition (Wymbs, 2000)

The points enumerated by Palumbo and Herbig (1998) can be said to be prevalent in Ghana. Most people in Ghana do not have access to the internet. A report on "Internet   usage   and   Marketing   in   Ghana"   posted   on

www.internetworldstats.com/af/gh.htm states that 401, 300 out of a population of 21, 801,662 (according to world-gazetteer, 2007) Ghanaians used internet.

2.6.1 How to deal with internet marketing limitations

For effective Internet marketing, it is also very important that you design your website appropriately. A properly designed website plays a vital role in generating sales. Online Internet marketing strategies should also be planned out in the beginning to make maximum profit out of it (www.businesstsi.com, 2008).

One of the biggest limitations on the internet is people have come to view it kind of like the television—they want to watch what they want and nothing else. Just like people tend to get snacks or visit the bathroom during commercials, no one really wants to pay attention to advertisements online. This means you have to be almost sneaky in the way you advertise (www.incomeinc.com, 2008).

Many online marketing techniques rely on getting other people to post links or graphics that connect to your site on their sites. This link exchange works fairly well if you don't mind having a part of your site dedicated to hosting reciprocal links. These other sites don't want to link to you without you linking back, after all! The problem here is that a few links or graphics don't look too bad, but when you start getting dozens of them, it can make your site look a little cluttered. It is therefore proper to have limited links to your website to avoid clumsiness.

The benefits online shoppers obtain from web purchases fall into three categories: lower prices, convenience and personalization. Marketers should ensure that their

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web sites offer consumers these basic advantages over the traditional shopping in retail stores, by telephone and by mail. Web sites should be easy to navigate, offer security and privacy, and provide information that consumers can use in making product comparisons and purchase decisions.

2.7 Success Dimensions of Internet Marketing

According Eid *et al.* (2006), the success of B2B international internet marketing will be based on certain critical success factors (CSF). They grouped the critical success factors into five groups and named as follows:

1. Category A: marketing strategy factors
2. Category B: web site related factors
3. Category C: global dimension factors
4. Category D: internal company factors
5. Category E: external related factors.

They went further to explain the categories as follows:

Category A: marketing strategy related factors

Although it could be argued that the internet is merely a resource issue for companies, it should be an integral part of marketing strategy if it is to reinforce overall corporate strategy. In fact many researchers consider marketing factors as a vital component of successful B2B practice. From a marketing strategy perspective, this research found that the most important factor to be "top management support", followed by "setting strategic goals", "integrating internet marketing with marketing

strategy", "collaboration with strategic partners", and "deciding the potential audience". Here it is not surprising to see the significance of "top management support", yet if all these factors are combined they represent a balanced formula for integrating the internet on the one hand, and collaborating with strategic partners and customers on the other, thereby linking technological processes with strategic goals.

Category B: web site related factors

Companies often use their web sites to convey promotional messages and as a vehicle to attract interest and inform existing or potential customers. The web site can sell products directly to business customers, and provide them with a range of electronic or communication services. However, since the corporate web site is a marketing showpiece for the company, many researchers have considered it as a crucial component of any B2B practice (Karayanni and Baltas, 2003). This research found that a "well-designed site", that is "effectively marketed", "easy to find", "up to date", "clear", and "accurate" are the most important factors. However, attention is also given to "ease" and "speed" of use. In other words, although some companies may consider that site appearance is of paramount importance, for new and existing B2B customers, web site design should reflect use as much as if not more so than appearance, since some sites may appear attractive but may be difficult to use. These findings are significant because all companies in the sample can be seen as customers as well as vendors in a B2B context.

Category C: global market related factors

The ability of the internet to make sales to new overseas markets is often used to champion its use for corporate business. But in practice this depends on many factors

if companies are to succeed in the global market place. For example, Damanpour (2001) stresses the importance of continuing to meet existing client demands and fulfill their obligations. However, many authors have considered "global market related factors" as a vital component of successful B2B IIM efforts, although there are many pitfalls associated with developing a global presence not least effective communications in different languages and cultures, and the need for an effective infrastructure to meet supply and demand requirements (Chaffy *et al.*, 2000). This research reinforces previous work in finding the following factors to be significant – an "in-depth understanding of foreign marketing environment"; adequate "resources for global operations"; and a "multi-language web site" to reach target customers. There are also "cultural considerations", and the "availability of delivery channels" to overcome the logistics and meet the needs of a complex, fragmented global market.

Category D: internal company related factors

The importance of delivery channels highlights the need for an appropriate, internal company infrastructure to manage, control and advance daily activities, and collaboration with global networks. To this end Bremer (1996) points out the need for appropriate, planned staff training and awareness. Subsequently researchers have stressed the importance of internal company environment factors as a critical component for successful B2B IIM (Avlonitis and Karayanni, 2000). This survey found that there is a need to blend "technological infrastructure", and "appropriate internal culture". The "relationship between marketing and IS/MIS departments" is also important, together with a "well trained sales force" if B2B internet marketing is to be effective. This need to focus on internal processes is reinforced by Alshawi *et*

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al. (2003) who observe a strong need to improve internal organisation and infrastructure if companies are to be responsive and succeed in using global ICT (information communications technology or information systems), to gain a competitive advantage.

Category E: external business related factors

External factors such as "security" can present considerable problems (Cronin, 1996a), although researches have found that financial security has become less of an issue for many companies with recent technological progress and closer collaboration between companies. In fact Furnell and Karweni (1999) observe the need for the development of strong inter-organisational relationships, and many researchers consider factors related to managing and controlling the external business environment as a key component of successful B2B IIM. The external business environment is a natural extension of the internal company infrastructure but, as discussed above, will not be accessible without responsive and well-organised internal processes. This research found that both company and customers require elements of "trust", "security" as well as "easy and affordable access to the internet". Both will value the building of a "successful relationship" and "customer acceptance" of policies and processes for the advancement and sustainability of B2B IIM. This also illustrates the importance of creating a company culture that is responsive and changes according to new technological opportunities as well as customer requirements (Alshawi *et al.*, 2003). At the same time they observe a "universal information language" and companies that can "trade information" as well as participate in learning.

2.8 Traditional marketing practice vs. online marketing

Advertising in traditional media - including print, radio, television and direct mail - inherently is a one-way medium where the best strategy is to encode message content in a way that complements the chosen media and then position it so that the target audience will receive the message with as much comprehension as possible. For any single advertising choice, the same message is broadcast to every audience member in the same way. Two problems encountered in traditional advertising approaches are

- wasted exposures to inappropriate audiences; and
- where a message is lost amid both distractions and conflicting attractions.

On the other hand, electronic media, including the Internet, can present carefully self-selected audiences seeking information in a given area. Many customer groups have themselves created usenet resources to share their experiences and form a strong communications front before their vendor (Heinen, 1996).

The targeted internet user is typically browsing the Internet alone, so the marketing messages can reach him personally. This approach is used in search marketing, where the advertisements are based on search engine keywords entered by the user.

Internet marketing places an emphasis on marketing that appeal to a specific behavior or interest, rather than reaching out to a broadly-defined demographic. "Off-line" marketers typically segment their markets according to age group, gender, geography, and other general factors. Online marketers have the luxury of targeting by activity. For example, a kayak company can post advertisements on kayaking and canoeing websites with the full knowledge that the audience has a related interest.

Internet marketing differs from magazine advertisements, where the goal is to appeal to the projected demographic of the periodical. Because the advertiser has knowledge of the target audience—people who engage in certain activities (e.g., uploading pictures, contributing to blogs) — the company does not rely on the expectation that a certain group of people will be interested in its new product or service.

Further, the cost to deliver customized messages is predominantly a fixed cost that does not increase as the audience size increases; the cost is in creating the infrastructure for server response to customer visits.

Internet marketing also provides the marketer the opportunity of going global with little effort. The Net access delivers a company with an opportunity to implement highly cost-effective vehicles not only for their own marketing and customer support needs, but also for positioning themselves globally. It is especially beneficial to smaller companies who want to expand their businesses globally, but do not have the capital and resources to do so. In addition, the Internet helps ease the red tape surrounding the prospect of doing business overseas, thus avoiding regulations and restrictions that companies must follow who are physically present in other countries and who advertise in international journals. More and more businesses are discovering that they have the ability to reach and communicate with current and potential customers abroad through the Internet with the same cost and ease as in the USA (Pallab, 1996).

Figure 2. Conceptual Framework: Critical Success Factors of Internet Marketing.

Internal company related factors

Planned staff training and awareness.
Improved internal organization and infrastructure.
Collaboration with global networks.

External business related factors

Security.
Trust .
Easy and affordable access to internet.
Customer acceptance.
Universal information language.

Marketing strategy factors

Top management support.
Setting strategic goals.
Integrating internet marketing with marketing strategy. Collaboration with strategic partners.
Deciding the potential audience.

INTERNET MARKETING SUCCESS

Global market related factors

In-depth understanding of foreign marketing environment.
Multi-language website.

Cultural considerations.
Adequate resources for global operations.
Availability of delivery channel.

Website related factors

Well designed site.
Effectively marketed site.
Easy to find site.
Up to date site.
Clear and Accurate site.
Ease and speed of use.

Adopted from Eid et al. 2006

2.9 Conceptual Framework

The main task is to specify a model comprising critical factors that would lead to successful internet marketing in the banking sectors using Ghana Commercial Bank as a case study. The resultant model is based on previous work of Eid et *al.* (2006).

The critical factors identified by Eid *et al.* (2006) suggest that internet marketing would be very successful if all the factors are in their right balance and managed well. We can therefore say that any short fall of these factors would lead to internet marketing failure or severe problems.

CHAPTER THREE

METHODOLOGY

3.1 Research design

For the purpose of this research, a survey method was employed. A survey is a research technique that gathers information from a sample of people through questionnaire (Zikmund, 1999). The researcher employed questionnaire and unstructured interview in collecting primary data.

3.2 Sources of Data

Two sets of data were used for the study. Secondary and primary data were collected for the study. Primary data is that which is collected specifically for the research project being undertaken and secondary data is data used for a research project that were originally collected for some other purpose (Saunders *et al.* 2007).

3.2.1 Secondary Data

Secondary data was collected from the internet and other media such as the news print. The bank's website was the major source of the secondary data used. Documents like annual report were also used for the study.

3.2.2 Primary Data

Primary data was collected through interviews and questionnaires. A research survey questionnaire was designed to incorporate factors relating to the adoption, implementation and implication variables that arose from the literature.

The managements of the selected branches were interviewed using unstructured interview for preliminary information about the bank. This form of interview is an informal one in which there is no predetermined list of questions to work through, although the researcher has clear idea about the aspect or aspects of the item in question (Saunders et al. 2007). The responses gathered were further used to build the questionnaires.

Two separate questionnaires were used in collecting the primary data. One set of questionnaire was developed for management and employees of the bank and another for customers of the bank.

3.3 Population and Sampling

Zikmund (1999) defined population as any complete group of entities that share some common set of characteristics. This study was restricted to GCB Limited branches in Kumasi Metropolis. For this reasons the population of the study included management, staff and customers of GCB Limited within the metropolis.

In choosing the sample size, the number of branches in the Kumasi Metropolis was considered. All branches within the metropolis were included in the research work

because of its relatively smaller number. The bank has nine branches within the metropolis.

Branch managers and some employees in every branch within the selected branches were sampled. Purposive sampling was used for selecting the respondents in the bank because of the small sample size and how informative those respondents were (Saunders et. *al.*, 2007). In all, nine staff members were sampled for the research work.

Customers of GCB Limited from the sampled branches were also sampled. Respondents were selected using convenience sampling. Convenience sampling refers to the sampling procedure of obtaining the people or units that are most conveniently available (Zikmund, 1999). This method is used to make research procedure faster by obtaining a large number of accomplished questionnaires rapidly and efficiently (Saunders et al., 2007). The customers were surveyed at different times of the day and month. This was to ensure that at least all manner of customers have been captured in the survey.

According to Saunders *et al.*, (2007) researchers normally work to a 95 per cent level of certainty. This means that if your sample was selected 100times, at least 95 of these samples would be certain to represent the characteristics of the population. The margin of error describes the precision of estimates of the population. For the purpose of this research a margin of error of 5% was used. Hence a perfect representative sample is one that exactly represents the population from which it is taken. Earlier interview with managers of GCB Limited revealed that each branch might have an average of 2500 customers. Given the nine branches and an average of

2500 customers per branch, then we can say that GCB Limited has an average of 22,500 customers.

For a 100,000 total population and a margin of error of 5 per cent, the sample size is given as 383. Again for 1,000,000 and a margin of error of 5 per cent the sample is 384 (Saunders *et al.*, 2007). The researcher therefore decided to select 50 customers from each branch given a total of 450 customers as the sample size. The researcher hanged around the banks to administer the questionnaires to customer respondents. In all 450 customers and nine managers/staff were sampled from the nine branch.

3.4 Data Collection

Since the study was explorative in nature, qualitative methods were chosen for data collection. Due to the intangible, variable and volatile nature of services, qualitative methods are particularly valuable in this context since they are better suited to handle ambiguous data (Gilmore and Carson, 1996).

Questionnaires were designed and pilot tested using some staff of GCB Limited and selected customers of the bank to minimize the likelihood of respondents having problems in answering the questions and of data recording problems as well as to allow some assessment of the question's validity and the reliability of the data that will be collected.

The final questionnaires were administered to the management and employees of the selected branches. Staff respondents within the selected branches were also interviewed. The responds generated from the staff of the banks coupled with

information gathered from literature were used to develop questionnaires that were given to customers to answer.

Customers were also surveyed through the use of questionnaires. Customer respondents were selected during different times of the day. Some respondents were picked in the morning; others were surveyed in the afternoon and others late afternoon. This was to ensure that different categories of customers were captured in the study.

Customers who could not read and write were surveyed using interviewer-administered questionnaire technique. This is a data collection technique in which an interviewer reads the same set of questions to the respondent in a predetermined order and records his or her responses (Saunders *et al.* 2007).

3.5 Data Processing and Analysis

The data collected was first processed by coding and editing to check for legibility, omissions and consistency. Zikmund (1999) had said that, the editing process corrects problems such as interviewer errors (an answer recorded on the wrong portion of a questionnaire, for example) before transferring the data to the computer.

Responses gathered from management and staff was tabulated.

In analysing the questionnaire, a descriptive analysis (means and frequencies for the whole set of questionnaires) was initially conducted using Statistical Package for Social Sciences (SPSS) software.

3.6 Data Collection Constraints

The following were some of the limitations encountered during the research work:

Respondents from the bank were reluctant in giving out information and accessing data from the bank's website was almost impossible.

Customers were always on the run and had little motivation to respond to the questionnaire. The researcher had to sometimes follow respondents to their shops or homes for answers to the questionnaire.

The time available for the study was also a major limitation for the researcher.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter summarises the responses of management and customers to the questionnaires and interviews. In all, six out of nine managers responded to the questionnaires and 450 customers were also surveyed. The responses were discussed in line with the set objectives.

4.2 Prospects of internet marketing in the banking sector in Ghana

In identifying the prospects of internet marketing in GCB Limited, certain factors like number of products/services provided online, internet accessibility, revenue generating and cost reduction ability and computer literacy were considered.

4.2.1 Products/Services provided online

The study revealed that about 10 products and/or services are provided online by GCB Limited to its customers (see Table 4.1). The bank also intend to offer other services and product online (refer to Table 4.1) for its customers in the near future.

Table 4.1 Products/Services provided online

Service/Product provided online	Intended Service/Product to provide online
Balance enquiry	Advertisement on behalf of customers
Cheque/cash deposit	Foreign Transfers
Cheque book ordering	School fees payment
Commernet plus	Ticketing
Deposit and Withdrawals(through ATMs)	Utility bill payment
Express Money Transfer	
Fixed deposit receipts	
Funds Transfer request	
Royal Banking	
Smartpay (collection of utility bills and fees on behalf of customers	

Management had revealed that online transactions attract some commission unlike face-to-face transactions. Ordering a cheque book on the internet for instance attract GHC 0.50 commission. Secondary data collected from the bank's website indicate that transactions involving amounts between GHC 0.00 to GHC 100 attract GHC 0.50 commission and GHC 1.00 commission for amounts greater than GHC 100. With these online services, customers are able to transact business with GCB Limited at their own convenience and comfort.

According to the management of the bank, it is expecting to attract a lot of customers through its advertisement on behalf of customers. Their website is going to serve as a host to customers who might want to promote their businesses online.

The internet has become another delivery channel for which GCB Limited can connect to its customers. Given the total number of online services and the intended online services, one can argue that the bank stands the chance of attracting new customers and increasing customer satisfaction for its customers.

According to Kaleem and Ahmad (2008), the internet provides alternatives for faster delivery of banking services to a wider range of customer. This means that the services provided online can be more effective and efficient than the traditional way of service delivery.

4.2.2 Internet accessibility

Internet accessibility is one of the factors that marketers who want to go online are likely to consider. Eid *et al.* (2006) had identified customer accessibility of internet as one of the factors of successful internet marketing by businesses around the globe.

Do you have access to the internet?
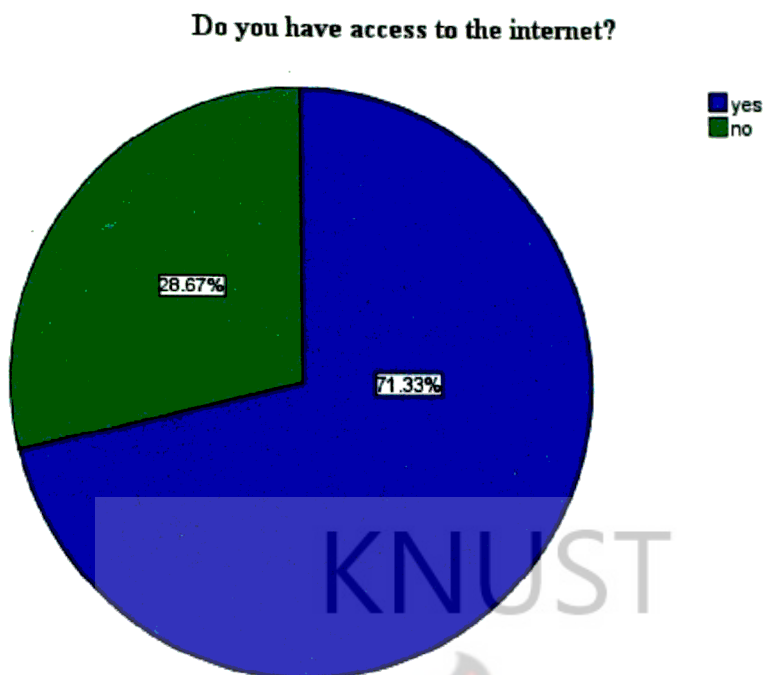
Figure 4.1 Customer internet accessibility

Figure 4.1 shows that 71.33% of the respondents have access to the internet and 28.67% of the respondents have no access to the internet. Almost three-quarters of the respondents have access to the internet and can therefore be a potential customer for online services.

Darkwa (2002) had earlier reported that, 0.3 per cent (that is about 6,600,000 people) of Ghana's population would have access to the internet by the end of 2008. This value suggests that more and more Ghanaians would have access to the internet by the end of 2010. This goes to buttress the high level of internet accessibility recorded in the study.

As more Ghanaians get access to the internet, the more it becomes easier for marketers to get closer to their customers with less difficulty and subsequently

facilitate the growth of GCB Limited through its revenue that would be accrued from the online charges.

According to Pallab (1996), businesses are rapidly adopting the Internet as the means through which it can efficiently and economically conduct marketing, research and support. Perhaps this is as a result of the increase in internet accessibility by customers.

With the number of internet users growing monthly at an estimated rate of 10 per cent and an average of one million people, the Internet is the fastest growing global telecommunications network in the world. Analysts have projected that 100 million will be using the Internet by the year 2000 (*Direct Marketing*, 1995). This goes to buttress the result of 71.3% of customer internet accessibility at GCB Limited.

The paper work is also drastically reduced when marketers operate online services. For example, letters from GCB Limited to its customers can be sent through e-mail. Settle (1995) had said that it is far cheaper, faster and efficient to communicate to customers on the internet than using the traditional mailing system.

4.2.3 Computer literacy

Are you computer literate?
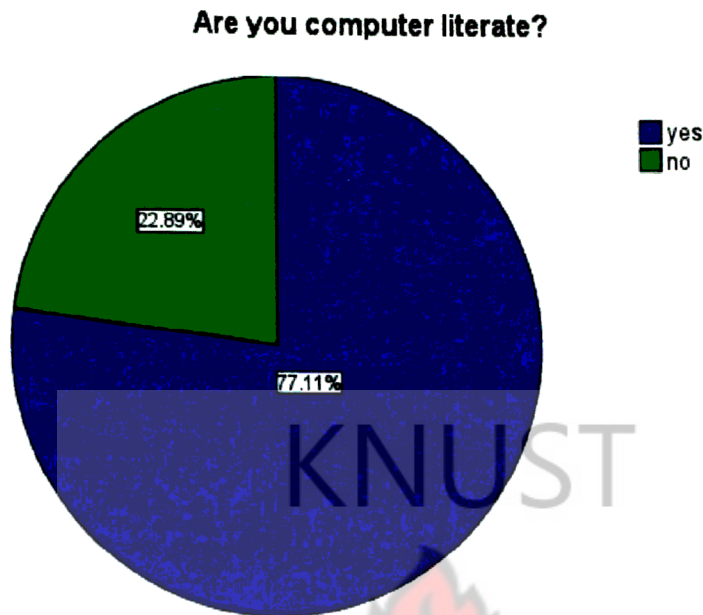
Figure 4.2 Customer computer Literacy

The research revealed that 77.11% of the customers are computer literate while the remaining 22.89% are computer illiterate (figure 4.2).

Boone and Kurtz (2002) had defined internet marketing as the marketing activities that connect buyers and sellers electronically through interactive computer system. One can therefore argue that for internet marketing to be successful then both the buyer and seller need some knowledge in computer system.

Given 77.11% literacy rate, the management of GCB Limited may have little work in attracting customers towards its online services. Computer literacy can be said to be the first step towards internet marketing. For customers who are computer illiterate, they may not find online services attractive.

4.3 Challenges of internet marketing in GCB Limited

In identifying some of the challenges of internet marketing in the banking sector in Ghana, the researcher found out that about 59% (Refer to Table 4.2) of the respondents were unwilling to transact business with GCB Limited on the internet. Almost 40% of the respondents accepted that they would like to transact business with GCB Limited on the internet.

A small fraction (i.e. 0.9%) of the respondents was indecisive. This constituted an insignificant proportion of the respondents.

Table 4.2: Internet transaction acceptance level

Responses		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	178	39.6	39.6	39.6
	don't know	4	.9	.9	40.4
	No	264	58.7	58.7	99.1
	not applicable	4	.9	.9	100.0
	Total	450	100.0	100.0	

These figures meant that more than 50% of the respondents do not accept internet transactions. This poses a challenge to the management of GCB Limited to find ways to raise the acceptance level of its customers in internet transactions.

Table 4.3: Reasons for Rejection of Internet transactions.

Response		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	security reason	101	22.4	22.4	22.4
	lack of trust	74	16.4	16.4	38.9
	difficulty accessing internet	40	8.9	8.9	47.8
	Others	49	10.9	10.9	58.7
	not applicable	186	41.3	41.3	100.0
	Total	450	100.0	100.0	

Table 4.3 Shows that 22.4% and 16.4% did not want to transact business with GCB Limited online because of security reasons and lack of trust respectively. It also shows that 8.9% rejected online transactions because of difficulty in accessing internet. 10.9% gave other reasons (like internet illiteracy). This means that about 59% (i.e. 22.4+16.4%+8.9%+10.9%) of the respondents would reject internet transactions with GCB Limited. One important factor that discouraged customers from online transactions was frequent internet link breakages. This factor was captured in the response "others".

According to Eid et al. (2006), internet marketing can be successful if factors like internet security, customer trust, easy and affordable access to internet and customer acceptance are taken care of. These factors seem to be the same factors confronting GCB Limited customers.

4.3.1 Knowledge about GCB Limited e-banking

In determining the awareness level of customers concerning online banking opportunities provided by GCB Limited, it was realized that a greater proportion (54.22%, see fig. 4.3) of the respondents were ignorant about GCB Limited's e-banking.

Have you heard of gcb ebanking?
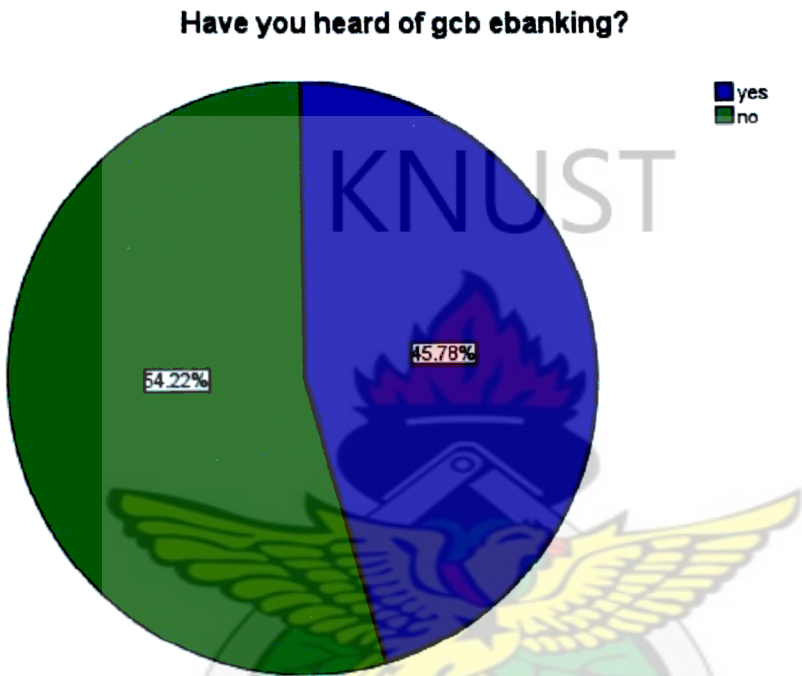
Figure 4.3 Customer awareness of e-banking services in GCB Limited

The percentage of customers (54.22%) who are ignorant about GCB Limited internet services is quite enormous. More needs to be done to create much awareness about its internet services. Creating the awareness might not be enough. Other marketing strategies may be adopted to raise customer acceptance for online transactions.

4.4 Internet marketing as a growth strategy in GCB Limited

In exploring how GCB Limited has used the internet marketing as a growth strategy, it was revealed that certain products (see Table 4.1) had emerged through the application of the internet. One of such product is Commernet Plus which was launched in 2008. With this product, are giving access codes that allows them to access banking services at the comfort of their homes and offices.

The management of GCB Limited noted that the international money transfer service was made possible through the use of the internet. The international money transfer is undoubtedly one of the products/services that generate enough money for the bank as noted by the management during an interview.

Table 4.4: Website Usage by GCB Limited branches

SOME BRANCHES OF GCB LIMITED LTD. IN KUMASI						
Responses	TECH	KNUST	HARPER	ADUM	BANTAMA	KEJETIA
Advertise the companies products/services	*	*		*	*	*
Business transactions (e.g. money transfers)	*	*	*		*	*
Send information to clients and the public	*	*		*	*	*
Research/collecting information about the market	*	*		*		*
Sell the companies products	*	*		*	*	*
Others						

*means the product/services is available

Management and staff of GCB Limited revealed that, with the introduction of the website, they can advertise the companies product/services, conduct online transactions, send information to clients and the general public, conduct online research and sell the companies products to their customers and the public (Table 4.4).

With these online applications one can argue that, business transactions has become easier; communication among staff and customers has become easier and cheaper; there is reduction in customer turn around time at the banking halls; funds can be accessed easily; transfer of funds is done instantaneously and saves time. Some managers also identified that the internet has reduced their work load drastically. Branch networking has also become possible due to the internet application. It can therefore be said that internet marketing is enhancing the growth of the bank.

4.5 The use of internet marketing as a competitive tool for GCB Limited

The investigation into internet marketing as a competitive tool for GCB Limited revealed that more and more products and/or services are been developed through the internet that will benefit both the bank and its customers (Table 4.1). The rolling of innovative product/services like hosting customer advertisement, providing online ticketing for customers, payment of school fees and online utility bill payment is likely to put GCB Limited on a sound footing generating revenue and attracting other customers.

According to Abor (c. 2004), networking of branches has also become possible through the use of internet. Different branches can now easily communicate and perform transactions more quickly and effectively since the barrier of distance does not exist in the cyber world.

4.5.1 Speed and ease of internet service usage

The modern day customer looks for speed and accuracy of service from its service deliverer. They also look out for easy navigation during internet surfing.

Average time spent on online transaction
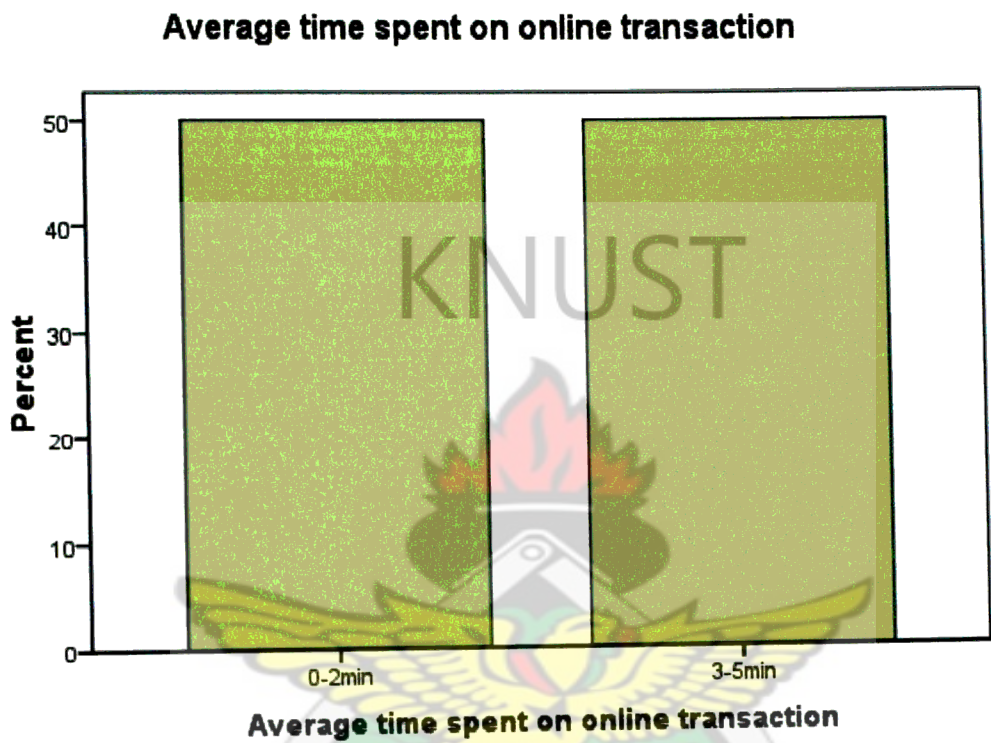
Figure 4.4 Time spent during online transactions.

Figure 4.4 shows that 50% of management respondents said that customers spent an average of 0-2minutes during online transaction and 50% reported 3-5minutes.

According to Herbig and Hale (1997), the number of online users will definitely increase once marketers make online services pleasant, easy, convenient, affordable and safe. According to the management of GCB Limited, the time spent during online transactions is far lower than walking into the banking hall for face-to-face transactions.

Given the average minimum time spent on the internet, GCB Limited can promote and educate its customers about its online services which are more cost effective and saves time. Less people are going to walk up into the banking hall allowing staff to concentrate on other areas of operation in order to grow the bank faster.

Rank website in terms of user friendliness

Rank website in terms of user friendliness
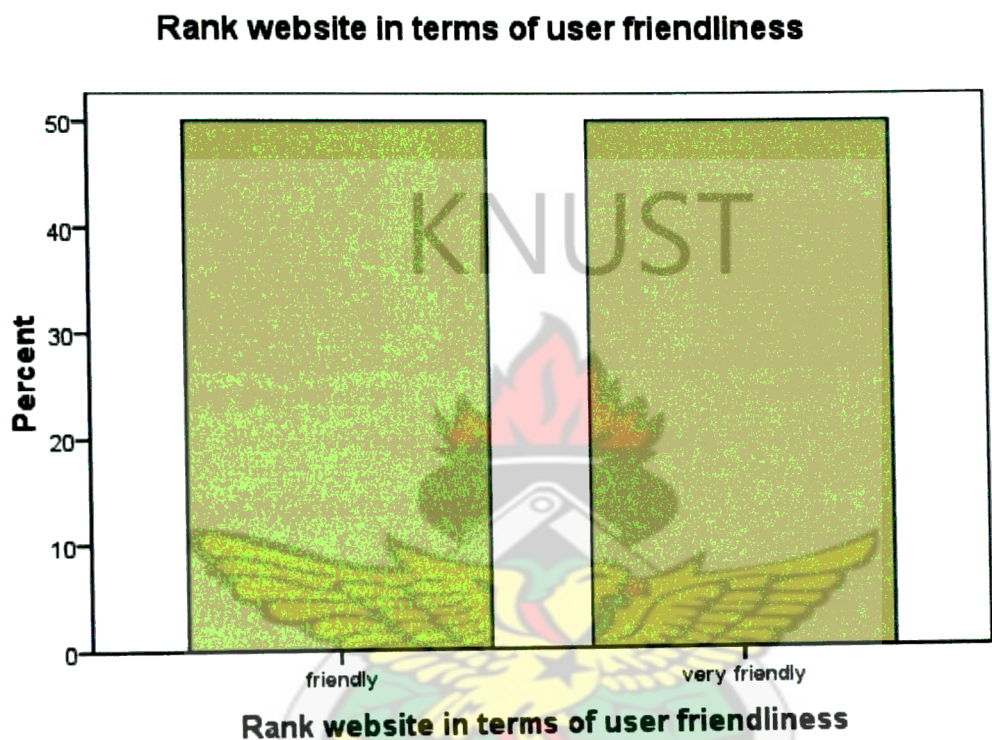
Figure 4.5 Website user- friendliness

In terms of user-friendliness and how easy customers navigate their way through during online transactions, 50% of the respondents reported that it was friendly and the other 50% said that it was very friendly (figure 4.5).

Internet users find websites user-friendly when it is more interactive and easy to navigate your way through. Perhaps management of GCB Limited would need to enhance its website frequently to keep on appealing to the website users.

4.5.2 Website Information upgrade

freq of web info upgrade
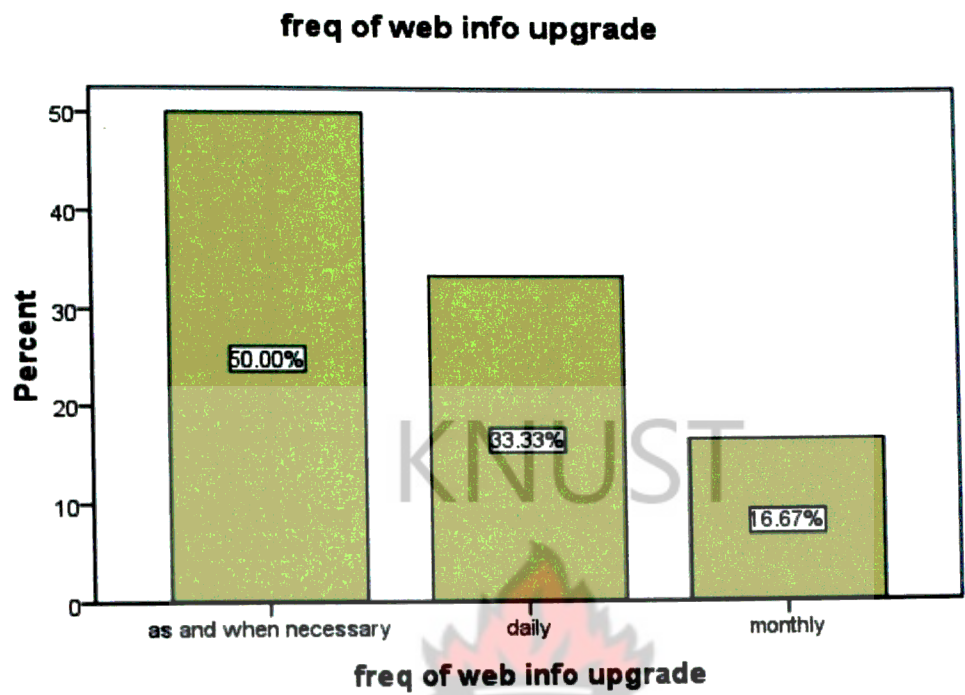
Figure 4.6 Frequency of information upgrade

The study indicates that 50% (see figure 4.6) of respondents from the bank said that the information at their website is upgraded as and when necessary; while 33.33% and 16.67% responded daily and monthly respectively.

The management of GCB Limited revealed that information at their website is upgraded anytime the need arises. Others also said that information is upgraded daily. Karayanni and Baltas (2003) indicated that a company's website is a marketing showpiece for the company and hence consider it as a crucial component of any business. It further said that a well-designed site that is effectively marketed, easy to find, up to date, clear, and accurate are the most important factors.

Table 4.5 Customer perception about GCB Limited website

How would you rank GCB LIMITED's website

	Response	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	8	1.8	1.8	1.8
	very good	9	2.0	2.0	3.8
	Good	35	7.8	7.8	11.6
	Moderate	22	4.9	4.9	16.4
	Poor	5	1.1	1.1	17.6
	not applicable	371	82.4	82.4	100.0
	Total	450	100.0	100.0	

According to the study, 1.8% of the respondent who had visited GCB Limited's website rated the site (in terms of accuracy of information, up-to-date information, speed and easy navigation) as being excellent. 2%, 7.8% and 4.9% of the respondents rated the site as very good, good and moderate respectively. However, 1.1% of the respondents rated the site as poor. A larger proportion (i.e. 82.4%) of the respondents had not visited the site at all.

For online services and intended online services to be attractive and effective, management must have developed websites that are easy to find, colourful, accurate, up to date information and interactive. Lagrosen (2005) said that internet users consider internet site as stronger in terms of raising customer interest.

Comparing management's response (figure 4.4) and customers' perception about GCB Limited's website response (Table 4.5) it can be inferred that GCB Limited's website is perceived as good to excellent by most customers who have visited the site.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This section presents a summary of the study, conclusion arrived at and recommendations that might enhance the work of marketers in the banking sector. The summary of the study is based on the objectives of the study as stated in chapter one - identifying the prospects of internet marketing in the banking industry in Ghana; identifying the challenges of internet marketing in GCB Limited; evaluating the success of internet marketing as a growth strategy in GCB Limited; and evaluating the use of internet marketing as a competitive tool for GCB Limited. However conclusion would be drawn based on the findings and some recommendations would be made to the management of GCB Limited.

5.2 SUMMARY

The internet is undoubtedly a new medium for service delivery. However, it posses certain challenges and prospects to the modern day marketer. It has become a tool for marketers in various sector of the economy including the banking sector.

5.2.1 Prospects of internet marketing in the banking sector

In determining the prospects of internet marketing in the banking sector, it was revealed that certain products and services have been developed through the internet. Ghana Commercial Bank for instance has about 10 products/services (example

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Commernet Plus and Royal banking) being provided online. Checking of balance account, ordering cheque book, transferring money from one account to another and assessing and disseminating information between bankers and customers have now become possible without physical contact. These online transactions attract some commission. Transactions involving a sum of GHC 0- 100 attracts GHC 0.50 commission while any amount above GHC 100 attract GHC 1.00 commission.

GCB Limited even continues to develop and deliver more products and services through the internet. Products/services that GCB Limited intends to provide online include advertising on behalf of customers, foreign transfers, utility bill payment, ticketing and school fees payment.

5.2.2 GCB Limited e-banking awareness

The study revealed that 54.22% of GCB Limited's customers are unaware of its internet banking services. Very few who are aware of GCB Limited's e-banking have visited GCB Limited's website (see Appendix I)

5.2.3 Acceptance of online transactions

According to the study, greater proportions (54.7%) of GCB Limited's customers are unwilling to transact business with GCB Limited on the internet. Major factors contributing to this reluctance include security reasons, lack of trust and difficulty accessing the internet.

5.2.4 Internet accessibility and computer literacy

The study indicates that internet accessibility among GCB Limited's customers is very high (71.33%). Computer literacy among customers was also high (77.11%).

5.2.5 Internet marketing success

The study revealed that internet marketing is likely to become successful if factors like good and interactive website; up to date information; speed and ease of website location are available.

One major factor that impedes online marketing in GCB Limited was frequent breakages in the internet link.

5.3 CONCLUSION

It was identified that GCB Limited had developed a lot of products/services and continue to develop more services through the internet and hence can be concluded that marketers would have to pay attention to the internet in this modern era in developing and marketing products to its customers.

Despite the numerous advantages of online transactions, most of GCB Limited's customers do not embrace online transactions. This was attributed largely to internet inaccessibility, lack of trust, security reasons and frequent breakdown of internet linkage. Perhaps more education and sensitization is needed to align customers to online transactions. We can therefore conclude that having the greatest website design with sophisticated software is not enough to achieve internet marketing

success. Customers would need to be dragged along to make internet marketing a success. It can also be concluded that internet marketing though very useful when applied appropriately has challenges that needs consideration.

With the number of products/services springing up through the internet; coupled with branch networking; time and financial savings accrued from the banks operations, one can conclude that internet marketing can be used as a tool for pursuing organizational growth.

Given the number of customers who are computer literate and have access to the internet (98.8%, see Appendix II), it can be concluded that internet marketing has a bright future in the banking sector. Marketers are also going to have it little easier getting customers to buy/ transact business online.

Though internet marketing may be facing certain challenges in the banking sector in Ghana, it can be overcome through greater collaboration between the marketing departments and the IT departments.

5.4 RECOMMENDATION

The study came out with the following recommendations:

5.4.1   Online service awareness

The research indicated that the number of customers who were aware of GCB Limited's online services were very few (see figure 4.2). Management of GCB Limited can therefore promote its online services through brochures, the press, T.V

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adverts and word-of-mouth during face-to-face transactions. Since internet marketing requires investment into computers and other accessories, it would therefore be proper to protect such an investment by promoting the online services.

5.4.2 Customer acceptance of online transaction

The study revealed that a greater proportion of the respondents were unwilling to transact business with GCB Limited on the internet. This indicates that customers prefer face-to-face banking services to online services. Management may have to develop promotional programmes or marketing incentives to raise the interest of customers in the online services. Products that demonstrate usefulness, security and privacy may be accepted by customers.

The study also indicated that a larger proportion of the customers had access to the internet. This provides a better platform for internet marketing to thrive well. Management can therefore think of promotional activities that will not only raise the desire of customers for internet transactions but also make a step towards internet transactions.

5.4.3 Customer perception about online transaction

Greater percentages of the respondents were unwilling to transact business with GCB Limited on the internet due to reasons like lack of trust, lack of security, computer illiteracy and internet inaccessibility. The management of GCB Limited should

develop programmes that would expose its customers to online services and build the trust of its customers in online services.

As part of its corporate social responsibility, the bank can donate computers and build computer laboratories for communities to enhance internet accessibility and also promote internet marketing.

Other electronic delivery points like ATMs can also be made readily available at advantage points within the towns and cities of operations.

5.4.4 Website design

The management of GCB Limited may also consider software that is more user-friendly and makes information easily accessible to the users. When customers find it difficult accessing information on the internet, it discourages online transactions and hence online marketing. Appropriate website design plays important role in generating sales.

It is also recommended that the IT department should work closely in hand with the marketing department in developing and purchasing software that will facilitate internet marketing.

The bank may also allocate special funds for IT development towards the installment of modern equipment. It may be capital intensive in the initial stage but worth investing in it in the long run.

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http://en.wikipedia.org/wiki/Internet_marketing"

http://investing.businessweek.com/research/stocks/snapshot/snapshot.asp?capId=125 06012

APPENDIX I: VISITORS OF GCB's WEBSITE

Have you visited GCB's website before?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	NA	84	18.7	18.7	18.7
	yes	74	16.4	16.4	35.1
	no	292	64.9	64.9	100.0
	Total	450	100.0	100.0	

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APPENDIX II: CROSSTABULATION OF INTERNET ACCESSIBILITY AND COMPUTER LITERACY

Do you have access to the internet? * Are you computer literate? Crosstabulation

			Are you computer literate?		Total
			yes	no	
Do you have access to the internet?	yes	Count	317	4	321
		% within Do you have access to the internet?	98.8%	1.2%	100.0%
		% within Are you computer literate?	91.4%	3.9%	71.3%
		% of Total	70.4%	.9%	71.3%
	no	Count	30	99	129
		% within Do you have access to the internet?	23.3%	76.7%	100.0%
		% within Are you computer literate?	8.6%	96.1%	28.7%
		% of Total	6.7%	22.0%	28.7%
Total		Count	347	103	450
		% within Do you have access to the internet?	77.1%	22.9%	100.0%
		% within Are you computer literate?	100.0%	100.0%	100.0%
		% of Total	77.1%	22.9%	100.0%

APPENDIX III: QUESTIONNAIRE FOR MANAGEMENT/STAFF

This questionnaire seeks to collect data about **the challenges and prospects of internet marketing in the banking sector in Ghana Commercial Bank.** The information collected will be used for academic purpose only. Please take some time to answer the questions that follow. Please tick or provide your own answer where applicable.

1. Please what is your position in this organization?

   ....

2. Please indicate your age group

   20 to 29 [ ]   30 to 39 [ ]   40 to 49 [ ]   50 to 59 [ ]   60 to 69 [ ]

3. Sex: Male [ ]   Female [ ]

4. How many customers do you have in your branch database?

   ....

5. Do you provide some of your services online? Yes [ ]   No [ ]

   Please list those services (if answer to Qtn. 2 is Yes).

   ....
   ....
   ....
   ....
   ....

6. If yes, how often do your customers access your online services?

   ....
   ....

7. Do you charge for online services? Yes [ ]   No [ ]

   If you ticked Yes (in question 7) then how do the online service charges differ from the face-to-face services provided?

   ....
   ....

8. Which other services do you intend to provide online?

   ....
   ....

9. How often do you upgrade the information on your website?

   Daily [ ]   Monthly [ ]   Quarterly [ ]   As and when necessary [ ]
   Others please specify.............................

10. Indicate the average number of people who visit the site in a month?

   ....

11. Do the users of the internet services make complaints about the service?
    Yes [ ]   No [ ]

    If yes, what do they normally complain about?

    ....
    ....
    ....

12. On the average, how long will it take a customer to transact a business (e.g
    checking of account balance) on the internet?

    0-2min. [ ]   3-5min. [ ]   6-8min. [ ]   9-11min. [ ]   More than 12min.
    [ ]   Others please specify...

13. How will you rate your website in terms of customer (or user) friendliness?

    Very friendly [ ]   Friendly [ ]   Quite friendly [ ]   Not friendly [ ]

14. How knowledgeable are your employees in internet and its application.

    Very knowledgeable [ ] Knowledgeable [ ]   Quite knowledgeable [ ]
    Ignorant [ ]

15. Do you have computer training programs for your staff? Yes [ ]   No [ ]

16. How often do you train your staff on computer and internet usage pertaining
    to their work?

    Monthly [ ]   Quarterly [ ]   Half year [ ]   Annually [ ]   others please
    specify..

17. What are some of the major problems you are encountering concerning your online services?

....
....
....

18. How do you solve or intend to solve those problems?

....
....
....
....

19. Which of the following do you normally use your website for?

-   Advertising the companies products   [ ]

-   Business transactions (e.g money transfers)   [ ]

-   Send information to clients and the public   [ ]

-   Research/collecting information about the market   [ ]

-   Sell the companies product   [ ]

-   Others. Please specify...
....
....

20. Would you say that the internet has made your work easier? Yes [ ]   No [ ]

If yes, how has it made your work easier?...
....
....
....

APPENDIX IV: QUESTIONNAIRE FOR CUSTOMERS

This questionnaire seeks to collect data about **the challenges and prospects of internet marketing in the banking sector in Ghana Commercial Bank.** The information collected will be used for academic purpose only. Please take some time to answer the questions that follow. Please tick or provide your own answer where applicable.

1. What is your occupation?
   ....

2. Please indicate your level of education

   No formal education [ ]   Primary [ ]   Secondary [ ]   Tertiary [ ]
   Other Please
   specify...

3. Please indicate your age group

   19 and below [ ]   20 to 29 [ ]   30 to 39 [ ]   40 to 49 [ ]   50 to 59 [ ]
   60 to 69 [ ]   70 and above [ ]

4. Sex: Male [ ]   Female [ ]

5. How long have you been doing business with Ghana Commercial Bank (GCB)?
   0-5years [ ]   6-10years [ ]   11-15years [ ]   16-20yrears [ ]

   21 and above [ ]

6. How often do you come to the bank?

   Daily [ ]   Once a week [ ]   Two to three times a week [ ]
   Once in a month [ ]   As and when necessary [ ]

7. What do you normally come to the bank for?

   Deposit cash [ ]   Withdraw cash [ ]   Deposit and withdrawal [ ]
   Seek information [ ]   Money transfer [ ]   Order Cheque book [ ]
   Others. Please specify...

8. Have you heard of GCB e-banking?   Yes [ ]   No [ ]

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9. Do you have access to the internet?   Yes [ ]   No [ ]

10. Are you computer literate? Yes [ ]   No [ ]

    If No then skip to question 15

11. How easy or difficult is it to access the internet?

    Very easy [ ]   Easy [ ]   Difficult [ ]   Very difficult [ ]

12. How often do you access the internet?

    Daily [ ]   Once a week [ ]   Two to three times a week [ ]
    Once in a month [ ]   Once a while [ ]   Others (specify)....................

13. Have you visited GCB's website before?   Yes [ ]   No [ ]

14. How would you rank the site in terms of accuracy of information, up to date
    information, speed, and easy to find.

    Excellent [ ]   Very good [ ]   Good [ ]   Moderate [ ]   Poor [ ]
    Very poor [ ]

15. Would you like to transact your business (e.g. transfer money into your
    account) with GCB on the internet?
    Yes [ ]   No [ ]

16. If yes, why would you like to make your transactions with GCB online?

    Saves time [ ]   Faster [ ]   Convenience [ ]
    Others (please specify)..

17. If no, why?

    Security reasons [ ]   Lack of Trust [ ]   Difficulty accessing the
    internet [ ] Others please specify...