An Assessment of Customer Satisfaction in the Microfinance Industry: A Case Study of Opportunity International Savings and Loans Limited

by

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DECLARATION

I hereby declare that this submission is my own work towards the award of a degree of Commonwealth Executive Master of Business Administration (CEMBA) and that, to the best of my knowledge, it contains no materials 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.
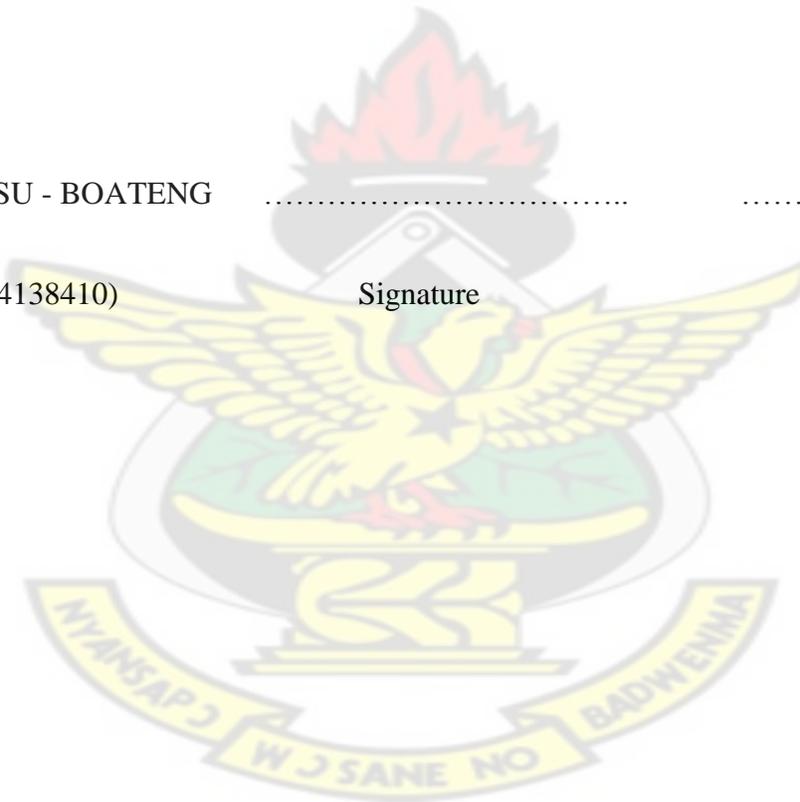

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ABSTRACT

Microfinance is the provision of financial services and the management of small amounts of money through a range of products and a system of intermediary functions that are targeted at low income clients. Over the years, research on microfinance has mostly concentrated on the three key areas - outreach to the poor, sustainability of the institution and impact among clients. Very few studies have been conducted in the area of customer satisfaction of these clients. This study therefore sought to identify the perception on customer service and available products/infrastructure of Opportunity International Savings and Loans Company Limited (OISL), a leading microfinance company in Ghana. The study employed a descriptive approach to elicit information on customers' perception of service rendered and products/infrastructure available and also their suggestions on how to improve upon them. A sample size of 110 customers of the company drawn from 11 branches in Ghana was used for the study. The main tool for data collection was structured questionnaire. Data was analysed and presented by means of frequency distributions, percentages, tables and charts. The results indicated that most customers were satisfied with the kind of services rendered at the various branches; majority of them also thought that the banking halls were well defined by available infrastructure, although a few additions to the already existing products were suggested. It is recommended that OISL continues to render quality service in order to sustain and even increase the approval ratings of clients; increase the education of clients on knowledge of available products by adapting interpersonal media such as peer-to-peer education; train proactive loan officers and front line staff who will be in the position to assist clients to identify the ultimate loan product as well as explicitly explain the features of products and services to semi-literate clients; and also make both ATM/Visa cards and mobile banking accessible to all clients in order to increase their satisfaction levels.

DEDICATION

This work is dedicated to my beloved and cherished wife Hannah Owusu – Boateng for her love, patience and support.

ACKNOWLEDGEMENTS

To the various authors whose work were reviewed in the course of writing this thesis and to the clients and respondents of OISL, who took time off their busy schedules to respond to the questionnaires, I say thank you and God richly bless you all.

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ABBREVIATIONS

ATM	-	Automated Teller Machines
BoG	-	Bank of Ghana
CEMBA	-	Commonwealth Executive Master of Business Administration
CSO	-	Customer Service Officers
FNGO	-	Financial Non-Governmental Organisation
OISL	-	Opportunity International Savings and Loans Limited
KNUST	-	Kwame Nkrumah University of Science & Technology
MFI	-	Microfinance Institution
POS	-	Point-of-sale
SME	-	Small and Medium Enterprises
SPSS	-	Statistical Package for Social Sciences
WWB	-	Women's World Banking

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Microfinance is made up of the provision of financial services as well as the management of small amounts of money through a range of products and a system of intermediary functions that are targeted at low income clients (Asiama and Osei, 2007). The products include savings, loans, insurance and other related financial products and services.

According to Adjei and Arun (2009:3), "the vision of the founders of microfinance was to supply formal financial services to poor people, who were shunned by banks because their savings were tiny, their loan demand was small, and they lacked loan collateral". This constrained their ability to initiate their own businesses, finance emergency needs, acquire assets as well as insure themselves against illness and disasters that befall them (Zeller and Meyer, 2002).

The three main goals that Microfinance Institutions (MFIs) seek to achieve are outreach to the poor, sustainability of the institution and impact among clients, generated as a result of providing these services (Egigu, 2009; Wollni, 2001). With regards to outreach, both breadth and depth of outreach is looked at. Breadth looks at the total number of poor persons who make up active clients whilst depth considers the poverty levels of clients (Wollni, 2001; Schreiner, 1999). Sustainability of institutions can be said to be the institutions' viability in future and considered very important for successful MFIs as well as serve as an indication of these institutions' ability to serve the poor for longer periods of time (Wollni, 2001). Finally, impact considers both the negative and positive aspects that occur in the lives of clients and family members, their businesses and communities as a result of services provided by these MFIs (Wollni, 2001).

It is important to note that the concept of microfinance is not new in Ghana. People have always had the idea of saving and/or taking small amounts of loan from individuals or group of persons with the intention of starting their own business (Asiama and Osei, 2007). It is however worth noting that microfinance has developed gradually over the years into three main categories- formal suppliers such as savings and loans companies; semi-formal suppliers such as credit unions; and informal suppliers such as Susu collectors (Asiama and Osei, 2007).

Microfinance has evolved due to competition and it is therefore paramount for any Microfinance Institution (MFI) to evolve products and improve upon quality of customer services if the company would like to retain its customers (Urquizo, 2006). Customer service is basically anything we do for a customer which improves upon a customer's experience while satisfaction of a customer is their overall feeling of contentment after a customer

interaction (Harris, 2007). It is therefore important to identify customer's perception of the kind of products and customer service offered them by an MFI and also elicit information on how from their point of view, be satisfied as customers.

This research seeks to assess the extent of service quality and customer satisfaction in the micro finance industry, using Opportunity International Savings and Loans Company Ltd as case study.

1.2 PROBLEM STATEMENT

Most studies conducted on microfinance concentrate on three key areas- outreach to the poor, sustainability of the institution and impact among clients. Few studies have been conducted in the area of customer satisfaction of these clients among which are those of Urquizo (2006) and Women World's banking (2003).

Against this backdrop, the ability of an MFI to retain customers is paramount to its sustainability. Retention of customers is not only important because it is less costly than obtaining new clients but also serves as a means for value generation for stakeholders (Urquizo, 2006). Customers who are satisfied with an MFI's products and/or services remain loyal and tend to add on value to the institution. According to Harris (2007:2), 'one of the most effective and least expensive ways to market a business is through excellent customer service'.

In a mystery shopping exercise conducted by Opportunity International Savings and Loans Limited (OISL) in 2011, it was revealed that 11 out of the 20 branches of the company visited scored an overall branch performance of 39% in terms of the quality of service provided as detected by the mystery shoppers. This is quite below an average score of 50%.

It is thus paramount to revisit these centres to ascertain from the customers' perspectives whether they are satisfied with the quality of service rendered as well as the products and infrastructure available at these branches and also elicit suggestions as to how best these services and products/infrastructure can be improved upon to meet or exceed their satisfaction levels.

1.3 OBJECTIVES OF THE STUDY

The main goal of this research is to ascertain whether customers of Opportunity International Savings and Loans Limited (OISL) are satisfied with the services rendered by the organization. Specifically, the research intends

1. To assess whether clients are satisfied with available products and infrastructure of OISL.
2. To examine how clients perceive the customer service provided by OISL.
3. To determine areas to improve upon in order to satisfy customers of the company.
4. To identify new products to develop and existing ones to be re branded to enhance customer satisfaction in OISL.

1.4 RESEARCH QUESTIONS

1. Are clients of OISL satisfied with available products and infrastructure?
2. How do clients perceive the company's customer service?

3. What are some of the areas that need to be improved upon in order for customers to be satisfied?

4. What are some of the new products that have to be developed or already existing ones that have to be rebranded to enhance customer satisfaction in OISL?

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1.5 EXPECTED RESULTS

The study hopes to come up with customers' perception of products and infrastructure available at the various branches and how satisfactory they find them. The satisfactory levels they attain after being served by frontline staff of OISL will also be elicited from these clients. The study will then ask for suggestions from customers regarding how best they should be served and the type of products that should be made available by OISL.

1.6 RELEVANCE AND JUSTIFICATION FOR THE STUDY

Many service institutions develop products and services expecting customers to appreciate such products. They do not consider the perspectives of customers to package products and services. This study will seek to understand customer perceptions and satisfaction of products and services being rendered by OISL to enable the institution rebrand some of them without necessarily imposing it on these clients. This will enable the institution develop tailor made products and services to enhance customer satisfaction.

Another relevance of this study is to enable OISL know which areas to improve upon with regards to its products and services to enhance customer service and hence customer

retention. This will further boost the customer service standards of the organisation and be ahead of competitors with regards to product range and service standards.

Above all, the study will contribute to organisational learning and improvement in the services of OISL as well as contribute to intellectual knowledge by serving as a source of primary data for various researches to be conducted in this area of study.

1.7 LIMITATIONS OF STUDY

As is the case of any other study, this study has its own limitations. The study did not make use of SERVQUAL – model for measuring customer satisfaction – but rather made use of a descriptive and qualitative approach to elicit information from clients. This was done because there was the need to have an in-depth study of OISL's clients since the research conducted was that of a case study. The SERVQUAL model can therefore be employed in subsequent studies to either ascertain findings made by this qualitative approach or add on other areas to be explored in order to increase satisfaction levels of clients of OISL.

1.8 ORGANISATION OF THE STUDY

This research comprises of five chapters. Chapter 1 is made up of the introduction, problem statement, objectives, research questions, expected results, relevance and justification for the study, limitations as well as organization of the study. Chapter 2 reviews literature in this field. Chapter 3 looks at the methodology applied in the research. . The chapter 4 analyses and discusses the results and findings. The summary of findings, conclusions and recommendations are finally presented in chapter 5.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter seeks to review literature pertaining to the study, thereby setting the present work within the scholarly context. It discusses what microfinance is, and how it has evolved in Ghana, a brief history of OISL, what customer service is and various studies that have been conducted on it and also the interrelationship of products available and customer satisfaction. The chapter also outlined clients' suggestions regarding new products and services.

2.2 MICROFINANCE IN GHANA

The definition of microfinance differs from one author to the other or one institution to the other. Regardless, microfinance is basically the provision of financial services mainly savings and credit to poor people with no access to commercial banks (Egigu, 2009, Lafourcade et al. 2005, Wollni 2001). According to Anin (2000), the microfinance industry has been established over the past two decades in a number of countries in South-East Asia,

Latin America and Africa. This has arisen due to the 'alleged failure of conventional commercial banks to provide financial services to the poor and economically disadvantaged members who operate in the rural areas or in the shanty areas of towns and cities of developing countries' (Anin, 2000:165).

In Ghana, the concept of microfinance dates back as far as1995 when the first Credit Union in Africa was set up by a group of Canadian missionaries in Jirapa which is located in the Northern Region of Ghana (Asiama and Osei, 2007, Anin, 2000). As at the year 2000, there were two main microfinance organisations that were governed by the provisions of Decree 328, namely Credit Unions and Savings & Loans Companies (Anin, 2000: 169).

- Credit Unions: These unions usually mobilize savings from its members and provide loans to its members exclusively.
- Savings & Loans Companies: They are allowed by the Bank of Ghana to accept deposits; grant loans; and grant hire purchase facilities.

In 2011, The Bank of Ghana (BoG) came up with yet another categorization of MFIs. BoG has regrouped activities of MFIs into four tiers. For Tier 1, activities comprise those of Rural and Community Banks, Finance Houses and Savings and Loans Companies (under Banking Act 673, 2004 – as amended in 2007 under Act 738); and for Tier 2, activities include those of Susu Companies and other financial institutions such as Financial Non-Governmental Organisations (FNGOs - that take deposit and make profit). For Credit Unions (an Act is yet to be passed to regulate their activities). Under Tier 3, activities are made up of those of Money Lenders and Non-deposit taking FNGOs and; for Tier 4, activities comprise those of

Susu collectors (either or not registered with Ghana Cooperative Susu Collectors) and individual money lenders.

2.3 OPPORTUNITY INTERNATIONAL SAVINGS AND LOANS LIMITED

Opportunity International is one of the Savings and Loans Companies in Ghana and was founded by Al Whittaker and Bristol Myers in 1971 who were inspired to take action against individuals who were poor (Schicks, 2007). Al Whittaker was particularly of the belief that the poor first of all needed an opportunity to work and be productive and believed that by lending out money to these entrepreneurs they could either start their own businesses or expand them (Schicks, 2007).

Opportunity International operates in over 42 countries in the world. In Ghana, Opportunity International Savings and Loans commenced business in 2004 and offers opportunities for clients to both borrow and save. It currently has 27 Branches in six of the ten Regions of Ghana serving over 350,000 clients with 684 staff.

The organisation offers a mix of loan products including group and individual loans. With regards to the group lending, 10 - 30 entrepreneurs could come together to elect leaders and also pledge to serve as guarantors for each other's loans. In this way, people who were initially not qualified to assess loans from the commercial banks due to the lack of collateral can now do so (Opportunity International, 2012).

In addition to this, the organisation also introduced MicroEnsure - a subsidiary- that enables clients to seek protection against risks such as crop failure, deplorable health and credit life insurance. Opportunity International has invested heavily in technology over the last eight years with the introduction of ATMs and point-of-sale (POS) devices to enable clients conduct their transactions safely and conveniently. Also cell phone banking has been introduced on pilot basis to give clients in remote locations affordable, reliable, and convenient access to their accounts.

2.4 CUSTOMER SERVICE AND SATISFACTION

A customer is defined by Crocker and West (2003:58) as 'anyone to whom is supplied a good or a service'. According to Harris (2007), customer service is anything that we do for the customer in order to enhance his/her experience This may vary from one customer to the other and therefore behoves on service providers to first of all know their customers in order to provide them with excellent service that will enhance their customer satisfaction. Harris (2007) is of the view that excellent customer service is one of the least expensive as well as the most effective way of marketing any particular business. To emphasize this point, Kotler (1997: 47) added that 'the cost of keeping a new customer is estimated to be five times the cost of keeping a customer happy'. Customer satisfaction on the other hand is defined by Kotler (1997) as a person's overall feelings of pleasure or disappointment that comes about as a result of comparing a particular product's perceived performance. Harris (2007: 5) therefore outlined five needs of every customer that have to be met in order to satisfy the customer. These include;

- Service: Customers expect the service that they think is appropriate for the level of purchase that they are making.

- Price: The price of everything is becoming more and more important. People and businesses want to use their financial resources as efficiently as possible.

- Quality: Customers want the products that they purchase to be durable and functional until the customer decides to replace them.

- Actions: Customers need action whenever a problem or question arises.

- Appreciation: Customers need to know that their businesses are appreciated. Therefore saying thank you to a customer is a good starting point for most businesses.

Accordingly, the Women's World Banking network, an MFI conducted a study in 2003 over a period of four years in their bid to find out what both men and women actually looked out for as customers of an MFI and the type of services they preferred. By using focus group discussions, customers were asked to rank the importance of three characteristics of customer service. From the point of view of these clients, the level of knowledge of loan analyst; advice from the loan officer on their businesses; and service rendered by one officer throughout the course of the customers' relationship with the MFI were ranked as the three most important characteristics to them.

However, this particular study does not consider responses of clients based on gender. Its main focus is to solicit the views of customers relating to the quality of service and products available regardless of their gender. Although, focus group discussion is one of the qualitative approaches used in the WWB (2003) study, this research rather makes use of open-ended questionnaire. This approach was used since it was going to be quite challenging

and more expensive to put customers from each of these eleven OISL branches in the six regions of the country into focus groups.

However a study by Urquizo (2006) rather attributed less client retention to less customer satisfaction through client service. This was explained by the fact that studies conducted in both Central and Southern America showed that just about 3% and 10% respectively of an MFI's customers would leave an MFI on the basis of poor quality of service rendered. According to the study, majority of the customers of MFIs were not affected due to their emotional attachments to these MFIs. This implied that although customers preferred client services to be improved upon, they were not so keen to leave the MFI for another MFI. Moreover, the study suggested that if any substantial improvement was to be made with regards to client services, then it should be directed at the following areas including speedy IT systems and bigger branches.

A more recent study was conducted by OISL in 2011 to throw more light on the quality of service being rendered by its internal frontline staff to its customers. The mystery shoppers were initially trained to appreciate the scope of work and then a series of contacts were placed to eleven selected OISL branches. Four scenarios were employed – two each for branch visits and mystery calls. All the scenarios were designed to capture daily enquiries and requests made by customers such as enquiries about loan facilities, fixed deposits and susu deposits; counter services including cash withdrawals and cash deposits; enquiry about opening and closing hours as well as Saturday banking; and enquiry about requirements for opening of accounts were made.

With regards to how data was collected, observations made were recorded using hidden recording devices and observations and assessment made during the interaction with frontline staff were immediately recorded after mystery shoppers had left the banking hall. Each branch was then assessed based on the four scenarios outlined. Overall, Techiman branch scored the highest with 87% and Accra and Nkawkaw jointly scored the lowest points representing just about 18%.

Mystery shopping is not applicable in this study. This is due to the fact that this research is a follow-up to the findings made during the mystery shopping. In this case, customers will be interviewed in detail to indirectly verify or debunk findings made during the initial encounter made by the mystery shoppers. The questions during the interview will throw more light on the findings of the mystery shopping and also solicit views from customers on how best to address the issues relating to client services initially raised.

2.5 PRODUCT AVAILABILITY AND CUSTOMER SATISFACTION

In Crocker and West (2003), Dr. Noriaki Kano described an interesting model that discussed the relationship between product characteristics and customer satisfaction. According to the model(Crocker and West, 2003:60), customers' expectations were in three categories namely

- Dissatisfiers: these are the expected characteristics in a good or service- their absence leads to customer dissatisfaction. They generally have the property that would not be frequently mentioned by customers when asked about what they are looking for in a product or service.

- Satisfiers: these are characteristics which customers say they want in the product, and their presence leads to satisfaction.

- Delighters or exciters: these are characteristics, often new or innovative, which customers do not generally expect to find in the good or service.

In a related research conducted by Urquizo (2006), customers of MFIs from Central and Southern America indicated that they were mostly dissatisfied with the products of MFIs. This they attributed to the fact that all products have evolved from a single product – credit for micro businesses; and credit products being rated as standard by MFIs whereas credit products are rather rated by customers on the basis of its flexibility and not on its accessibility; amount of money involved and its terms of reference as well as the interest rate and total amount of money disbursed to them.

Obviously, clients in the study wanted more to a product than just a loan. Customers were more interested in how flexible a loan was and not only its accessibility, how much was involved and its associated interest rate. They also wanted more innovative products that will excite and satisfy their needs and other improved upon loan products.

With reference to the study conducted by WWB (2003), the research was carried out not only to improve upon existing services but also to develop tailor-made products that suit clients based upon their suggestions. Analysis of data based on a study of MFIs in three countries – Bangladesh, Uganda and Colombia showed that clients wanted products to have faster turnaround time, simpler requirements, larger loan amounts, and better loan terms and reduced frequency of repayment of loan.

In addition to these attributes that clients wanted, the studies also showed that they wanted to be solely responsible for the loans they took instead of the group guarantees. Majority of clients in both Bangladesh and Uganda, representing 52% and 65% respectively, expressed

dissatisfaction with paying for others. Suggestions made by customers regarding new products to be either introduced or improved upon differed from one MFI to the other. These included amongst others housing loans, training, higher and longer term loans.

Similar to the study conducted by Urquizo (2006) clients would like MFIs to introduce more innovative products that will suit their needs. Clients in WWB (2003) suggested that they preferred tailor-made products such as housing loans and higher and longer term loans as compared to the traditional loans they were usually offered.

2.6 CONCLUSION

Microfinance is basically the provision of financial services mainly savings and credit to poor people with no access to commercial banks. The microfinance industry has been established over two decades in a number of countries in South-east Asia, Latin America and Africa. The concept of microfinance in Ghana spans as far back as 1995. As at 2000, there were only two main microfinance organisations that are governed by the provisions of Decree 328 and namely Credit unions and Savings & Loans Companies. In 2011, BoG re-categorized the operations of MFIs into four tiers depending on their various activities.

Opportunity International was founded in 1971 by Al Whitaker and Bristol Myers. In Ghana OISL was founded in 2004. The organisation offers both group and individual loans and other non financial services to its clients. With regards to the group loans, individuals within the group serve as guarantors for each others' loans. OISL offers opportunities for people to both borrow and save as well as an insurance subsidiary - MicroEnsure- to enable clients seek protection against unforeseen risks.

A customer is defined as anyone to whom is supplied a good or service and customer service is anything that we do for the customer to enhance his/her experience. Customer satisfaction is a person's overall feelings of pleasure or disappointment that comes about as a result of comparing a particular product's perceived performance.

On the whole, a number of researches have been done in relation to customer satisfaction. These studies generally looked at the interrelationship between customer service and satisfaction and also product availability and customer satisfaction. Clearly, customers preferred better customer service in order to enhance their satisfaction levels. In addition, customers preferred more innovative products other than the traditional loans.

CHAPTER THREE

METHODOLOGY

3.1 INTRODUCTION

This chapter discusses the methodology used to undertake the study. It is divided into the following sub-sections - research approach, research variables, sampling, data collection and data analysis techniques.

3.2 RESEARCH APPROACH

This research is mainly descriptive and qualitative in nature. With the descriptive manner, the research attempted to describe in a methodical manner, the views of clients of OISL in relation to customer satisfaction. The qualitative approach was used because it afforded the researcher to gather more data on the experience of customers whose views were sought during the data collection stage. The customers' views were then presented in its original context. The research also made use of OISL as a case study. This was done because there was the need to have an in-depth study in customer satisfaction of OISL clients.

3.2.1 DESCRIPTIVE RESEARCH

This form of research employed accorded the researcher the ability to gather data that described events relating to customer satisfaction as well as organize tabulate and depict the data collection process with the aid of charts. This would facilitate easy understanding of customer's views on satisfaction derived from both services rendered and the availability of products/ infrastructure.

3.2.2 QUALITATIVE APPROACH

With this approach, customers (sample) of OISL were given the opportunity to share their firsthand experience with the researcher. With the use of structured, open-ended questionnaire, 110 customers from OISL explained from their perspective, the kind of customer service they received and in turn expected from frontline staff or CSOs, the type of products they would prefer as well as suggested new and innovative products that can enhance their customer service experience.

3.2.3 CASE STUDY RESEARCH

With the case study research, the researcher was not only interested in customers perspective on the issue bothering on customers' satisfaction but also how much customers' interrelate. It also enabled the researcher to triangulate views of various customers of OISL with the help of a structured questionnaire.

3.3 THE RESEARCH VARIABLES

The key variables or items that the research sought to know was what customers thought of products and infrastructure available at the various branches, how they perceived customer service rendered by staff and solicited for suggestions on how best they thought they could be satisfied as customers of the MFI.

3.4 POPULATION

OISL has 27 branches spread in 6 regions of the country, including Accra, Akim Oda, Kumasi, Koforidua, and Sunyani etc. The MFI has a total of about 350,000 clients from all the 27 branches as at 2012.

3.5 SAMPLING

In order to have a good representation of clients of OISL, especially following from the earlier mystery shopping, data was collected from 11 of these branches which were the same branches visited by the mystery shoppers. Ten interviewers were selected from Accra Central, Ashaiman, Circle, Kasoa, Madina, Asafo, Kejetia, Suame, Nkawkaw, Takoradi and Techiman through purposive sampling. These branches were selected based on the eleven branches initially visited by the mystery shoppers in the initial research carried out at OISL. Purposive sampling was employed to engage customers who have been with the MFI for two years and above and frequently visit their branches and therefore are well informed about the products and services available at their respective branches.

3.6 DATA COLLECTION

The study relied predominantly on primary data to come out with its findings but was also supported by secondary data from literature reviewed in the course of the study.

3.6.1 PRIMARY DATA

Primary data was collected by the use of questionnaire administration from all the eleven branches. A structured and open-ended questionnaire was employed and administered one-on-one on customers of OISL. This technique was used to ensure that clients who were illiterates were fairly represented in the research. The survey elicited information regarding their background, their perception of quality of service provided, available products and the banking infrastructure.

With regards to the background of customers, questions relating to their age, level of education and occupation were asked. Questions such as those pertaining to the friendliness

of CSOs/ frontline staff, their helpfulness and courteousness were also asked. Other questions on customers' knowledge of available products, kind of account they had, their most frequent transaction within the last four weeks were asked. Additionally, how long they have usually taken for such a transaction and their general perception of loan products available at OISL was also asked. Apart from these, questions relating to how comfortable they find the banking halls, facilities in the halls, the layout and safety measures put in place by each of the selected branches were put across to them. The researcher also solicited for their suggestions on products and/or services that they believed could raise their satisfaction levels as clients of OISL.

Ten questionnaires were administered in each of the 11 branches that were selected. This adds up to one hundred and ten questionnaires nationwide. This sample size of ten is representative for each of the branches thereby making it possible to generalize findings for all OISL customers throughout the country.
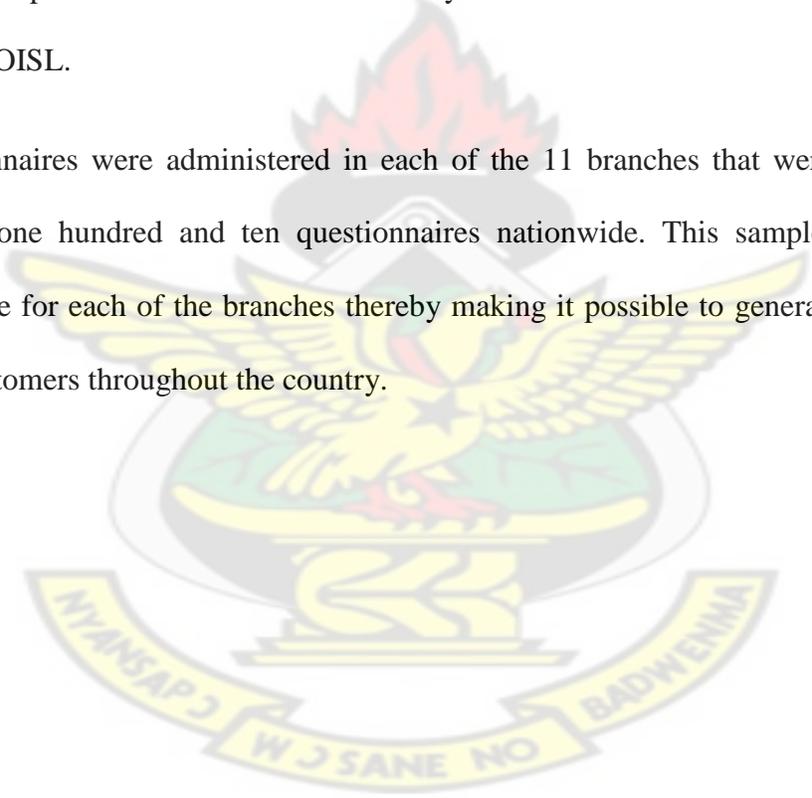
Table 3.6.1: Sample and data collection methods

Branch	Sample size	Method of Data Collection
Accra Central	10	Structured open-ended questionnaires
Ashaiman	10	Structured open-ended questionnaires
Circle	10	Structured open-ended questionnaires
Kasoa	10	Structured open-ended questionnaires
Madina	10	Structured open-ended questionnaires
Asafo	10	Structured open-ended questionnaires
Kejetia	10	Structured open-ended questionnaires
Suame	10	Structured open-ended questionnaires
Nkawkaw	10	Structured open-ended questionnaires
Takoradi	10	Structured open-ended questionnaires
Techiman	10	Structured open-ended questionnaires

3.7 DATA ANALYSIS

Statistical Package for Social Sciences (SPSS) and Microsoft Excel were used to analyse the field data. This was to enable the researcher come out with reasons why customers of MFIs particularly OISL are either satisfied or dissatisfied with the services and products of OISL. Other services or products that customers suggested to be introduced in addition to the already existing products were explicitly stated. The methods of analysis included frequency tables, percentages as well as charts such as bar and pie charts.

3.8 CONCLUSION

The study was mainly descriptive and qualitative in nature. The research also made use of OISL as a case study. Research variables such as customers' view of available products and infrastructure at the various branches, how they perceived customer services rendered by customer service officers and suggestions on how best they thought they could be satisfied as customers of an the MFI was also solicited in the research.

Out of the 27 branches of OISL in 6 regions of Ghana, customers from 11 of them were selected based on the mystery shopping already conducted by the company in 2011. Ten interviewers were selected from each branch based on how long they have been with OISL (two years or more) and questionnaires were administered in a face-to-face manner so as to capture the views of both literate and illiterate. SPSS was used to analyze data captured from field and will include some methods of analysis such as pie charts, bar charts, frequency tables and percentages.
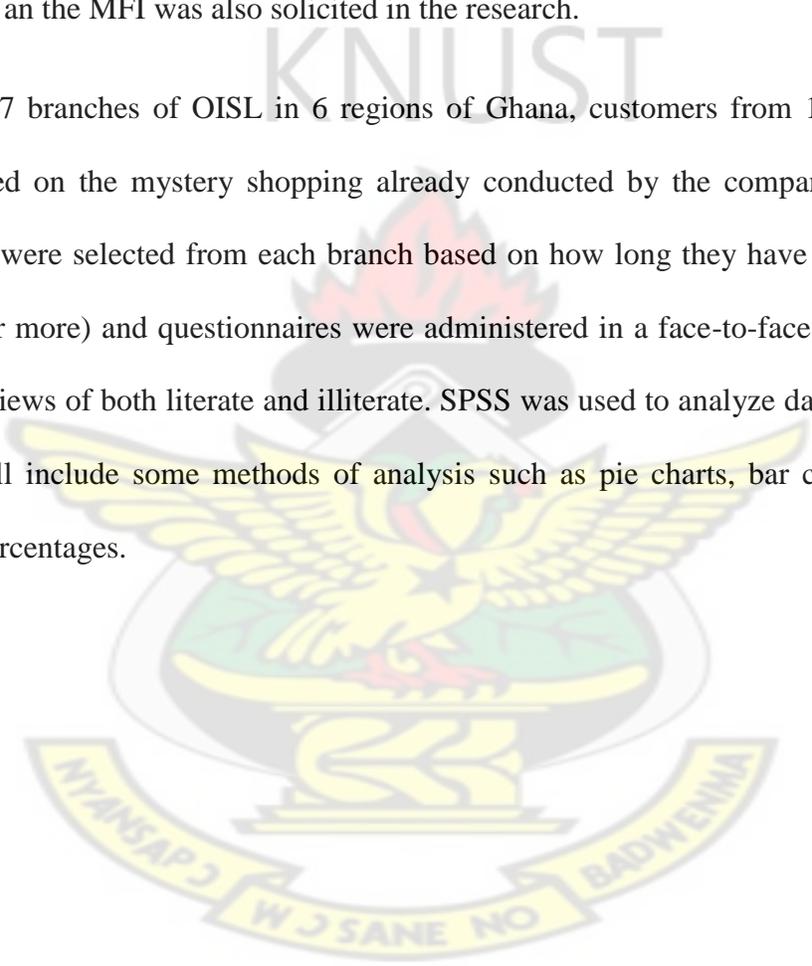
CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF FINDINGS

4.1 INTRODUCTION

This chapter is dedicated to the analysis of the field data and discussion of the findings. Specifically, it looks at dimensions of customers' perspective on services rendered by frontline staff of Opportunity International Savings and Loans Ltd (OISL), in line with the objectives of the research. It also looks at the kind of products available and what clients think of these products as well as new ones that they suggest should be added on in order to increase their satisfaction levels. The chapter also examines customers' views on infrastructure at the various branches of OISL in terms of what they prefer.

4.2 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

Out of the 110 respondents, 37 of them, representing 33.6% of the total sample size, were between the ages of 30-39; 32 of them representing 29.1% were between 20-29 years, 31 representing 28.2% were between 40-49 years; while 9 of them representing 8.2% were between 50-59 years. Only one person (0.9%) was above the age of 60. These statistics are in consonance with the 2000 Population and Housing Census (PHC) which indicates that the economically active in Ghana are between the age bracket of 15- 49. It is therefore not surprising to find that the first three major proportions of clients are within the age brackets of 30 -39, 20 -29 and 40 -49 respectively (as shown in Table 4.2.1).

Table 4.2.1: Age distribution of respondents

Age	Frequency	Percent
20 - 29	32	29.1
30 - 39	37	33.6
40 -49	31	28.2
50 - 59	9	8.2
Above 60	1	0.9
Total	110	100.0

Source: Field data, May-June 2012

Out of the sample of 110 respondents, 58 (52.7%) of them were males while the remaining 52 (47.3%) were females as indicated in Table 4.2.2. These figures do not however reflect the gender distribution in Ghana. The 2010 Population and Housing Census stated that males make up 48.7% of the population while females constitute 51.3%. This could be attributed to the fact that in most Ghanaian homes, the males are economically active and therefore are able to save more as compared to their female counterparts who are mostly occupied by household chores which are not financially rewarding.

Table 4.2.2: Gender distribution of respondents

Gender	Frequency	Percent
Male	58	52.7
Female	52	47.3
Total	110	100.0

Source: Field data, May-June 2012

It is worthwhile to note from Table 4.2.3 that the highest educational level attained by the majority of the respondents was Middle/ Junior High School (36 respondents representing 32.7%), followed by Senior High School graduates (30 representing 27.3%) and then Tertiary graduates (22 representing 20%). These educational levels could probably account for the high numbers in the trading profession as compared to those in business as indicated in Table 4.2.4 below.

Table 4.2.3: Level of education of respondents

Level of Education	Frequency	Percent
None	7	6.4
Primary	5	4.6
Middle/ JSS	36	32.7
Voc./Comm.	10	9.1
SSS	30	27.3
Tertiary	22	20
Total	110	100.00

Source: Field data, May-June 2012

As shown in Table 4.2.4, majority of the clients of OISL are traders. Out of the 110 sample selected, traders were 44 in number representing 40% of the total. The next highest occupation of the clients was business men/women (20%), followed by artisans (10.9%). The high representation of traders depicts the fact that the MFIs services are mostly designed to serve the relatively poor in society who are usually shunned by the formal banks (Asiama and Osei, 2007; Adjei and Arun, 2009). For the high percentage of businessmen/women, this could be attributed to fact that quite a number of their Small and Medium-Scale Enterprises

(SME) could easily access either start-up loans or loans to expand their businesses. Since this is in line with the vision of the founders of OISL -'...to provide small loans to emerging entrepreneurs that would enable them to start or expand a business' (Schicks2008:8)

Table 4.2.4: Occupation of Clients of OISL

Occupation of clients	Frequency	Percent
Electrician	2	1.8
Civil Servant	3	2.7
Technician	3	2.7
Others(caterers, clergy, galamsey operator, drivers)	6	5.4
Public Servant	7	6.4
Student	11	10.0
Artisan	12	10.9
Businessman/woman	22	20.0
Trader	44	40.0
Total	110	100.0

Source: Field data, May-June 2012

4.3 PERCEPTION OF CLIENTS ON CUSTOMER SERVICES RENDERED BY OISL STAFF

In examining the kind of customer service rendered by OISL staff, a number of variables were considered. These included the friendliness of CSOs/tellers, politeness of CSOs/tellers, display of courtesies, helpfulness of CSOs/tellers as well as the average time spent in transacting business. These individual items are analysed as follows:

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4.3.1 FRIENDLINESS OF CSOS/TELLERS

Results from data collected as shown in Figure 4.3.1a indicates that majority of clients thought that CSOs/ tellers in the various branches of OISL were very friendly. A total of 65 clients out of the 110 (59.1%) were of the view that CSOs were very friendly. Additionally, 39 clients (35.5%) also thought the CSOs/tellers were friendly. Just about 6 persons held a contrary opinion with 4 persons (3.6%) and 2 persons (1.8%) stating that the CSO/tellers were not friendly and not at all friendly respectively.

Figure 4.3.1a: Friendliness of OISL CSOs
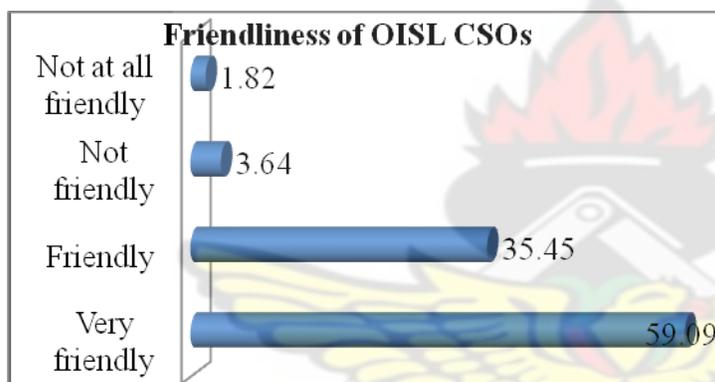
Source: Field data, May-June 2012

When clients were asked to give reasons why they thought the frontline staff of OISL were friendly or not, a number of reasons emerged (as shown in Fig. 4.3.1b). For those who thought staff of OISL were friendly, the most recounted reason was that CSOs/ tellers always smiled and welcomed customers warmly (38.2%). The next two most important reasons were that frontline staff were generally friendly/sociable (19.1%) and that staff have good customer relations (12.73%). Others also thought that treatment given out by staff was average (0.9%). Yet other customers were of the view that staff were not friendly and went ahead to explain that staff do not smile and are unfriendly (2.7%) and some of the frontline staff were rude (0.9%) but these comments were quite low as depicted in the figure below.

Fig. 4.3.1b: Reasons for Friendliness/ Unfriendliness of Staff

Reasons for friendliness

Negative	Some of the frontline staff are rude	0.91
	Frontline staff are not helpful	0.91
	Staff are unfriendly and even frown when..	0.91
	Frontline staff do not smile and are not..	2.73
Neutral	Treatment given by staff of OISL is average	0.91
	CSOs/ Tellers are more friendly than..	0.91
	Staff do not discriminate against..	1.82
	Staff are approachable	3.64
	CSOs speak politely	7.27
	CSOs/ Tellers are patient with us and also..	10
	Staff have good customer relations	12.73
	Frontline staff are very friendly/sociable	19.09
	Staff smile and welcome customers warmly	38.18

Source: Field data, May-June 2012

4.3.2. HELPFULNESS OF FRONTLINE STAFF

With regards to customers' views on how helpful they thought the frontline staff of OISL were, a trend similar to the previous responses emerged. Out of the 110 respondents, 59 of them representing 53.6% considered staff as being very helpful, 42 representing 38.2% rated them as being helpful, while only 9 representing 8.2% thought they were not helpful. This is as indicated in Table 4.3.2a.

Fig. 4.3.2a: Helpfulness of CSOs
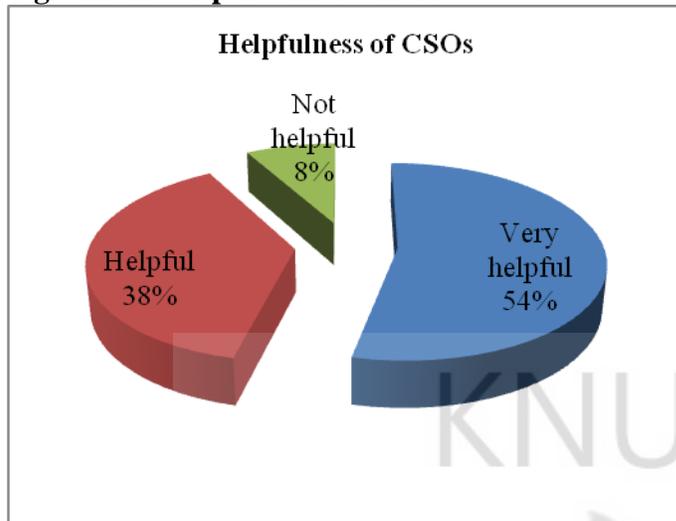
Source: Field data, May-June 2012

The reasoning associated with these ratings varied from one customer to the other. The majority of the customers who rated OISL's CSOs as helpful mostly made mention of how willing CSOs provided answers to enquiries they made (30.9%). Other positive views expressed on helpfulness of staff was that frontline staff provided assistance whenever it was needed (24.6%). The ability of CSOs/tellers to assist them in carrying out their transactions (16.7%) was also mentioned. These results are depicted in Fig 4.3.2b. Even though there were not so many negative views expressed, some customers also thought staff were not helpful (8%). Reasons associated with that rating were that frontline staff were not willing to help when called upon (5.5%) and that staff were not helpful and needed to be trained (1.8%).

Fig 4.3.2b: Reasons for Helpfulness of frontline staff of OISL

Reasons for helpfulness

Category	Reason	Value
Negative	CSOs did not grant loan request	0.91
	Staff are not helpful and need to be..	1.82
	Frontline staff are not willing to help..	5.45
Neutral	No reason	1.82
	Staff sometimes provide special..	0.91
	Staff readily listen to problems we..	0.91
	Staff can easily be approached for..	0.91
	Staff provide updates on occurances..	1.82
	Staff have good customer relations	2.73
	Staff assist us in filling our..	10.91
	CSOs/Tellers assist us in carrying..	16.36
	Frontline staff provide assistance..	24.55
		30.91

Source: Field data, May-June 2012

4.3.3 COURTESIES SHOWN BY STAFF OF OISL

Customers were again asked to share their views on courtesies shown by the frontline staff of

OISL during their transactions. According to most customers (93 out of 110), staff of OISL

were very courteous as indicated in Fig 4.3.3a. However 16 of them thought otherwise with

just about 1 customer stating that he/she did not know whether staff were courteous or not.

Fig.4.3.3a: Customers' perceived courtesies of OISL tellers
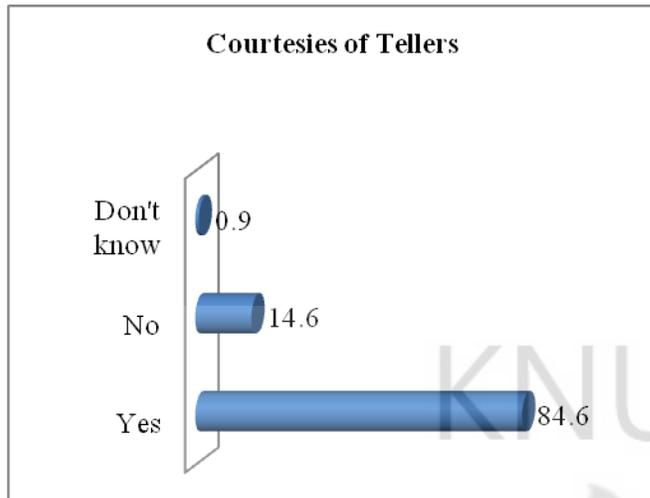
Source: Field data, May-June 2012

Following customers views on courtesies exhibited by staff, reasons associated were mostly positive. Majority of these customers (50.9%) mentioned that the CSOs/tellers always greet them, address them by their names and talk to them politely. Other customers added that although CSOs greeted them it was not always (11.8%). In as much as most views expressed by customers were positive, others however expressed negative views. Some of these were that CSOs/tellers were courteous because they wanted to maintain their customer relations (5.5%) and CSOs/tellers were not familiar with their names and therefore could not address them by name (3.6%) as indicated in Fig. 4.3.3b.

Fig.4.3.3b: Reasons for Courtesies shown
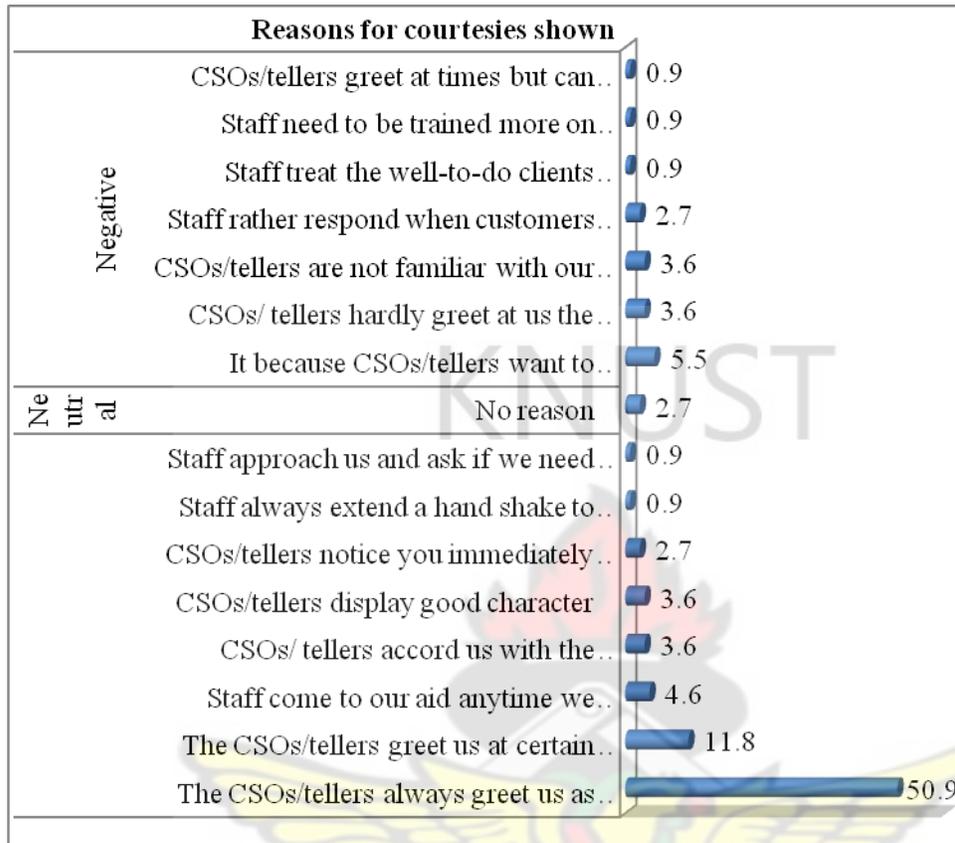
Source: Field data, May-June 2012

4.3.4 ASSESSMENT OF WAITING PERIODS

Again, customers were asked to assess the waiting period for any kind of transaction they had to do in the banking hall. 38.2% of the customers rated the waiting period as being good regardless of the transaction. The others, 27.3%, 6.4% and 0.9% of the total customers interviewed thought that the period was very good, average, bad and very bad respectively as shown in Fig 4.3.4a.

Fig. 4.3.4a: Assessment of waiting periods
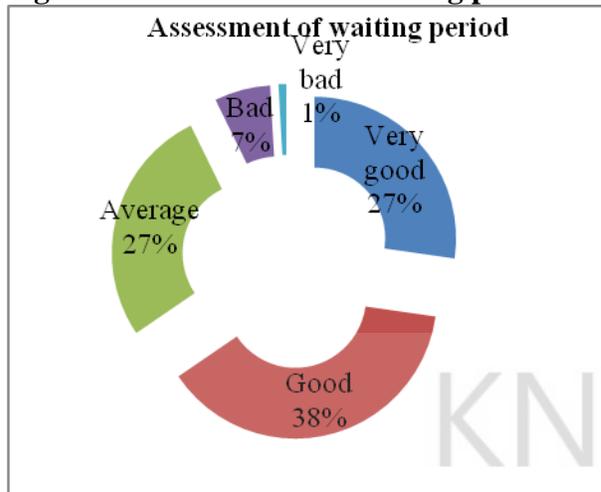
Source: Field data, May-June 2012

The customers were asked to assign reasons for their assessment of the waiting period. Although responses from customers were mostly positive, others were negative as well as neutral. With regards to the positive views, 45.5% of the customers were of the opinion that they did not waste time at all when transacting business at the banking hall. Another 6.7% thought that the waiting period was better as compared to other competitors. With that of the negative opinions, 10.9% of the customers thought that the delay in transactions was caused by inadequate tellers at the various branches of OISL and 9.1% also thought that customers spent so much time in transacting businesses. These results are shown in Fig.4.3.4b. In relation to the neutral views, 10% of the customers mentioned that the waiting time varied, being sometimes slow and other times fast. Meanwhile, 5.5% of the respondents said that since tellers are obliged to serve on first come first served basis, they could only wait for their turns.

Fig. 4.3.4b: Reasons for assessment of waiting periods
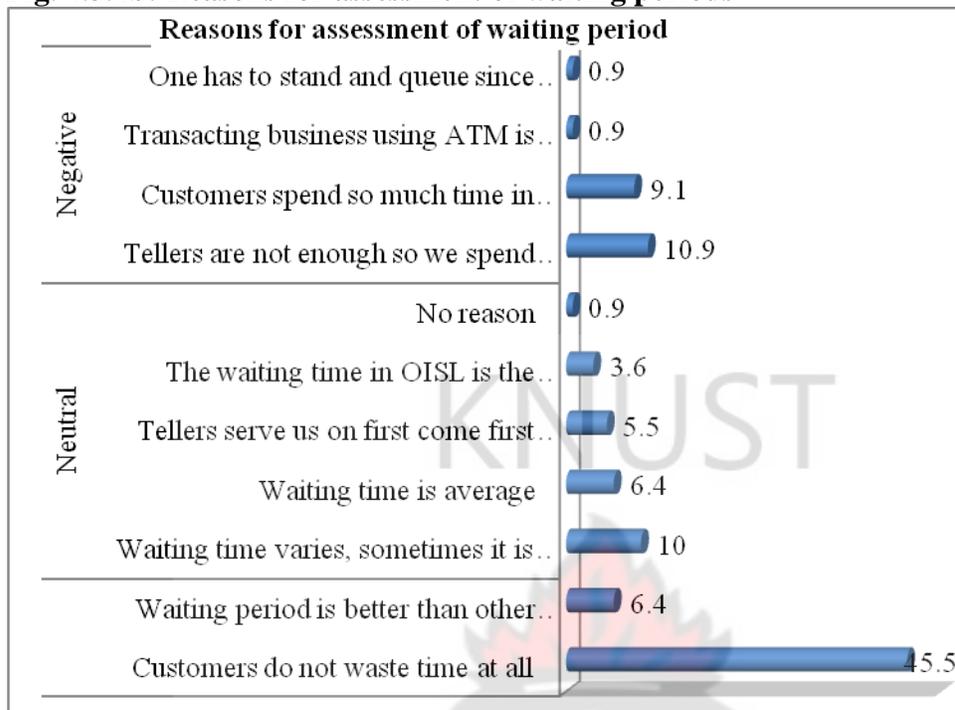
Source: Field data, May-June 2012

4.4 DISCUSSION OF CUSTOMER SERVICE FINDINGS

As already mentioned, the variables used for measuring customer service were friendliness of CSOs/tellers, courtesies displayed by frontline staff, helpfulness of staff and the waiting time for transacting business. For all these variables, most of the customers replied in the affirmative that they were satisfied (As depicted in the preceding analyses, 94.5% of the customers perceived frontline staff of OISL to be friendly, 91.8% of customers considered them as helpful, 84.6% considered them as courteous while 65.5% of them thought that the waiting time for transacting business was generally good).

In comparing these findings to that of the mystery shopping conducted by OISL in 2011, there is a vast difference. For the mystery shopping results, the overall branch performance was rated as 39% which included the quality of service provided by CSOs/tellers in the selected branches. This clearly shows that the quality of customer service in OISL has improved and may be attributed to the fact that the findings from the mystery shopping may have been used as a basis to train frontline staff on better customer service.

4.5 PRODUCTS AND INFRASTRUCTURE

This sub-section looks at customers' knowledge of products available at OISL and their perception of the infrastructure present at the various branches.

4.5.1 KNOWLEDGE OF AVAILABLE PRODUCTS AT OISL

As illustrated in Figure 4.5.1 below, 40 out of the 110 customers interviewed had been with OISL for 2 years, 33 had been with them for at least 5 years, 16 had been with OISL for 3 years and 17 had been with them for 4 years. Even though most of those interviewed had been with OISL for just two years (40 respondents), the next highest number of respondents (33 respondents) had been with them for at least 5 years. This implies that in as much as there are relatively new customers there are also the already existing ones as well. In this way the finding re-echoes Kotler's (1997) point that it is more expensive to keep a new customer happy as compared to keeping an already existing customer happy and therefore tries to keep a fair balance of both kinds of customers.

Fig. 4.5.1: Number of years with OISL

No. of years with OISL

- 5 years or more 30%
- 4 years 15%
- 3 years 15%
- 2 years 40%
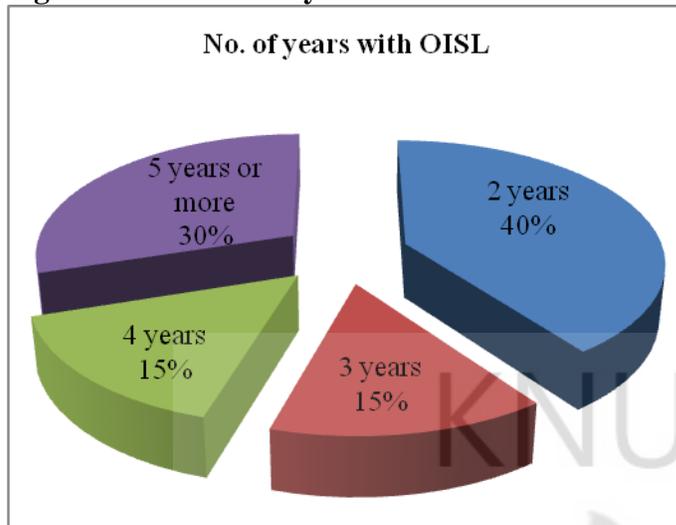
Source: Field data, May-June 2012

When these customers were asked if they knew the available products at OISL, 89 representing 80.9% said they did (as shown in Table 4.5.1). The remaining 21 representing 19.1% said they had no idea. Since a majority of them knew the available products, it presupposes that most of the already existing customers have been made aware. However, that notwithstanding customers need to be educated more on what is available and enough awareness created on potentially new products since customers sampled in this study had been with OISL for not less than 2 years.

Table 4.5.1: Knowledge of available products

Knowledge of available products	Freq.	Percent
Yes	89	80.9
No	21	19.1
Total	110	100.0

Source: Field data, May-June 2012

Fig. 4.5.2: Knowledge of Available products
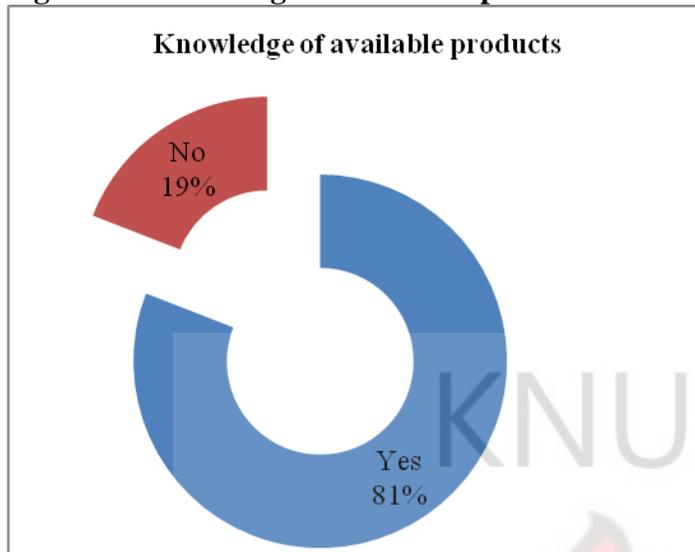
Source: Field data, May-June 2012

Out of the 219 multiple mentions of the kind of products available at OISL, 30.6% mentioned of an Insurance cover while 23.7% mentioned Savings, 18.7% mentioned Susu and 15.5% mentioned Current account. This is shown in detail in Table 4.5.2. This implies that the customers are more familiar with the Insurance Cover, Savings, Susu and Current accounts since they could easily recall them. It is therefore important more awareness is created for the other products in order for customers to patronise them.

Table 4.5.2: List of available products at OISL

		Responses		Percent of
		N	Percent	Cases
Products	Savings account	52	23.7%	59.1%
	Susu Savings	41	18.7%	46.6%
	Current account	34	15.5%	38.6%
	fixed deposits	15	6.8%	17.0%
	agro saver account	4	1.8%	4.5%
	Insurance coverage	67	30.6%	76.1%
	Group account	4	1.8%	4.5%
	Educational Loan	2	.9%	2.3%
Total		219	100.0%	248.9%

Source: Field data, May-June 2012

The 110 respondents were further asked if they had ever taken a loan from OISL. It came out that more than half (64 representing 58.2%) of them had ever accessed a loan from the MFI. The rest had never done so as indicated in Table 4.5.3.

Table 4.5.3: Has client ever taken a loan from OISL

Has client taken a loan	freq	percent
Yes	64	58.2
No	46	41.8
Total	110	100.00

Source: Field data, May-June 2012

For the 64 respondents who had accessed a loan facility from OISL, up to 31.3% had accessed it just once. It is also worth noting that the next significant ones were 26.6% and 21% who had accessed it more than four times and two times respectively as shown in Fig. 4.5.3.

Fig. 4.5.3: Number of times loan was taken
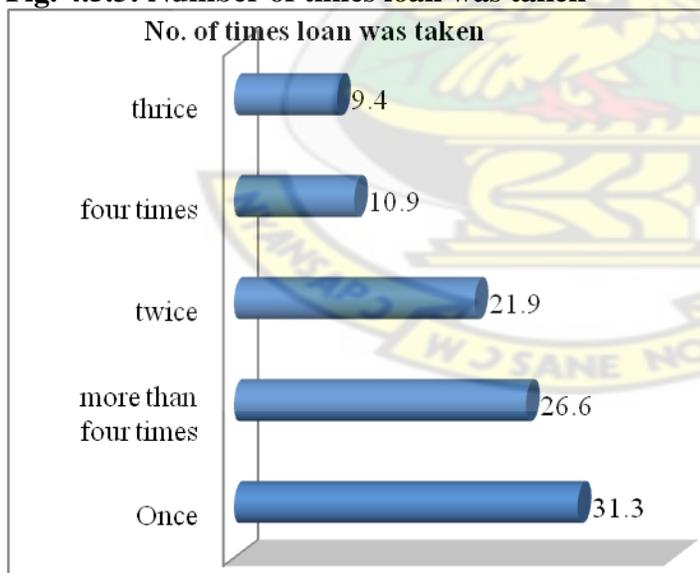
Source: Field data, May-June 2012

Most of the customers (56.4%) who had ever accessed the loan facility generally expressed satisfaction for the repayment schedule (as shown in Fig. 4.5.4). In addition, 21.9% mentioned that they were satisfied whiles the other half (21.9%) equally expressed dissatisfaction.

Fig 4.5.4: Assessment of repayment schedule
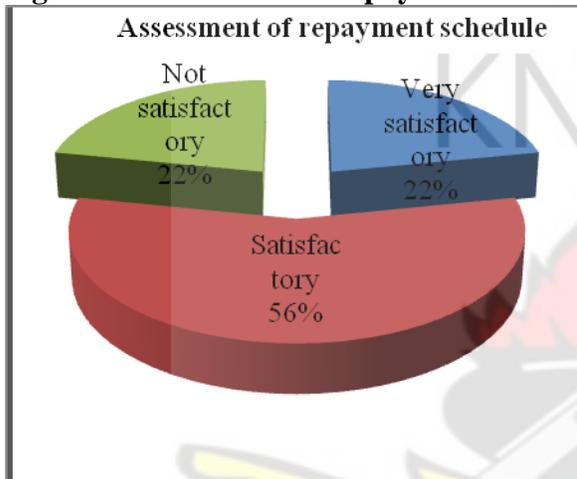
Source: Field data, May-June 2012

Again most of the reasons for the assessment were in the affirmative as shown in Fig 4.5.5. Up to 65.6% indicated that the repayment schedule was flexible and that they were given no pressure at all to repay. For the most obvious negative view, customers were of the opinion that they were not given enough time to repay making them feel under pressure to pay back the loan

Fig. 4.5.5: Reasons for assessment of repayment schedule
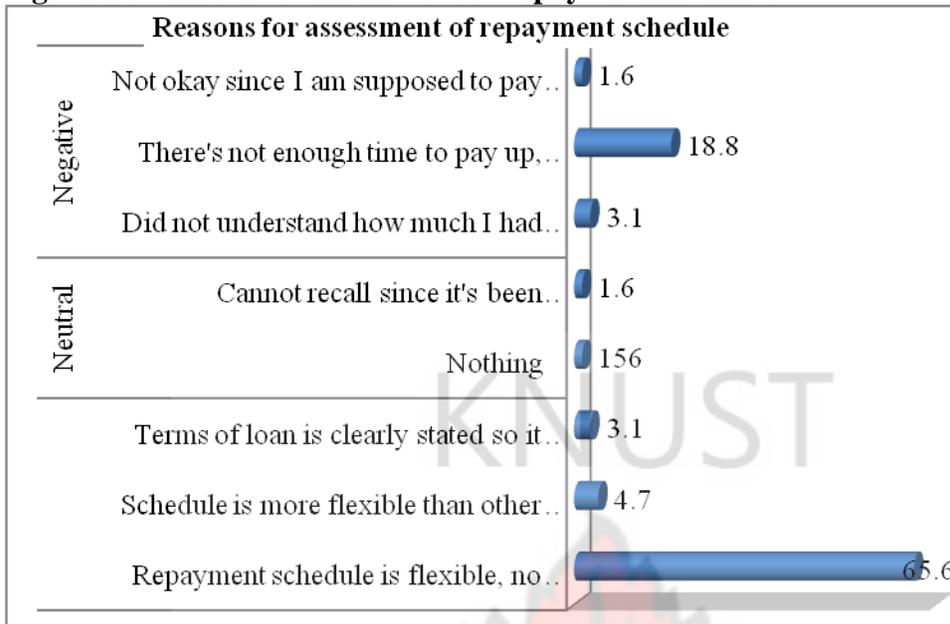
Source: Field data, May-June 2012

With regards to the lending interest rate, more than half of the customers who have ever assessed loans from OISL were satisfied with the rate. As depicted in Fig. 4.5.6, 51.6% assessed it as satisfactory and the others, 37.5%, 7.8% and 3.1% assessed it as not satisfactory, very satisfactory and not at all satisfactory, respectively.

Fig. 4.5.6: Assessment of lending rate
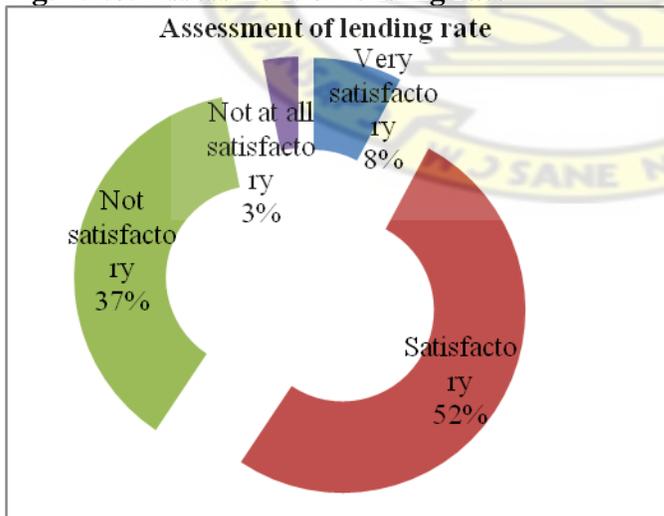
Clearly, customers had different reasons for this assessment as depicted in Fig. 4.5.7. These ranged from positive views to negative views. Notably amongst the positive views were that the lending rate was moderate (29.7%) and that comparatively, the rate was better than other competitors (18.8%). The most significant negative view was that the lending rate was too high (31.3%). It is important to note that even though majority of them considered the rate as generally okay, a significant others also thought that it was too high.

Fig. 4.5.7: Reasons for assessment of lending rate
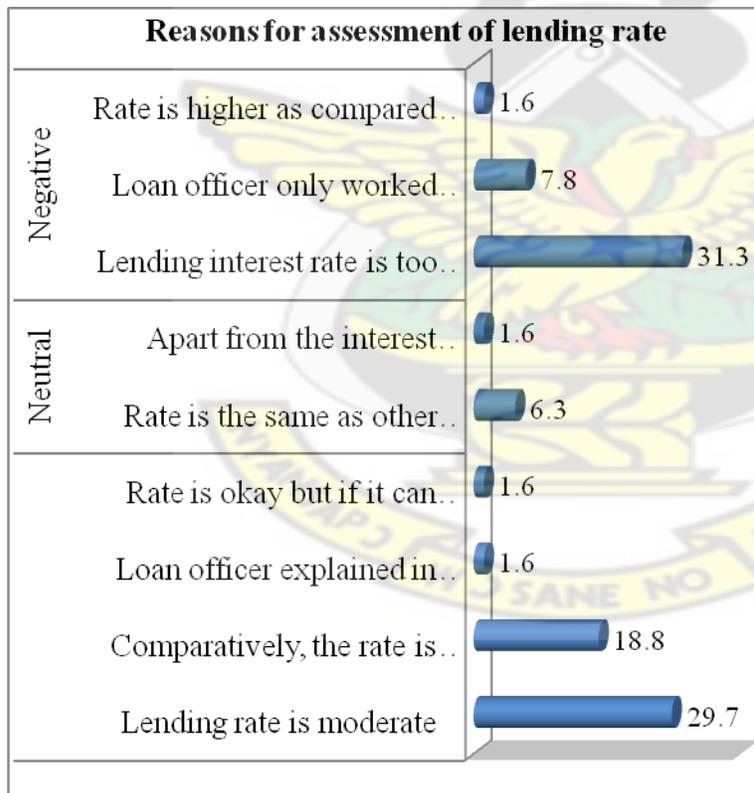
4.6. AVAILABLE INFRASTRUCTURE AT OISL

The study again considered customers' likeness of the banking hall. Out of the 110 respondents interviewed in the study, 81% mentioned that they liked the hall. The rest (19%) said otherwise (shown in Fig.4.6.1).

Fig.4.6.1: Likeness of banking hall
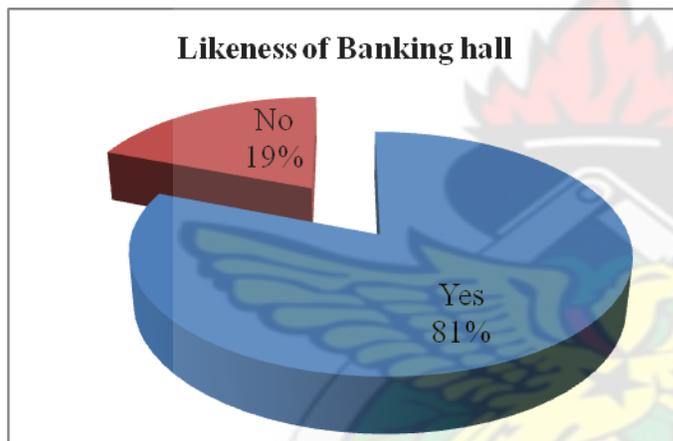
Source: Field data, May-June 2012

In confirming their likeness for the banking hall, a significant number of the respondents said they considered the banking hall to be both clean and well arranged (34.6%). Another significant positive view was that the hall was spacious (19.1%). However, 16.4% also considered the hall to be less spacious with not enough seats for customers to sit on when they visited the various branches of OISL. Other respondents with neutral views thought the banking hall was like any other MFI with no additional features (7.3%).This is illustrated in detail in Fig. 4.6.2.

Fig 4.6.2: Reasons for likeness of banking hall

Reasons for likeness of banking hall

	Reason	Value
Negative	The hall is not spacious enough...	16.4
	The lightning system in the...	1.8
	The hall smells like a hospital	0.9
	The entrance to the hall is very...	0.9
Neutral	The hall is as normal as any...	7.3
	Nothing	1.8
	The hall is well ventilated	0.9
		1.8
	The seating space in the...	2.7
	The hall has very nice...	2.7
	The banking hall is better than...	2.7
	The hall is relaxing	2.7
	The hall is condusive for...	3.6
	The hall is spacious	19.1
	The banking hall is clean and...	34.6

Source: Field data, May-June 2012

For the seating arrangements in the banking hall, 47% said they were comfortable, 39% were very comfortable and 14% were uncomfortable (as shown in Fig. 4.6.3). When these respondents were asked to further explain their ratings, a number of them mentioned the following positive reasons

- Seats are neatly arranged in the hall (24.6%)

- Chairs in banking hall are comfortable/relaxing (21.8%)

- Hall is free and spacious (16.6%)

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A few others had negative reasons such as the chairs being in bad shape and too small to sit on (4.6%).

Fig. 4.6.3: Seating arrangement in banking hall

Seating arrangement in hall
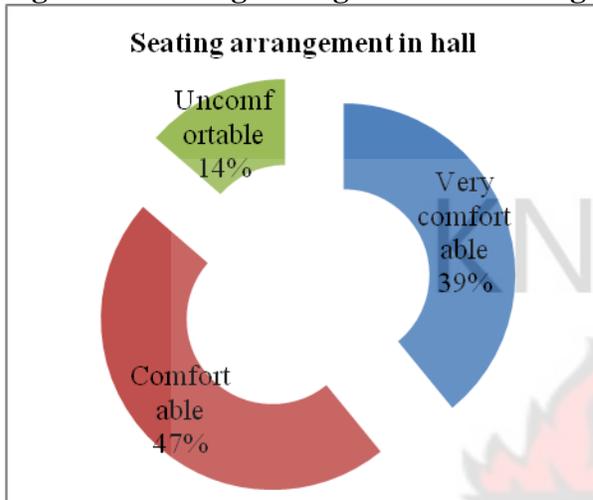
Source: Field data, May-June 2012

Fig 4.6.4: Reasons for assessment of seating arrangement in banking halls

Reasons for assessment of seating arrangement
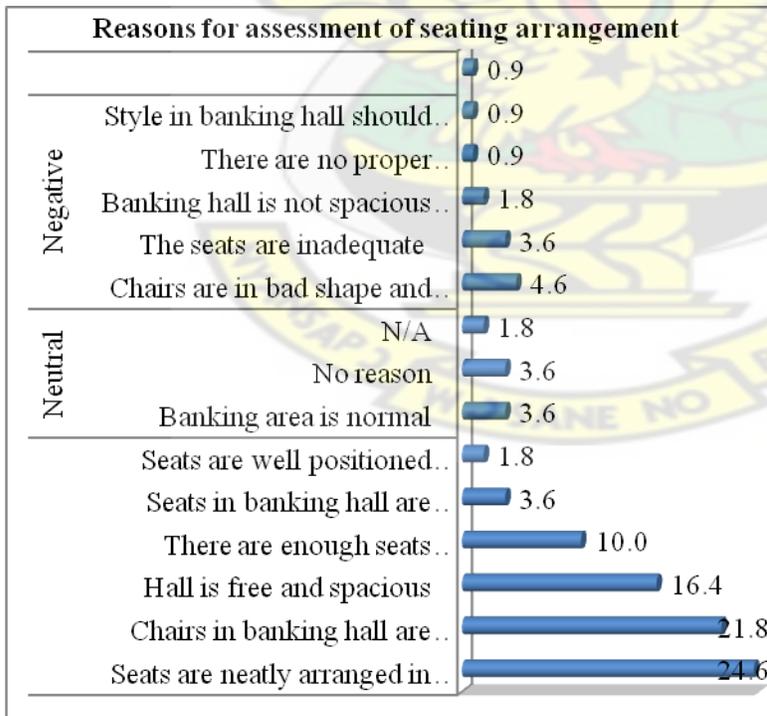
Source: Field data, May-June 2012

Questions relating to how customers viewed facilities in the hall brought up a number of diverse reasons. High percentages of the customers interviewed initially indicated they were very comfortable (47.2%) and comfortable (45.5%). As indicated in Fig.4.6.5, just a few others, 6.4% and 0.9% said they were uncomfortable and very uncomfortable respectively. In relation to the positive reasons, 30.9% mentioned that facilities in the banking hall are in good working condition, 16.4% mentioned that the use of the facilities such as air conditioners, drinking water and washrooms make them enjoy being with OISL and 13.6% thought that the facilities were available and easily accessible. On the other hand, one of the most significant negative opinions

was that some of the facilities did not function at all times.

Fig 4.6.5: Assessment of facilities in banking hall
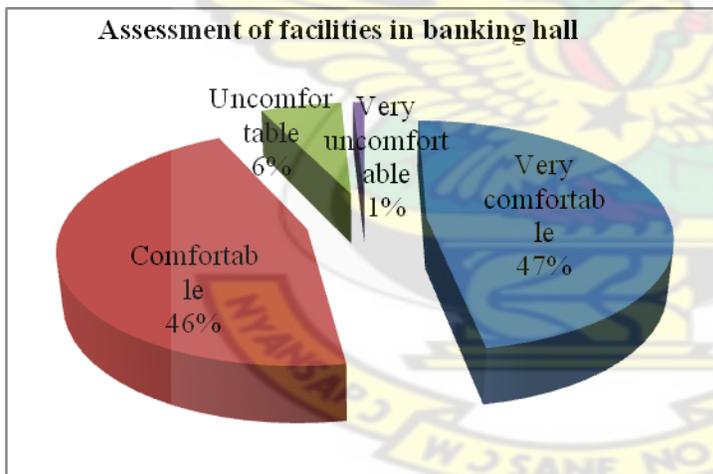
Source: Field data, May-June 2012

Fig. 4.6.6: Reasons for assessment of facilities

Reasons for assessment of facilities

	Reason	Value
Negative	Facilties are not available in banking hall	0.91
	Some facilities in the hall such as the washrooms are not accessible	0.91
	Some of the facilities such as the airconditioner is uncomfortable, the...	0.91
	Facilities including the airconditioner does not function at all times	7.27
Neutral	N/A	3.64
	Facilities in OISL are just like other banks	11.82
	The facilities within the hall are well positioned for convenient use	0.91
	Facilities in OISL are better than those of other competitors	1.82
	Facilities in OISL are helpful	1.82
	Facilities in hall are available and easily accessible	9.09
	Availability of facilities in banking hall makes the enviroment conducive and...	13.64
	The use of these facilities makes us enjoy OISL's services	16.36

Source: Field data, May-June 2012

4.7. DISCUSSION OF FINDINGS ON AVAILABLE PRODUCTS AND INFRASTRUCTURE

The analysis of results so far indicates that customers of Opportunity International were generally knowledgeable on products available at OISL. As many as 89 out of the 110 respondents said they knew about them and then went ahead to list as many as they could recall. The most recalled product was that of the Insurance cover (30.6%)a multiple mention.

More than half (58.2%) had ever assessed OISL's loan facility. This implied that customers found the package attractive and therefore patronised the product. Unlike customers of Ugandan affiliates (WWB 2003: 7), whose "group loans were [generally] characterized by a short term loan term (16 weeks) and high interest rates, which resulted in large instalments that many customers could found difficult to repay", the customers who had assessed the loan as at the time of the study, generally expressed satisfaction for some of the loan features such as the repayment schedule (65.6%) and the lending interest rate (51.6%).

For majority of the customers, satisfaction levels were quite high for the infrastructure available at the various branches. At least 81% said they liked the hall, 86% said they were comfortable with the seating arrangements and 92.72% said they were also comfortable with the facilities in the banking hall. According to Dr.Noriaki Kano in Crocker and West (2003), the infrastructure in the banking hall can be classified as dissatisfiers. In relation to this classification, the literature explains that these aspects of customer expectations are hardly mentioned when they are asked for what they expect in a product because they are usually assumed to be present. In this case customers would have been quite unsatisfied if they were made to stand throughout a transaction without an option and also had no water to drink when they felt thirsty.

4.8 SUGGESTIONS OF NEW PRODUCTS

This sub-section outlines the suggestions clients made in relation to new products that they wanted OISL to add on to their already existing list of products.

4.8.1 LIST OF NEW PRODUCTS

As shown in Table 4.8.1, most of the clients (60%) had no suggestions for new products.

However, a significant number of those who made suggestions thought that OISL should

introduce ATM/Visa Cards (11.7%) and mobile banking (10.0%).

Table 4.8.1: Suggestions for new products

$Suggestions pdts Frequencies

		Responses		Percent of Cases
		N	Percent	
Suggestions_pdts[a]	school loan	2	1.7%	1.8%
	home loans	2	1.7%	1.8%
	internet banking	2	1.7%	1.8%
	mobile banking	12	10.0%	11.0%
	No suggestions	72	60.0%	66.1%
	ATM / Visa cards	14	11.7%	12.8%
	Saturday banking	1	.8%	.9%
	Outlet to pay social security	1	.8%	.9%
	T bills	1	.8%	.9%
	Kiddy account	5	4.2%	4.6%
	Investment	1	.8%	.9%
	Paying of bills	2	1.7%	1.8%
	Startup capital	1	.8%	.9%
	Logistics Loan	1	.8%	.9%
	Scholarship	1	.8%	.9%
	Foreign account	1	.8%	.9%
	Introduce Bankers' draft	1	.8%	.9%
Total		120	100.0%	110.1%

Source: Field data, May-June 2012

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATAIONS

5.1 INTRODUCTION

The previous chapter examined the data obtained from the respondents and discussed the findings. This final chapter of the thesis summarizes the findings, highlights and main conclusions and, based on the identified challenges and suggestions, makes recommendations to improve customer satisfaction.

5.2 SUMMARY OF FINDINGS

Microfinance is the provision of financial services and the management of small amounts of money through a range of products and a system of intermediary functions that are targeted at low income clients. Over the years, research on microfinance has mostly concentrated on the three key areas- outreach to the poor, sustainability of the institution and impact among clients. Very few studies have been conducted in the area of customer satisfaction of these clients.

The purpose of this study was to identify the perception on customer service and available products/infrastructure of Opportunity International Savings and Loans Company Ltd, a leading microfinance company in Ghana. The study employed a descriptive approach to elicit information on customers' perception of service rendered and products/infrastructure available and also their suggestions on how to improve upon them. A sample size of 110

customers of the company drawn from 11 branches in Ghana was used for the study. The main tool for data collection was structured questionnaire. Data was analysed and presented by means of frequency distributions, percentages, tables and charts.

The majority of clients (59%) thought that CSOs/ tellers in the various branches of OISL were friendly, with the most important reason being that the tellers always smiled and welcomed customers warmly (38.1%). A total of 94.54% also thought that staff were very helpful, saying that they were willing to provide answers to enquiries they made (30.91%). More than 85% also thought that the frontline staff were courteous and that the frontline staff always greeted them by their names and talked to them politely. They also described waiting periods as good regardless of the transaction (64.45%), and that they did not waste time at all when transacting business at the banking hall. Respondents also generally knew of the kind of products and services that were delivered by the company. Most of the customers (56.35%) who had ever accessed loan facility generally expressed satisfaction for the repayment schedule; they also indicted that the repayment schedule was flexible and that they were given no pressure at all to repay. Lending rates were also satisfactory to them. A total of 81% of the respondents also expressed likeness for the banking hall, saying the banking halls were clean and well-arranged, and spacious, making them feel comfortable. They also expressed satisfaction with facilities such as air conditioners, drinking water and washrooms.

The study also found that customers of Opportunity International were generally knowledgeable on products available at OISL. As many as 89 out of the 110 respondents said they knew about them and then went ahead to list as many as they could recall. The most recalled product was that of the Insurance cover (30.6%).

More than half (58.18%) had ever assessed OISL's loan facility. This implied that customers found the package attractive and therefore patronised the product. Moreover, customers who had assessed the loan as at the time of the study, generally expressed satisfaction for some of the loan features such as the repayment schedule (65.63%) and the lending interest rate (51.56%).

For majority of the customers, satisfaction levels were quite high for the infrastructure available at the various branches. At least 81% said they liked the hall, 86% said they were comfortable with the seating arrangements and 92.72% said they were also comfortable with the facilities in the banking hall. In relation to this classification, the literature explains that these aspects of customer expectations are hardly mentioned when they are asked for what they expect in a product because they are usually assumed to be present. In this case customers would have been quite unsatisfied if they were made to stand throughout a transaction without an option and also had no water to drink when they felt thirsty.

5.3 CONCLUSIONS

From the study conducted, the following conclusions have been drawn

The large majority of clients of Opportunity Savings and Loans Ltd. belong to the economically active age group (20-49) and have secondary education. Also, customers of OISL are generally satisfied with the services provided by the frontline staff since most of them rated the variables measured during the study in the affirmative. This is however in sharp contrast to the organisation's mystery shopping which was conducted in 2011.

Although most of the respondents have some knowledge of the available products, there were still others who were not aware of the products. In as much as that a higher percentage had assessed the loan facility, up to 40% expressed dissatisfaction with the lending interest rate and 20% also expressed dissatisfaction with the repayment schedule.

Furthermore, a number of customers have been able to suggest areas that Opportunity International should look at including the introduction of ATM/Visa Cards and mobile banking, in order to make them more satisfied about their services.

In conclusion, the research has been able to achieve the objectives set out at the beginning, and the research questions fully answered. The method has also been found to be fairly appropriate and fits into the overall structure of the work.

5.4 RECOMMENDATIONS

Based on the findings from the study, the researcher would like to make the following recommendations in order to increase the satisfaction levels of customers of OISL. These are outlined below as follows:

Results from the research show that customers of OISL are generally satisfied with services provided at the various branches. That notwithstanding, OISL can take advantage of these ratings to even better serve clients to create customer loyalty and also attract new ones.

Also, considering the fact that clients interviewed in this study had been with OISL for at least 2 years and also semi-illiterate, it is important for OISL to adapt strategies including interpersonal media such as peer-to-peer education in order to create awareness amongst

clients who were not so familiar with the products as at the time of the research. In addition deliberate steps should be taken to occasionally refresh and update customers on available products so as to keep them abreast with the MFI's products.

It is further suggested that loan officers of OISL become more proactive with clients needs and assist them in identifying loan products that will ultimately suit them. Conditions regarding loans should also be explicitly explained to them taking into consideration their background information especially that on their educational background.

It is worthwhile to note that OISL has already introduced the ATM/Visa and mobile banking except that they are operated on pilot basis. This research thereby suggests that OISL should quickly capitalize on these findings and then make these products accessible to all the clients. These products, if fully introduced will help raise the satisfaction levels of these clients and also entice new ones as it can serve as an avenue for OISL to gain a competitive edge over its competitors.
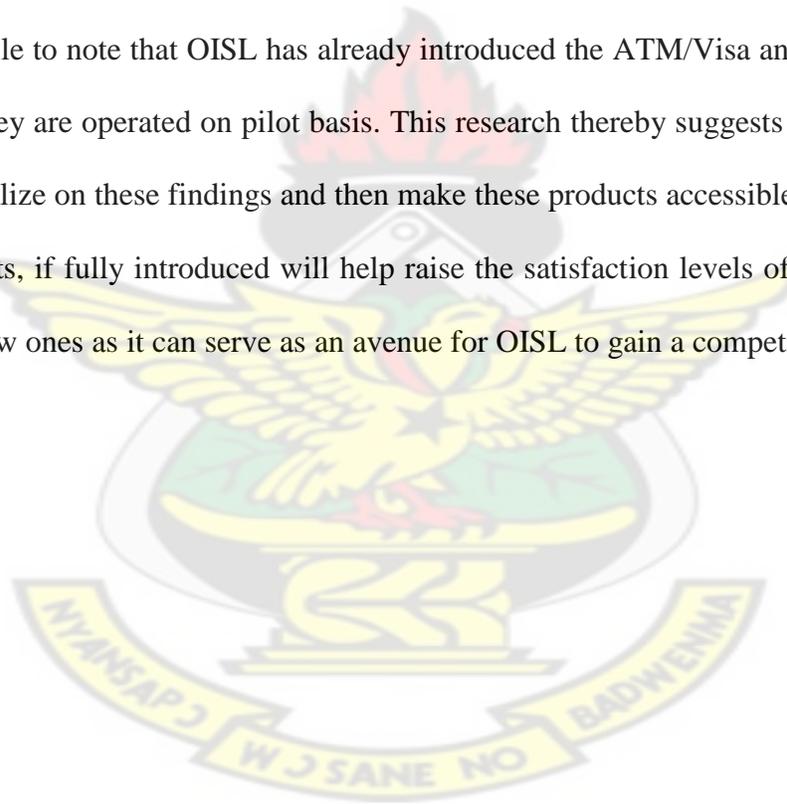
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KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI

COMMOMWEALTH EXECUTIVE MASTERS IN BUSINESS ADMINISTRATION (CEMBA)

QUESTIONNAIRE FOR DATA COLLECTION

TOPIC: Assessment of customer satisfaction in the microfinance industry; A case study of Opportunity International Savings and Loans Limited (OISL)

Introduction: This is an academic exercise aimed at gathering primary data towards the writing of a thesis on the above topic. Your cooperation in providing honest and prompt responses to the questionnaire would be very much appreciated. You are also assured of the privacy and confidentiality of your responses. Thank you very much

NAME OF BRANCH…………………………………………………………………

QUESTIONNAIRE NO.: …………………………………………………………

SECTION A: BACKGROUND DETAILS

1. Age:
20-29	01
30- 39	02
40- 49	03
50- 59	04
Above 60	05

2. **Gender**:
Male	01
Female	02

3. **Level of Education**:
None	01	Voc/Comm	04
Primary	02	Secondary	06
Middle/ JSS	03	Tertiary	07

   Other (please specify)…………………………………………….........................

4. **Occupation**:

Student	01	Civil Servant	05
Businessman/woman	02	Public Servant	06
Trader	03	Agro-related businesses	07

Artisan   04
Other (Please specify) 08..

SECTION B: SATISFACTION WITH QUALITY OF SERVICE

5. How long have you been with Opportunity International Savings and Loans (OISL)?

Less than 1 year   01
2 years   02
3 years   03
4 years   04
5 years or more   05

6. How do you assess the frontline staff of OISL?

Very Friendly   01
Friendly   02
Not Friendly   03
Not at all friendly   04

7. What is your reason for your answer in Q. 6?

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8. How helpful do you find Customer Service Officers (CSOs) and Tellers?

Very Helpful   01
Helpful   02
Not Helpful   03
Not at all Helpful   04

9. What is your reason for your answer in Q. 8?

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10. How do you assess the politeness of CSOs/ Tellers?

Very Polite   01
Polite   02
Not Polite   03
Not at all polite   04

11. In your opinion, do you think CSOs/ Tellers show you enough courtesies such as greeting, addressing customers by name etc.?
Yes   01
No   02 (Skip to Q.13)

12. Please give reasons

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13. How many times have you visited the OISL branch within the past four weeks?

None   01
Once   02
Twice   03
Thrice   04
Four Times   05
Other (Specify) 06...

14. What has been your most frequent transaction for the past four or more weeks?

Enquiries   01
Account Opening   02
Cash deposit   03
Cash withdrawal   04

Loan Application   05
Other(Please specify) 06

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15. How long have you usually waited for this kind of transaction?

Less than 5 mins   01
5 - 10 mins   02
11 - 15 mins   03
16 - 20 mins   04
21-30 mins   06
More than 30 mins   07

16. How do you assess the waiting period for the transaction indicated in Q. 15 above?

Very Good   01
Good   02
Average   03
Bad   04
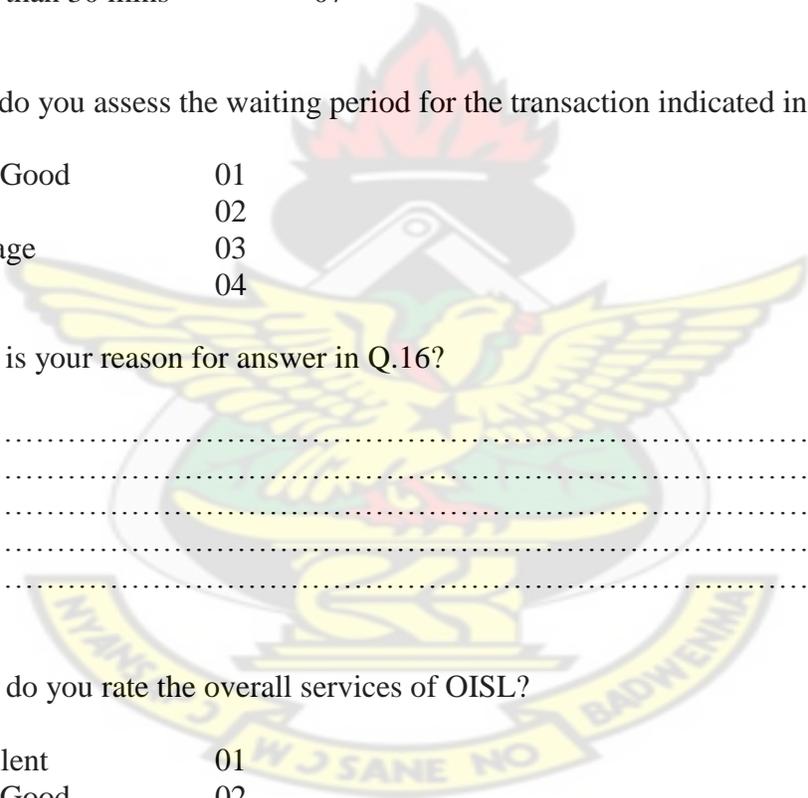
17. What is your reason for answer in Q.16?

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18. How do you rate the overall services of OISL?

Excellent   01
Very Good   02
Good   03
Average   04
Not Good   05

19. Which areas within customer service do you suggest should be improved upon to achieve a higher level of customer satisfaction amongst clients of OISL?(Rank in order of importance, 1 indicating highest priority and 5 lowest)

ITEM	RANK				
	1	2	3	4	5
1. Friendliness of CSOs/tellers					
2. Politeness of CSOs/tellers					
3. Courtesy of staff/tellers					
4. Helpfulness of CSOs/tellers					
5. Waiting time for transaction					

20. Please give reasons.

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SECTION C: PRODUCT AVAILABILITY

21. Do you know about the available products of OISL?
    Yes   01
    No   02 (skip to Q.22)

22. Please list them (Top of mind recall).

1..
2..
3..
4..
5..

23. Do you have an account with OISL?

   Yes   01
   No   02 (skip to Q. 25)

24. What kind of account do you have?

   Savings   01
   Susu   02
   Current   03
   Fixed deposits   04
   Agro Saver   05
   Compulsory   06
   Other (Please specify) 07   ....

25. Did CSO explain in detail (benefits and characteristics) of these products to you

   before you opened the accounts?

   Yes   01
   No   02

26. How do you assess the knowledge level of CSO as at the time you opened an account

   with OISL?

   Very knowledgeable   01
   Knowledgeable   02
   Not knowledgeable   03
   Not at all knowledgeable 04

27. From your point of view, which areas should be improved upon in order to ensure a higher level of customer satisfaction?(Rank in order of importance 1 indicating highest priority and 3 lowest)

ITEM	RANK		
	1	2	3
1. Interest rate on deposits			
2. Accessibility			
3. Convenience			

28. What is your reason for the answer in Q.27?

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29. Have you ever taken a loan from OISL?

Yes   01
No   02 (skip to Q.36)

30. How many times have you taken a loan from OISL?

Once   01
Twice   02
Thrice   03
Four times   04
More than four times   05
Other Please specify)   06   ....

31. What is your assessment of the lending interest rate?

Very Satisfactory   01
Satisfactory   02
Not Satisfactory   03
Not at all Satisfactory   04

32. Please give reasons.

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33. How often did you have to repay your loan?

Once a Week	01
Twice a week	02
Once a month	03
Twice a month	04
Other (Please specify)	05 ....

34. What is your assessment of the repayment schedule?

Very Satisfactory	01
Satisfactory	02
Not Satisfactory	03
Not at all Satisfactory	04

35. Please give reasons.

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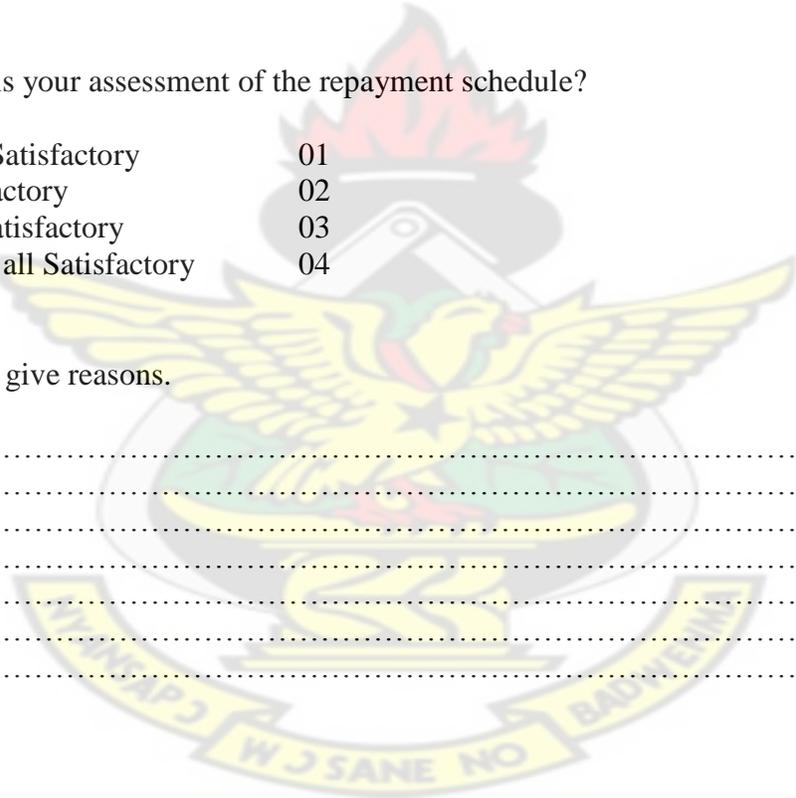
36. In your opinion, what do you think should be changed/improved upon about the loan product to achieve a higher level of customer satisfaction amongst clients of OISL? (Rank in order of importance, 1 indicating highest priority and 5 lowest)?

ITEM	1	2	3	4	5
1.Interest rate on loans					
2. Fees (Processing & Application)					
3.Repayment schedule					
4.Pre-disbursement conditions(application, processing, approval stage, actual disbursement)					
5.Loan requirements					

37. Please give reasons.

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38. Which new products would you suggest should be added on to the already existing products in order to satisfy customers of OISL?

1..
2..
3..

39. What are your reasons for your responses in Q.38?

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

SECTION D: BANKING INFRASTRUCTURE

40. Do you like the banking hall of OISL branch of which you do your transaction?

Yes   01
No   02

41. What are your reasons for the response in Q.40?
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42. Do you think the place is customer friendly?

Very friendly   01

Friendly   02
Not friendly   03
Not at all friendly   04

43. What is your reason for your answer in Q.42?

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44. How do you find the seating arrangement in the banking hall?

Very comfortable   01
Comfortable   02
Uncomfortable   03
Very uncomfortable   04

45. What are your reasons for your answer to Q.44 above?
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46. How do you find facilities such as air conditioners, drinking water and toilet facilities in the banking hall?

Very comfortable   01
Comfortable   02
Uncomfortable   03
Very uncomfortable   04

47. What is your reason for the answer to Q.46 above?

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48. How do you find the layout in the banking hall (location of seating area, position of

tellers, enquiry desks etc)?

Very comfortable   01
Comfortable   02
Uncomfortable   03
Very uncomfortable   04

49. What is your reason for your answer to Q.48 above?

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How do you find the internet speeds of the IT facilities in the banking hall of OISL?
Very fast   01
Fast   02
Not fast   03
Not at all fast   04

50. What is your reason for the answer in Q.50?

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51. Do you think your OISL branch has adequate safety measures such as fire extinguishers, smoke detectors etc. in place in case of an emergency?

Yes   01
No   02

52. What do you think can be done to make the place safer?

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END OF QUESTIONNAIRE

THANK YOU VERY MUCH FOR YOUR RESPONSES