

**CUSTOMER SERVICE AND CUSTOMER RETENTION; A CASE OF SOME
SELECTED COMMERCIAL BANKS IN KUMASI**

KNUST

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MARKETING AND CORPORATE STRATEGY**

**A Thesis submitted to the School of Business, Kwame Nkrumah University of
Science and Technology in partial fulfilment of the requirements for the degree
of**

**MASTER OF BUSINESS ADMINISTRATION
(STRATEGICMANAGEMENT OPTION)**

August, 2015

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DECLARATION

I hereby declare that this submission is my own work towards the Master of Business Administration 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.

STUDENT

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I declare that the student undertook this study under my supervision and has my permission to present this work.

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ABSTRACT

The importance of customer service in achieving corporate objectives cannot be over emphasized. Customer service is a series of activities designed to enhance the level of customer satisfaction; that is, the feeling that a product or service has met the expectations of the customer. Although banks are now focusing on efficient ways of meeting customers' needs, there is the observation that many customers hop from one bank to another. The purpose of the study was to investigate customer service and customer retention in three selected banks in Kumasi. Thus the study aimed at investigating the strategies that are adopted by these financial institutions in order to satisfy their customers and also how they retain them. A sample of 132 respondents was chosen out of which 22 were chosen using purposive methods. The remaining 110 respondents were chosen using convenient sampling method. In the process, both qualitative and quantitative data was sought for using questionnaire and an interview guide. Whilst the quantitative data were analysed with frequency counts and mean score, the qualitative data were analysed under themes and patterns and presented with direct quotations from the interviewees. The findings of the study revealed among others that customers' perceptions about the quality of services provided by the three selected banks varied and also customer retention was rated high by the all respondents. Most customers of G C B Bank were not satisfied with the quality of service relative to customers of ADB and UMB. It was recommended among others that banks need to improve the dimensions of service quality through regular training of employees.

ACKNOWLEDGEMENT

I wish to express my profound gratitude to the Almighty God for granting me the strength, knowledge and enormous help for the success of this research work.

Secondly, I wish to express my profound gratitude to my able supervisor, Ms. Mariama Zakari of the Department of Strategic Management, University of Science and Technology, Kumasi, whose excellent supervision and motivation has brought me this far. I also wish to thank all my lecturers at the KNUST School of Business for the professionalism and care they exhibit.

I also thank my sister-in-law Ms Rose Achiaa Peprah of Universal Merchant Bank for her support. Special thanks also go to my husband, Dr. Amponsah Peprah for his guidance encouragement, and support throughout my studies. Finally, I would like to give my deepest thanks to colleagues, friends and loved ones who have contributed in one way or another to make this research successful.

DEDICATION

This work is dedicated to my children; Emmanuel Amponsah Peprah, Jessica Fremah Amponsah Peprah, Gerrard Asare Amponsah Peprah and Vidette Achiaa Amponsah Peprah.

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LIST OF ABBREVIATIONS

ADB - Agricultural Development Bank

GCB - Ghana Commercial Bank

UMB - Universal Merchant Bank

A - Agree

D - Disagree

M - Mean

N - Neutral

SA - Strongly Agree

SD - Strongly Disagree



CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION

This chapter briefly presents an overview of the topic under study; Customer service and its effects on customer retention, the case of selected commercial banks in the Kumasi metropolis, Ghana. The chapter also states the objectives of the study as well as the problem statement. It further gives the scope of the study, methodology used in conducting the research, justification for the study, limitations to the study and the organization of the study.

1.1 Background of the study

In today's rapidly changing environment, organizations must adapt in order to retain its numerous customers. However, organization may encounter many problems as they endeavor to cope with these various challenges of the world. The banking industry is changing rapidly due to technology, government regulations, and customer sophistication among others. This has resulted in re-evaluation of business practices and procedures by financial institutions in order to meet customers' needs and also remain competitive.

Customer service is a series of activities designed to enhance the level of customer satisfaction; that is, the feeling that a product or service has met the expectations of the customer, Zeithaml and Bitner (2003). There are different categories of customers who have different set of needs, and the ability of a bank to meet these needs is paramount. Customers play very important role in any business organization and their importance cannot be over

emphasized and hence the services provided to them are very vital. The customer is the reason for the existence of any business organization. This is because their patronage of the products and services of any business ensures the survival of the organization. Therefore when customers receive good customer services they continue doing business with the organization. Good customer service can result in customers spreading positive word of mouth about the business organization. On the other hand, if a customer receives bad service it leads to the spread of negative word of mouth about the service provider. There is therefore the need for a bank to give its customers the reason why they should come back to patronize its products and services again and not from its competitors. Getting the customer satisfied ensures that customers continuously patronize the products and services of the bank. This is customer retention. Thus customer service has a direct impact on customer retention and as such has a direct impact on a bank's profitability. Hence the sales and profitability of any business organization depend on keeping its customers satisfied. It is therefore worth investigating the importance of customer service in the banking industry (Berry 1999).

1.2 Problem statement

The success of any organization depends on the customers' continuous consummation of the firm's products. Although banks are now focusing on efficient ways of meeting customer needs, there is the observation that many customers hop from one bank to another. Customer service is a leading approach to business which has already become established. Customer satisfaction, a term frequently used in marketing is a measure of how products and services supplied by a company meet or surpass customer expectation.

Customer satisfaction is defined as the number of customers or percentage of total customers whose reported experience with a firm, its products, or its services exceeds specified satisfaction goals (Bebko, 2000).

It has been observed that some banks in Ghana undertake some form of customer service with the aim of creating, building and maintaining a long lasting relationship with their customers who in turn will be loyal and repeat patronage. Banks indulge in keeping customer databases, keeping customers informed of their products and product updates, major service innovations, frequent calls made to customers to find out their problems and if possible help solve them and many others, all with the aim of building strong relationships.

Many commercial banks in Ghana invest millions of Ghana cedi in Customer service promotions for its various packages offered to customers. One of the key reasons for the investment of such huge sums of money is to increase satisfaction of customers, attract new ones and improve customer loyalty and secure long standing relationship with them. Whilst some of the customer service strategies employed go a long way to enhance customer satisfaction, other strategies lead to customer dissatisfaction drastically leading to loss of investment as a result of improper integration of the customer service strategies. The aim of this research is to identify the various customer perceptions about services provided by these selected banks and examine their effects on customer retention. To what extent does customer service influence the frequency with which customers change their bank? This is the problem this research seeks to investigate.

1.3 Objectives of the study

- To identify customer service strategies used by the selected banks.
- To assess customer perception about the quality of services provided by the selected banks.
- To assess the customer retention rate in the selected banks.
- To examine how service quality affects customer retention.

1.4 Research questions

The study seeks to answer the following research questions:

- What are the customer service strategies used by the selected banks?
- What are the customer perceptions about the quality of services provided by the selected banks?
- What is the customer retention rate at the selected banks?
- How does service quality effect customer retention in the selected banks?

1.5 Significance of the study

The banking industry in Ghana has gone through significant changes over the last decade. This has resulted in the growing attention to customer needs rather than the provision of traditional savings and current accounts. Competition has become so keen in the banking industry that a bank needs to tailor its products and services to match the needs of its customers. There is therefore the need for banks to always review their customer service strategies to suit customer needs. This study critically examines the importance of customer service and how it affects customer retention in the banking industry in Ghana. The study will help banks in identifying other needs and expectations of customers thereby ensuring sound, secured and profitable banking in the country. This study will also contribute to

knowledge that has been built on customer service and also form the base for further research into the subject matter.

1.6 Methodology

The research study employed qualitative and quantitative methods which were found to be suitable for this project. Both primary and secondary data were collected. Data collection for this study was done through interviews, observations, field notes and structured questionnaires.

1.7 Scope of the study

The study was centered on quality of customer service and its effects on customer retention in selected commercial or universal banks in the Kumasi metropolis, Ghana. These banks were Ghana Commercial Bank LTD. (GCB), Universal Merchant Bank (UMB) and Agricultural Development Bank (ADB). The choice was influenced by the easy accessibility of information to the researcher. The study was also limited to some of the banks' branches in Kumasi because of time and proximity to the researcher. The study was limited to quality of customer service in retail and corporate banking and not extended to other areas of banking operations. Branches of GCB chosen for the survey were Tech Junction, Kumasi Main and Suame. Branches of merchant bank were Adum, Bantama and Ahodwo. The ADB branches included Adum, Suame and Ejisu (formerly Afful Nkwanta).

1.8 Limitations of the study

In conducting a research of this nature, there are problems and issues that crop up for which the researcher may not have control over. One of such problem encountered by the researcher was that respondents were reluctant to give reliable answers to questions probably for fear of being sanctioned or victimized by their superiors. It also took respondents longer time than expected to complete answering questionnaires and this resulted in delays in the data collection. Again, only three banks in Kumasi were used for the study because it would require a lot of money, time and other resources to undertake research of this nature in many organizations which could have given a true reflection of the issue under investigation.

Despite the limitations cited above which may limit generalization of the study, it is strongly believed that, the findings of the study could be applied to all the banks in Ghana.

1.9 Organization of the study

This study is organized into five chapters. The first chapter which is the introduction comprises the background of the study, statement of the problem, significance of the study, the research questions, limitations, scope of the study, as well as the organization of the study. Chapter two focuses on a review of related literature to the study. This was made up of both theoretical and empirical review.

The third chapter deals with the methodology adopted for the study. This chapter touched on the research design, the population, sample and the procedure adopted in choosing the

sample for the study, the instruments used in collecting data for the study, as well as the data analysis procedure.

In chapter four, the data collected was presented and analyzed in order to find answers to the research questions. Chapter five, the last chapter, dealt with the summary, conclusion and recommendations of the study.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews literature relevant to this dissertation. Our current focus is on customer service and customer retention; in consequence, the review focuses on definitions and concepts of customer service, and how it has evolved in the banking sector.

The next nub concentrates on customer retention and the challenges in customer retention in the banking environment. The concepts selected here are those in relation to this dissertation and are adequately discussed.

2.1 Definition of Customer

“A customer is the most important visitor on our premises. He is not depending on us. We are depending on him. He is not an interruption on our work. He is the purpose of it. He is not an outsider on our business, he is part of it. We are not doing him a favor by serving him; he is giving us an opportunity to do so” Lundgren (2005).

The word customer could be traced to the root word “custom”, which means habit. Therefore in a coinage customer refers, to a person who goes to a store on a frequent basis to purchase their products or services, thus it is their habit to buy from that particular store. A customer is a person or company that buys goods or service (Microsoft Encarta Dictionary, 2009).

Technically, customers could best be referred to as those who use the output of work, the end users of products or services. It may also refer to any potential buyer.

2.2 Customer Service

The term customer service is defined as “anything you do for the customer that enhances the customer experience” (Harris, 2000). According to Turban et al (2002), “Customer service is a series of activities designed to enhance the level of customer satisfaction – that is, the feeling that a product or service has met the customer expectation. Hence, it could be expressed in personal and interpersonal skills such as communication skills, listening skills, language, telephone techniques, gestures and posture. It also means serving the customer, which involves all contact with the customer, being direct or indirect contact (i.e. dealing with complaint letters). Customer service may be provided by a person (e.g., sales and service representatives), or by automated means called selfservice.

2.3 Customer service strategies

The challenges and customer sophistication in the banking sector is making banks rethink their customer service strategies in order to enhance customer retention. According to Kotler (2003), growth is the fundamental strategic challenge for business leaders. Creativity is essential for sustained growth. Effective execution of existing strategies can bring increased revenue and profits, but the most successful strategies are often the most creative, delivering growth by developing new ones. Kotler argues further that strategies and tactics that worked in the past are less effective and require more effort to execute. In an era where service has become a defining factor for customers, organizations of all types struggle to find the unique balance between delivery of a service, the cost of the delivery and customer expectations (Kotler, 2003). The effectiveness of the customer service strategies will thus ensure retention.

According to Mohr (2008), a winning customer strategy should be one that solicits for customer complaints and feedback and also resolve the complaints on the first contact. Additionally, customer complaints should be tracked and proactively eliminated using the problem management system. Employees are also to be trained based on complaints, survey results and performance to improve the resolution of complaint and service quality. It is further argued that marketing the winning customer strategy to help desk employees and customers will establish expectations.

2.4 Good and Superior Customer Service

Good customer service is about meeting the needs of the Customer. Customers have an inherent expectation that they will be treated well, that is, in a friendly, kind, and respectful manner. Answering their questions and being knowledgeable about the product or service is also a characteristic of good customer service. If you deliver the product or service you promised, the customer is ultimately happy with the experience, that's good customer service. Good customer service is also about ensuring that the customer is receiving the appropriate product or service they truly need and not selling them more product or service than they need.

Moreover, superior customer service includes all of the above as well as exceeding the expectations or needs of the customer. It's about going the extra mile to please the Customer. A person who experiences a negative customer service is more likely to share it among others than someone who experiences a positive customer service. It is therefore important for businesses to go out of their way and strive for an exceptional customer

service in order to avoid the negative image and response for that matter. Customer service, if used right, is a useful tool for banking institutions to attract clients who want to use the bank's services without getting too much insight in their private life.

2.5 Service Quality and its Dimensions in the Banking Sector

Service quality is about the company's ability to meet the customer's needs satisfactorily by matching to their expectations. Service quality in banking implies consistently anticipating and satisfying the needs and expectations of customers (Howcroft 1991).

Moreover, according to Gronroos (2001), "quality is what customers perceive". Customers patronizing service deem everything that adds up to the entire process and the final outcome in making their assessments of the service. Hence the individual and subjective evaluation of the actual quality of the service is the customer's experience as pointed out by Zeithaml et al (2006), and Gronroos (2001) as customer's perceived experience is what constitutes service quality.

On a careful examination of the dimensions of service quality, a major focus rests on the component of human interaction in the service delivery that consists of human behavior and attitudes. Looyet al (2003) is also of the opinion that customers are not onedimensional in judgment, because a lot of other factors influence service quality. Most researchers have also agreed on these dimensions as a measure of service quality:

- Tangibles: The appearance of physical facilities, the personnel and the tools or equipment used to provide the service and communication material. In other words every material that is used to give tangibility to service.
- Reliability: This is the consistency of the service performance, which breeds dependability from the first time the service is correctly performed to the ability of the firm to keep its promises. According to Zeithamlet *al* (2006), it is the ability to perform the promised service dependably and accurately.
- Responsiveness: Responsiveness “is the willingness to help customers and provide prompt service” (Zeithamlet *al.*, 2006). This dimension is concerned with dealing with the customers’ requests, questions and complaints promptly and attentively. A firm is known to be responsive when it communicates to its customers how long it would take to get answers or have their problems dealt with. To be successful, companies need to look at responsiveness from the view point of the customer rather than the company’s perspective (Zeithamlet *al.*, 2006).
- Assurance: The knowledge-ability and courtesy of employees towards the customers, their ability to inspire trust and confidence in dealing with the customers. According to Andaleeb and Conway (2006), assurance may not be so important relative in other industries where the risk is higher and the outcome of using the service is uncertain. Thus, for the Customer Satisfaction in the banking industry, assurance is an important dimension that customers look at in assessing a bank’s operation. The trust and confidence may be represented in the personnel who link the customer to the organization (Zeithamlet *al.*, 2006).

- Empathy: This is the ability or the quality in employee to put him/herself in the customer's shoes by seeing things through the customer's eyes. In other words, the employee's ability to take care of the customers and give them individualized attention. "The ability" according to Zeithaml *et al* (2006), means "treating customers as individuals, giving them customized service". The customer is treated as if he is unique and special. There are several ways that empathy can be provided; knowing the customer's name, his preferences and his needs. Many small companies use this ability to provide customized services as a competitive advantage over the larger firms (Zeithaml *et al.*, 2006). This dimension is also more suitable in industries where building relationships with customers ensures the firm's survival as opposed to "transaction marketing" Andaleeb & Conway, (2006). Thus, in the context of banking, empathy may be applicable where customers look for quick service and the queues at the counters are long.

Various studies in service management have shown that the perception of the quality of services through the eyes of the customer is formed by a judgment of many encounters with an organization. Therefore, the aspect of managing a service interaction requires understanding the complicated behavior of customers in their perception of service quality.

2.6 Customer Satisfaction

Customer satisfaction is defined as an "overall evaluation of a firm's products or services

(Anderson et al, 1993). The definition of customer satisfaction (CS), as specified by ISO 10002 (Customer Satisfaction, Complaints), is the “customer’s perception of the degree to which the customer’s requirements have been fulfilled” (ISO, 2004). The marketing departments of firms have sought improvement of services using customer satisfaction as a benchmark for performance evaluation. The public sector also uses customer satisfaction as a service index. New Public Management (NPM) reforms employ CS as part of the evaluation of administrative services, and the Government Performance Results Act (GPRA) states that the government of the USA shall disclose CS data as a benchmark of its performance. Therefore, customer satisfaction can be regarded as a common evaluation scale for measuring customer satisfaction or dissatisfaction for quality of service. Satisfaction is defined as an emotional post-consumption response that may occur as a result of comparing expected and actual performance (disconfirmation), or it can be an outcome that occurs without comparing expectations, Oliver (1997). Contemporary literature on satisfaction in addition defines customer satisfaction as the primary and direct link to outcome measures, Anderson and Fornell(1994); Bolton and Lemon, (1999); Fornell et al., 1996; Mohr and Bitner, 1995; Spreng,et al (1996).

Conversely, Poisz and Grumbkow (1988) view satisfaction as a discrepancy between the observed and the desired. This is consistent with value-percept disparity theory Westbrook,(1987) which was developed in response to the problem that consumers could be satisfied by aspects for which expectation never existed. The value-percept theory views satisfaction as an emotional response triggered by a cognitive evaluative process, Parker and Mathews, (2001). In order words, it is a comparison of the object that one values rather than an expectation.

In Croby *et al*, 1990, it is argued that a service encounter which fulfills the expectations of the customer positively influences the customer's evaluation of the firm in general; the customer expects similar beneficial treatment the next time he or she makes use of the respective service. According to Szymansky and Hernard, (2001), satisfaction has been established as the major antecedent to customer retention.

“In the past, many companies took their customers for granted. Customers often did not have any alternative suppliers, or the other supplies were just as poor in a quality and services, or the market was growing so fast that the company did not worry about fully satisfying its customers. A company could lose 100 customers a week, but gain another 1000 customers and would consider its sales to be satisfactory. Such companies always believe that there will always be enough customers to replace the defecting ones.” However, in the opinion of Peter Drucker, there are now complete new breeds of customers with high standards and expectations, highly sophisticated, well-informed and have alternatives. Hence, quality customer service is important to most companies in order to meet the ever-increasing demands of the present-day customer who demands excellent products and services.

Also, the banking industry is now characterized by undifferentiated products and therefore there is a need for a bank to improve service quality to distinguish itself from the competition.

2.7 Customer Retention

Customer retention is the activity that a selling organization undertakes in order to reduce customer defection. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship (Wikipedia.com). Customer retention is an area in marketing that has received and continues to receive much attention in the banking industry and its argument is relatively straightforward. It is more economical to keep customers than to acquire new ones. The costs of acquiring customers to “replace” those who have been lost are high. This is because the expense of acquiring customers is incurred only in the beginning stages of the commercial relationship (Reichheld and Kenny,1990). In addition, longterm customers buy more and if satisfied may generate positive word of mouth promotion for the company. In addition, long-term customers also take less of the company’s time and are less sensitive to price changes (Healy 1999). These findings highlight the opportunity for management to acquire referral business, as it is often of superior quality and inexpensive to obtain. Thus, it is believed that reducing customer defections by as little as five percent can double the profits (Healy, 1999).

2.8 Customer Retention Strategies and Processes

2.8.1 Creating value process

Value reflects the sum of the perceived tangible and intangible benefits and costs to customers, (Kotler 2008). Kotler further argues that value is primarily a combination of quality, service and price and that value increases with quality and service decreases with

price. Increase in value leads to positive word of mouth about the credibility of an organization. Lowendahl (1997) argues that this credibility can be affected by the firm's reputation, its ability to present documented success as well as the professionals assigned to the project. Lowendahl further states that the learning from the project and the institutionalizing of this learning to the extent that it can be used for both improved service quality and improved efficiency with future clients is important.

2.8.2 Creating bonds binding the customer to the firm

Berry and Parasuraman (1991) argue that the primary tie that customers have with a firm is through financial incentives. Berry and Parasuraman (1996) argue that the secondary bonds tying clients to firms are of social nature. They further argue that customers at this level are perceived as clients whose needs the firm tries to understand. The bonds that the agency creates with its clients are foremost of social nature. The third bonds tying the clients to the firm according to Berry and Parasuraman (1996) is of structural nature.

2.8.3 Monitoring of customer relationships

A key goal in marketing is to develop deep, enduring relationship with people and organization that could directly or indirectly affect the success of the firm's marketing activities (Kotler 2008). He went on further to state that mutually satisfying long-term relationship should be built with key constituent in order to earn and retain their business. This calls for customer relationship monitoring. Zeithalm and Bitner (2006) have put up theories that firms should thoroughly monitor and evaluate its relationships.

2.8.4 Use of loyalty programs and customer clubs

Bolton (1998) argues that loyalty programs are used by firms to reward customers for repeated purchases which in turn lead to increased customer retention rate. Customers can be treated in special gestures, gifts, invitations among others to ensure retention (Kotler 2008).

2.9 Service Quality and Customer Retention

The key factors influencing customers' selection of a bank include the range of services, rates, fees and prices charged (Abratt and Russell, 2009). It is apparent that superior service alone is not sufficient to satisfy customers. Prices are essential, if not more important than service and relationship quality. Furthermore, service excellence, meeting client needs, and providing innovative products are essential to succeed in the banking industry. Most private banks claim that creating and maintaining customer relationships are important to them and they are aware of the positive values that relationships provide (Colgate et al., 1996). Customers do not remain with an organization just because of the discount offered or loyalty program that is available but the services provided must also meet the expectations of the customers. An organization building customer retention should enable customers to receive what they want, when they want it (just in time) and a perfect delivery each and every time with the desired level of service that appeal to the customer (Gronroos, 1997).

Phelps and Graham (2001) also enumerated the two most effective methods of generating increased sales and customer retention as follows:

- (a) Give the customer a superior experience that they have no reason to or even look elsewhere.
- (b) Give them incentives to spend more, return, refer or buy more frequently.

2.9.1 Other Influential Factors of Customer Retention

The increasing competitiveness in the financial service industry is forcing organizations to place greater emphasis on building and establishing valuable customer relationships (Oracle Corporation, 2005). Canel, *et al* (2000), considering the situation from a wider perspective maintained that with the expanding global competition, the emergence of new technology and improved communication have increased customers' expectations for fuller satisfaction on their investment. A company's ability to attract and retain new customers is not only related to its product or service, but strongly related to the way it serves existing customers and the reputation it creates within and across the market place.

2.9.1.1 Customer Loyalty

Customer retention is more than giving the customer what they expect; it's about exceeding their expectations so that they become loyal advocates for your brand. Creating customer loyalty puts customer value rather than maximizing profit and shareholder value at the center of business strategy. The key differentiator in a competitive environment is more often than not the delivery of a consistently high standard customer service. Customer loyalty is the heart of retention. If an organization is not able to keep customers and build long-term relationship, it will continue to operate with discrete one off transactions.

Discussions on customer retention seem to be dominated by loyalty programs and customer discounts. But research shows that what really makes a customer to re-purchase is high quality customer service and well managed formal and informal communication (McIlroy and Barnett, 2000). Customer loyalty is strongly associated with customer's willingness to continue in the relationship; however, customer switching behavior has a direct and strong effect on loyalty (Rowley 2002). Loyalty can be understood in different ways depending upon the nature of the product or service which is being offered to a customer. For example, a bank customer is typically loyal as long as he holds an account with a bank and switches when he changes his account. Furthermore, a customer can demonstrate his loyalty to a brand by showing his commitment and by providing a positive word-of-mouth to friends. In connection with loyalty, it is a general rule that service quality and customer satisfaction have strong effects on customer retention Rowley (2002). Phelps and Graham (2001) are of the view that the more frequent a customer buys from an organization the more their loyalty increases. A loyal customer will always pay more for services and be less sensitive to tactical discounting so that they will actually have more profitability than customers who are attracted by trade promotions and special offers. Such customers will be tempted to switch to other service providers. Mascareigne (2009) enumerated the following as the factors influencing customer retention: Creating customer satisfaction, Creating customer trust, Customer involvement, Creating switching barriers, Service quality and price Communication effectiveness.

2.9.1.2 Increasing Switching Cost

Increasing the loyalty of the customer actually means the retentiveness of the customer is increased. Loyalty is internal to the customer and can only be changed by a shift in the customer's own value system. Retention however can be manipulated by the provider through the application of incentives. Again, although internal loyalty intensity is generally constant in the short term, it may change overtime due to life experiences for the customer and market experiences for businesses particularly catastrophic ones. For these reasons, it is essential to perform customer segmentation on a dynamic basis as frequently as it is economically justifiable.

Given the inherent loyalty intensity of customers, their action however can be influenced through external stimuli or incentives, such as product attributes, price and pecuniary costs of switching, communication and relationship management including customer care. Whilst the internal loyalty intensity of customer cannot be imparted, external stimuli are within the locus of control of the provider. These are the instruments which the provider can manipulate to achieve the desired action from the customer.

According to Abdollahi (2008), retention is the outcome of the event that customers are retained or stay with their current provider. Retention can be bought with the appropriate incentive or stimuli. Retention occurs due to the combined effects of two forces: the internal loyalty intensity of a customer and the external incentives or stimuli that they are subjected to in the form of product attributes, pecuniary switching costs, price, advertising, communication and customer care. Culture also moderates the effects of switching barriers on customer retention Patterson and Smith(2003).

2.10 Barriers to customer retention

Talking about barriers to customer retention, I mean difficulties companies encounter in their quest to meet their customers' demands, in order to retain them. Most researchers often cite the following as key barriers to customer retention:

2.10.1 Overworked Staff

Overwork means to make employees work excessively. This could be as a result of inadequate staffing, rapid growth or assigning too many tasks to too few people. The outcome is that the staffs quickly lose their energy and in turn no single client will appear as a priority to them. Since these service representatives have many clients to service, steps will be skipped, staff and customers will become frustrated and clients will receive insufficient attention to their issues and eventually leads to improper customer care.

2.10.2 Having a Non-Caring Culture

The workplace culture can have substantial effect on customer retention. If the workplace climate is one where customers are not cared for, where employees do not care about their work, or if the environment is not empowering, your staff will under-deliver whenever presented with a customer service case. This culture prevents employees from caring enough about customers to make them happy. Customers are not a priority, and the repercussions of an unhappy client are not apparent to them.

2.10.3 Poor Accountability

If employees are not held accountable for the customer services they render, there isn't the urgent need for staff to try harder to make sure customers are happy. Employees can always place the blame elsewhere and know they can never get in trouble for letting a customer leave unhappy (www.entre-propel.com/customer-service).

2.10.4 Insufficient Systems

If the systems used in working with customers perform poorly, are slow, contain insufficient data or doesn't track your customers' data appropriately, there will always be problem. Customers will get frustrated very quickly if the turnaround time is long.

Therefore they may start looking elsewhere (www.entre-propel.com/customer-service)

2.10.5 Communication of Customer Value

Customer retention is the responsibility of everybody in the organization; from the Manager to the cleaner; hence the need to ensure good customer service.

2.10.6 Lack of Incentive

Appropriate incentive should be given to employees who give clients outstanding service. If they are not motivated, they have no reason to go that extra mile for your customers. Provide rewards, both monetary and non-monetary to ensure your staff is motivated and empowered enough to want to serve your clients to the best of their abilities.

2.10.7 Lack of Understanding about Customer Needs

If there's no data, it is easy to make the claim that you are customer-centric. But it's just words. Information leads to the realization that there is a gap between what your company is doing and what your customers are experiencing. Once this gap is surfaced, management is faced with a lot of uncomfortable decisions about what to change. Reliable information can lead to meaningful innovation that will find greater customer acceptance and market success.

2.10.8 Failure to Deliver on Brand Promise

The old advice of “under promise and over deliver” was never true than it is in a world dominated by customers. Adjectives and hyperbole can get companies into trouble. Companies must therefore make sure their marketing claims are aligned with how the customer really sees the firm (contextrules.typepad.com/transformer).

CHAPTER THREE

METHODOLOGY AND ORGANIZATION PROFILE

3.0 Introduction

This chapter describes the research methodology used in the study. The research design, population and sampling used in the study have been presented. A description of the data analysis and statistical techniques utilized in the study has also been provided. Finally, this chapter highlights the ethical considerations that needed to be taken into account.

3.1 Research Design

The research study was descriptive and employed both qualitative and quantitative data collection techniques. According to Saunders (2004), the research design is a plan or blue print of how you intend conducting the research. McMillan and Schumacher (1993) justify this by stating that “research design is a plan for selecting subjects, research sites and data collecting procedures to answer the research questions”. The research design indicates who will be studied, when, where and under what circumstances they will be observed in their own environment. The research design acted as a guide to which path to follow from the beginning to the end of the research. A qualitative researcher conducts detailed examinations of the cases that arise in the natural flow of the social life of participants (Neumann 2003). The focus of the study was to investigate customer service and its effects on customer retention in selected commercial banks.

3.2 Population

A population is considered to be any group of people, events, or things that are of interest to the researchers and that they wish to investigate, Sekaran(2000). The target population for the study is made up of all employees and customers of GCB, Universal Merchant Bank (UMB) and ADB in Kumasi Metropolis that comprised of nine hundred and fifty (950) employees. Figure 3.1 below illustrates the study population.

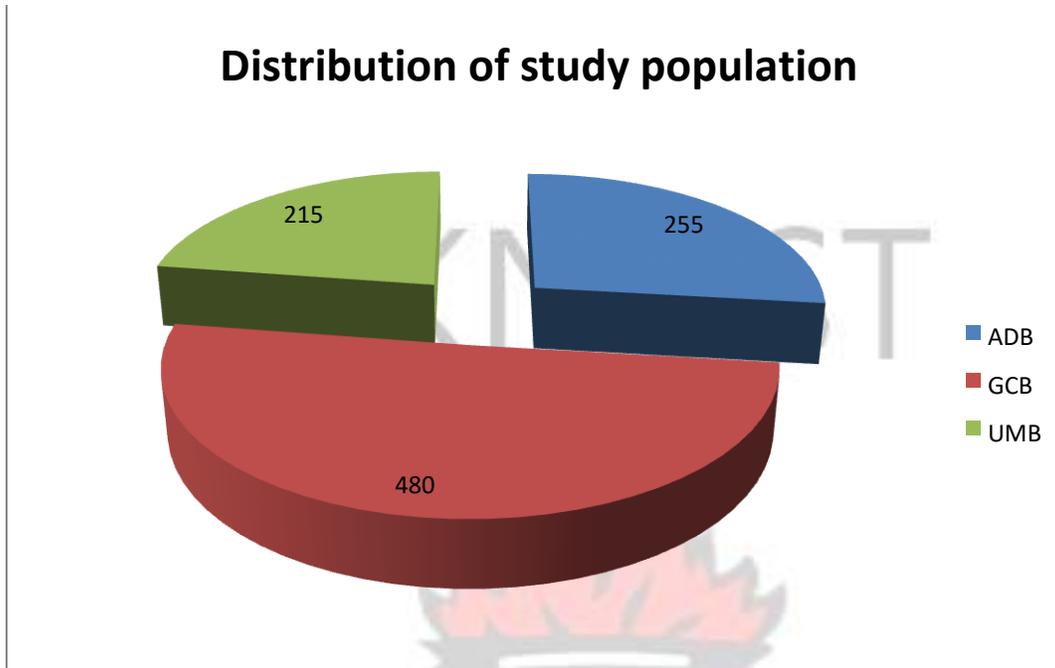


Figure 3.1: Distribution of Study Population Source:

Field Survey, 2014.

3.3 Sampling Technique and Sample Size

A sample size of one hundred and thirty-two (132) was chosen for the study using convenient and purposive sampling methods. Twenty-two (22) respondents who were management personnel were purposely chosen whilst the remaining one hundred and ten (110) respondents made up of forty-two (42) employees and sixty-eight (68) customers of the selected banks were selected using convenient sampling method. Convenience sampling is a sampling procedure where the respondents are selected based on availability and willingness. That is a population selected because it is readily available and convenient. Purposive sampling method is whereby particular group of people are targeted to answer particular questions so as to enable the researcher to arrive at very good conclusion. Thus key persons were identified because of their relevance to the subject matter.

3.4 Sources of Data

The data collected for the study comprised of both primary and secondary data.

3.4.1 Primary Data

The primary data which is firsthand information were collected through the use of interviews and structured questionnaires by the researcher and were analyzed qualitatively.

The primary data were collected from management, employees and customers of the three selected banks. The primary data consisted of interviews and questionnaires.

3.4.1.1 Interviews

Interview guides are data collection instruments used through direct and verbal interaction with respondents. They involve the use of question and answers. Most of the data were collected through in-depth interviews and probing. Creswell (1994) argues that interview guides are important in sourcing for volumes of qualitative data. Fifteen (15) management members, thirty-five (35) customers and ten (10) employees or subordinates were interviewed with each informant given the leeway to choose the convenient time and venue for the interview. The informants were notified two weeks in advance about the purpose of the study and the interviews through letters written and sent to them directly.

3.4.1.2 Questionnaires

Questionnaire is a means of eliciting the feelings, beliefs, experiences, perceptions or attitudes of some sample of individuals. As a data collecting instruments, it could be

structured or unstructured. The questionnaire is most frequently a very concise, preplanned set of questions designed to yield specific information to meet a particular need for research.

Structured questionnaire were used for data collection. These structured questionnaires were chosen because they ensured the confidentiality of responses and saved time. In addition, they are widely used in social science research and education. Kakinda (2000) writes that 90% of the research in the social sciences is conducted using questionnaires. However, the questionnaires were found to be disadvantageous in that many people who received them did not return them on time. Others did not return them at all. According to Amin (2005), the disadvantage of the questionnaire is a low rate of return. The questionnaire consists of 12 items. It was 21-item instrument on a five-point scale (Strongly Disagree – 1, Disagree =2, Neutral = 3 Agree = 4, and Strongly Agree = 5).

3.4.2 Secondary data

The secondary data were collected from published journals, articles and books. This category of data was mainly in qualitative form. Access to this data was not a problem as these were published for public consumption. The researcher had easy access to the secondary data. First, this was less expensive to collect high quality data which would not have been of the same quality if the researcher were to collect from primary source.

3.5 Testing Validity and Reliability of the Instrument

The validity of research instruments was done by assessing the questionnaire items during their construction. Questions were discussed with the supervisor for verification. This was

to clear any lack of clarity and ambiguity. Reliability refers to the consistency of the instruments in tapping information from more than one respondent.

3.6 Data Collection Procedure

The researcher handed the questionnaires to the managers in charge of each department and explained to them the expectations of the researcher. The managers gave the questionnaires to their subordinates who participated in the study. The researcher collected the questionnaires later when informed about their completion.

3.7 Data Analysis and Presentation

The completed questionnaires from management staff and employees as well as customers of the selected banks were subjected to verification and editing, coding and entered into SPSS for analysis to be done. After that the data were entered as well as checked for possible errors for corrections to be made. The clean data were analyzed with statistical software to generate figures. The software used for the analysis was Statistical Package for Social Sciences (SPSS) and Microsoft Excel presentations. The preference of SPSS was due to its ability to capture coded questionnaires quite easier and also bring out results in a more understandable manner even to non-statistical users. The Presentation of results of the analysis was done using charts and tables for easy understanding and interpretation.

3.8 Ethical Considerations

The study was done in the banking industry where confidentiality is required to the highest degree. As results, the researcher paid much attention to the ethical consideration governing

research and equal premium on activities that violates the rights of participants and participants' organization. To curb this, free consent of all research participants were duly sought. Each participant was also briefed about the study and was given assurance that the information given out for the study will be used solely for academic purpose, for that matter will not be disclosed to anybody or any organization for any reason.

3.9 Profile of the Selected Banks.

3.9.1 G C B Bank Limited. (GCB)

Ghana Commercial Bank Ltd. (GCB) started in 1953 as the Bank of the Gold Coast to provide banking services to the emerging nation for socio-economic development. The Bank was to provide special attention to Ghanaian traders, business people and farmers who could not elicit support from the expatriate banks. In 1957, when Ghana attained independence, Bank of Ghana was established as the Central Bank while the Bank of the Gold Coast was renamed Ghana Commercial Bank to focus solely on commercial banking services. Since then GCB branches have been opened across the length and breadth of the nation tapping the potential of the 10 regions that make Ghana. The Bank had been wholly government owned until 1996 when under the economic recovery program, part of the government ownership was divested. Today government ownership stands at 21.4% while institutional and individual holdings add up to 78.6 % (Annual Report, 2013).

The growth of the Bank has been synonymous with its customer base. During the first five years of the Bank's operations, the customers were mainly small Ghanaian traders (now termed SMEs) and other nationals who were expected to maintain credit balance accounts

because the Bank was then not adequately capitalized. From the small trader as customer, GCB now has a customer profile that ranges from salaried workers through small and medium scale entrepreneurs to large trading concerns, quasi-governmental institutions and corporate customers.

From the traditional products of Currents and Savings accounts, GCB now offers specially designed products and services. These include Link2home for Ghanaian residents abroad, door step cash collection for retailers and distributors, called Kudi Nkosuo for traders, loans and overdraft for big businesses and salaried workers, the GCB Kidistar account targeted at children and Royal Banking targeted at its high networked customers. There are also investments products like Treasury Bills as well as Fixed and Call Deposits among others. In addition, GCB has taken advantage of an enhanced information technology platform to introduce a wide range of internet based banking products and services. These include Automated Teller Machines (ATM), Ready Cash cards, Visa and GCB Master Cards, Commernet Plus (internet banking), Smart Pay (Fee payment), Royal Banking, 24 hour personal loan, GCB inland Express Money Transfer, and international money remittances such as Moneygram, Western Union, and Unity Link among others. Today GCB is the widest bank in Ghana with 158 branches 20 agencies and 104 ATMs and still counting.

G C B Bank Ltd. aspire to become Ghana's favorite bank and one of the most recognized and preferred financial service brands in Africa and beyond. The mission of GCB Bank is to provide friendly, helpful and accessible banking services, combined with expert financial solutions that help people and businesses realize their goals. For the achievement of this mission, the bank is committed to the provision of first class customer service and focusing on its core business or competence which is retail banking. The bank also ensures that there is constant

improvement in the use of information technology. Among others GCB recruits and retains the best human resource to carry out the Bank's mandate and ensures that employees are well motivated and a conducive working environment. www.gcb.com.gh

3.9.2 Agricultural Development Bank (ADB)

Agricultural development Bank commonly known as ADB was established in 1965 by an Act of Parliament to meet the banking needs of Ghanaian agricultural sector in a profitable manner. Before its current name, the bank was known as Agricultural Cooperative Bank. The bank's name was changed in 1970 when the parliament status was amended to grant the bank full commercial banking powers. ADB is a large development and commercial bank which is a leader in agricultural financing in Ghana. The ownership of the bank is as follows: government of Ghana has 52% of the total shares and the remaining 48% by Financial Investment Fund. Since its inception, ADB has primarily been providing specialized financial intermediation and related services with the objective of promoting a sustained and diversified agricultural and rural development as a foundation for the country's overall development. ADB has been providing credit facilities for the modernization of industries and it is estimated that ADB is currently responsible for about 85% of institutional credit to the agricultural sector of Ghana.

Beyond agricultural financing, other services rendered by ADB include Development Banking, Corporate Banking, Personal Banking, and International Banking, Diaspora Banking services, Treasury management and Money transfer services, Annual Report (2013).

3.9.3 Universal Merchant Bank (UMB)

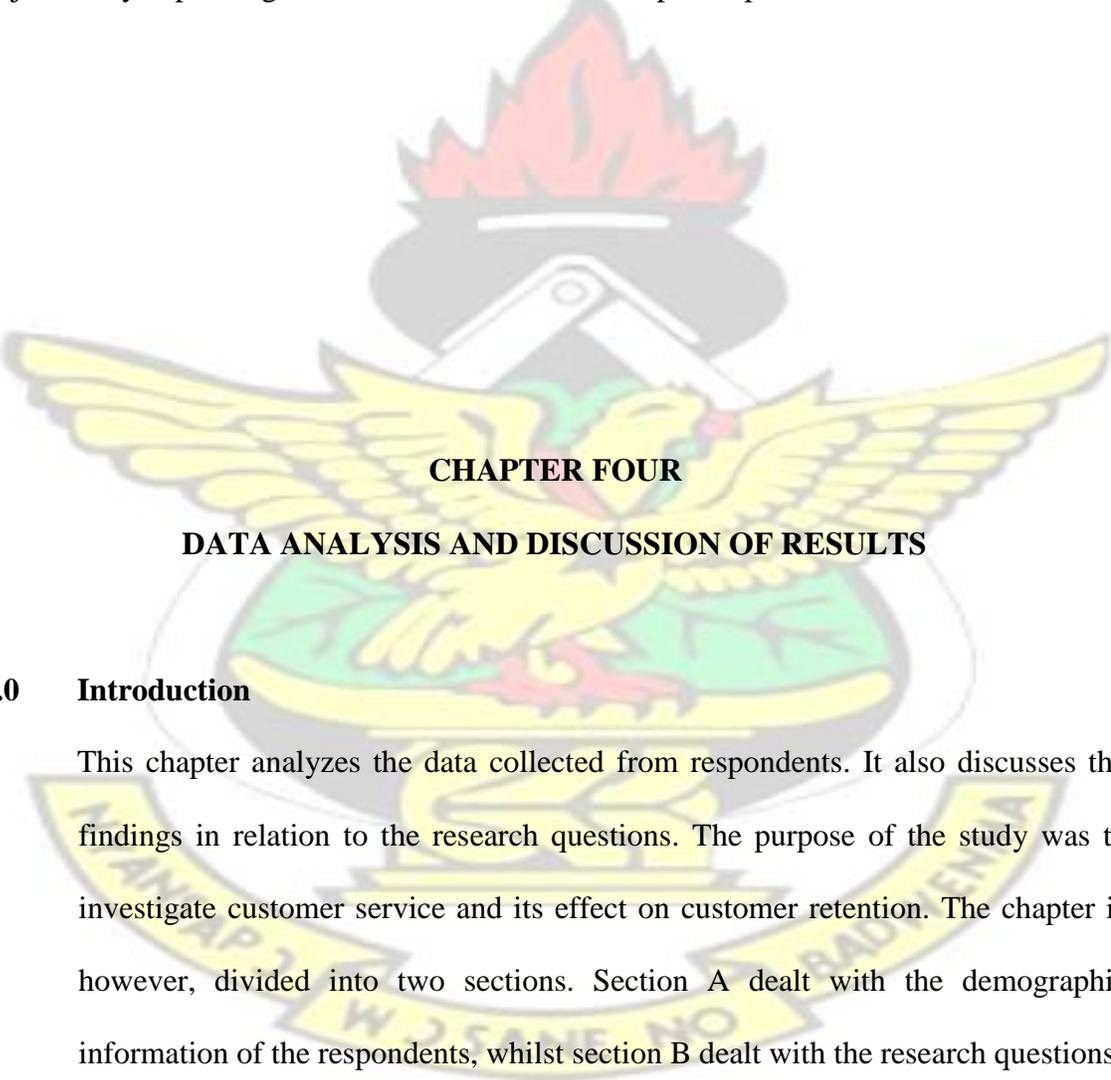
Universal Merchant Bank (UMB) previously Merchant Bank Ghana Limited started operation as the premier merchant bank in Ghana in 1972. In 2005, UMB introduced retail banking with the acquisition of a Universal Banking License. Before 2013, the shareholding of the bank was as follow: SSNT had 55%, SIC Life co. Ltd, 15%, Trustees of Merchant Bank permanent staff 10% and Treasury Shares 20%. MBG was acquired by Fortis, a private Equity Fund in 2013 and its name was changed to Universal merchant Bank. Fortis now controls 90% stake in the bank with the remaining 10% by SSNIT. The bank set the pace for the establishment and growth of merchant banking and hire purchase and leasing financing in the country and thus has contributed immensely to the economic development of the country over the last three decades.

The Bank has to her credits the following achievements: the merger of Ashanti Goldfields and AngloGold, initiation of the preparatory work in the establishment of Ghana stock exchange, the arrangement and formation of the mortgage company currently HFC Bank. The bank now has twenty-two branches nationwide.

Products and services provided by Universal Merchant Bank are domestic and international Banking operations, Treasury Services, Money and Capital Market operations, Foreign Remittances, Registrar Services, Corporate finance and Advisory Services. Some of the treasury services provided by UMB include treasury bills, corporate sweep account and foreign currency services among others. UMB also provides services such as imports and exports letters of credits, bills for collection, advance payments, trade transfers, overdrafts, revolving loans, leasing, wealth and capital advisory services, as well as clients' specialist advisory services. UMB's personal banking services include Current and Saver Accounts,

Plus Account, Direct Saver Account, Piggy Bank Account, Family Saver Account and Junior Saver account among others.

The vision of UMB is to retain its position as the premier corporate bank and regain growth in this area whilst expanding into the retail banking space. The bank wishes to achieve this objective by expanding into the value chain of its corporate portfolio.



CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

4.0 Introduction

This chapter analyzes the data collected from respondents. It also discusses the findings in relation to the research questions. The purpose of the study was to investigate customer service and its effect on customer retention. The chapter is however, divided into two sections. Section A dealt with the demographic information of the respondents, whilst section B dealt with the research questions.

4.1 Responses Rate

Out of one hundred and thirty-two (132) questionnaires distributed among the three selected banks, only 120 were received. This represent 90.9% response rate. There was 9.1% non-response rate.

4.2 Demographic Data of Customers Respondents

This section deals with demographic information of customers respondents.

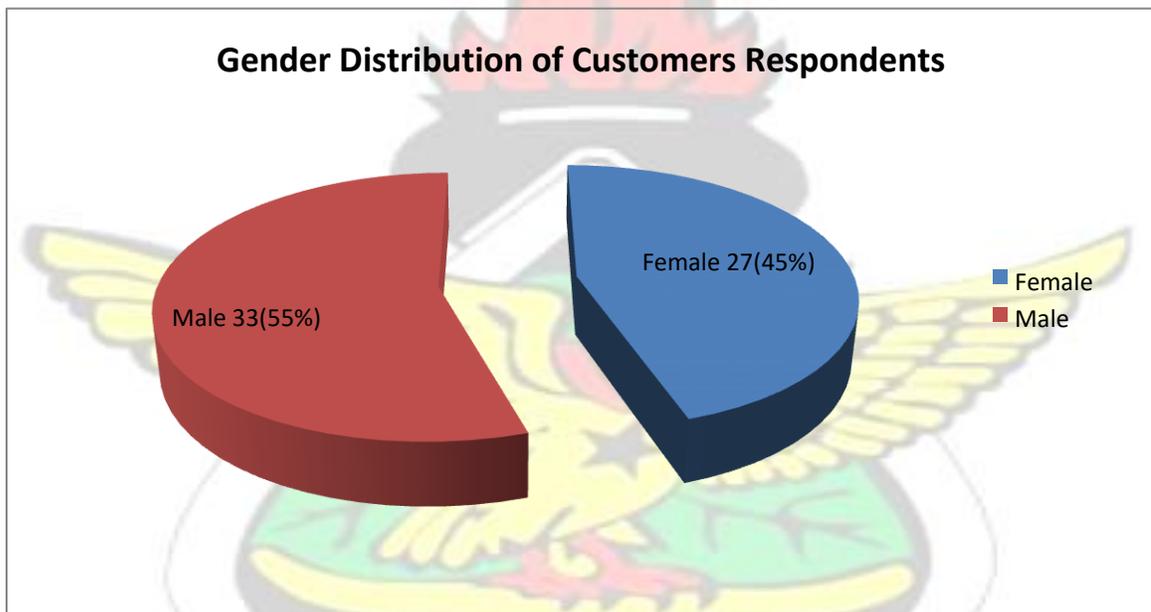


Figure 4.1: Gender Distributions of Customers Respondents Sources:

Field Work 2014.

Data in figure 4.1 above shows the gender distribution of customer respondents. From the figure, it could be seen clearly that majority 33 (55%) of the respondents were males whereas only 27 (45%) were females. This means that the customers of GCB, UMB and ADB are male dominated.

Table 4.1: Age Distribution of Customer Respondents

Age (Years)	Frequency (Respondents)	Percentage %
Below 18	0	0
Between 18 - 25	12	20
Between 36 – 45	33	55
Between 46 – 55	12	20
55 and above	3	5
Total	60	100

Sources: Field Work 2014.

Data in table 4.1 shows the age of the respondents. It could be seen from the table that 12 (20%) were between the ages of 18 – 25, 33 (55%) were between the ages of 26 – 45, 12 (20%) were between 46 – 55 and only 3 (5%) were 55 years and above.

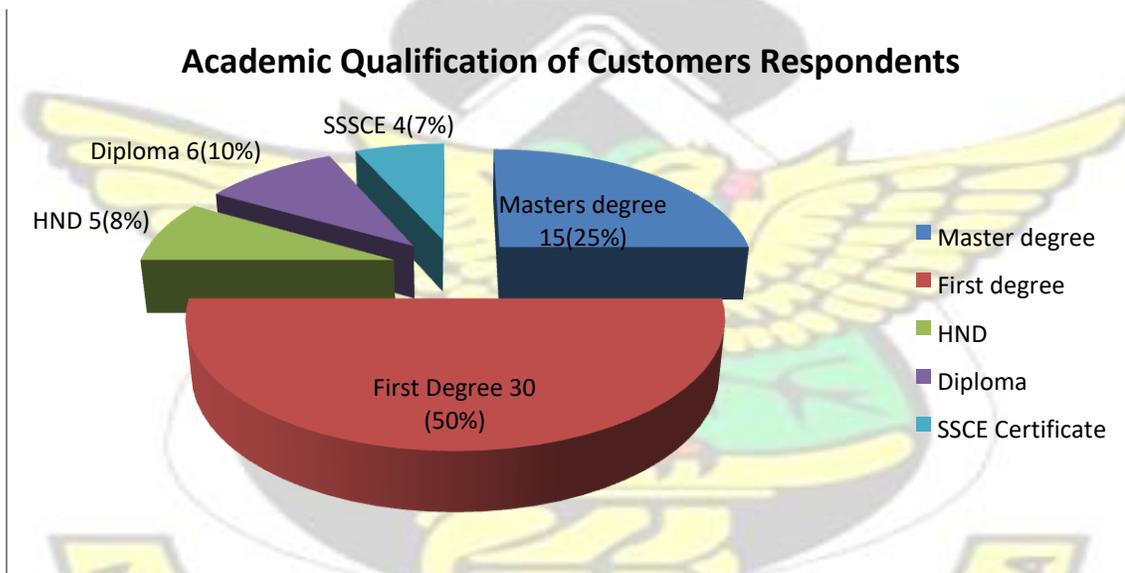


Figure 4.2: Academic qualification of Customers Respondents Source:

Field Work 2014.

Concerning the academic qualifications of the customers who participated in the study, figure 4.2 above reveals that 30 (50%) were holding first degree, 15 (25%) were holding

master's degree, 6 (10%) were holding Diploma, 5 (8%) were holding HND and only 4 (7%) were SSCE leavers.

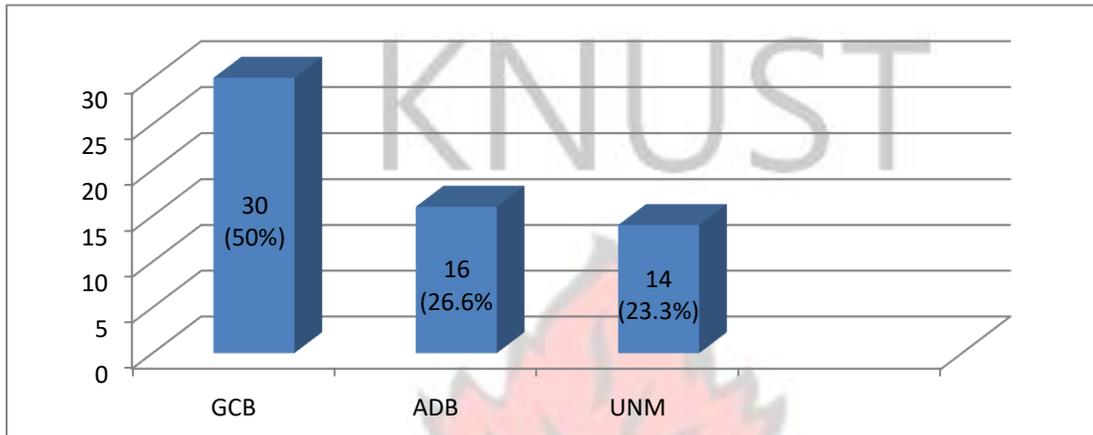


Figure 4.3: Distribution of the type of bank the customers transact business with

Sources: Field Work, 2014.

With regard to the type of bank the customers transact their businesses, the figure shows that 30 (50%) were customers to G C B Bank, 16 (27%) out of 60 customers were customers to ADB and only 14 (23%) were customers to UNM.

Table 4.2: Distribution of Services these customers patronize from the banks.

Services	Frequency	Percentage %
General banking (saving/current account)	39	65
Investment products and services	0	0
Foreign and local remittance	9	15
Loan products	12	20
Total	60	100

Sources: Field Survey, 2014.

Data from table 4.2 shows the distribution of services these customers patronize from the banks. The table shows that 39 (65%) of 60 customers patronize general banking, 9 (15%) patronize foreign and local remittances, 12 (20%) patronize loan products and nobody do investments product and services.

4.3 Demographic Data of Employee Respondents

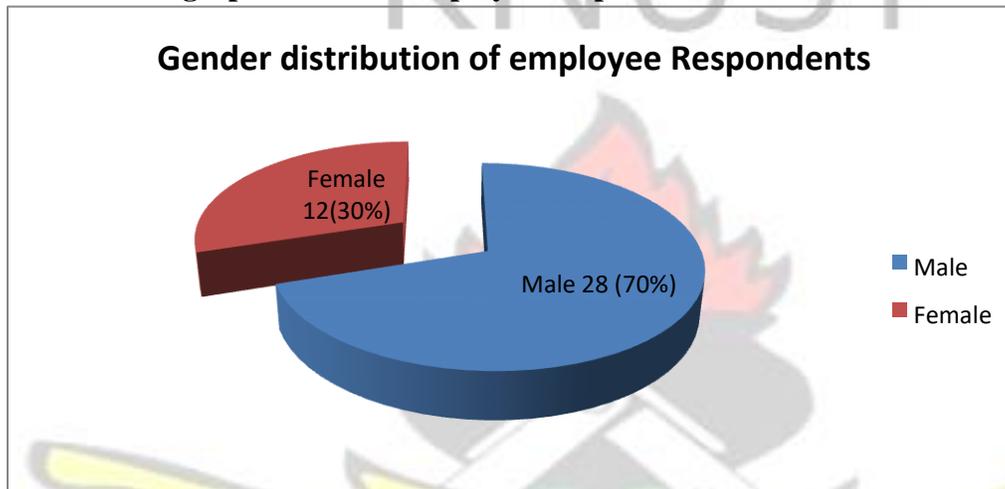


Figure 4.4: Gender Distribution of the Employee Respondents

Source: Field Survey, 2014.

Data in figure 4.4 shows the gender distribution of the employees who participated in the study. The figure shows that 28 (70%) out of the 40 were males whilst 12 (30%) were females.

Table 4.3: Age distribution of employee respondents

Age (Years)	Frequency (Respondents)	Percentage %
26 – 35	22	55
36 – 45	14	35
46 – 55	4	10
56 – 65	0	0

Sources: Field Survey, 2014

Data in table 4.3 indicates that 22 (55%) of the employees who participated in the study were aged between 26 – 35, 14 (35%) were between 36 – 45 and only 4 (10%) were between 46 – 55.

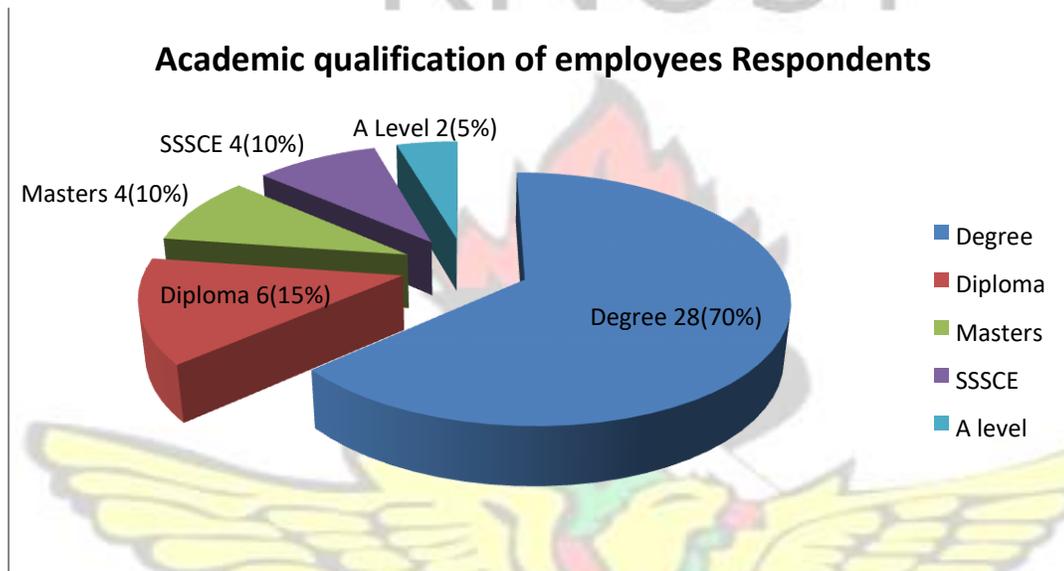


Figure 4.5: Academic Qualifications of Employees Respondents

Sources: Field Work, 2014

With regard to the employees academic qualification, 28 (70%) were holding first degree, 6 (15%) were holding diploma, 4 (10%) were holding masters another 4 (10%) were holding SSCE certificate and only 2 (5%) were A level holders. It is obvious that if these employees with high academic qualification like first degree and masters are given some authority to come out with their ideas and suggestion to compliment policies and programmes at the management, the company will witness increase efficiency leading to increase output or productivity.

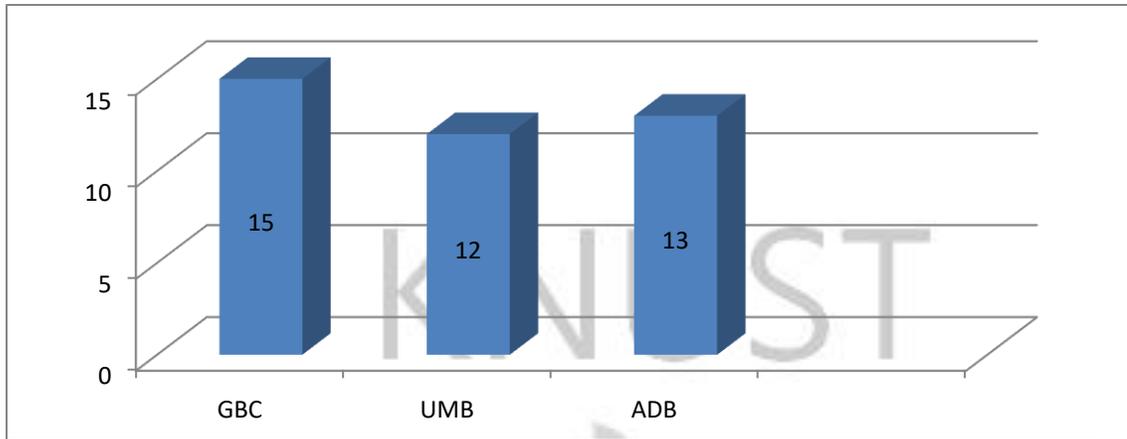


Figure 4.6: Distribution of employees' place of work Sources:

Field Work, 2014.

Data in figure 4.6 shows the respondents places of work. It could be observed that 15 (37.5%) worked at GBC, 12 (30%) of them worked at UMB and only 13 (32.5) worked at ADB.

4.4 Demographic Data of Management Respondents

The following are the characteristics of management respondents

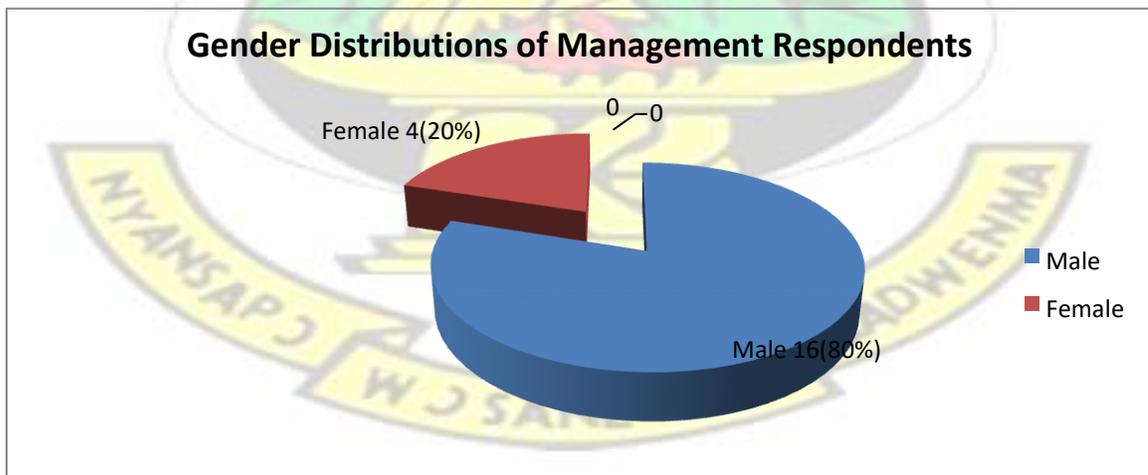


Figure 4.7 Gender Distributions of Management Respondents Sources:

Field Work, 2014.

Figure 4.7 above shows the distribution and the percentage of the management personnel who participated in the study in terms of gender. Out of 20 respondents 16 (80%) were males and 4 (20%) were females. This means that, there is gender imbalance in banking institution with regard to management respondents.

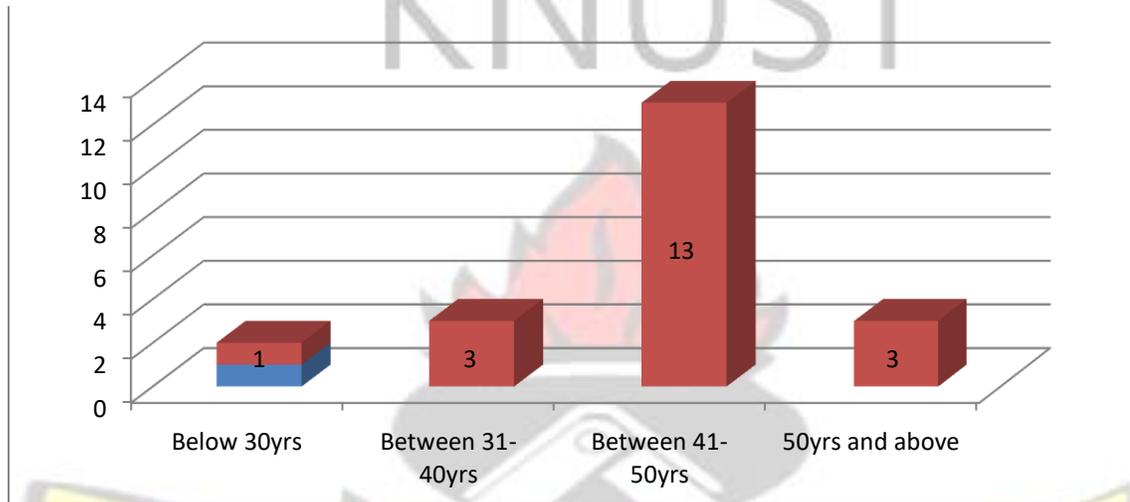


Figure 4.8 Age Distribution of Management Respondents Sources:

Field Work, 2014.

Concerning the management years or age 1 (5%) of them was below 30 years, 3 (15%) were between 31 – 40years, 13 (65%) were 41 to 50 years and 3 (15%) were 50 years and above.



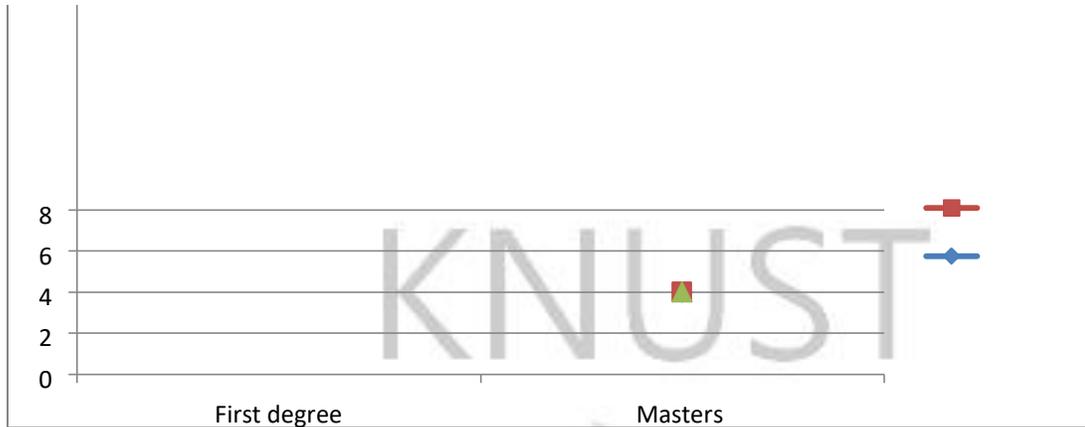


Figure 4.9 Management Academic Qualifications Sources:
Field Work, 2014.

With regard to the management's academic qualifications, 16 (80%) were holding first degree and only 4(20%) had master's degree holders.

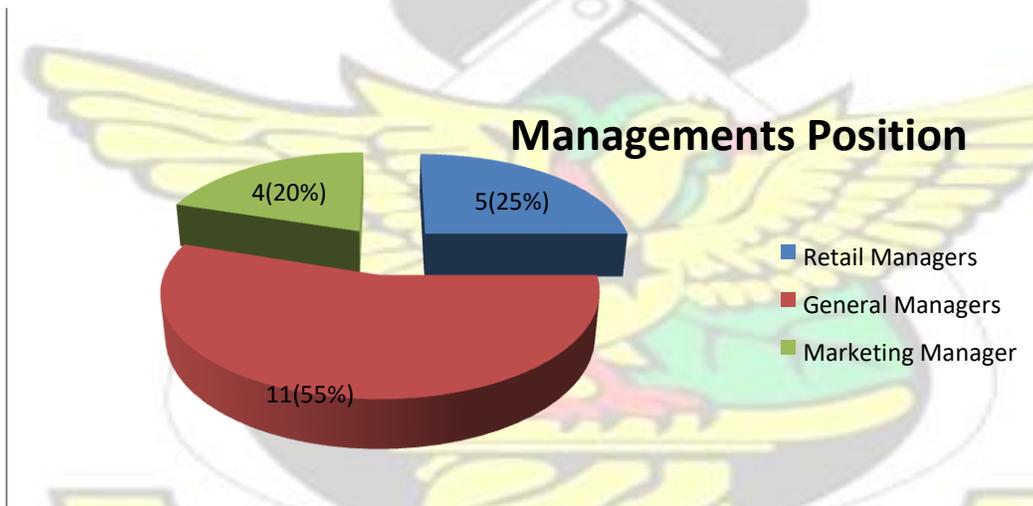


Figure 4.10: Management rank/position in their organization Sources:
Field Work, 2014.

From figure 4.10, it shows that 11 (55%) of the management respondents were General Managers, 5 (25%) were Retail Managers and only 4 (20%) were Marketing Managers.

4.5 SECTION B: Treatment of research questions.

This section was concerned with the analysis of the respondents' views on the research questions. The respondents were asked to indicate a degree of agreement and disagreement with each of a series of statements. Each scale item had 5 responses ranging from strongly agree and strongly disagree.

Strongly Agree **Agree** **Neutral** **Disagree** **Strongly Disagree**

4 3 2 1 5

The weighted mean formula was then used to calculate for the mean responses from the participants of the study. The mean ranges used for the analyses have been shown below:

Agree	Neutral	Disagree
3.5 – 5.0	2.5 – 3.4	1 – 2.4

4.6.1 Research Question One:

4.6.1.1 What are the customer service strategies used by the selected banks?

This research question sought to find out what customer service strategies are used by the selected banks. This question was answered by the management and employees who participated in the study. The table below gives a summary of the service strategies used by the selected commercial banks.

Table 4.4: Components of Customer Strategies used by three selected banks and their mean scores

	Ghana Commercial Bank						Agricultural Development Bank						Universal Merchant Bank					
	SA	A	N	D	SD	Mean	SA	A	N	D	SD	M	SA	A	N	D	SD	M
CUSTOMER SATISFACTION																		
Identification of customer needs and providing them	10	5	6	1	3	3.72	9	1	5	0	0	4.3	10	3	6	1	0	4.1
Providing high quality service to satisfy the customers	12	7	1	5	0	4.04	5	6	3	0	1	3.9	13	6	1	0	0	4.6
Recruitment and training of the right personnel to handle the customer's needs	13	3	2	5	2	3.8	11	3	1	0	0	4.4	10	6	1	0	3	4.0
CUSTOMER INVOLVEMENT																		
Building an interpersonal relationship with customers	3	8	10	6	3	3.68	7	2	2	0	1	3.3	13	3	2	0	2	4.25
Visiting them at their workplaces and seeking their views or opinions about the bank.	0	1	2	10	12	2.24	5	3	1	2	5	3.3	9	6	2	2	1	4.0
Involving customers in decision making	3	3	10	6	3	2.9	6	5	0	2	2	3.7	10	3	6	1	0	4.1
SERVICE EXCELLENCE																		
Providing innovative products that are essential for success in the banking industry	10	4	7	2	2	3.56	0	3	0	7	5	2.0	10	2	5	0	3	3.8
Service provided meet the expectation of the customers	2	0	10	7	6	2.4	7	3	2	1	2	3.8	13	6	1	0	0	4.6
Improvement of efficiency with future clients	7	4	10	3	1	3.25	2	3	0	7	3	2.6	10	2	3	3	2	3.75

<i>Respondent</i>	25	15	20
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Sources: Field Survey 2014

45



Data in table 4.4 shows customer service strategies used by the three selected banks namely, Ghana Commercial Bank, Agricultural Development Bank and Universal Merchant Bank. The table shows clearly that all the items for customer satisfaction which is the identification of needs, providing high quality service to satisfy the customers and recruitment and training of the right personnel to handle the customers' needs were part of the top scores and this accounted for the high mean scores in customer satisfaction. The high mean scores of 3.72 for Ghana Commercial Bank, 4.3 for Agricultural Development Bank and 4.1 for Universal Merchant Bank is an indication that all the three banks agreed to the statement that their banks identify the needs of the customers and solve their needs for them with the aim of making profit.

In addition the high mean scores of 4.4 for Ghana Commercial Bank, 3.9 for Agricultural Development Bank and 4.6 for Universal Merchant Bank also show that all the three banks provide high quality service to satisfy their customers.

Moreover, they agreed with the mean scores of 3.8 for (GCB), 4.4 for (ADB) and 4.0 for (UMB) that the banks recruit and train the right personnel to handle customers' needs.

Furthermore, customer involvement was the second highest mean score recorded. The mean scores of 3.68 (GCB), 3.3 (ADB) and 4.25 (UMB) indicated that all the three banks build interpersonal relationship with their customers. When it comes to visiting their customers' workplace and seeking their views or opinions about the banks, Ghana Commercial Bank recorded the lowest mean score of 2.24 whilst Universal Merchant Bank recorded the highest mean score. This means that the respondents of Ghana Commercial Bank disagree to the statement that the bank visit their customers

and seek their views or opinions about the bank. In involving customers in decision making, Ghana Commercial Bank again recorded the lowest mean score of 2.9 while Agricultural Development Bank recorded 3.7 and UMB 4.1. This implies that whilst GCB do not involve their customers when it comes to decision making ADB and UMB do involve their customers.

Finally, service excellence among the three strategies recorded the lowest mean scores. The lowest mean score of 2.0 by ADB and 2.4 by GCB accounted for the lowest mean score service excellence. The high mean scores of 3.8, 4.6 and 3.75 are indication that UMB provides innovative programs that are essential to succeed in the banking industry. Again they improve efficiency with future clients.

The table below gives the overall mean scores of the customer strategies used by selected banks.

CUSTOMER STRATEGIES	GHANA COMMERCIAL BANK	AGRICULTURAL DEVELOPMENT BANK	UNIVERSAL MERCHANT BANK
	Mean Score	Mean Score	Mean Score
CUSTOMER SATISFACTION	3.85	4.2	4.2
CUSTOMER INVOLVEMENT	2.94	3.4	4.1
SERVICE EXCELLENCE	3.07	2.8	4.01

Table 4.5: The customer strategies by the selected banks with their mean scores

Source: Fieldwork 2014

Data in table 4.5 shows the three main strategies used by the banks. From the table customer satisfaction recorded the highest score in all the banks followed by customers' involvement and the lowest is the customer excellence. When comparing the three selected banks, UMB with the mean

scores of 4.2, 4.1 and 4.01 recorded the highest scores and therefore perform the best strategy such as customer satisfaction, customer involvement and service excellence with the aim of making profit.

The second was ADB with high mean scores of 4.2, 3.4 and 2.8 also indicating that ADB is doing well when it comes to customer service strategies. The lowest was GCB with the mean scores of 3.85, 2.94 and 3.07 being an indication that when it comes to customer service strategies to win customers, GCB is the lowest. When the researcher probed further to find out why GCB with this poor strategy could have more customers than the other two banks. The following were the responses; one the of the respondents commented that;

“Government pays his workers through GCB not because the bank has strategies to win their heart.”

Another one put a rhetorical question that;

“Who wants to stay at Ghana Commercial Bank if not that the Micro Finances are collapsing?”

His question was supported by another customer of Ghana Commercial Bank who said;

“I receive my salary here but I don't save here when they count the customers they involve me forgetting that I just receive my salary here”.

Analytically, it could be deduced from the findings that Ghana Commercial Bank do not attach much importance to their strategies. They believe that with the help of the government they would win a

lot of customers and again with the help of the government they have so many branches in all the district capitals. This gives them advantage to get more customers who are desperate to leave for other banks if they are available. This explains the reason why with the collapse of Micro Finances in Ghana many people who live in the district capitals became victims also lost their money because they have not trust in Ghana Commercial Bank and their services.

The identification of needs, involving customers in decision making, visiting them at the workplaces and seeking their views and also providing high quality service to satisfy the customers by Agricultural Development Bank and Universal Merchant Bank is an indication that if they were to have the support given to Ghana Commercial Bank by the government as perceived by the customers, they could win more customers and also provide more quality service to the people of Ghana.

The identification of customers' needs by the banks and solving those needs means that the banks are loyalty to their customers. The findings are in agreement with Colgate et al (1996) and Gronrous (1997), whose studies confirmed that customers do not remain with an organization just because of the discount offered but the services provided, must also meet the expectations of the customer. They indicated that organization building customer retention should enable customers to receive what they want, when they want and a perfect delivery each and every time with the desire level of service that appeal to them.

4.6.2 Research Question Two:

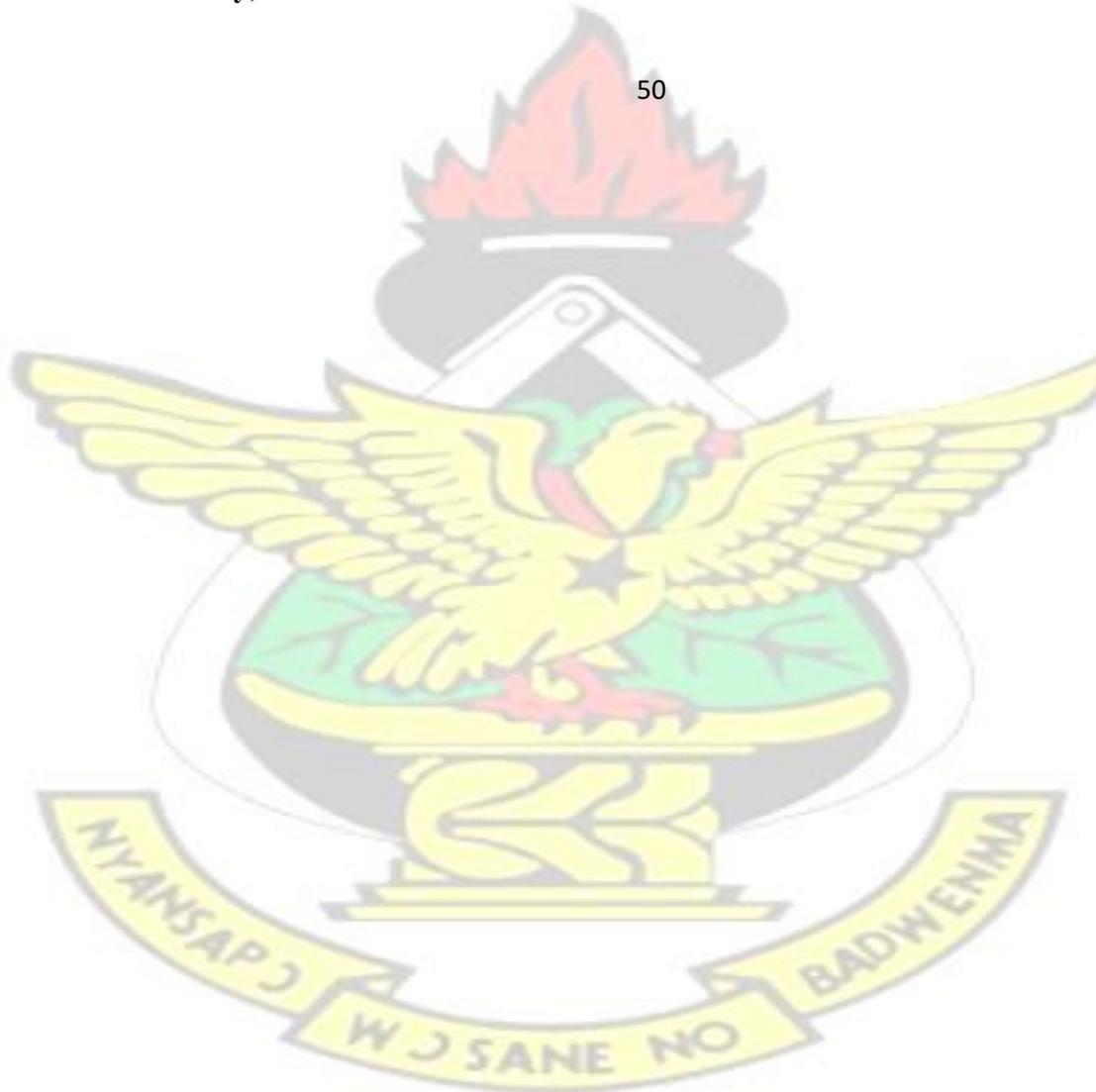
4.6.2.1 What are the customers' perceptions about the quality of services provided by theselected banks?

Table 4.6: Customers Perception about the component of quality of services provided by the three selected banks

	CUSTOMER (GCB)						(CUSTOMER) ADB						(CUSTOMER) UMB					
	SA	A	N	D	SD	M	SA	A	N	D	SD	M	SA	A	N	D	SD	M
CUSTOMERS' PERCEPTION ABOUT BANKS FACILITIES																		
Bank's facilities are visually appealing	11	8	6	2	3	3.7	5	1	0	6	4	2.81	10	3	0	1	0	4.57
Bank has modern equipments	8	2	0	10	10	2.6	1	3	7	2	3	2.81	5	6	3	0	0	4.14
CUSTOMERS' PERCEPTION ABOUT BANKS SERVICES																		
Bank performs service right the first time	0	3	2	20	5	2.1	0	0	3	10	3	2	4	3	3	1	3	3.28
Bank gives clients prompt service	3	8	10	6	3	3.06	1	2	4	8	1	2.62	7	7	0	0	0	4.5
CUSTOMERS' PERCEPTION ABOUT HUMAN RELATIONSHIP																		
Employees inspire confidence and trust	0	0	2	16	12	1.66	3	0	1	7	5	2.31	5	4	2	2	1	3.7
Employees deal with customers in a caring manner	3	2	4	12	9	2.26	6	10	0	0	0	4.37	6	3	2	1	2	3.7
CUSTOMERS' PERCEPTION ABOUT CUSTOMERS WELFARE																		
Employees have customers interest at heart	2	4	0	22	2	2.4	10	2	2	1	1	4.18	4	2	5	1	2	3.35

Bank responds to customers complaints promptly	10	9	1	7	3	2.53	4	3	2	6	1	3.18	7	6	1	0	0	4.47
<i>Number of Respondents</i>	30						16						14					

Source: Researcher's field survey, 2014



Data in table 4.6 above shows the responses on the perception the customers have for various services provided by the selected banks. It could be seen from the table that concerning customers' perception about the banks' facilities, Universal Merchant Bank's mean scores of 4.57 and 4.14 were the highest followed by Ghana Commercial Bank with a high mean score of 3.7 and 2.6. The lowest mean scores of 2.81 and 2.81 were recorded by Agricultural Development Bank. The high mean scores above show that the respondents agreed to the statement that the banks facilities are visually appealing and also their banks have modern equipments.

Concerning customers' perception about banks' services, it was revealed that Ghana Commercial Banks and Agricultural Development Bank recorded the low mean scores of 2.1 and 2 respectively. Universal Merchant Bank recorded the highest mean scores of 3.28 to the statement that bank performs service right the first time. Based on the mean scores of GCB and ADB, customers of these two banks disagreed to the statement that their banks performs service right the first time. Customers of Ghana Commercial Bank and Agricultural Development Bank were not sure whether their banks give clients prompt services. This was because they recorded a mean score of 3.06 and 2.62 respectively which fall under neutral. Customers of Universal Merchant Bank strongly believed that their bank gives prompt services.

Furthermore the highest mean score of 3.7 for Universal Merchant Bank is an indication that customers agreed that employees of the bank inspire confidence and trust. On the other hand, the lower mean scores 1.66 of 2.31 recorded by Ghana Commercial Bank and Agricultural Development Bank respectively, is an indication that their customers disagreed to the statement that employees in those banks inspire confidence and trust. Ghana Commercial Bank again recorded the lowest mean score of 2.26 to the statement that employees deal with customers in a caring manner with the high mean scores of 4.37 (ADB) and 3.7 (UMB).

Moreover, when it comes to customers' welfare, Universal Merchant Bank and Agricultural Development Bank recorded the higher mean scores of 4.18 and 3.35 respectively. This is an indication that the banks have the customers' interest at heart. The lowest mean score of 2.4 recorded by Ghana Commercial Bank is an indication that the bank's customers disagreed to the statement that those employees have customers interest at heart.

Finally, Universal Merchant Bank recorded the highest mean score of 4.47, followed by Agricultural Development Bank with 3.18 and Ghana Commercial Bank was last with a mean score of 2.53 to the statement that banks respond to customer complaints promptly. Analytically, it could be seen from the findings that Universal Merchant Bank have their customers' interest at heart and are willing to move heaven and earth to create good human relationship with them, seeking their welfare and also providing them with good customer services. Agricultural Development Bank also deals with their customers in a caring manner and have their interest at heart but do not inspire confidence and trust in their customers. Ghana Commercial Bank on the other hand, has modern facilities which are appealing but do not inspire confidence and trust in their customers. Also the bank does not respond to customer complaints promptly and do not have customers interest at heart.

Table 4.7: The customer perception with their mean scores

CUSTOMER PERCEPTION	GHANA COMMERCIAL BANK	AGRICULTURAL DEVELOPMENT BANK	UNIVERSAL MERCHANT BANK
	Mean Score	Mean Score	Mean Score
ON BANKS FACILITIES	3.15	2.81	4.36
ON BANKS SERVICES	2.58	2.31	3.89
ON EMPLOYEE- CUSTOMER RELATIONSHIP	3.7	3.34	3.7
ON CUSTOMER WELFARE	2.46	3.68	3.91

Sources: Researchers field work

Table 4.7 above shows the average means scores of the selected banks as perceived by their customers. When comparing the four main customer perceptions, the banks' relationship with customers recorded the highest average mean scores and thus was rated highest. It followed by customer welfare with Ghana Commercial Bank recording 2.46, Agricultural Development Bank 3.68 and Universal Merchant Bank 3.91. The third customer perception was the bank's facilities which according to the customers were very modern. The perception with the least score was the banks' services which were 2.58, 2.31 and 3.89 for Ghana Commercial Bank, Agricultural Development Bank and Universal Merchant Bank respectively. This study is consistent with Lowendahl 1997, Ericksson and Vaghult 2000, Sharma and Petterson, 1999; whose studies confirmed that service delivery have difficulties in applying any form of traditional management principles such as standardization, routinization and supervision.

Concerning the customers' perception about their banks, it was found that customer of Universal

Merchant Bank have good perception about the bank's facilities, services, relationship and also their welfare. On the other hand, customers of Ghana Commercial Bank have negative or bad perception about how the bank treats them in terms of their welfare. Among the banks, Universal Merchant Bank recorded the highest average mean scores of 3.7, 3.89, 3.9, and 4.36 for the various customer perceptions. Agricultural Development Bank had the higher average mean scores of 2.31, 2.81, 3.34 and 3.68. The last was Ghana Commercial Bank with the average mean scores of 2.46, 2.58, 3.15 and 3.7.

The key factors influencing customers' selection of a bank include the range of services, rates, fees and prices charged Abratt and Russell, (2009). Customers do not remain with an organization just because of the discount offered or loyalty program that is available but the services provided must also meet the expectations of the customers. An organization building customer retention should enable customers to receive what they want, when they want it (just in time) and a perfect delivery each and every time with the desired level of service that appeal to the customer Gronroos, (1997).

4.6.3 Research Question three

4.6.3.1 What is the customer retention rate in the selected banks?

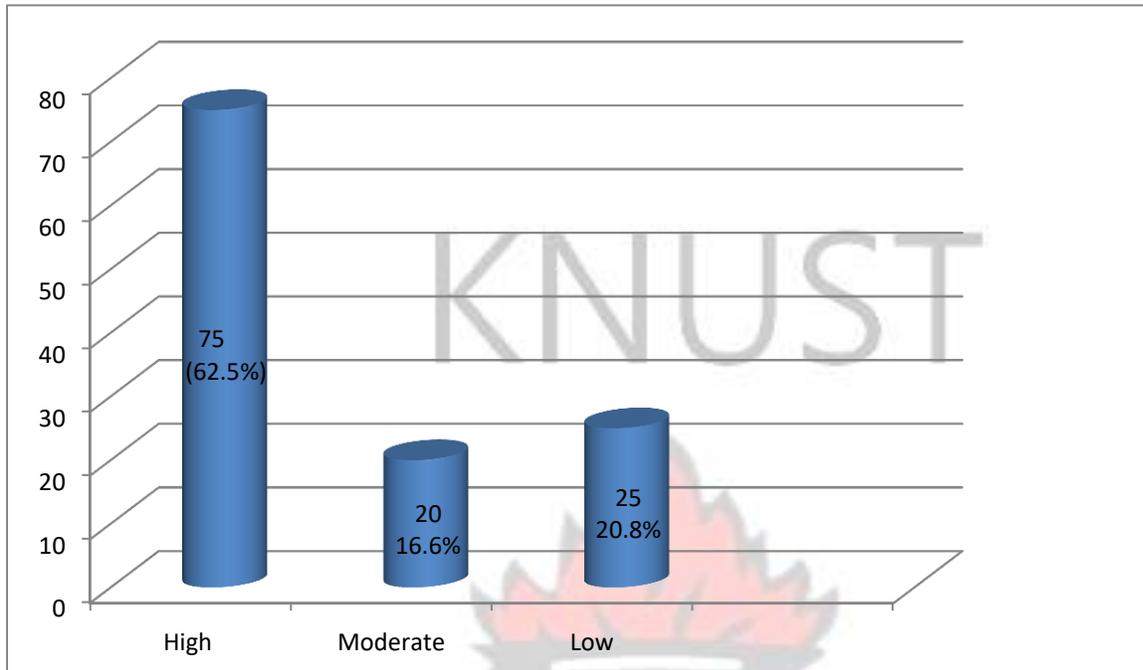


Figure 4.11: Participants responses on customer retention rate at GCB, ADB, UMB
Sources: Field Work, 2014.

Data in figure 4.8 shows the customer retention rate at the three selected banks. From the data it could be seen clearly that the customers, management, and employees rated customer retention high. 75 (62.5%) out of 120 respondents selected for the study rated the customer retention high, 20 (16.6%) of them also rated the customer retention moderate and 25 (20.8%) rated low.

Analytically, it could be deduced from the findings that the respondents were in agreement that the customer retention in these three banks were very high and that it may lead to high profit, employment, and also high market share. This study is consistent with a study by Kenny (1990) who rated customer retention very high in developing countries and also hinted that long term customers generate a positive word of mouth promotion for the company and also increases the organizational profit. This findings contrast with Colgate et al (1996) who said that customers do

not remain in organization just because of the discount offered to them and in his study rated customer retention very low in developing countries.

In order to establish the effect of service quality on customer retention in the selected banks, five(5) service quality dimensions was used to show perceived service quality that instigates customer satisfaction which in turn influences loyalty, market share and profitability along the paths shown above. Since customer satisfaction is only to a degree, the dotted arrow reflects customers who get dissatisfied and eventually switch to other banks. Also bank image and reputation as well as competitive pricing have effects on customer satisfaction through the path.

If the customer does not switch and the customer retention is high due to the high service quality what would be the effects on customer retention? This question was answer by all the respondents.

Table 4.6: Service quality and its effects on customer retention

Statement	Great Extent	Moderately Extent	Extent	No Extent	Total	Mean
	Frequency					
The effect of service quality on customer retention is profitability	100	20	0	0	120	3.8
Service quality has an effect on high market share	95	10	15	0	120	3.6
The effect of service quality on customer service has effect of creating employment and increases in wages.	76	24	5	15	120	3.3

Source: Field Survey 2014

Data in table 4.6 shows respondents responses on the extent to which service quality has effect on customer retention. The high mean score of 3.8, 3.6 and 3.3 Suggest that to a great extent, respondents agree that service quality has very good effect on customer retention. This is because,

service quality provides the organization with a high market share, profitability and also creates employment in the organization.

The findings from the effect of service quality on customer retention shows that service quality has effect on the organizational profit, its market share and also can increase the salaries of their workers. These findings are not different from Ranaweera and Prabhu(2003) who argues that, the more a customer is satisfied, the more he/she remains loyal and thus firms devote many efforts on the creation and maintaining a customer satisfaction.



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 INTRODUCTION

This chapter summarizes the research findings and draws conclusions and provides recommendations.

5.1 Summary of Findings

The findings of the study can be summarized as follows:

5.1.1 Findings from objective one: To identify customer service strategies used by the selected banks.

The three service strategies which were identified include customer satisfaction, customer involvement and service excellence.

5.1.1.1 Customer Satisfaction

There were three main variables considered under customer satisfaction. These are service quality, identification of customers' needs and the recruitment of right personnel to handle customers' needs. UMB recorded the overall highest mean score followed by ADB and GCB recorded the lowest mean score when it comes to customers' satisfaction.

Generally, service quality was rated very high among all the three banks. This shows the importance all the banks place on the quality of services they provide to ensure that customers are satisfied. Service quality has been viewed as significant in the banking industry by Stafford (1994). This is because the banking service is generally made up of homogeneous products and it is therefore vital for the banks to strive for service quality if they want to stand out in the competitive environment. Service quality was rated highest in GCB and UMB with regards to strategies adopted to ensure customer satisfaction.

The study also revealed that the identification of the needs of customers and providing them was an important strategy used by the three selected banks to ensure customer satisfaction. The banks identify the needs of the customers and make sure that those needs are met. This can be enhanced by making it easy for the customers to reach appropriate company personnel to express their needs, perceptions and complaints.

Recruitment of right personnel and their training to ensure their ability to handle customers' needs was also found to be another strategy used by all the banks to ensure customer satisfaction. It was also rated high by the banks in satisfying existing customers and also attracting more. This is confirmed in Petatis and Opoku-Mensah (2009) that; the banking industry in Ghana continues to attract, retain and maintain qualified personnel to fill most sensitive positions to have customers' confidence, credibility, trust worthiness and also to be more attractive to customers.

5.1.1.2 Customer involvement

Visiting customers and seeking their views for decision making was rated high in UMB and ADB than in GCB. Seeking customers' views enable customers to open up because it makes them feel that they are important aspect the organization. In Kotler and Keller (2008) it is suggested that organizations should integrate the voice of the customers to capture their stated and unstated needs and requirements in all business decisions. The study also revealed GCB's decisions are taken by the management without the views of their customers since they recorded the lowest mean score of 2.24 in customer involvement.

The study also revealed that the customer is the most important visitor on the bank's premises and all the three banks make sure they build a very good interpersonal relationship with the customers so as to capture and retained them as stated in Tumi-Dei (2005), that: any effective customer service delivery depends on the relationship that exists between the service provider and the customer, especially after the interaction process. He argues further that customers are always encouraged and retained once one creates a positive image through body language, tone of voice, eye contact and hand gestures. The banks interact with individual customers to improve their knowledge about their individual needs in order to satisfy them.

5.1.1.3 Service excellence

Service excellence comprising innovative products, meeting customer expectations and improved efficiency for clients was the least rated of the variables for customer satisfaction. The study revealed that UMB attaches much importance to product innovation and providing customers' expectations followed by GCB and the last is ADB. According to Tumi (2005), in any customer service interaction, the perception of customers is crucial to one's ability to ensure that they are satisfied beyond expectation. This helps to give customers not what is obvious but also fulfill a multitude of less obvious customer needs, (Tumi 2005).

5.1.2 Findings from objective two: To assess customer perception about the quality of services provided by the selected banks

5.1.2.1 Banks facilities

The study revealed that all the three banks, Ghana Commercial Bank, Agricultural Development Bank and Universal Merchant Bank have modern office equipments and facilities that are appealing to their customers. The banks have modern computers and also branch network systems that allow customers to transact business in any of their branches irrespective of where account is domiciled. The physical environment or ambiance makes customers feel safe and comfortable to transact their business.

5.1.2.2 Employees inspire confidence and trust in customers

It was revealed that customers of Ghana Commercial Bank and Agricultural Development Bank were not inspired by the employees of these two banks. But they rather discourage them. The issue of trust plays an important role in the banking industry as confirmed in Selnes (1998) and Berry and Parasuraman (1991) who identified trust as an essential element in maintaining and enhancing relationship between a buyer and a seller. Trust can be established through exchange of information, proactive resolution of complaints and conflicts, integrity and reliability.

5.1.2.3 Employees have customers interest at heart

The research revealed that Agricultural Development Bank and Universal Merchant Banks' employees have their customers' interest at heart. Thus they do not play with their customers. They provide their service needs with the aim of making profit. The customers claimed they were satisfied with the services provided to them by these two banks. Politeness and friendliness of staff

attract customers and also make them continue doing business with them. It was also revealed that employees of GCB do not have the customers' interest at heart.

5.1.3 Findings from objective three: To assess the customer retention rate in the selected banks.

5.1.3.1 Customer retention rated high.

It was revealed that customer retention at the banks was of great importance and thus was rated very high by all the respondents. The willingness to help customers and provide prompt service was their core objective. Thus provision of prompt services results in customer satisfaction which in turn results in retention.

5.1.3.2 Bank provides good services to keep customers

It was also revealed that the banks provide very good services to their numerous customers by educating them on how to save and also how to assess loans from the bank.

5.1.3.3 Some of the respondents rated customer retention very low

The study also revealed that, some of the customers rated the service and the customer retention at the bank very low. They claimed that they find it difficult to assess loans and also overdraft facilities from the banks. To them, they are not retained since they were prepared to switch to another bank. It is noted that most of the non-bank financial institutions use credit facilities to attract customers.

5.1.4 Findings from objective four: To examine how the customer service affects customer retention

5.1.4.1 Service quality has very good effect on customer retention.

It was also revealed that, quality service is what the customers of the banks expect and this greatly affects the image of the bank as well as its expansion. The study showed that some customers were not happy or dissatisfied with the service quality of their banks but they are still retained. This is confirmed by the two statements below which were made by some of the respondents of GCB:

“Who wants to stay at Ghana Commercial Bank if not that the Micro Finances are collapsing?”

“I receive my salary here but I don't save here when, they count their customers they involve me forgetting that I just receive my salary here”.

This explains why some banks that are perceived by customers to be providing poor customer services still have many customers.

5.1.4.2 Customer service has very good effect on customer retention.

The effectiveness of the customer service strategies adopted by a bank enhances retention. It was observed that, effective quality customer service has very good effect on customer retention. This is because the marketing departments of those banks seek to improve the services by using customer satisfaction as benchmark for performance and evaluation.

5.1.4.3 Customer Service ensures the survival of the banks.

The research revealed that the customer is the most important person to the bank. The banks exist because of the customers. The success or otherwise of the banks is thus influenced by the customer.

When customers are satisfied, they are retained, increase the banks' profitability and

this leads to survival.

5.1.4.4 Customer Service create employment

The study revealed among other thing that, service quality has the effect of creating employment. Banks survives because of satisfied customers. Survival of the banks creates more employment avenues.

5.2 CONCLUSION

Due to the high level of competition in the banking industry, different customer service strategies are adopted by the banks to enhance customer retention. The study revealed the importance of customers to the organizations. Many commercial banks in Ghana invest millions of cedi in customer service promotion for its various packages. The study also revealed that not all customers were happy about the services of the bank only that those who were satisfied were many. Quality customer services according to the respondents were the key strategy used to retain or keep customers to the bank. Customers play very important role by creating employment for people, also patronage of the products and services of a bank ensures its survival in the industry.

The study also revealed that, factors that influence customer retention were creating customer satisfaction, creating customer trust, customer involvement and creating switching barriers.

5.3 RECOMMENDATIONS

The following recommendations were made:

5.3.1 Creating customer satisfaction

The revealed among others that more customers are not satisfied with the services they receive and it is therefore recommended that, the banks should constantly try to find the needs of their clients

so as to satisfy them and make them feel important in the organization. If they feel important, they will be loyal to the organization and devote much effort to increase savings in the business.

5.3.2 Employee should have customers interest at heart

It is recommended as a matter of urgency that employees of banks should have their customers' interest at heart and treat them as kings. Indeed without customers employees are nothing. There is the need to always make customers happy and this call for customer orientation.

5.3.3 Customers' interest must be sustained.

It was also revealed that even though many of the customers have good perception about the banks services, the banks should continue to sustain the satisfaction level of their customers so as to retain them all the time.

5.3.4 Creating good human relationship.

It is recommended that, the banks should create very good or cordial relationship with their customers so as to retain them. By creating a cordial relationship, the banks should put themselves in their shoes to give them the needed assistance and also explaining to them the new policies that they have adopted.

5.3.5 Switching Barriers

The banks need to manage customer switching costs effectively in order to retain them even if they are not satisfied with the services they provide. There are times that customers are not satisfied with the services they receive from the banks but continue patronizing their products and services

because the cost of switching to a competitor is perceived to be high. The higher level of perceived switching cost, the higher the probability of the customers remaining loyal to the company.

5.3.6 Creating Customer Trust and Involvement

Customer retention can be high only when the customer has trust in the organization and also are involve in the activities of the bank. Employees must be trained regularly to equip them with the skills needed to improve service delivery. This can increase the level of confident customers have in them.

5.3.7 Corporate Social Responsibility

It is also recommended that the selected banks should undertake corporate social programs that will benefit their customers directly such as health facilities for their customers and also sponsor some of them who are not financially sound in education, trade, etc.

5.4 Recommendations for Further Research

Further research should be carried on by using other approaches to investigate the impact of job satisfaction on customer retention.

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APPENDIX: AMANAGEMENT AND EMPLOYEE QUESTIONNAIRE

I am a student of KNUST School of Business and I am conducting a study **on the effects of customer service on retention in the banking sector** in partial fulfillment of an award of MBA.

The study is purposely for academic exercise and all information collected shall be used with utmost confidentiality. I appreciate you kind effort.

Part A: Demographic Background.

1. Gender: Male [] Female []
2. What is your age in complete years?
A. 1-25 [] B. 26-35 [] C. 36-45 [] D. 46-55 [] E. Above 55 []
3. What is your rank in this institution?
4. How many years have you been working in this bank?
A. 1-5 years [] B. 6-10 years [] C. 11-15 years [] D. Above 16 years
5. What is your level of education?
A. Phd [] B. Master's degree [] C. First Degree [] D. HND []
E. Others, specify.....

Part B : Customer service Strategies

6. What are some of the customer service strategies used by your bank?
.....
.....

Indicate your bank and tick the whether you agree or disagree with statement below.

	GCB					UMB					ADB				
	SA	A	N	D	SD	SA	A	N	D	SD	SA	A	N	D	SD
Identification of customer needs and solving their needs															
Providing high quality service to satisfy the customers															
Recruitment and training of the right personnel to handle the customer's needs															
Building an interpersonal relationship with customers															
Visiting them at their workplaces and ask about their views or opinion about the bank.															
Involving customers in decision making															
Providing innovative products that are essential to succeed in the banking industry															
Service provided meet the expectation of the customers															
Improvement of efficiency with future clients															

7. To what extent do you agree on the following statement regarding your customer service strategies used?

Please rank whether you strongly disagree, disagree, neutral, agree and strongly agree.

Variable	Strongly disagree	Disagree	neutral	Agree	Strongly agree
It help us stay in touch with customers					
Emphasis on customer loyalty					
Creative service is a priority					
Store of customer information					
Empower staff with knowledge of customer					
Know customer better					
Management customer relationships					

8. What are the objectives for the implementation of your banks customer service strategies?

.....

9. What commitment is usually made to ensure customer service strategies are achieving expected results?

.....

.....

.....

10. To what extent to you agree that the following steps are usually taken to ensure that your customer service strategies are effective to achieving results.

Please rank whether you strongly agree, agree, neutral, disagree and strongly disagree.

Variable	Strongly disagree	Disagree	Neutral;	Agree	Strongly Agree
Recruit and train the right staff					
Welcome staff and customer complaints well					
Review process regularly					
Measure performance regularly					

11. Do you think your customer strategies are yielding expected results?

A) yes very well [] B) Yes somehow [] c) No not at all []

12. Do you think your customer service strategies have a link with customer retention in your bank? A) Yes [] B) No [] How/ Why?

.....

13. What other comment can you say about the existing customer strategies as used by your bank?

.....

14. What can you say about the rate of customer retention in this bank?

A) There is high retention rate []

B) Retention is comparative to industry average []

C) It is lower than industry average []

15. Does the rate of customer retention affected by the level of service quality?

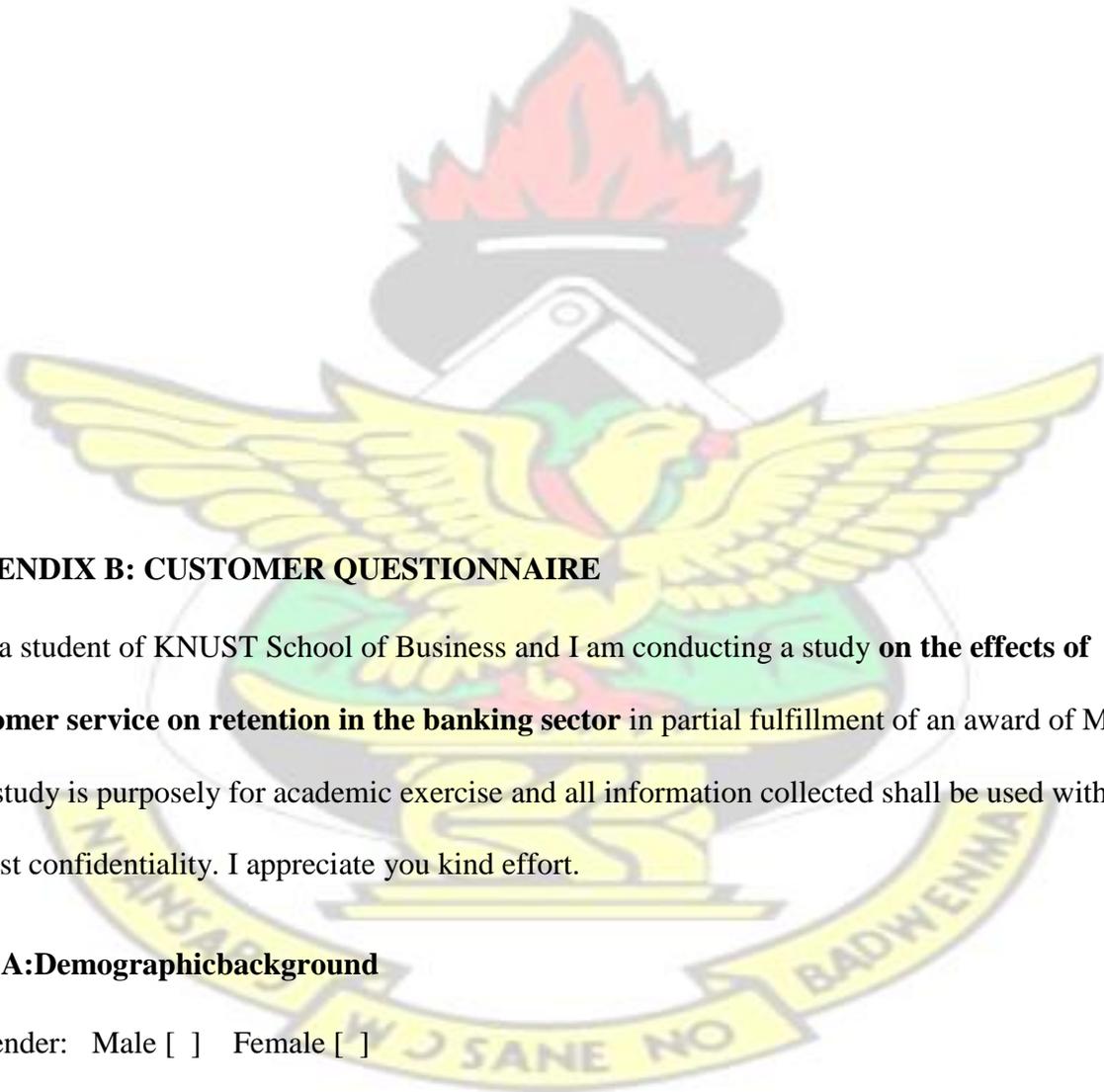
A) Significantly affected []

B) Somehow affected []

C) Retention has nothing to do with service quality []

16. Are there any relationship between customer service strategies and customer retention in your bank? A) yes greatly related [] B) moderately related [] C) Cannot tell [] D) not related at all []

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APPENDIX B: CUSTOMER QUESTIONNAIRE

I am a student of KNUST School of Business and I am conducting a study **on the effects of customer service on retention in the banking sector** in partial fulfillment of an award of MBA.

The study is purposely for academic exercise and all information collected shall be used with utmost confidentiality. I appreciate you kind effort.

Part A:Demographicbackground

1. Gender: Male [] Female []

2. What is your age in complete years?

A.18-25 [] B. 26-35 [] C. 36-45 [] D. 46-55 [] E. Above 55 []

3. What is your level of education? A) Phd [] B) Master's degree [] C) First Degree []
 D) HND / Diploma [] E) SHS/SSSCE [] F) Others, please

specify.....

4. Which of these banks do you transact

business with? A. GCB [] B. ADB [] C. UMB []

5. What are some of the services you patronize from this bank?

A) general banking (savings / current account) []

B) Investment products and services

C) Foreign and local remittances

D) Loan products

E) Others

Part B : Dimensions of service quality

6. Please rank the following in order of importance representing your expectations of the banks services. (Variable being strongly disagree, disagree, neutral, agree, or strongly agree).

Variables	Strongly disagree	disagree	Neutral	Agree	Strongly Agree
Banks facility is visually appealing					
Bank has modern equipment					
Bank performs service right the first time					
Bank gives client prompt services					

Employees inspire confidence and trust					
Employees deal with customers in a caring manner					
Employees have customers interest at heart					
Bank responds to customer complaints promptly					

Part C : Service expectation

7. Does your bank welcome customer complaints? A) Yes [] B) No []

8. If yes, what are the means of lodging complaints?

A) Customer complaint unit []

B) Personal banker []

C) Branch manager []

D) Suggestion box []

E) Others, please specify

9. Which of the banks electronic products do you patronize?

A) ATM [] B) Internet banking [] C) Telephone banking [] D) Others

10. Are the bank's electronic products efficient, reliable and accessible to you?

A) Yes [] B) No []

Please explain your answer

11. How would you rate your assessment of service quality received?

A) Very satisfied []

B) Satisfied []

C) Not satisfied []

12. How can you rate the services as provided by your bank?

Please rank whether you strongly disagree, disagree, neutral, agree or strongly agree.

Variables	Strongly disagree.	Disagree	Neutral	Agree	Strongly agree
Service is reliable					
Service is prompt					
It is Accessible					
Technologically innovative					
Bank responds to customer complaints promptly					

13. Are your expectations of service required met by services received? A) Yes [] B) No []

14. Would you compare this bank's total service package with other banks services?

A) Lowest [] B) Lower [] C) High [] D) Higher [] E) Highest []

15. What motivated you to choose this bank?

A) It provide the best services I can think off []

B) It is nearer to my location []

- C) I have no other option
- D) My friends bank here
- E) Others, please specify.....

16. How many years have you been doing business with this bank?

- A) 1-3 B) 4-6 C) 7-10
- D) 11-15 E) 16-20 F) 21 years and above

17. How long do you normally stay in the banking hall before getting served?

- A) 0-5mins B) 6-15mins C) 16-25mins D) 26-35mins E) 36-45mins
- F) 46-55mins G) Above 55mins, please specify

18. Does the time spent in the bank before getting served satisfy your expectation of prompt service? A) Yes B) No

19. Would you do business with the bank in the next few years? A) Yes B) No

20. Please give reasons for your choice of answer in question 12 above?

- A) I am satisfied with the service they provide
- B) I am not satisfied with the service they provide
- C) Others, please specify.....

21. Would you say positive things about the bank to other people? A) Yes B) No

Why.....

22. Would you consider the bank your first choice to buy services from? A) Yes B) No

Why?

23. Which of the following actions would you take if you become dissatisfied with the services of the bank?

A) Complain to employees [] D)

Complain to external agencies []

E) Complain to other consumers []

F) Switch to a competitor []

24. Any suggestion to improve customer service at the bank

.....
.....

