

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,**

**KUMASI**

**SCHOOL OF GRADUATE STUDIES**

**COLLEGE OF ARTS AND SOCIAL SCIENCES**

**KNUST SCHOOL OF BUSINESS**

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**THE IMPACT OF RELATIONSHIP MANAGEMENT ON CUSTOMER LOYALTY IN  
THE NON- BANKING FINANCIAL INSTITUTIONS: A CASE STUDY OF CEDI  
TRUST FINANCIAL SERVICES LIMITED**

**A THESIS SUBMITTED TO THE DEPARTMENT OF MARKETING AND  
CORPORATE STRATEGIES, KWAME NKRUMAH UNIVERSITY OF SCIENCE AND  
TECHNOLOGY IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE  
DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA)**

**BY**

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**MARCH, 2009**

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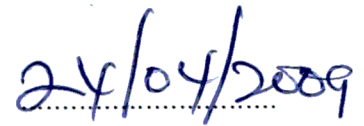
## DECLARATION

I hereby declare that, except for specific references which have been duly acknowledged, this work is the result of my own field research and it has not been submitted either in part or whole for any other degree elsewhere.

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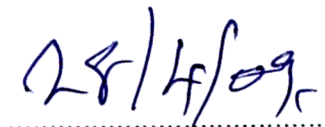
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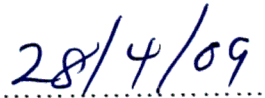
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## **ACKNOWLEDGEMENT**

I wish to express my greatest thanks to the Almighty God for his immense blessings, wisdom and the strength he gave me throughout my MBA programme.

I am deeply indebted to my supervisor, Dr. Kofi Poku for his painstaking effort in ensuring that this project work comes out in good quality and an acceptable standard. The successful completion of this essay would not have been possible if not for his support, co-operation and fatherly assistance.

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## ABSTRACT

Customer loyalty is critical to the conduct of business in today's competitive marketplace and non-banking institutions are no exception. Non-banking institutions have, thus, embarked on different management strategies as ways to promote customer loyalty.

In the quest for business survival many non-banking financial institutions are channeling most of their scarce resources and energies towards customers and perhaps this is considered as one of the most important constructs in services marketing. Indeed, loyal customers that indulge in repetitive purchases are the bedrock of any business.

Customer Relationship Management is an effective weapon for institutions/organization to build and develop good relationship with customers. Under current circumstance, new customers are hard to acquire by most banks in the country and Cedi Trust is no exception because of the prevailing competition among the banks in an attempt to mobilize customers.

Although customer loyalty and relationship management are entirely different concepts, the current research illustrates their association and in the current study, trust of the service and reliability of service explain 41.8% as shown in table 4.6 emerged the most important determinant of overall customer loyalty of Cedi Trust Financial Service Limited. This was followed by satisfaction of the service which had 30.6% and thirdly level of commitment features 27.6%

In addition, there were positive relationship between the variables (Trust Commitment and Satisfaction) and the overall customer loyalty Level of Cedi Trust Financial Services. Questionnaire was developed to capture this information. The questionnaire was developed for both customers and management. The questionnaire for the management was used to ascertain

the relationship management strategies adopted and that of the customers was also used to assess what aspect of relationship marketing makes them loyal to the company.

The researcher recommended that customers of Cedi Trust Financial Service Ltd put much premium on reliability of service delivery in determining their loyalty with the overall service and more attention should be placed on the ability to perform the promised service dependably and accurately if they intend to increase overall customer loyalty through quality service delivery.

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## **DEDICATION**

This work is dedicated to the Almighty God, my Creator, to all my friends and loved ones

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## CHAPTER ONE

### INTRODUCTION

#### 1.0 Background of the Study

In recent years, an increasing number of businesses have recognized the benefits of establishing and nurturing ongoing relationships with their customers. Many have begun to shift their emphasis from discrete transactions toward shaping longer-term, mutually beneficial exchange relationships. Often referred to as “relationship marketing” or “relationship management,” the foundation of this rapidly emerging business philosophy is the belief that strengthening ties with existing customers heightens customer satisfaction and businesses’ abilities to serve customers. This avoids the high costs both parties might otherwise experience in the search for new, acceptable exchange partners. Thus, one-shot purchase transactions with limited profitability are transformed into continuous strings of repeat purchases with potential for greater long-term profitability (Sheth and Parvatiyar, 1995; Vavra, 1992).

It is commonly known that there is a positive relationship between customer loyalty and profitability. Reichheld and Sasser, (1990) found out that when a company retains just 5 percent more of its customers, profits increase by 25 percent to 125 percent. Their study caught the attention of both practitioners and researchers, arousing a great interest in customer loyalty. Gould, (1995) helped consolidate the interest in loyalty through his research that supported Reichheld and Sasser’s work. Today, marketers are seeking information on how to build customer loyalty.

The increased profit from loyalty comes from reduced marketing costs, increased sales and reduced operational costs. Loyal customers are less likely to switch because of price and they make more purchases than similar non-loyal customers (Reichheld and Sasser, 1990). Loyal customers will also help promote your product. They will provide strong word-of-mouth, create business referrals, provide references, and serve on advisory boards. Raman, (1999) states, loyal customers serve as “fantastic marketing force” by providing recommendations and spreading positive word-of-mouth; those partnership-like activities are the best available advertising a company can get. Loyal customers increase sales by purchasing a wider variety of the hotel’s products and by making more frequent purchases. Bowen and Shoemaker, (1998) found out that loyal hotel customers had higher food and beverage purchases than non-loyal customers. Finally, loyal customers cost less to serve, in part because they know the product and require less information. They even serve as part-time employees. The authors have collected anecdotes from service employees, stating how loyal customers are eager to serve as employees. Loyal customers have been observed in hotels, telling other guests about the great restaurants in the hotels. In casinos, customers explain games and how the player’s club works to other customers. Passengers on planes have explained the lightning system or the audio/visual system to other passengers. Therefore loyal customers not only require less information themselves, they also serve as information source for other customers. Building customer loyalty is one of the biggest challenges for the hotel industry (Yesawich, 1997).

## **1.1 Statement of the Problem**

It is commonly known that there is a positive relationship between customer loyalty and profitability. Reichheld and Sasser, (1990) found out that when a company retains just 5 percent more of its customers, profits increase by 25 percent to 125 percent. Their study caught the attention of both practitioners and researchers, arousing a great interest in customer loyalty. Gould, (1995) helped consolidate the interest in loyalty through his research that supported Reichheld and Sasser's work. Today, marketers are seeking information on how to build customer loyalty. A positive strong relationship between customer and service providers have shown to enhance customer loyalty. The problem is that most businesses aspire to maximize profits but fail to establish good relationship with their customers, which affect customer loyalty and its effect on profitability. Many businesses thus lose customers on a daily basis because they fail to pursue customer loyalty programmes in their quest of winning in the market place. This further affects their profitability level. It in this light that the researcher sought to investigate the impact of relationship management on customer loyalty in the non-banking financial institutions. A case study of Cedi Trust Financial Services Limited.

## **1.2 Objectives of the Study**

The main objective of the study is to assess the role of relationship marketing in maintaining a loyalty customer base. To help achieve this primary objective, the following specific objectives were used:

1. To identify the relationship management strategies that Cedi Trust Financial Services employs to achieve customer loyalty.

2. To evaluate the relationship management strategies that affect customer loyalty.
3. To review the satisfaction levels of customers of Cedi Trust Financial Services Limited regarding relationship strategies employed by CFSL.

### **1.3 Research questions**

In order to arrive at the above stated objectives the researcher will answer the following research questions.

1. How can relationship management strategies that Cedi Trust Financial Services employs to achieve customer loyalty be described?
2. What are the relationship management strategies that affect customer loyalty?
3. How can the satisfaction levels of customers of Cedi Trust Financial Services Limited be described?

### **1.4 Justification of the Study**

A critical issue for the continued success of a firm is its ability to retain its current customers and make them loyal to its brands (Dekimpe et al., 1997, p. 405). Loyal customers build businesses by buying more, paying premium prices, and providing new referrals through positive word of mouth over time (Ganesh et al., 2000, p. 65). In fact, financial institutions are losing 2-4 percent of their customers monthly; disloyal customers can amount to millions of lost revenue and profit. In the light of the above development this research will come out with how good customer relationship will help maintain a loyal customer base.

## **1.5 Limitations of the study**

Academic study of this nature cannot be executed without the researcher going through certain difficulties. Among the limitations that constrained the researcher are as follows.

Obtaining information from respondents particularly workers of the company who don't see the need for the research was difficult. More so, some were a bit reluctant in giving off information as they felt that it will mean a sell out of very vital and confidential information to an outsider

There was also the difficulty of the workers of CTFSL granting the researcher the access for the conducting of interview due their tight work schedule. Due to competition and trade secrets, vital information in relation to competitive advantage was not given.

## **1.6 Research Interest**

There are so many researchable topics so far as the MBA programme is concern. Researching in to the impact of relationship management on customer loyalty did not occur to the researcher accidentally, but rather it has been chosen as a result of the researcher's over the years' credible and cherished experience as a previous employee in the banking industry. Also, apart from the researcher being part of the team that executes relationship management strategies in the banking industry, it was imperative to use this study to investigate on the impact of relationship management on customer loyalty. A case of CTFSL.

## 1.7 Structure of the research

The research is divided into five chapters. Chapter one deals with general introduction, background study on relationship marketing strategies, problem of the study, objectives of the study, research questions, justification of the study, research interests, limitations of the study and structure of the research. Chapter two is devoted to the introduction of the literature, that is, an in-depth review on various definitions giving by seasoned authorities on what relationship management is, The Concept of Relationship Management, The Value of Relationship Management, Determinant of Relationship Management, Trust as a Determinant of Relationship Management, Commitment as a Determinant of Relationship Management, Satisfaction as Determinant of Relationship Management, Relationship Management in Services, The Role of Trust and Commitment in Relationship Management, Potential Negative Effect of Relationship Management, Customer Relationship Management and Competitive Positioning, Concepts of Customer Loyalty, Two Levels of Customer Loyalty, Conceptual Differences, Customer Behavioural Intentions and Impact of Relationship Management on Customer Loyalty. Chapter three deals with the research methodology. Chapter four essentially comes out with empirical results or findings and discussions. Chapter five lastly deals with summary, conclusions of the study and also comes out with recommendations.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

As markets become more competitive many companies recognize the importance of retaining current customers and some have initiated a variety of activities to improve customer loyalty. Indeed, the benefits associated with customer loyalty are widely recognized within business. These include lower costs associated with retaining existing customers, rather than constantly recruiting new ones especially within mature, competitive markets (Ehrenberg and Goodhardt, 2000). It is known that long-term customers are more likely to expand their relationship within the product range and so the rewards from this group are long term and cumulative (Grayson and Ambler, 1999). Another widely perceived benefit is that repeat or behaviourally loyal customers are also thought to act as information channels, informally linking networks of friends, relatives and other potential customers to the organisation (Shoemaker and Lewis, 1999). Much academic literature has sought to define customer loyalty and many of these reviews are discussed within this paper. However, consensus points to customer loyalty being characterised by the customer's preference to purchase a product, service or from an organisation consistently when the need arises to purchase. The key issues of this characterisation are preference and consistency. This study seeks to explore the levels of customer loyalty development and what is important to differing groups of customers in terms of sustaining and developing further their relationship with the organisation and its products/services.

The relationship approach is an emerging perspective in marketing literature (Sheth and Parvatiyar, 1995). Relationship marketing can be interpreted and defined as a marketing philosophy aimed at maintaining and strengthening relations with current clients, rather than identifying and acquiring new customers (Grönroos, 1991, p. 11; Peck *et al.*, 1999, p. 44). In this perspective, the fundamental goal of the relationship marketing approach is gaining and fostering customer loyalty (Gremler and Brown, 1999). As “understanding how and why a sense of loyalty develops in customers remains one of the crucial management issue of our days” (Pritchard *et al.*, 1999, p. 333)

## 2.1 Concepts of Relationship Management

Parvatiyar and Sheth (2001, p. 5) defined Customer Relationship Management (CRM) as “a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value”. These definitions emphasize the importance of viewing CRM as a comprehensive set of strategies for managing those relationships with customers that relate to the overall process of marketing, sales, service, and support within the organization. Moreover, information technology (IT) and information systems (IS) can be used to support and integrate the CRM process to satisfy the needs of the customer.

Previous research has suggested many different typologies of marketing relationships. Although every classification implies limitations, from a conceptual point of view it is useful to delineate distinctions among different kinds of relationships. In marketing literature, relationships have

been distinguished using two major classification criteria, i.e. on the basis of their structural level, on the one hand, and of the subjects involved, on the other.

As for the structural level (Iacobucci and Ostrom, 1996), firm-to-firm, individual-to-individual and individual-to-firm relationships can be identified. The first type is mainly concerned with inter-organisational phenomena. The second involves interpersonal interactions between customers and other individuals (salespeople, front-line employees or other customers), and emphasises the importance of evaluating the personal characteristics of the persons involved and the social relations they establish (Thibaut and Kelley, 1959). The third type is characterised by customers' familiarity with the selling organisation in general.

Relationships can also be distinguished on the basis of the subjects that are linked. If a consumer-centric perspective is adopted (Buendapudi and Berry, 1997; Gwinner et al., 1998), customer-to-firm, customer-to-brand, customer-to-product/service, customer-to-employee and customer-to-customer relationships can be identified (Clark and Martin, 1994; McAlexander *et al.*, 2002).

The customer's interpersonal relationships in a marketing context can have two different objects: a firm employee or another customer. Research about the customer-to-employee relationships has mainly been run in personal selling, retailing and service literature.

In personal selling literature, it is widely recognised that the quality of the interpersonal relationship between the buyer and the salesperson can affect the quality of the relationship between the buyer and the selling company. In fact, the interpersonal relationship between the salesperson and the customer can have a substantial impact on important relational outcomes for

the selling firm, because it fosters customer satisfaction, commitment and trust in the supplier, as well as repurchase intentions, willingness to recommend the provider to other potential customers, and to provide referrals (Foster and Cadogan, 2000; Johnson *et al.* 2003; Kennedy *et al.*, 2001; Langerak, 2001; Liu and Leach, 2001; Tam and Wong, 2001). More in detail, many authors pointed out that customer trust and loyalty to the salesperson, on the one side, and to the firm, on the other, are distinct but interrelated factors, and emphasised the importance of sales force skills and behaviours in gaining customer trust and developing long-term buyer-seller relationships (Doney and Cannon, 1997; Dorsch *et al.*, 1998; Swan *et al.*, 1999). Anderson (1996) underlined that the fundamental goal of salespeople in the new millennium is to develop long-term, mutually profitable partnerships with customers, while Jolson (1997, p. 76) claimed that:

Relationship Selling ... focuses on the building of mutual trust within the buyer/seller dyad with a delivery of anticipated, long term, value added benefits to buyers [... in order to] create long term relationships, alliances, and collaborative arrangements with selected customers whenever possible.

Crosby *et al.* (1990) showed that the quality of the customer-salesperson relationship (i.e. customer trust and satisfaction) affects customer's expectations of future interactions with the salesperson over the long term. For the goals of this study, it is important to underline that it has been demonstrated that achieving such positive results is easier when a friendship relationship exists between the customer and the salesperson (Nicholson *et al.*, 2001; Price and Arnould, 1999).

Similar findings emerged in the retail context, where some studies found that customer relationships are primarily with the salesperson rather than with the firm, although customer loyalty partially transfers to the firm (Beatty et al., 1996; Reynolds and Beatty, 1999a,b). These interpersonal relationships positively affect overall customer trust in the store (Wong and Sohal, 2003).

In the service context, interpersonal relationships are considered a key element of the offering (Czepiel, 1990; Berry, 1995), and research shows that the creation of communal relationships between customer and service personnel has a positive impact on customer-to-firm relationships. In fact, by providing social and confidence/trust benefits (Adelman et al., 1994; Goodwin and Gremler, 1996; Hennig-Thurau et al., 2002), the existence of this kind of relationship contributes to the creation of value and, in turn, to customer loyalty both directly and indirectly, through the mediating role of satisfaction (Reynolds and Beatty, 1999a; Butcher et al., 2001). This stream of research also stressed the existence of a dark side of the customer-service personnel relationship (Beatty et al., 1996; Bove and Johnson, 2000; Caldow et al., 2000). In fact, in case the service employee leaves the company, the existence of a customer-to-employee relationship and the creation of a personal loyalty to a specific firm's person could contribute negatively to customer loyalty to the firm, and hence to customer-to-firm relationship. Because findings on this topic are controversial, further analysis should be welcome.

To date, research studying customer-to-customer relationships by means of conceptualisations similar to those used for customer-to-employee relationships is almost missing. In service marketing literature, some authors called for such a research (Clark and Martin, 1994; Gremler and Gwinner, 2000; Aubert-Gamet and Cova, 1999) and many authors suggested that the

existence of interpersonal relationships among customers could improve customer loyalty to a service firm (Adelman et al., 1994; Zeithaml and Bitner, 2000) but empirical testing of this proposition is still scarce. Research concerning customer interactions in retail and service settings empirically supports the hypothesis that customer-to-customer contacts contribute to the development of transactional satisfaction (Harris et al., 1995; Grove and Fisk, 1997; Martin, 1996).

Another relevant contribution in understanding customer-to-customer relationships stems from brand community and hedonic consumption literature. Here empirical research suggests that customer-to-customer relationships may positively contribute to the development of a long-term relation with the firm (Gainer, 1995; Schouten and McAlexander, 1995; McAlexander et al., 2002) by acting as a barrier to switching behaviours or by increasing the customer perception of satisfaction (Arnould and Price, 1993). Similarly to the above-cited customer-to-employee relationships, also customer-to-customer relationships could present a dark side for the firms (Adelman et al., 1994; Martin and Clark, 1996; Muniz and O'Guinn, 2001); since studies on this topic are scarce and their findings are sometimes controversial, further investigation is needed.

## **2.2 The Value of Relationship Management**

Although it did not attract much explicit attention until it became a watchword in the 1990s, value has always been “the fundamental basis for all marketing activity” (Holbrook, 1994, p. 22). The exchange view of marketing is based on the concept of value (Bagozzi, 1975; Hunt, 1991). Though it did not remain unchallenged (e.g. Parvatiyar and Sheth, 1994), the exchange view of marketing has a long tradition of acceptance among leading marketing scholars (e.g. Alderson, 1957; Kotler, 1972). Market exchanges take place because all parties involved expect to be better

off after the exchange. The higher the net-value expected or received, the stronger the motivation to commence and to sustain an exchange process respectively.

Value has been conceptualised under different assumptions. Some authors research value from a network perspective (e.g. Walter et al., 2003). Others focus on its dyadic function (e.g. Blois, 2002). In this paper, we adopt the latter perspective. While the literature contains a variety of definitions stressing different aspects of the value concept, four recurring characteristics can be identified:

1. Value is a subjective concept.
2. It is conceptualised as a trade-off between benefits and sacrifices.
3. Benefits and sacrifices can be multi-faceted.
4. Value perceptions are relative to competition.

Value is a subjectively perceived construct (Kortge and Okonkwo, 1993). Different customer segments perceive different values within the same product. In addition, the various members in the customer organisation involved in the purchasing process can have different perceptions of a supplier's value delivery (Perkins, 1993). This is of particular importance in business markets where the buying centre consists of several persons sharing different roles and responsibilities (Robinson et al., 1967; Webster and Wind, 1972).

Most definitions present customer-perceived value as a trade-off between benefits and sacrifices perceived by the customer in a supplier's offering (Zeithaml, 1988; Monroe, 1990). Among other conceptualisations, benefits are conceived as a combination of economic, technical, service, and social benefits (Anderson et al., 1993) or economic, strategic, and behavioural benefits (Wilson

and Jantrania, 1995). Sacrifices are sometimes described in monetary terms (Anderson et al., 1993). Other definitions describe sacrifices more broadly as a combination of price and relationship related costs (Grönroos, 1997).

Finally, value is relative to competition. The value of a market offering is always assessed in relation to a competing offer. This resembles the notion of the comparison level (CL Alt) that is fundamental to social exchange theory (Thibault and Kelley, 1959). On a high level of abstraction, customer-perceived value is defined as the trade-off between the benefits (“what you get”) and the sacrifices (“what you give”) in a market exchange (Zeithaml, 1988, p. 14).

### **2.3 Determinants of Relationship Management**

The concept of relationship management has been observed as being determined the following namely Trust as a determinant of relationship management, commitment as a determinant of relationship strategy and Satisfaction as determinant of relationship management

#### **2.3.1 Trust as a Determinant of Relationship Management**

Trust is one of the most widely examined and accepted concepts in relationship management (e.g. Dwyer *et al.*, 1987; Ganesan, 1994; Mohr and Spekman, 1994). According to Wilson (1995, p. 337) “trust is a fundamental relationship model building block and as such is included in most relationship models”. In their commitment-trust theory of relationship marketing, Morgan and Hunt (1994) establish trust as a key-mediating variable that is central to relational exchanges. The inherent belief that trust transforms a business relationship into a successful endeavour is best summarised by Sullivan and Peterson (1982):

When the parties have trust in one another, then there will be ways by which the two parties can work out difficulties such as power conflict, low profitability, and so forth.

The literature on marketing channels has provided numerous definitions of trust. Most definitions involve a belief that the exchange partner will act in the best interest of the other partner. For example, Anderson and Weitz (1992) define trust as “one party's belief that its needs will be fulfilled in the future by actions taken by the other party.” According to Moorman *et al.* (1993, p. 82), trust is “a willingness to rely on an exchange partner in whom it has confidence.” Finally, Morgan and Hunt (1994, p. 23) conceptualise trust as existing “when one party has confidence in an exchange partner's reliability and integrity.”

In an industrial buying context, Doney and Cannon (1997) define trust as the perceived credibility and benevolence of a target of trust. The first dimension of trust focuses on the objective credibility of an exchange partner, an expectancy that the partner's word or written statement can be relied on (Lindskold, 1978). The second dimension of trust, benevolence, represents the extent to which one partner is genuinely interested in the other partner's welfare and motivated to seek joint gains. This definition of trust is relevant in an industrial buying context. In a business-to-business relationship, the customer will attempt to reduce its perceived risk by selecting a supplier seen as capable of performing reliably (credibility) and demonstrate its interest in the buyer's well being (benevolence). Dependence is referred to as asymmetry in a relationship between two partners. A company's dependence on a partner traditionally has been defined in channels as the company's need to maintain a relationship with the partner to achieve its goals (Kumar *et al.*, 1995). In other words, the higher the dependence between two parties, the more one party needs the other party to benefit from the relationship. It was found that

dependence in relationships has a negative impact on affective commitment (Anderson and Weitz, 1989; Kumar *et al.*, 1995) and a positive influence on calculative commitment (Ganasan, 1994; Geyskens and Steenkamp, 1995). If parties feel that they are more dependent on some other party they are less emotionally involved in the relationship and more in comparing the costs with the benefits. It has been argued that dependence and the potential consequent fear of exploitation, reduces the motivation to continue the relationship on affective grounds (Anderson and Weitz, 1989). If a potential relationship with another party seems more favorable in terms of more equality between the partners, then the current relationship is easily terminated. A different picture emerges for calculative commitment. As dependence increases, the dependent partner will find itself in an increasingly vulnerable position. Hence, it could be argued that the dependent firm is more likely to continue the relationship because it seems necessary given the switching costs involved in terminating the partnership. Alternatively, increased dependence will force a partner to weigh the benefits more heavily.

### **2.3.2 Commitment as a Determinant of Relationship Management**

In addition to trust, Morgan and Hunt (1994) identified commitment as another key-mediating variable of relationship marketing. The importance of the commitment construct has been widely acknowledged in the relationship marketing literature. For example, in a service marketing context, Berry and Parasuraman (1991, p. 139) state that “relationships are built on the foundation of mutual commitment.”

Commitment has been defined “as an enduring desire to maintain a valued relationship” (Moorman *et al.*, 1993, p. 316). It is based on the belief that a relationship is worth the effort to be maintained. Committed relationship partners are unlikely to switch even if a competing

supplier outperforms the incumbent's value offer. Consequently, a high level of commitment helps to stabilise the relationship. Morgan and Hunt (1994, p. 23) summarise their literature review on the commitment construct as follows:

A common theme emerges from the various literatures on relationships: parties identify commitment among exchange partners as key to achieving valuable outcomes for themselves, and they endeavour to develop and maintain this precious attribute in their relationships.

As mentioned before, commitment plays a central role in relationships. As Scanzoni (1979) stated “commitment is the most advanced phase of partners’ interdependence”. In marketing-practice and research it is agreed that mutual commitment among partners in business relationships produces significant benefits for companies. Manufacturers can obtain improved product developments, increased margins and market shares. Distributors gain deeper market penetration and higher customer satisfaction. The conceptualization of commitment stems from industrial/organizational psychology and has been viewed as an intention to continue a course of action or activity, such as maintaining a relationship with a business partner (Fehr, 1988). As mentioned in the introduction, commitment in the buyer-seller relationship literature is defined as an implicit or explicit pledge of relational continuity between exchange partners (Dwyer *et al.*, 1987). Parties identify commitment among exchange partners as key to achieving valuable outcomes for themselves, and they endeavor to develop and maintain this precious attribute in their relationship (Morgan and Hunt, 1994). Commitment is seen as a sentiment that is critically important in the development of long-term channel relationships or as a favorable affective reaction (Kumar *et al.*, 1995). Therefore, commitment is a psychological sentiment of the mind

through which an attitude concerning continuation of a relationship with a business partner is formed.

In the literature two views of organizational commitment have dominated. According to one view, commitment is an affective state of mind an individual or partner has toward a relationship with another individual or partner. This kind of commitment is called affective commitment. Affective commitment is brought about by a person sharing, identifying with, or internalizing the values of the organization (Morgan and Hunt, 1994). Affective commitment is based on a sense of liking and emotional attachment to the partnership. The other view sees commitment as being more behavioral than affective. This form is referred to as calculative commitment and stems from a cognitive evaluation of the instrumental worth of a continued relationship with the organization. All gains and losses, plusses and minuses or rewards and punishments are added up (Morgan and Hunt, 1994). Geyskens *et al.* (1996, p. 304) define commitment as the perceived need to “maintain a relationship given the significant anticipated termination or switching costs associated with leaving”. This view stems from the side-bet theory of Becker (1960), which links extraneous interests with a consistent line of activity. Calculative commitment is based on inputs like investments and allocation of resources specifically for the relationship between two business partners (Williamson, 1985). After these inputs have been made, they may reduce the number of alternative alliances a company may have with other partners, or lead to redirecting costs (Williamson, 1983, 1984). Williamson (1975, 1979) provides an economic argument for cooperative interorganizational relationships between firms on the basis of transaction cost analysis. On the one hand there is the internal cost of carrying out an activity within the firm, while on the other hand there is the cost of an external supplier or potential partner. Transaction cost then represents the cost of establishing a relationship as well as costs associated with

balancing dependence in the relationship and prohibiting opportunistic behavior by the exchange partner. Calculative commitment holds when internal costs are less than the external costs.

Research suggests that of these two forms of commitment affective commitment is the most effective for developing and maintaining mutually beneficial relationships between partners (Kumar *et al.*, 1994). Affective commitment has strong positive influences on:

- intention to stay in a relationship;
- desire to stay in a relationship;
- performance; and
- Willingness to invest in a relationship.

Furthermore, it was found that it has strong negative influences on:

- development of alternatives for a relationship; and
- Opportunistic behaviour.

Calculative commitment in contrast has positive influences on (5) development of alternatives, and (6) opportunism. Therefore, this latter form of commitment ultimately has a negative impact on relationships. Owing to the importance of commitment in the development of relationships, information on the factors that influence commitment is essential. First, service quality and satisfaction, the two key constructs in the services marketing area, will be related to commitment. Subsequently, two additional factors will be related to commitment: trust and dependence. Various studies in the relationship marketing area have shown that these two factors seem to be crucial in influencing commitment (Geyskens and Steenkamp, 1995; Kumar *et al.*, 1995; Morgan and Hunt, 1994). Ultimately, any firm interested in exchange relationships with its

customers would have an interest in the continuance of commitment. This has been called the temporal dimension of commitment (Gundlach *et al.*, 1995). The manifestation of this temporal dimension can be found in partners' intentions to continue the relationship in the future. In modeling terms, intention to stay would be the variable that one would like to be able to explain. We expect positive relationships between the two types of commitment and the intention to stay in the relationship.

### **2.3.3 Satisfaction as a Determinant of Relationship Management**

Customer satisfaction is widely accepted among researchers as a strong predictor for behavioural variables such as repurchase intentions, word-of-mouth, or loyalty (Ravald and Grönroos, 1996; Liljander and Strandvik, 1995). Satisfaction research is mainly influenced by the disconfirmation paradigm (Parasuraman *et al.*, 1988). This paradigm states that the customer's feeling of satisfaction is a result of a comparison process between perceived performance and one or more comparison standards, such as expectations. The customer is satisfied when he/she feels that the product's performance is equal to what was expected (confirming). If the product's performance exceeds expectations, the customer is very satisfied (positively disconfirming), if it remains below expectations, the customer will be dissatisfied (negatively disconfirming).

Though most scholars agree on the disconfirmation paradigm, the nature of satisfaction remains ambiguous. On the one hand, satisfaction clearly arises from a cognitive process comparing perceived performance against some comparison standards. On the other hand, the feeling of satisfaction essentially represents an affective state of mind. Consequently some satisfaction scales tap the cognitive dimension of satisfaction, while others capture its affective nature. The extent to which a satisfaction scale focuses on the cognitive or the affective dimension, however,

should have an impact in terms of both the antecedents that affect satisfaction and the consequences fostered by satisfaction.

A clear decision on the fundamental nature of the satisfaction construct is needed. In accordance with the majority of research being done on the satisfaction construct, we opt for the latter view and define a purchasing manager's satisfaction with a supplier as an affective state of mind resulting from the appraisal of all relevant aspects of the business relationship (Geyskens *et al.*, 1999, p. 223

#### 2.4 Relationship Management in Services

The service business originally evolved around keeping close relationships with customers. However, because of the increasing number of customers and the stressing of the marketing mix paradigm, the relationship with customers moved to the background during the 1960s and the 1970s (Grönroos, 1995). It was not until the early 1980s that relationship marketing reemerged again in service practices (Berry, 1995). This was due to the maturing of service marketing with an emphasis on quality, increased recognition of potential benefits for companies and the customer, and technological advances. Another factor was that the marketing mix paradigm did not fit service company's customer relations very well, which led to the development of service marketing as a discipline in its own right (Grönroos, 1990).

How can relationships in services marketing be conceptualized? Berry (1983, p. 25) defined relationship marketing as "attracting, maintaining and - in multi-service organizations - enhancing customer relationships". Morgan and Hunt (1994) propose that relationship marketing refers to all marketing activities directed towards establishing, developing and maintaining

successful relational exchanges. They argue that in fact there are no buyers and sellers or providers and customers in relational exchanges but partners exchanging resources. Relational exchange differs from discrete transaction on several dimensions (Dwyer *et al.*, 1987). First, relational exchanges may decrease over time as this may be beneficial to one or both partners. Second, relational exchange partners can be expected to derive complex, personal, non-economic satisfactions and engage in social exchange. Third, because obligations and activities may be relatively complex and take place during an extended time period, partners may engage in carefully planning and controlling items of exchange. Finally, third parties may be called in to arbitrate and additional mechanisms for collaboration and resolving conflict may have to be designed. Relational exchange can provide a competitive advantage to the extent that it contributes to product and/or service differentiation and creates barriers to switching (Dwyer *et al.*, 1987).

Relationships between partners do not just emerge or exist, they evolve through a process over time. This process is characterized by five general phases (Scanzoni, 1979). The first phase in this relationship life-cycle is called awareness and refers to the recognition that some second partner is a feasible exchange partner. There is no interaction between the parties, they only try to position themselves in the best possible way increase the attraction toward other companies. After awareness comes exploration, which is the search and trial phase in relational exchange. In this phase potential exchange partners first consider obligations, benefits and burdens and, the possibility of exchange. The third phase is called expansion, which refers to the continual increase in benefits obtained by exchange partners and their increasing interdependence. The main distinction between this phase and the previous phase of exploration is that now the partners trust each other to a greater extent and are satisfied with the relationship which leads to

increased risk taking in the dyad. If relationships develop then commitment is formed between the two business partners. Commitment is the most desirable aspect of relationships and refers to an implicit or explicit pledge of relational continuity between exchange partners (Dwyer *et al.*, 1987). Now the exchange partners have achieved a level of satisfaction from the exchange process that virtually precludes other primary exchange partners who could provide similar benefits. Commitment is established on the basis of two important assumptions. The first is that partners provide relatively high levels of inputs to the association. The second assumption pertains to durability, i.e. the common belief of effectiveness of future exchange, also referred to as continuation.

The final phase of the relationship development process is dissolution. This phase begins with an intrapsychic stage in which one partner privately evaluates his or her dissatisfaction with the other party, concluding that the costs of modification or continuation outweigh the disadvantages of the relationship. Afterwards, the relationship enters an interactive phase in which the parties negotiate their unbonding. Dissolution is then presented publicly.

It should be clear that of these five phases, the fourth phase of commitment, is the most desirable one in the development of an ongoing relationship between a buyer and a seller. If the parties are not committed to their relationship, it will end at a rapid pace. Therefore, the concept of commitment should play a central role in the development of a model that introduces relational exchanges to the marketing of services. However, as a result of the paradigm shift toward relationships, researchers are facing the challenge of conceptualizing and operationalizing heterogeneous, overlapping and equivocal constructs. With respect to the central concept of commitment, Morrow (1983, p. 486) accentuates this challenge by stating that “the growth of

commitment-related concepts has not been accompanied by a careful segmentation of commitment's theoretical domain". Therefore, we shall direct our attention to the conceptualization of commitment in the next section.

## **2.5 The Role of Trust and Commitment in Relationship Management**

Research suggests that the key to relationship success is the presence of trust and commitment between parties. In examining the components of trust and commitment, researchers postulate this comprises "likeability", "competence", "reputation", "customer orientation", "honesty", "risk-taking" and "dependability" which may be process-, character- or organization-based (Peters and Fletcher, 1995; Pruitt and Carnevale, 1993). Clearly, trustworthiness, or integrity, is a considerable source of power in relationships, where parties share the belief that each will act in a fair manner, indicated by flexibility in reaching a mutually satisfactory agreement. Indeed, it is an imbalance of power in relationships that creates competitive advantage, although existence of an imbalance does not automatically mean the power superior party will exert leverage. It is the ability to resist using the imbalance that creates successful marketing relationships!

Research conducted within business-to-business markets suggests that where there is an imbalance of power between buyers and sellers, buyers may be prepared to use a short list of suppliers. They may, however, "play them off" against each other to ensure check and balances between them in terms of the cost and delivery of the service provided. In effect this may represent a "commoditization" of the service, thus debasing the value of any marketing relationship (Garry, 2005).

Some organizations choose to renew their suppliers cyclically as a matter of course, which, in effect, ensures that the service is almost entirely cost-driven. This has resulted in instances of supplier firms refusing to service buying firms, and a total relationship breakdown. Whereas, in relationship marketing, the parties may empower one another by releasing control over resources, focusing on issues of common interest (rather than individual interest), or letting the less powerful party know just how it is to them.

Exploitation of common ground, for example, on a project basis, is a primary tactic in developing trust and commitment leading to successful relationships (Fisher and Ury, 1981; Lewicki *et al.*, 1997).

## **2.6 Potential Negative Effects of a Relationship Management Strategy**

One small stream of research suggests that a relationship strategy may not be appropriate in some scenarios. For example, Anderson and Narus (1991), Barnes (1997) and Jackson (1985) have all argued that organizations, under certain conditions, may need to pursue strategies other than a relational one. Other negative effects are highlighted by Hakansson and Ivan Senhota (1995) who refer to the possibility of relationship neglect, inefficiency of relationships and institutionalization of the relationship, while Wilkinson and Young (1998) discuss the possible 'burden of relationships.' 'Return on relationships' is discussed by Gummesson (1997) where he suggests that managers need to ask and answer the question "does relationship marketing pay?" This infers that customer relationships may not always be profitable, as Jackson (1985) also concludes.

The above studies provide theoretical support for the notion that sometimes a relationship strategy may have negative consequences, as well as positive but empirical evidence is scarce.

Recently, however, Colgate and Danaher (2000) and Grayson and Ambler (1999) have found empirical support for the notion that relationships are not always positive. In a retail context, Colgate and Danaher (2000) discovered that a relationship strategy sometimes has negative effects and these negative effects may be more powerful than the positive effects of a relationship strategy.

In an attempt to replicate the findings of Moorman et al. (1992), Grayson and Ambler (1999) studied the antecedents to both short-term and long-term relationships between advertising agencies and their clients in the UK. Grayson and Ambler (1999) found that, while trust was a significant antecedent to short-term relationships between advertising agencies and their clients, trust was not found to be a significant antecedent influencing long-term relationships between advertising agencies and their responding clients. This, they propose, indicates that relationships can have a 'dark-side' that dampens the influence of trust. Although this finding does not suggest that relationships can be detrimental, it certainly suggests that relationships are not necessarily always positive.

Given that negative effects have been found in a retail context and that may also exist in B2B settings, this paper analyzes the consequences of a relationship strategy deployed in the small business sector of the banking industry.

## **2.7 Customer Relationship Management and Competitive Positioning**

Positioning is an attempt to distinguish the bank from its competitors along real dimensions in order to be the most preferred bank for a certain market segment or prospect. It is an attempt to have a clear or to some extent unique position in the marketplace. According to Ries and Trout (1986), "positioning starts with a product. It can be a piece of merchandise, a service, a

company, an institution or even a person. But positioning is not what you do to a product. Positioning is what you do in the mind of the prospect. Those are your position, your organisation and your product in the mind of the prospect”.

Positioning is a competitive marketing tool that goes beyond image making. The image-making bank seeks to cultivate an image in the customer's eyes and mind. Positioning is a process of establishing and maintaining a distinctive place and image in the market for an organisation and/or its individual product offerings so that the target market/prospect understands and appreciates what the organisation stands for in relation to its competitors.

Positioning is an organised system for finding a window or gap in the mind of the customer and then filling it at the right time and under the right circumstances. In short, the term positioning refers to how a bank wishes to be seen by a given customer based in a given marketplace, what its values are, and its overall image. A bank can occupy a position as a large bank, a global bank, a friendly bank, a niche bank or an efficient bank, etc. (Zineldin, 1995a). By playing on its strengths, a bank has the best chance of finding opportunities above the risk-return trade-off line, thereby reating value for its shareholders.

If a bank can position itself favourably within a particular marketplace, relative to competitors, that bank is a competitive one. Competitiveness mean that a banks, in terms of its competitive position, its management and marketing strategies, its use of information technology, the quality of its prodserv and its ability of managing long term customer relationships, must be increasingly responsive to the market considerations and customer orientation.

## 2.8 Concepts of Customer Loyalty

The most widely accepted definition of loyalty is by Jacoby and Kyner (1973), who describe loyalty as the biased (i.e. non-random), behavioural response (i.e. purchase), expressed over time, by some decision making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological (i.e. decision making, evaluation) processes. However, Oliver (1999) criticises this and similar definitions (Dick and Basu, 1994), based on the collective failure to provide a unitary definition and the reliance on three phases: cognition, affect and behavioural intention. These three phases lead to a deeply held commitment, predicting that consumers develop loyalty in a linear fashion. Oliver (1999) places greater emphasis on situational influences adding a fourth phase, action characterized by commitment, preference and consistency while recognising the dynamic nature of the marketing environment. Thus he defines customer loyalty as "... a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, causing repetitive same brand or same brand-set purchasing, despite situational influences and marketing efforts" (Oliver, 1999, p. 34). He does not distinguish between proactive loyalty and situational loyalty calculated by frequency of purchase. The consumer frequently buying the brand and settling for no other determines proactive loyalty. Situational loyalty is exhibited when the consumer purchases a product or service for a special occasion. This is particularly important within services, which are purchased annually. Thus customer loyalty is not uniquely concerned with frequency and depth of purchase (behavioural dimensions) of one brand over another, rather as the situation or opportunity arises.

## **2.9 Two Levels of Customer Loyalty**

The concept of customer loyalty as observed in the literature encompasses the following

1. Conceptual Differences.
2. Customer Behavioral Intentions

### **2.9.1 Conceptual differences**

Researchers have shown that there are important conceptual differences between person-to-person (i.e. salesperson loyalty) and person-to-firm (i.e. store loyalty). Indeed, Beatty *et al.* (1996) found that a customer's primary loyalty was to the sales associate, which positively influences a customer's loyalty to the store. In yet another study conducted, it was found that positive feelings towards the contact employee often carry over to feelings towards the firm (Goff *et al.*, 1997). Besides, a positive relationship between salesperson loyalty and store loyalty has been demonstrated, and the former is an antecedent to the latter (Macintosh and Lockshin, 1997). Hence, following the research findings put forth by Macintosh (1997), when a customer is highly loyal to his/her salesperson, he/she will also be highly loyal to the company that employs that salesperson. This view is reinforced by a study which found out that positive feelings about the salesperson do translate into positive feelings about the company (Reynolds and Beatty, 1999), as a customer's loyalty to the company will be manifested through his/her loyalty to the contact employee.

### **2.9.2 Customer Behavioural Intentions**

Customer behavioural intentions can be viewed as indicators that signal whether customers will remain with or defect from a company (Zeithaml, 1996), and behavioural intentions can be split

broadly into favourable and unfavourable behavioural intentions. When customers praise the firm, express preference over another company, increase the volume of their purchases, say positive things about the firm, recommend the firm to their friends or relatives, they are indicating behaviourally that they are bonding with the company (Zeithaml, 1996). On the other hand, when customers complain to friends, relatives, internal, external agencies or switch to another company, they are indicating behaviourally that they are poised to leave the company or spend less with the company. While customer behavioural intentions represent the broader aspect of indicators, customer loyalty is just a single dimension within the whole range of customer behavioural intentions. For example, Zeithaml *et al.* (1996) propose that customer behavioural intentions consist of five dimensions, namely loyalty to company, propensity to switch, willingness to pay more, external response to problem, and internal response to problem. While the other dimensions of behavioural intentions need further development, the loyalty dimension is expected to be the best predictor of behavioural intentions, as research findings conducted to examine the dimensionality of items have shown that the loyalty scale has the best consistency (Wong *et al.*, 1999; Zeithaml, 1996).

Consequently, recent research offers some evidence that perceived service quality has an impact on customer satisfaction, which in turn leads to later behaviours towards the service firm (Andreassen and Lindestad, 1998). Therefore, service quality appears to be a causal antecedent of consumer satisfaction, which mediates the relationship between service quality judgements and behavioural intentions (Taylor and Baker, 1994).

## 2.10 Impact of Relationship Management on Customer Loyalty

The concept of relationship management has emerged within the field of services marketing and industrial marketing in the last years of the twentieth century. One of the most important contributions was Hunt's (1993) proposal, which established that the fundamental element in marketing is the management of interactions, although a decade earlier Berry (1983) had already proposed a formal definition of relationship marketing as a strategy to attract, maintain and enhance customer relationships. According to this approach, organizations should be more interested in keeping stable relationships with their customers than in accumulating occasional exchanges (Beatty et al., 1996). In addition, other research pointed out that companies can gain benefits by keeping long-term customer relationships due to increased satisfaction (Parasuraman et al., 1991; Shani and Chalasani, 1992; Zeithaml et al., 1993).

Relationship marketing nowadays is in a leading position in many company strategic plans, as well as in many marketing research areas, as a consequence of the total redefinition of the function of marketing, which many authors agree in considering as the superseding of the transactional paradigm. Nevertheless, there are few empirical works which have explored the motivations and benefits consumers get from keeping a long-term relationship with a specific service provider (Sheth and Parvatiyar, 1995; Bendapudi and Berry, 1997; Gwinner et al., 1998; Reynolds and Beatty, 1999; Henning-Thurau et al., 2002), even though it is obvious that, in practice, such benefits are interpreted as advantages by consumers and their analysis may render more efficient competitive strategies.

In recent decades, research into relationship marketing mainly concentrated on the analysis of benefits gained by customer loyalty from the point of view of service providers, and, in general,

in the context of the relationships among companies. This line of work produced a group of studies which examine the benefits obtained by providers who have developed a collection of loyal customers through relationship marketing. However, the revision of the literature on service marketing has facilitated the identification and characterization of the diverse relational advantages consumers obtain by being loyal to their providers, thus allowing for a classification of benefits into three groups: confidence benefits, social benefits, and special treatment benefits (Henning-Thurau et al., 2002).

In relation to this in particular, Bendapudi and Berry (1997) suggest four factors (antecedents) that affect consumer receptivity when deciding whether to maintain the connection with habitual providers: environmental, partner, customer, and interaction. The effects of these antecedent variables on constraint-based relationship maintenance are mediated by dependence on the relationship partner. Dependence and trust in the relationship partner mediate the antecedent variables' effects on dedication based relationship maintenance. In order to facilitate the application of these factors to service companies, Berry (1983) delineates the five strategic elements that relationship marketing is based on: to develop a central element around which the stable relationship with the customer is constructed, to personalize the relationship, to increase the central element by offering extra benefits, to augment loyalty to the provider through price fixation, and to make employees aware that they are immediately responsible in front of customers. Moreover, the use of relationship marketing in retail banking activities may have some advantages, for instance: increased consumer loyalty, benefits for consumers as well as improved promotion of complementary services.

Following this line, Gwinner et al. (1998) point out that motivated consumers who maintain long-term relationships with their providers expect not only to receive good service, but also

additional benefits from maintaining that relationship (social benefits, confidence and special treatment). Academic literature terms these “relational benefits” (Bendapudi and Berry, 1997; Dwyer et al., 1997; Reynolds and Beatty, 1999). Gwinner et al. (1998) define them as those benefits customers are likely to receive as a result of engaging in long-term relationships with a service provider. Special treatment benefits consist of an extensive range of benefits or economic advantages which come in the form of first-rate levels of service, preferential treatment, special operation conditions and time saving. These types of benefits are the principal motivation for the customer to develop a long term relations with the service provider. Confidence benefits describe a detailed combination of psychological benefits in relation to: trust in the marketer, reduction in perceived operation risks and a decrease in anxiety. Finally, social benefits are defined by benefits of a social nature which adopt the form of personal recognition by employees in direct dealings, or the forging of links and social relationships, which are gratifying for the customer. These types of benefits are especially relevant in those service banks where a high level of interpersonal contact exists between customers and employees. The influence of these benefits causes the customer to manifest his/her loyalty more to the employee who provides the service rather than to the financial entity in itself. In addition, Beatty et al. (1996) affirmed that these benefits received by consumers can be classified in two main categories: functional and social benefits. Functional benefits include confidence and special treatment benefits and social benefits consist of the Gwinner et al. (1998) social benefits.

Three elements increase relational benefits in the relationship between consumers and service providers: relationship with the trademark, interpersonal relationships, and company relationships (San Martin, 2005). First, consumers expect specific trademark characteristics (trust) and project their feelings onto the trademark (loyalty). Second, in interpersonal

relationships, it is important to consider the affective or emotional component, which may create influential variables such as trust and commitment. Finally, the level of relationships with the company is less intense. It is particularly difficult, for instance, to separate the different relationship levels in the case of financial businesses, because the establishment, the staff, and the services or trademarks are all integrated into one unit.

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## CHAPTER THREE

### METHODOLOGY

#### 3.0 Introduction

This chapter sought to explain the method that was used to do the study. It went further to identify all the variables used in the analyses.

#### 3.1 Data Collection

Data was collected using the three relational quality determinants namely; trust, commitment and satisfaction. Customer Loyalty (CL) = f(T, C, S), where;

T= Trust,

C= Commitment,

S= Satisfaction

Questionnaire was developed to capture this information. The questionnaire was developed for both customers and management. The questionnaire for the management was used to ascertain the relationship management strategies adopted and that of the customers was also used to assess what aspect of relationship marketing makes them loyal to the company

The tools that were used included questionnaire and unstructured interviews.

The respondents were assured of confidentiality of their responses and they were expected to be sincere and honest in answering the questions.

To boost respondents confidences to enable them give the true picture of what their thoughts on the issue were, they were asked to remain anonymous. In any case the researcher was able to retrieve a very good percentage of the questionnaires.

### **3.2 Population**

The population consists of all customers of Cedi Trust Savings and Loans Company in Kumasi. This includes retail customers, wholesale customers, corporate customers and salaried customers. There are two branches with 500 Customers each totaling 1000 customers.

In order to ensure that spurious result does not occur, the data analysed must be normally distributed. (Saunders et al., 2007). For this reason Stutely, (2003) advised that a minimum number of thirty (30) for a statistical analysis provides a useful rule of thumb for the smallest number in sampling. As a result of this, a total sample of one hundred (100) was selected for the study.

The population that was used for the study was made up of all relationship managers/ officers from the Retail and Relationship Department (RBBD) from all the two branches of Cedi Trust Financial Services in Kumasi as well as some selected consumer and retail loan clients from the company. Looking at the different categories of the population, it was necessary to use quota, purposive and convenient sampling techniques.

For the sample size in relation to workers of the organisation, all 10 relationship managers/officers from the Retail and Relationship Department of Cedi Trust Financial Services in Kumasi were selected for the study. Consumer and retail loan clients from two (2) out of three (3) branches of the Cedi Trust Financial Services Limited in Kumasi were selected. The two (2) main branches of Cedi Trust Financial Services are located at Adum and Asafo Market

area. Adum branch has more customers than Asafo and as such more customers were drawn from there for this study.

### **3.3 Sample and Sampling Technique**

The total sample size was 100 constituting 10% of the total population. This sample was drawn from the two branches as discussed above. Seventy customers from the Adum branch were giving the questionnaire to answer while the remaining thirty were giving to customers from Asafo branch. The various customers of the organization were divided into cluster of the type of services they receive from the institution. The cluster includes retail customers, whole sale customers, corporate customers and salaried customers. Within this cluster customers were selected randomly as and when they entered the banking premises to receive the service.

### **3.4 Data Analysis**

The data collected was analyzed using the following statistical techniques.

- **Analysis of Variance (ANOVA)**

This statistical technique was used to test whether there are differences in the loyalty level across the independent variables (T,C,S).

- **Regression Analysis**

This statistical technique was used to assess the relationship between the independent variables (T,C,S) and the dependent variable (CL).

- **Coefficient of Determination (R<sup>2</sup>)**

This technique was used to test how on the whole all the independent variables (T,C,S) put together explain the dependent variable (CL).

- **T- Test**

This statistical technique was used to explain how significant each independent variable (T,C,S) is in explaining the dependent variable (CL).

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## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

This chapter sought to analyse analysis the data collected from the field. The response rate for the data collected was 50 representing 50% of the total questionnaire distributed to respondents.

#### 4.0 Response Rate

Table 4.0

Respondents	Number of Respondents	Percentage of Respondents (%)
Rel. Managers/Officers	10	10
Customers	40	40
Total	50	50

Author's own construct,(2008)

As can be seen from Table 4.0, most of the respondents were relationship customers which constitute the highest group. Thus, eighty (80) questionnaires sent to customers, 40 were retrieved representing 40% of the sample size. Another twenty (20) questionnaires were sent to the relationship managers. In all the 100 questionnaires representing 10% of the sample size were retrieved.

#### 4.1 Demographic Analysis

Table 4.1

Gender		Age group				Total
		18-28	29-38	39-48	48 and above	
Female	Count	11	9	14	1	35
	% of Total	22.0%	18.0%	28.0%	2.0%	70.0%
Male	Count	0	0	4	11	15
	% of Total	.0%	.0%	8.0%	18.0%	30.0%
Total	Count	11	9	18	12	50
	% of Total	22.0%	18.0%	36.0%	24.0%	100.0%

From table 4.1 above it shows gender as against age group of the respondents. In all 70% of the respondents were female and 30% were male. The table also shows that out of the total respondents, ages between 18-28 were 22%, 29-38 were 18%, and 39-48 were 36% and 48 and above were 24%. This is not surprising as the customers who patronise the products of the institution are predominantly female population.

## 4.2 Demographic Analysis of their Income Levels

Table 4.2

Income levels		Income Levels				Total
		<100 Ghc	<100-200 ghc	200-250 ghc	250-& above	
Female	Count	1	14	9	11	35
	% of Total	2.0%	28.0%	18.0%	22.0%	70.0%
Male	Count	0	4	11	0	15
	% of Total	.0%	8.0%	8.0%	0.0%	30.0%
Total	Count	1	18	20	12	50
	% of Total	2.0%	36.0%	36.0%	24.0%	100.0%

Author's own construct,(2008)

From table 4.1 above it shows gender as against income levels of the respondents. In all 70% of the respondents were female and 30% were male. The table also shows that out of the total respondents, income levels less than ghc100 were 2%, less than ghc100-200 were 36%, less than 200-250 were 4% and ghc250 and above were 22%. This is not surprising as the customers who patronise the products or services of the organisation are predominantly female population who normally do extra work to earn additional income.

### **4.3 Analysis of the Identified relationship management strategies that Cedi Trust Financial Services employs to achieve customer loyalty.**

From the field, it was revealed that, Cedi Trust Financial Services employed three main relationship management strategies for its customers. They are Trust, Commitment and Satisfaction

Trust was identified as the most widely examined and accepted strategy in relationship management. Trust as a strategy of the company seeks to act in the customer's best interest meaning that the organisation seeks the opinions of the clients as to the best products or services to provide to satisfy their needs. It also seeks to fulfill the financial needs of their customers to improve upon their businesses and expand them and also position its self to provide reliable services devoid of failure to ensure loyalty of their clients.

It was however, recognised from the findings of the relationship officers that inspite of the laid down strategies of the company they find it difficult to go by the strategies as sometimes the urgency of the situation makes it difficult to include the clients in the provision of the service for instance to best meet their needs and to ensure their loyalty. Again they fail to also meet the financial needs of their clients as a result of the rigidity of the process to keep faith with their clients to maintain their loyalty. Also improper management of the systems makes it difficult to provide regular reliable services thereby affecting the loyalty of their clients

Commitment as a relationship management strategy employed by Cedi Trust Financial Services desires to maintain their clients by providing best of quality service to their clients. They provide

the platform to invite suggestions from clients as how to ensure the provision of best quality of service to the clients. The company seeks to extend their business relations to cover its corporate problems.

However, the findings revealed that the top management seeks to provide best quality of service to their favourite clients leaving the rest of the customers hence their loyalty to the institution becomes suspicious.

Satisfaction as a strategy employed by the company seeks to provide services expected by their clients. The organisation believes that satisfaction is reached when the customer receives what he/she anticipate for. They also seek standard of service required by their clients.

However, the findings revealed that even though the strategy seems to be in place, they are not put into practice hence affecting the loyalty of the clients.

#### **4.4 Analysis and discussion of the relationship management strategies that affect customer loyalty.**

From the literature, there are three factors that account for relationship management strategies. They include Trust, Commitment, and Satisfaction. These factors intend to affect customer loyalty. They are also significant in explaining the customer loyalty. Although customer loyalty and relationship management are entirely different concepts, the current research illustrates their association. The findings also reveal that trust of the service and reliability of the service explain 41.8% as shown in table 4.7 emerged the most important determinant of overall customer loyalty of Cedi Trust Financial Service Limited. This was followed by satisfaction of the service which had 30.6% and thirdly level of commitment features 27.6%. In addition, there were positive

relationship between the variable (Trust Commitment and Satisfaction) and the overall customer loyalty Level of Cedi Trust Financial Services Limited.

#### **4.5. Analysis and discussion of the review of the satisfaction levels of customers of Cedi Trust Financial Services regarding the relationship strategies employed by institution.**

From the literature, it was observed that there is a strong link between satisfaction and customer loyalty. However, the findings revealed the following.

It was revealed from the findings of the relationship officers that, in spite of the laid down strategies of the institution they find it difficult to go by the strategies as sometimes the urgency of the situation makes it difficult to include the clients in the provision of the service for instance to best meet their needs to ensure their satisfaction. Again, they fail to also meet the financial needs of their clients as a result of the rigidity of the process to keep faith with their clients to maintain their satisfaction level. Also, improper management of systems makes it difficult to provide regular reliable services thereby affecting the satisfaction level of their clients.

Ideally, the findings revealed that the top management seeks to provide best quality of service to their favourite clients leaving the rest of the customers not attended to as it suppose to be hence their satisfaction with the becomes suspicious.

With reference to table 4.11 customers who were somehow satisfied amounted to 52% of the total sampling size meaning that the company fall shots in meeting their needs. This could point to findings revealed above.

#### 4.6 Regression Analysis of the Stated Objectives of Cedi Trust Financial Services

This tool was used to explain the relationship between the dependent and the independent variable. It also indicates the direction and magnitude of the relationship.

Table 4.6

	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	Beta	Std. Error	Beta		
(Constant)	.034	.143		.235	.815
Trust	.418	.101	.397	4.122	.000
Commitment	.276	.046	.235	3.293	.000
Satisfaction	.306	.089	.255	3.451	.001

Dependent Variable: Customer Loyalty source: Data from field work

The table 4.6 above shows the coefficients for each independent variable representing an estimate of the average change in the dependent variable for a one-unit change in the independent variable, all other independent variables remaining constant. The Beta values show the coefficients of the independent variables.

The coefficient of trust of service is 0.418, this means that holding all the other independent variables constant, a 1% change in trust for service will change customer loyalty level by 41.8%.

The significance value for this variable is 0.00. This variable is significant in explaining the overall customer loyalty level because the significance value is less than 0.05.

The coefficient of commitment to service is 0.276; this means that a 1% increase in level of commitment of service delivery will increase overall customer loyalty level of 2.76% holding all the other independent variables constant. The significance value for this variable is 0.00. This variable is significant in explaining the overall customer loyalty because the significance value is less than 0.05.

The coefficient of satisfaction of service is 0.306; this means that holding all the other independent variables constant, a 1% change in satisfaction with satisfaction of service will change overall customer loyalty also by 3.06%. The significance value for this variable is 0.01. This variable is significant in explaining the overall service delivery of satisfaction because the significance value is less than 0.05.

#### 4.7 Regression Statistics

Table 4.3

R	R Square	Adjusted R Square	Std. Error of the Estimate
.989(a)	.977	.983	.097

Predictors: (Constant), Trust, Commitment, Satisfaction

The table 4.7 above shows the regression statistics. The R Squared column in the table is the coefficient of determination. This is used to determine the proportion of variation in the dependent variable that is explained by the dependent variable's relationship to all the independent variables in the model.

From the table above it can be observed that the R squared value is 0.976 (97.6%). This means that 97.6% of the variations in the customer loyalty levels can be explained by a linear relationship of the independent variables (Trust, Commitment and Satisfaction).

#### 4.8 Analysis of Variance

Table 4.8

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	19.102	5	4.420	360.103	.000(a)
Residual	.318	44	.009		
Total	19.520	49			

Predictors: (Constant), Trust, Commitment, Satisfaction b Dependent Variable: Customer Loyalty

The table above shows Analysis of Variance (ANOVA). The ANOVA F-test is a method for testing whether the regression model explains a significant proportion of the variation in the dependent variable (and whether the overall model is significant). The model does explain a significant proportion of the variation in the dependent variable when the p-value is less than the given alpha level ( $\alpha$ ).

The table above indicates a significance value of 0.000 which is less than the given alpha value of 0.05. The conclusion therefore is that the regression model does explain a significant

proportion of the variation in the overall customer loyalty level. Thus, the overall model is statistically significant in explaining the customer loyalty variations.

#### 4.9 Cross tab of Trust and Customer Loyalty of Cedi Trust Financial Services

Table 4.9

			Customer Loyalty			Total
			Feel neutral	somewhat Loyal	Loyal	
<b>Trust</b>	feel neutral	Count	0	0	0	0
		% of Total	.0%	0%	0%	.0%
	somewhat Trust	Count	3	24	2	29
		% of Total	6.0%	48.0%	4%	58.0%
	Trust	Count	0	0	21	21
		% of Total	0%	0%	42.0%	42.0%
<b>Total</b>		Count	3	24	23	50
		% of Total	6.0%	48.0%	46.0%	100.0%

From the table above, it can be observed that customer's loyalty level has been plotted against Trust of service. The table shows that customers who feel neutral or are not sure as to whether they trust the service delivered and also feel neutral about the overall customer loyalty level is 0 constituting 0% of the total sample size whereas those who felt neutral about the reliability of service and was somewhat satisfied or even satisfied with the overall service delivery.

Another observation of the table shows that customers who trust the services and are sure to remain loyal to the service are 23 constituting 46% of the total sample size. This means that trust a huge impact on customer loyalty.

#### 4.10 Cross tab of Commitment and Customer Loyalty of Cedi Trust Financial Services

Table 4.10

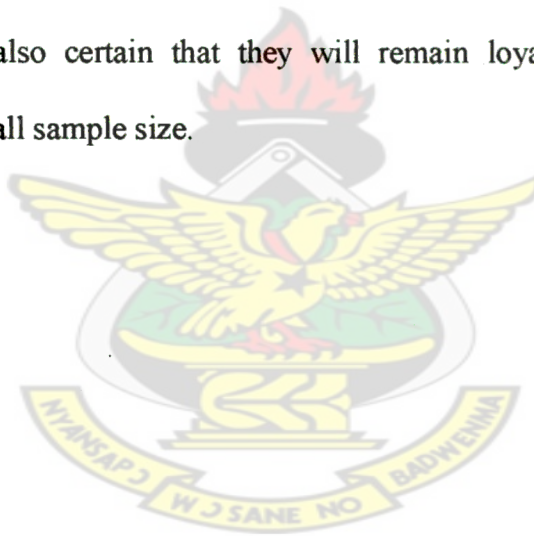
			Customer Loyalty			Total
			feel neutral	somewhat Loyal	Loyal	
<b>Commitment</b>	feel neutral	Count	5	0	0	5
		% of Total	10.0%	0.0%	.0%	10.0%
	somewhat committed	Count	0	20	2	22
		% of Total	.0%	40.0%	4.0%	44.0%
	Committed	Count	0	3	20	23
		% of Total	.0%	6.0%	40.0%	46.0%
<b>Total</b>		Count	5	23	22	50
		% of Total	10.0%	46.0%	44.0%	100.0%

Author's own construct, (2008)

From the table above, it can be observed that customers who feel neutral to comment of the level of commitment of the service delivery and also not sure that they will remain loyal to the service were 5. This number forms 10% of the overall sample size.

The table shows that customers who feel neutral about the assurance of the service and also feel neutral about the overall service delivered to them are 3 constituting 6% of the total sample size whereas 2 customers constituting 4% felt neutral about the assurance of service and was somewhat satisfied with the overall service delivery. Nothing was recorded for those who feel neutral about satisfaction of assurance and overall service delivery.

The table shows that customers who believe that the service providers are committed to the service provision and are also certain that they will remain loyal to the service were 45 constituting 90% of the overall sample size.



#### 4.11 Cross tab of Satisfaction and Customer Loyalty of Cedi Trust Financial Services

Table 4.11

			Customer Loyalty			Total	
			feel neutral	somewh at Loyal	Loyal		
<b>Satisfaction</b>	Somewhat satisfied	Count	3	26	0	29	
		% of Total	6.0%	52.0%	.0%	58.0%	
	satisfied	Count	0	0	21	21	
		% of Total	.0%	.0%	42.0%	42.0%	
	<b>Total</b>		Count	3	26	21	50
			% of Total	6.0%	52.0%	42.0%	100.0%

Author's own construct, (2008)

From the table above, it can be observed that customer's satisfaction level has been plot against Customer Loyalty level. The table shows that customers who are satisfied about the service delivery but are not sure whether they will remain loyal to the service were 3 constituting 6% of the total sample size. 47 customers constituting 94% were satisfied with the service and also sure to remain loyal to the service delivered.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSION

#### 5.0 Introduction

This chapter sought to summarise the major findings of how Relationship Management influence overall customer loyalty level in Cedi Trust Financial Service Limited. The chapter went ahead to give recommendations based on the findings and also gives a conclusion on the discussions.

#### 5.1 Summary of Findings

The following are the principal findings of the study which seek to answer the stated objectives.

##### 5.1.1 Findings on the Relationship Management Strategies that Cedi Trust Financial Services Limited for customer loyalty.

It was found out that, the process for applying for credits was a source of worry to the customers. It was again realized that the documentation the bank requires from applicants to enable them qualify for credit is simply too much making the process cumbersome. It is advised that the problem should be addressed to make the facility more attractive for customers to apply for credit. It was further realized that the procedure that the application process goes through is simply too slow and as such by the time an application is approved the rationale for sourcing the credit will lose its value.

The implications of these findings suggest that, the bank must be up and doing so as to put certain workable structures in place to enable it retain its customers. The effect of not heeding

this advise will lead to the tendency of the customers not been attracted to the bank, thus affecting its customer base and consequently the profitability rate of the bank will be dwindling.

Again, such a situation creates an impression that the bank is not serious to do business and as such will be overtaken by its competitors and if care is not taken its market share will be affected finally.

The above submissions should be taken religiously so as to encourage the bank to adopt a number of Relationship Management strategies to help it achieve overall goals.

The first strategy was the granting of soft loans to its clients. It is highly accepted that when you do business with a financial institution there is the possibility of one applying for a loan facility to expand its business, so they adopted a strategy of granting loans to deserving clients. It was also realized that there was a loan facility called 'CLEAN FACILITY' where customer who have good relationship with the bank are granted loans without any security. This particular strategy goes a long way to increase the loyalty level of the customers. It was also found out that those who were asked to provide collateral security were made flexible without any difficulty for what so ever.

The next strategy adopted by Cedi Financial Services Limited is the classification of client into different categories so that they could be served according to their level. It was found out that those within the corporate clientele were offered beverages when they come to transact business. It was also found out that those at the corporate client class were invited for lunch during their birth days. They are also giving home services where by just a telephone call, the relationship officers' move to their various destinations to give them the required services.

Moreover, when good and healthy relationships exist between the bank and its clients, the clients would feel very uncomfortable defaulting payment of a loan he/she has secured from the bank. So efforts should be put in place by the bank there will be sustained and strengthened relationship between the bank and its clients.

The implication of the finding clearly indicates the extent of good relationship the bank has with its customers and how comfortable it will be to the clients to also remain loyal to increase the profit margin of the bank thereby affecting the general performance of the bank.

### **5.1.2 Findings on the Relationship management Strategies that affect Customer Loyalty**

From the literature, it can be recalled that there are three factors that account for relationship management strategies. They include Trust, Commitment and Satisfaction. These factors intend to affect customer loyalty. They are also significant in explaining the customer loyalty. Although customer loyalty and relationship management are entirely different concepts, the current research illustrates their association and the current study, trust of the service and reliability of service explain 41.8% as shown in table 4.6 emerged to be the most important determinant of overall customer loyalty of Cedi Trust Financial Service Limited. This was followed by satisfaction of the service which had 30.6% and thirdly, level of commitment features 27.6%. In addition, there were positive relationship between the variables (Trust Commitment and Satisfaction) and the overall customer loyalty Level of Cedi Trust Financial Services Limited.

### **5.1.3 Findings on the satisfaction levels customers of Cedi Trust Financial Services regarding the relationship strategies employed by institution**

From the literature, it was observed that there is a strong link between satisfaction and customer loyalty. However, the findings revealed the following.

It was revealed from the findings of the relationship officers that in spite of the laid down strategies of the bank they find it difficult to go by the strategies as sometimes the urgency of the situation makes it difficult to include the clients in the provision of the service for instance to best meet their needs to ensure their satisfaction. Again, they fail to also meet the financial needs of their clients as a result of the rigidity of the process to keep faith with their clients to maintain their satisfaction level. Also, improper management of systems makes it difficult to provide regular reliable services thereby affecting the satisfaction level of their clients.

Ideally, the findings revealed that the top management seeks to provide best quality of service to their favourite clients leaving the rest of the customers not attended to as they are supposed to hence their satisfaction with the institution becomes suspicious.

With reference to table 4.11 customers who were somehow satisfied amounted to 52% of the total sampling size meaning that the bank fall short in meeting their needs. This could point to findings revealed.

## 5.2 Recommendations

The findings of the study produce several suggestions for management of Cedi Trust Financial Services Limited.

The researcher would want to suggest that the relationship existing between the bank and its customers should extend beyond business level because there are several corporate problems of the customers which can affect them at the business level if not resolved. The relationship managers/officers however, should help identify and solve potential problems of customers as and when they come up since such an effort will minimize the default rate and maximize the recovery rate of loans granted by the bank.

Again, the researcher would want to suggest that the relationship managers/officers should spend more time with the customers. This is to say that the officials of the bank should spend enough time with the clients/customers rather spending more time at the offices. Furthermore, when bank officials spend more time with the customers, they will feel comfortable giving out reliable and accurate information about themselves and this will go a long way to build an outstanding mutual relationship benefit.

The researcher would want to suggest that there should be periodic review of the bank's customer relationship strategy to respond to the dynamism and unpredictable nature of customers. The constant review of the bank's customer relationship management strategy should be in line with the constantly changing environment in the corporate world and also to position the company to be able to stay on top of competition or stay in competition.

The researcher would want to suggest that the bank should organize periodic training programmes specifically on customer relationship management. This will equip the relationship managers/officers the necessary skills and techniques to relate well with customers. The training programme should emphasize on the importance of customer relationship management and its positive impact on the general performance of the bank.

Management can also set up an outfit to liaise with and call customers of the bank to remind them of what they need to do and if possible follow up with visits to acquaint themselves with problems of the clients. Management can also send a Christmas card through the email to wish customers well during the occasion. When this is done customers would feel as part-owners of the bank and would not engage in any acts that will jeopardize the activities of the bank.

The researcher recommended that management of Cedi Trust Financial Service Limited put much premium on reliability of service delivery in determining their loyalty with the overall service and more attention should be paid on the ability to perform the promised service dependably and accurately if they intend to increase overall customer loyalty through quality service delivery.

### **5.3 Conclusion**

Research have shown that, despite the springing up of more both banking and non-banking financial institutions in the country and hence the high rate of customers switching or defecting. Customer relationship management strategies have become one of the most reliable tools used by most of the banking and non-banking institutions including Cedi Trust Financial Services Limited

to ensure loyalty among customers. This is so because a well managed customer by the bank will forestall or minimize of customers defection from one bank to the other

It is without doubt that, there is indeed strong and positive impact of customer relationship management on customer loyalty. If customers are well managed by the bank they will feel more comfortable and stay with one bank and remain loyal.

Customer Relationship Management is therefore an effective weapon for Cedi Trust Financial Services Limited to build and develop good relationship with customers. Under current circumstance, new customers are hard to acquire by most banks in the country and Cedi Trust is no exception because of the keen and fierce competition emerging among the banks attempt to acquire and retain customers.

An alternative way to prospect for customers is to attract the customers from the competitors. As a result, Cedi Trust Financial Services Limited has to prevent their customers from being attracted by their competitors. Though Customer Relationship Management has come into existence for more than a decade, the application of Customer Relation Management in Cedi Trust Ltd is still a new topic to study.

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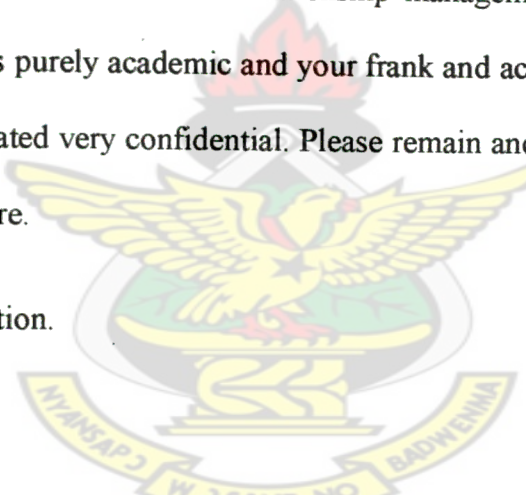
Appendix 1

**Kwame Nkrumah University of Science and Technology, Kumasi**

**School of Business and Administration**

**QUESTIONNAIRE ON THE IMPACT OF RELATIONSHIP MANAGEMENT ON CUSTOMER LOYALTY OF CEDI TRUST FINANACIAN SERVICES.**

This study seeks to gain information from the consumer on what guarantee their loyalty to Cedi Trust Financial Services and how customer relationship management impact on their loyalty. Please note that this study is purely academic and your frank and accurate response is key. Your answer will therefore be treated very confidential. Please remain anonymous in your response to the items on the questionnaire.



Thank you for your cooperation.

**QUESTIONNAIRE DESIGNED FOR THE CLIENTS OF CEDI TRUST FIANICIAL SERVICES LTD.**

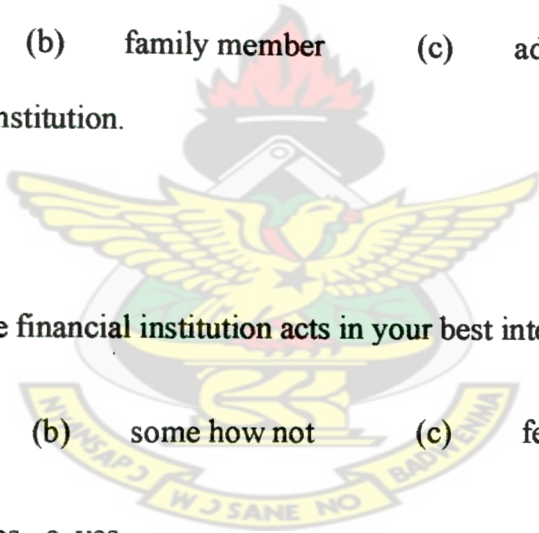
**Questionnaire Customers of Cedi trust Financial Services**

Please tick in the box [ ] where appropriate. Please tick one answer only per question

1. What is your group a. 18-28 [ ] b. 29- 38 [ ] c. 39 – 48 d. 48 and above [ ]

2. Gender. Male [ ] b. Female [ ]
3. How long have you being a customer of this financial institution?  
 (a). less than 1 year [ ] (b). 1- 5 [ ] (c). 5 – 10 [ ] (d) 10 years and above [ ]
4. What is your income level?  
 (a) less than ghc 100 (b) less than ghc 100-200  
 (c) less than 200 -500 (d) less than 500 and above
5. How did you hear about this financial institution?  
 (a) friends (b) family member (c) advert  
 (d) Staff of the institution.

**TRUST**



4. Do you think that the financial institution acts in your best interest?  
 (a) not at all (b) some how not (c) feel neutral  
 (d) some how yes e. yes
5. Do you think that your needs will be fulfilled by the financial institution?  
 (a) not at all (b) some how not (c) feel neutral  
 (d) some how yes (e) yes
6. Do you have confidence in the financial institution's level of reliability and integrity?  
 (a) not confidence at all (b) some how no confident (c) feel neutral

(d) some how confident (e) very confident

7. Do you think that the bank is genuinely interested in your ware fare?

(a) not interested at all (b) some how not interested (c) feel neutral

(d) some how interested (e) very interested.

8. Given the above how will you rate the overall level of trust you have for cedi Trust Financial Services.

### COMMITMENT

KNUST

9. Do you think that the bank desires to maintain you as a customer?

(a) not at all (b) some how not (c) feel neutral

(d) some how yes (e) yes

10. Will you switch if a competitive financial institution outperforms what Cedi trust Financial Services is giving you?

(a) I will never switch (b) I may not switch (c) feel neutral

(d) I may switch (e) I will definitely switch

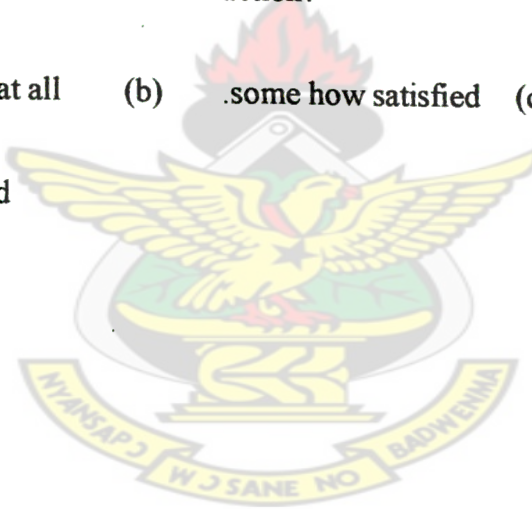
11. How will you rate your level of commitment with the Cedi Trust Financial Services?

(a) Not committed at all (b) some how not committed (c) feel neutral

(d) some how committed (e) very committed

## SATISFACTION

12. Did you have any standard of the service you desire to receive before coming?
- (a) Not at all (b) No standard (c) feel neutral (d) some how standard.  
(e) Have standard
13. Do you think that the service you are receiving is equal to what you expected?
- (a) Not at all (b) some how not equal (c) feel neutral  
(d) some how equal (e) very equal
14. How will you rate your level of satisfaction?
- (a) not satisfied at all (b) some how satisfied (c) feel neutral  
(d) Very satisfied



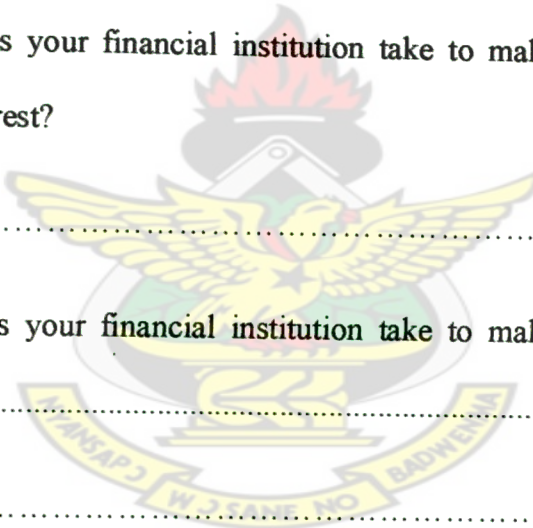


2. How long have you being an employee of this financial institution?
- a. less than 1 year [ ]      b. 1- 5 [ ]      c. 5 – 10 [ ]
- d. 10 years and above [ ]

3. Which department do you belong?
- a. relationship department      b. no department.
- c. accounts department.      d. general administration

**Trust**

KNUST



4. What measures does your financial institution take to make sure that they act in the customer's best interest?
- .....
5. What measures does your financial institution take to make sure that the customer's needs are fulfilled?
- .....
6. What measures does your financial institution take to make sure that have confidence in the financial institution's level of reliability and integrity?
- .....
7. Do you think that the Cedi Trust Financial Services is genuinely interested in customer ware fare?

- a. not interested at all    b. some how not interested    c. feel neutral
- d. some how interested    e. very interested.

**Commitment**

8. What strategies does Cedi Trust Financial Services use to maintain their customers?

.....

9. How will you rate your level of commitment to your customers?

- a. Not committed at all    b. some how not committed    c. feel neutral
- d. some how committed    e. very committed

**Satisfaction**

12. Do you think that the service you are offering is equal to what your customers expected?

- a. Not at all    b. some how not equal    c. feel neutral
- d. some how equal    e. very equal

**Operational Definitions**

CTFSL----- Cedi Trust Financial Services Limited

Organisation, company or bank-----Some used interchangeably in the text to represent

CTFSL