

**UNIVERSITY OF KWAZULU-NATAL**

**The Factors influencing the choice of retail bank of final year MBA students at UKZN**

**By**

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## DECLARATION

I, Gresham Lloyd Nair declare that:

- a) The research reported in this dissertation, except where otherwise indicated is my original research.
- b) This dissertation has not been submitted for any degree or examination at any other university.
- c) This dissertation does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
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Signature:

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## **ABSTRACT**

The banking sector has become such a high profile phenomenon in this time due to its efficient, sophisticated and reliable-money keeping services. Most people today rely importantly on retail banks for a safer money keeping method. Literature has indicated that banks, on the other hand, have realized they are in high demand, and therefore, have resorted to providing high profile methods of attracting and keeping their customers such as market segmentation. Within the segment of personal banking it has become significant for banks to study segments such as students, graduates, 'new to work', mature, and families. Demand for highly sophisticated methods of banking are in demand by the segments such as students and graduates. Previous studies have also indicated that customers opting for multiple banking have increased from 21% to 31%. This is an indication that bank customer needs have drastically changed and increased. This, therefore, exerts much pressure on retail banks to devise new methods of attracting this growing segment of customers and retain it. This has necessitated a study of customer selection criteria for retail banks. The South African banking system has also developed over the past years so much that foreign banks have introduced themselves and acquired stakes at the South African major retail banks such as the Barclays. This development, together with advanced technology and infrastructure it has developed, has attracted this new segment of students. The purpose of this study is to bring to the South African banks knowledge about this segment of customers that would enhance their business and the economy. The questionnaire will be used to study the MBA students' selection criteria of commercial banks and the reasons thereof.

For the purpose of this study a questionnaire was used to investigate the selection criteria of retail banks of MBA students at UKZN, Westville campus, North of Durban.

From the study it has been perceived that selection criteria such as professional handling of problems, efficiency in handling problems, being attentive to customer concerns, ability to solve problems over the phone as well as easy accessibility to the banks offer this simplicity for the busy MBA students. From the results it became clear that if banks attempt to offer these they are going to easily attract and retain these customers.

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# **CHAPTER 1**

## **OVERVIEW OF THE STUDY**

### **1.1 Introduction**

The banking sector has become such a high profile phenomenon in this time due to its efficient, sophisticated and reliable-money keeping services. Most people today rely importantly on retail banks for a safer money keeping method. Literature has indicated that banks, on the one hand, have realized they are in high demand, and therefore, have resorted to providing high profile methods such as market segmentation to attract and keep their customers (Barclays, Discovering customer needs through research...2009). Within the segment of personal banking it has become significant for banks to study segments such as students, graduates, 'new to work', mature, and families (Barclays, Discovering customer needs through research...2009). Highly sophisticated methods of banking are in demand by segments such as students and graduates. A study by Ernst & Young (2012) indicated that customers opting for multiple banking have increased from 21% to 31%. This is an indication that bank customer needs have drastically changed and increased. This, therefore, exerts much pressure on retail banks to devise new methods of attracting this growing segment of customers and retain it. This has necessitated a study of customer selection criteria for retail banks. The South African banking system has also developed over the past years so much that foreign banks have introduced themselves and acquired stakes at the South African major retail banks such as the Barclays - ABSA and Industrial and Commercial Bank of Africa-Standard bank deals (South African Banking Sector, 2010). It is perceived as the 'world class with adequate capital resources, technology and infrastructure, and a strong regulatory and supervisory environment' (South African Banking Sector, 2010: 13). The strong regulatory system saved it from the economic relapse/recession which affected the country three years ago (South African Banking Sector, 2010). The banking community has also grown to include students who have become the future's lucrative market segment. This means that this new growing segment has certain expectations and demands from the South African banks. This poses a demand for the South African Banking System to make drastic attempts at keeping and retaining this particular segment.

## **1.2 Background to the problem**

Banks all over the globe are facing intense margin pressure, slow balance sheet growth, unpredictable economic outlook and threats from new entrants (Ernst & Young Survey 2012). Growing regulatory costs and increasing demands for fairness and clarity in their interactions with customers also put pressure on banks to seek other measures to retain customers (Ernst & Young Survey 2012). The survey indicated that more customers are losing trust in the US industry, for instance. The survey further suggested that in the European Union (EU), more customers have lost confidence in countries like Italy (72% in 2012, from 48% in 2011) and Spain (76% in 2012, from 58% in 2011). More and more customers are opting for multiple bank usage. Customers planning to change banks have increased from 7% to 12% since 2011. This survey also found 50% of customers stating that sensitivity to fees and charges was the leading driver of attrition. Customers using one bank have thus decreased from 41% to 31% while those with three or more banks have increased from 21% to 32% (Ernst & Young Survey 2012).

## **1.3 The Purpose of this study**

Many studies that have been conducted concerning the choice of retail banks have been conducted abroad. These studies have been conducted on the general public. Only two studies included undergraduate and MBA students. The shortage of a study of this kind in the South African context necessitates this study. A study of this kind would benefit retail banks in South Africa as MBA students provide a lucrative market for these banks.

The objectives in this study, therefore, are

1. To examine the criteria that final year MBA students consider important when selecting a bank.
2. To determine how these criteria are prioritized according to their significance.
3. To determine how these have impacted on the lives of post-graduate students.
4. To examine whether post-graduates constitute a homogeneous group in the way they select a bank.

#### **1.4 Need for the study**

Most studies have been conducted abroad as from the 1970s (Anderson 1976; Martenson 1985; Boyd, et al 1994; Elliot et al 1996; Reeves & Bednar (1996); Decker (1992-1993); Devlin (2002); Devlin & Gerrard (2004); Kaynaks & Kucukemiroglu (1992) and Gerrard & Cunningham (2001). Studies such as these are scarce in the context of South Africa. Secondly, these studies have been conducted on the general public. More studies on the reasons why customers base their selection of specific commercial banks have been conducted in the West. Even though these studies contributed significantly to the literature on bank selection criteria of retail customers, they pose a problem with regards to the transportability or transferability of their findings to other countries, in particular, the South African context due to the differences in cultural, political, economic and legal environments (Almossawi, 2001). This lack of relativity poses a gap, which therefore necessitates a study of this kind in a South African context. This is one of the gaps this study aims to fill in. Secondly, most studies have been conducted on the general public. A study which could have been relevant to this study would be a study conducted amongst the undergraduate students in Malaysia (Mokhlis, Mat & Salleh, 2008). The findings, however, were mostly relative to the early findings discussed in this study. These were convenience of location and parental influence, proximity of an ATM to college; free banking service, overall student offer, as well as family loyalty (Mokhlis et al, 2008). Other studies which were conducted in the USA indicated that service charge policy, reputation, interest charged on loans, quick loan approval and friendly staff ranked highly amongst students. These studies, however, examined undergraduates, that is, students who are mostly unemployed, and whose earnings mostly come from educational loans and bursaries (Mokhlis et al, 2008). One particular study which investigated the selection criteria for retail banks amongst MBA students was conducted in India. The results from this study were also relative to previous studies. There is a shortage of studies of this kind amongst MBA students in the South African context. MBA students provide an excellent business opportunity for banks since they are adult post-graduate students who are already either employed, mostly holding high positions in corporate industries, or are employers, themselves, already owning start-up businesses. Most of them are interested in opening own businesses or upgrading existing businesses as soon as they complete their degrees. They will also hold executive exorbitant positions in the future. They, therefore, provide an expanding and lucrative market for commercial banks. Commercial bankers should realize that it

is no longer only business and wage earning customers who bring income to the bank (Mokhlis et al, 2008), but also these young, middle aged growing and ambitious customers and future business executives who will provide them with a lucrative market in the future. They need to realize that future market gains will be realized by banks that target students, in particular, post-graduate students. Banks that are going to seize the student segment need to know and understand the critical factors determining the basis upon which these students select between financial service providers (Mokhlis et al, 2008). Bank marketers should possess the skill to discern what seems to be significant to student customers in their market and the ability to compare their strengths to those of competitors.

### **1.5 Questions to be answered in the research**

- a) What criteria are considered important by post-graduate MBA students when selecting a bank?
- b) How are these criteria prioritized by post-graduate MBA students?
- c) How have these criteria impacted on the lives of post-graduate MBA students?
- d) Do these post-graduate MBA students constitute a homogeneous group?

### **1.6 Research design/methodology/approach**

The quantitative research method has been selected for the proposed study. The rationale behind this selection is based on the following points:

- MBA students are employed individuals who are very busy and they only have two and half hours of their Part-time study daily. The element of “speed” could, therefore, be easily accommodated by a quantitative research method;
- Quantitative research can accommodate this situation as the questions are short, and to the point.

The questionnaire will be used to study the MBA students’ selection criteria of commercial banks and the reasons thereof.

Due to time constraint, this study will not constitute a pilot study; instead the researcher opted to work comprehensively on his questionnaire design so that extra time would be utilized to ensure clarity in an attempt to avoid problems of misunderstanding and ambiguity.

### **1.7 Sample Size**

Arrangements had been made with the Graduate School of Business and Leadership's Administrator to distribute Questionnaires amongst the 34 MBA final year students during the first 20 minutes of their lecture time.

### **1.8 The Questionnaire**

A Questionnaire was administered to the MBA 3 final year students during the first 20 minutes of their lecture time. The questionnaire was administered to study the selection criteria for retail banks by MBA final year students. These questionnaires were administered on face-to-face basis.

### **1.9 Limitations to Study**

Every study has its limitations. Due to time constraint, this study was limited to six months. For this reason, the study was limited to small sample survey, and results can, therefore, never be generalisable. The other limitation to this study is the scarcity of literature regarding the selection criteria of MBA students for retail banks outside and inside of the South African context. The only relevant literature was a study conducted in India.

### **1.10 Structure of the study**

The approach in this study follows a logical structure of the research process. The presentation of this study is in five chapters as follows:

- This chapter introduced the research topic, purpose of study, the need for study, research design, sample size, the research instrument, site of study and limitations.
- Chapter 2 discusses the literature informing this study. The chapter introduced the South African banking System. It the discussed consumer satisfaction and customer relationship management as attributes to sustainability of a banking sector. It finally suggested ways in which customer loyalty and retention may be achieved.
- Chapter 3 informs the reader of the methods of data collection and analysis that have been utilized in this study.
- Chapter 4 then presents data as obtained in the face-face survey.
- Chapter 5 analyses data presented in chapter 4 of this study.
- Chapter 6 is the final chapter that brings in conclusions from research findings and makes recommendations for further research.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter begins by introducing the South African Banking System. It then discusses consumer satisfaction as well as customer relationship management as a critical success factor for the sustainability of a banking business. It finally makes suggestions as to how customer loyalty and attainment can be achieved.

#### **2.2 The South African Banking System**

The South African Banking System is well developed and, according to the South African Banking System, is comparable to those of industrialized countries (South African Banking... 2010). It is perceived as the 'world class with adequate capital resources, technology and infrastructure, and a strong regulatory and supervisory environment' (South African Banking... 2010: 13). The strong regulatory system saved it from the economic relapse/recession which affected the country three years ago (South African Banking... 2010). The economic recession also made banks to be reluctant in lending. Furthermore, after the implementation of the National Credit Act of 2007 banks started implementing stricter majors when it came to lending (South African Banking... 2010).

According the South African Banking Sector Overview (2010) even though the South African Banking Sector has been through a process of volatility and change in the past, foreign banks have been attracted by it, and have established their presence in this country as well as acquired stakes in major banks, such as, the Barclays (ABSA and Industrial and Commercial Bank of China-Standard bank deals).

There have been a number of changes in respect of the regulatory environment, product offerings, and number of participants resulting in a greater level of competition on the market from smaller banks such as Capitec Bank and African Bank which have targeted the low income and the previously unbanked mouth (South African Banking... 2010). The SA banking industry is currently made up of 19 registered banks, 2 mutual banks, 13 local branches of foreign banks, and 43 foreign banks with approved local representative offices.



According to Coppock, Forte, Ncube, Ooka, Richards & Vyas (2010) the South African banking System constitutes the following:

- the South Africa Reserve Bank;
- 55 locally controlled banks;
- 5 mutual banks;
- 12 foreign-controlled banks; and
- 9 branches and 60 representative offices of foreign banks.

Table 2.1 below indicates South African Banks and their categories:

Table 2.1: South African Banks (Source: SA Reserve Bank. 2010)

<b>Category</b>	<b>Banks</b>
Registered banks – locally controlled	ABSA Bank Limited; African Bank Limited; Bidvest Bank Limited; Capitec Bank Limited; FirstRand Bank Limited; Grindrod Bank Limited; Imperial Bank Limited; Investec Bank Limited; Nedbank Limited; Regal Treasury Private Bank Limited (In liquidation); Sasfin Bank Limited; Teba Bank Limited; The Standard Bank of South Africa Limited.
Registered banks – foreign controlled	Albaraka Bank Limited; Habib Overseas Bank Limited; HBZ Bank Limited Islamic Bank Limited (In Final Liquidation); Mercantile Bank Limited; The South African Bank of Athens Limited.
Mutual banks	GBS Mutual Bank; VBS Mutual Bank
Local branches of foreign banks	Bank of Baroda; Bank Of China Limited Johannesburg Branch (trading as Bank Of China Johannesburg Branch); Bank of Taiwan South Africa Branch; Calyon (trading as Calyon Corporate and Investment Bank), China Construction Bank Corporation – Johannesburg Branch; Citibank N.A.; Deutsche Bank AG; JPMorgan Chase Bank N.A. (Johannesburg Branch); Royal Bank of Scotland (Formerly ABN Amro); Société Générale; Standard Chartered Bank - Johannesburg Branch; State Bank of India; The Hongkong and Shanghai Banking Corporation.

Foreign banks with approved local representative offices	AfrAsia Bank Limited; Banco BPI, SA; Banco Espirito Santo e-Comercial de Lisboa; Banco Privado Português, S.A.; Banco Santander Totta S.A.; Bank Leumi Le-Israel BM; Bank of Cyprus Group; Bank of India; Barclays Bank Plc; Barclays Private; Clients International limited; BNP Paribas Johannesburg; Commerzbank AG Johannesburg; Credit Suisse AG; Credit Suisse Securities (Europe) Limited; Ecobank; Export-Import Bank of India; Fairbairn; Private Bank (Isle of Man) Limited; Fairbairn Private Bank (Jersey) Limited; First Bank of Nigeria; Fortis Bank (Nederland) N.V.; Hellenic Bank Public Company Limited; HSBC Bank International Limited; Icici Bank Limited; KfW Ipex-Bank GmbH; Lloyds TSB Offshore Limited; Millenium BCP; National Bank of Egypt; NATIXIS Southern Africa Representative Office; Royal Bank of Scotland International Limited; Société Générale Representative Office for Southern Africa; Sumitomo Mitsui Banking Corporation; The Bank of New York Mellon; The Bank of Tokyo-Mitsubishi UFJ, Ltd; The The Rep. Off. for Southern and Eastern Africa of The Export-Import Bank of China; UBS AG; Unicredit Bank AG; Union Bank of Nigeria Plc; Vnesheconombank; Wachovia Bank, N.A.; Wells Fargo Bank, National Association; Zenith Bank Plc.
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The Big Four local banks namely Absa, First National Bank (a Division of First Rand National Bank), Standard Bank and Nedbank provide retail and investment (Coppock, et. al, 2010). They, however, provide this in competition with a wide range of niche commercial banks (South African Banking... 2010). It can be noted that South African Banks have been secluded from corporate banking due to the aggressive pricing at European Malaysian and U.S. banks operating in South Africa (Coppock, et al, 2010). However, as South African banks obtain better control of their cost structures, they become more likely to offer competitive lending margins (South African Banking... 2010).

Several initiatives have facilitated International investment in South Africa through initiatives, such as, Exchange Control Legislation; the National Payment System Act of 1998, which introduced in South Africa international standards for settlement systems and systemic risk procedures; and the introduction of agreements on payment clearing house matters agreements by the Payment Association of South Africa (Coppock, et. al, 2010).

The South African Central bank is known as the South African Reserve Bank. The Bank was established in 1921 with the sole objective of achieving and maintaining price stability in the South African economy (South African Banking... 2010). The Bank clearly recognizes the principles of ‘a market system, private and social initiative, effective competition and social fairness’ and pursues dual goals of economic development and growth (Coppock, 2010: 13). In its persuasion of price stability, the bank fully commits ‘to performing its functions independently, without fear, favour or prejudice’ (Coppock, et al, 2010: 13).

Strategic matters at the Bank are governed by a fourteen-member Board of Directors. The Board consists of one Governor and two Deputy Governors responsible for running the day-to-day matters of the Bank appointed on a 5 year term contract and eleven additional Directors appointed on a 3 year term (South African Banking... 2010). One seat remains vacant at the moment (Coppock, et al, 2010).

The sole establishment of the Bank in 1921 was to address unintended consequences of a rule needing commercial banks to convert notes into gold upon tender at their respective ranches (Coppock, et al, 2010). As prices for gold increased outside of South Africa during World War I, arbitrageurs began to tender notes in South Africa only to re-sell in London the gold they had received upon tender (South African Banking... 2010) . In order to back their notes, South African Banks were forced to buy gold in London for import to South Africa (Coppock, 2010). Having been forced to buy at London’s high prices and sell at South Africa’s lower prices, the banks found themselves in an untenable position for which they sought legislative relief (Coppock, et al, 2010; 14). Relief came in the form of the 1920 Currency and Bank Act, under which Parliament established the Bank, which began operations on June 30, 1921 (South African Banking... 2010).

While the 1920 Currency and Bank Act was superseded by a series of subsequent legislative reforms, the Constitution makes clear that the Bank must pursue low inflation and stable financial conditions “without fear, favor or prejudice” (Coppock, et al, 2010: 14).

### **2.3 Consumer Satisfaction**

After the recent world-wide financial crisis banks have become more aware of the need for customer satisfaction (Banking Industry Customer Satisfaction Surveys... 2013). Competition amongst financial institutions has become more aggressive and challenging, and they are struggling to find new ways to compete (Banking Industry Customer Satisfaction Surveys... 2013). Financial institutions have also been forced to compete in broad markets where a variety of geographically dispersed customers seek different service offerings to attract customers (Banking Industry Customer Satisfaction Surveys... 2013). Banks have since realized the limited resources they have at their disposal and have now developed marketing strategies that will target specific segments in order to realize greatest opportunity for success. Critical strategic questions such as: which criteria of characteristics should be used to segment the market? Which segments provide banks with the greatest opportunity? What combination of benefits and costs provide the targeted segment the greatest value relative to competitive offering? Also, on top of operational decisions pertaining to pricing, promoting, distributing and product design, what factors can be addressed to understand the market structure in which the banks must choose to compete (Banking Industry Customer Satisfaction Surveys... 2013).

Banking has become such a high profile phenomenon in this time because of sophisticated and reliable money-keeping services they provide. Banks have developed high profile methods of attracting and retaining customers. One such criterion is termed 'market segmentation' (Barclays, Discovering customer needs through research...2009). This refers to an attempt to study a customer group that shares particular characteristics which may include factors such as age, life stages, geography or occupation (Barclays, Discovering customer needs through research...2009). Within the market of personal banking, segments could include categories such as students, graduates, 'new to work', mature, and families (Barclays, Discovering customer needs through research...2009). Through the identification of different market segments, organizations could then ensure that they are providing products or services that meet the needs of these particular customers (Barclays, 2009). Also, appropriate promotional techniques can be utilized to reach people in the separate segments (Barclays, 2009). The studying of segments therefore becomes indispensable in this time an age.

According to the Global consumer Banking Survey 2012, banks all over the world are facing intense margin pressure, slow balance sheet growth, unpredictable economic outlook and threats from new entrants (Ernst & Young Survey 2012). Growing regulatory costs and increasing demands for fairness and clarity in their interactions with customers also put pressure on banks to seek other measures to retain customers (Ernst & Young Survey 2012). Their study has found more customers losing trust in the US industry, for instance. The survey further suggests that in the European Union (EU), more customers have lost confidence in countries like Italy (72% in 2012, from 48% in 2011) and Spain (76% in 2012, from 58% in 2011). More and more customers are opting for multiple bank usage. Customers planning to change banks have increased from 7% to 12% since 2011. This survey found 50% of customers stating that sensitivity to fees and charges was the leading driver of attrition. Customers using one bank have thus decreased from 41% to 31% while those with three or more banks have increased from 21% to 32% (Ernst & Young Survey 2012).

#### **2.4 Customers Banking Choice Criteria**

Most studies on customers' choice of retail banks date as far back as the 1970s, where the main focus had been on consumers and their selection criteria of banks which provided them with general banking services (Anderson, 1976, Martenson, 1985). For instance, the findings in their study had indicated that location and parental influence had greater influence on the choices that consumers made when they selected banks (Anderson et al, 1976; Martenson, 1985). A study by Boyd, et al (1885) which sought to establish if differences existed in the selection criteria between various demographic subgroups indicated that white collar households attached a significant amount of vitality on interest rates, opening hours, and friendliness of staff, while low-income households strongly admired favourable publicity and word of mouth. In what he termed 'value driven strategy', Elliot et al (1986) found speed, price and access to be of utmost significance. In response to this, Reeves & Bednar (1996) found customer service to be more significant than price. In addition, it was found that customers found other additional criteria beyond price to evaluate and select banks (Reeves & Bednar, 1996). A previous study by Decker (1992-1993) found that bank's service charge policy influenced customers' choice between banks.

A further study by Devlin (2002) which looked at differences in choice criteria with regards to levels of customer knowledge also indicated that location and recommendation were vital for all knowledge groups, however, high knowledge groups considered 'intrinsic' service attributes such as, service features, rates of return and low fees when they made their choices.

Realizing that most had been done on selection criteria utilized by consumers Devlin & Gerrard (2004) studied choice criteria in multiple banking settings, a study which was found to have been conducted only by Kaynaks & Kucukemiroglu (1992) and Gerrard & Cunningham (2001). Their study indicated that recommendations given by others were influential in selection decisions of both main and secondary banks (Devlin & Gerrard, 2004). When opening a second account customers were found to be relying more on recommendations than on relationship factors or lessons from accumulated knowledge (Kaynaks & Kucukemiroglu, 1992). Service expectation ranked in the middle four criteria in the choice of the main bank, less so in the choice of a secondary bank (Kaynaks & Gerrard & Cunningham, 1992). This was thought to be resultant of the fact that a secondary bank is used less often than the main, hence service expectation could not be highly expected or be influential in its choice (Devlin & Gerrard, 2004)

More studies on the reasons why customers base their choice of specific commercial banks have been conducted in the West. Even though these studies contributed significantly to the literature on bank selection criteria of retail customers, these studies pose a problem with regards to the transportability or transferability of their findings to the other countries, in particular, the South African context, due to the differences in cultural, political, economic and legal environments (Almossawi, 2001). This lack of relativity poses a gap, therefore, which then necessitates a study of this kind in a South African context. This is one of the gaps this study aims to fill in. Secondly, most studies have been conducted on the general public. A study which could have been relevant to this study would be a study conducted amongst the undergraduate students in Malaysia (Mokhlis, Mat & Salleh, 2008). The findings, however, were mostly relative to the early findings discussed in this study. These were convenience of location and parental influence, proximity of an ATM to college; free banking service, overall student offer, as well as family loyalty (Mokhlis et al, 2008). Other studies which were conducted in the USA indicated that service charge policy, reputation, interest charged on loans, quick loan approval and friendly

staff ranked highly amongst students (Mokhlis et al, 2008). These studies, however, examined undergraduates, that is, students who are mostly unemployed, and whose earnings mostly come from educational loans and bursaries (Mokhlis et al, 2008). A more recent study was conducted in India concerning the selection criteria by MBA students. In the study, the researchers attempted to study attributes a bank had to provide in Indian banks, in other words, try to assess what the variables were that attracted an MBA student to choose banking services (Rao & Sharma, 2010).

There is a shortage of studies of this kind amongst MBA students in the South African context. MBA students provide an excellent business opportunity for banks since they are adult post-graduate students who are already either employed, mostly holding high positions in corporate industries, or are employers, themselves, already owning start-up businesses. Most of them are interested in opening own businesses or upgrading existing businesses as soon as they complete their degrees. They will also hold executive exorbitant positions in the future. They, therefore, provide an expanding and lucrative market for commercial banks. Commercial bankers should realize that it is no longer only business and wage earning customers who bring income to the bank (Mokhlis et al, 2008), but also these young, middle aged growing and ambitious customers and future business executives who will provide them with a lucrative market in the future. They need to realize that future market gains will be realized by banks that target students, in particular, post-graduate students. Banks that are going to seize the student segment need to know and understand the critical factors determining the basis upon which these students select between financial service providers (Mokhlis et al, 2008). Bank marketers should possess the skill to discern what seems to be significant to student customers in their market and the ability to compare their strengths to those of competitors.

Barclays is one of the financial institutions that have been able to devise appropriate banking offers for customers in different segments (Barclays | Discovering customer needs...2009). This approach assists Barclays to improve its market share of the student accounts market.

Barclays has thus believed that students constitute quite a significant market segment for the business. As students may be choosing a bank for the first time, Barclays hopes to retain these

customers (Barclays | Discovering customer needs...2009). By focusing on the specific needs this segment needs, Barclays is hoping to attract more student customers and keep them in the long term (Barclays | Discovering customer needs...2009). Market research also provides banks with the ability to identify and provide the right product offer that will meet their needs. In their research, Barclays needed to understand what students really wanted (Barclays | Discovering customer needs... 2009). Through student focus panels and staff working in branches with a high proportion of student customers, Barclays got to discover students' concerns, priorities and strength of feeling (Barclays | Discovering customer needs...2009). The results of the opinion panel and the sample of student customers indicated that:

- Students relied heavily on different forms of credit. These included an easily manageable bank overdraft to finance their time at university.
- Students wanted and often needed to own high-tech gadgets and electrical goods, such as laptops.
- Students wanted to have separate accounts to manage their student borrowing and spending.
- Any incentives offered would not alone motivate students to choose that product. They were expected as part of any deal (Barclays | Discovering customer needs... 2009).

After an extensive research conducted by Barclays in 2009, a working group was set to oversee the setting up of the new student proposition. The following were the outcomes from the research which were implemented:

- **Monthly Fees**

It was agreed that there should be no monthly fee that was to be paid by students. This was done to keep costs down for students (Barclays | Discovering customer needs...2009).

- **Interest-free Overdraft**

The interest-free overdraft was increased from £500 which had been set as a start in the first year and had to increase through the years of study to £2,000, and the extension assisted students in managing their finances (Barclays | Discovering customer needs..., 2009).



- **Mobile banking**

Mobile banking was introduced for convenience purposes. Then a network of local branches was created for an easier access to accounts. As the mobile broadband became a fascinating idea to students, Barclays entered into a partnership with Orange, UK's number 1 broadband provider (Barclays | Discovering customer needs...2009).

Other methods utilized by Barclays to attract its services to students were word of mouth, promotional literature in branches nationwide, online advertising and direct mail to prospective students.

## **2.5 Customers Satisfaction as a contributor to Profitability**

Service quality, therefore, has been identified as a significant attribute that offers a sustainable competitive advantage to the bank as it creates value and customer satisfaction (Duffy, Miller & Bexley, 2006). Service breakdowns experienced by customers often lead to customer dissatisfaction. This then defines how crucial customer satisfaction is to the success of every commercial banking sector (Duffy, Miller & Bexley, 2006). Consumer satisfaction has been perceived as 'a transaction specific measure or cumulative evaluation which is mainly determined by service quality' (Duffy, Miller & Bexley, 2006: 26). Also, in Duffy et al (2006: 26), customer satisfaction has been defined as 'an individual's subjectivity derived favourable evaluation of any outcome and/or experience associated with consuming a product'. This basically means that customers always evaluate their treatment and experience they receive. The International Journal of Retail & Distribution Management (1995) reported that customers who had complained and were satisfied with the service recovery efforts were three times more likely to recommend the bank to someone else or do increased business with the bank (in Duffy, Miller & Bexley, 2006).

Secondly, customer satisfaction was greatly achieved through efficient handling of problems, being attentive to customer concerns, as well the ability to resolve customer queries over the telephone (Duffy, Miller & Bexley, 2006). Findings in this study confirm findings of previous studies that listening to customers and immediate response to queries added to customer

satisfaction. Findings in this study, however, differ from the generalisability obtained from most previous studies that apology played a significant role in customer satisfaction. The findings indicate that listening to a complaint greatly surpassed offering apology for the poor service (Duffy, Miller & Bexley, 2006).

A study by Foscht, Schloffer, Maloles III, Chia (2009) found differences within the three age groups contained in Generation Y in terms of the sources of information they had, financial services they used, the likelihood of switching, and the number of Banks they utilized. Results also indicated that determinants of satisfaction, loyalty, and behavioral intention were primarily affected by satisfaction students obtained and services rendered by the retail bank as well as its employees (Foscht, et al, 2009). Furthermore, it was found that as young people reached certain milestones, their needs became more multifaceted (Foscht, et al, 2009). As a result, the determinants of their satisfaction had also changed. An additional study by Rashid & Hassan (2009) in Bangladesh in six full fledged Islamic banks found that non-Islamic factors such as Corporal efficiency, Core-Banking Services and Confidence were rated higher by the majority of the respondents. The report recommended the introduction of a complete E-Banking solution, the increase of advanced marketing efforts and the hiring of experienced human resources for better Islamic Banking activities in Bangladesh (Rashid & Hassan, 2009).

Blankson , Omar , Cheng (2009) identified four key factors, namely, convenience, competence, recommendation by parents, and free banking and/or no bank charges - to be consistent across the two economies. The study recommended that “in the context of an open and liberalized market environment, retail bank marketing strategies should be standardized irrespective of the national development stage” (Blankson , Omar , Cheng, 2009). The conclusion was that retail bank managers, particularly in developing countries, should maintain consistent and good customer care (Blankson, et al, 2009).

In another study conducted by Masood, Chichti, Mansour, Iqbal (2009), an attempt to assess the degree of customer awareness, satisfaction as well as selection criteria was made. The results indicated a certain degree of satisfaction, with very few respondents expressing their dissatisfaction with some of the Islamic bank services (Masood, et al, 2009).

Findings in a study by Rao & Sharma (2010) which later followed the above studies in Delhi indicated reliability as a significant choice criterion in the selection of banks by MBA students. This included 'employee's courtesy, parking facility, loyalty programs, brand name, security system and low charges with the bank. Other factors, which have also increased in importance are the responsiveness, value added services and convenience. Assurance factors, such as speedy services, good rate of interest and zero balance account facility are it would be interesting to find out if these attributes also define the South African MBA students or not.

In a study by Akdag & Zineldin (2011), highly significant determinants emerged, such as; bank customers appeared to enjoy speed of services and the process of decision making, funds security, high confidence, friendliness and helpfulness of personnel. The results, however, indicated that reputation, interesting advertisements and recommendation from others were lower on the overall scores (Akdag & Zineldin, (2011). The results from this study indicated that bank customers were not receiving the services they expected to receive from the banks.

A more recent study by Global Consumer Survey (2012) on customer bank choices has also found that word of mouth from fellow bankers is highly effective in influencing customers to change banks. Globally, 71% of customers have been found to seek advice on banking products and services from friends, family or colleagues (Global Consumer Survey... 2012). 65% of customers have been found to be using financial comparison sites to obtain the best deals (Global Consumer Survey... 2012). The views of online communities and affinity groups as well as the social media as a source of banking information (by 44% of customers) is amplifying customers' voices, giving them greater power as advocates or critics (Global Consumer Survey... 2012).

## **2.6 Customer Relationship Management in the Banking Sector**

One of the critical success factors banks have been utilizing to expand their businesses and revenue has been using mergers and acquisitions. They have been growing through aggressive acquisition of direct competitors and taking over their branch networks (EDS, 2005). This method is now no longer adequate for organic growth as it were previously. In order to build a

strong customer base and increase customer loyalty retail banks need improved customer knowledge in order to produce products and services which are targeted at specific market segments (Russ, 2006). This would result in more directed marketing, sales and service tactics. Acquiring businesses which offer essential products and services that would complete the bank's portfolio of offerings (Russ, 2006). This would allow banks to gain greater wallet share of current customers and also support their organic growth (EDS, 2005). The following trends are suggested by Russ (2006):

### **2.6.1 Trend: Seeking out and better serving emerging customer segments**

According to Russ (2006) Banks can also obtain organic growth by focusing on new emerging demographic segments. In the case of South Africa this means targeting foreign segments such as the Chinese and Africans who have come to stay in South Africa such as Nigerians, Malawians, etc.

### **2.6.2 Trend: Creating deep business insight into customer preferences**

Banks can also create customer loyalty through understanding each customer's needs and preferences (EDS, 2005; Russ, 2006). Banks need to understand that a 'one-size-fits-all' customer strategy is no longer relevant (Russ, 2006). They have to serve the diverging needs of all markets, such as, the time-stressed mid-lifers and younger technophiles (Gen-X and Gen-Y), as well as the aging baby boomers (EDS, 2005). Different market segments should be offered what they need. Furthermore, 'to optimize customer relationships and loyalty, banks have to integrate processes and technologies that enable them to build- and act upon – a detailed view of what each customer wants' (Russ, 2006: 2). 'This will require highly skilled customer service professionals, with the right combination of linguistic, culturally aligned and financial services skills, as well as the ability to deploy customer service strategies quickly, efficiently and cost-effectively' (Russ, 2006: 2).

A survey by Consumer's Association in the UK suggests that as customers become better-informed, increasingly demanding, less loyal and more willing to utilize remote and electronic channels, banks are no longer able to rely on the protection offered by inertia (EDS, 2004). Another survey conducted by Data monitor indicates that customers are now more willing to

shop around for financial products and compare them before they choose (Russ, 2006). Unless banks offer products and services as broad and high-quality as their competitors, customers are bound to go elsewhere taking along their lifelong profit potential a bank would have generated over their lifetime had the relationship continued (EDS, 2005).

### **2.6.3 Trend: Responding to intensifying competition through revitalized offerings**

According to Russ (2006) the reason why banks should respond to intensifying competition through revitalized offerings is to meet the following three objectives:

- Improved and more consistent service based on a full customer view.
- Increased revenue through adoption of new products.
- Improved profitability through lower product development and service costs (Russ, 2006: 3).

Banks will succeed in improving their customer service quality and profitability if they deploy an integrated CRM strategy (EDS, 2005). If banks are to deepen their relationship with customers they have to offer their products through appropriate delivery channels that appeal to their customers (Russ, 2006).

By deploying multiple channels and integrate them at the enterprise level banks will be awarded a consistent and full view of the customer (EDS, 2005). To be successful, this should incorporate ‘all service channels – both physical and virtual – including, call center, Web, branch, kiosk, ATM, phone and mobile devices’ (Russ, 2006: 3). ‘To achieve this, banks need to develop technology, operational processes and customer strategies to make their channels more effective in reaching and serving their customers (Russ, 2006). By tailoring products or services to specific customers or market segments, banks will be able to increase their product adoption rate, revenues and return on investment (ROI) for new product development’ (Russ, 2006:4) .

#### **2.6.4 Trend: Safeguarding customer information**

Currently, banks are facing a problem concerning customer privacy and information security which is always under constant attack from ‘many quarters including increasingly sophisticated identity thieves, constant phishing expeditions by criminals seeking to trap unwary customers, and even “inside jobs” where staff sell customer data to criminals’ (Russ, 2006: 4). This is costing banks which have to pay for outsourced services that will protect their customers. They also have to comply with customer information regulations (EDS, 2005). This is vital because losing a customer’s information means losing the customer as well (Russ, 2006). Secondly, a security breach has severe negative impact on the bank’s reputation and brand; and this can hinder the bank from acquiring new customers (Russ, 2006).

‘Under Basel II, banks without required client data security as a part of their risk management program must maintain higher levels of capital reserves – reducing the amount of funds available to invest in the marketplace and generate revenue’ (Russ, 2006: 4). Investing in security banks look at realizing a Return on Investment (ROI) (EDS, 2004; 2005). This, therefore, becomes a prerequisite for banks if they want to effectively compete in the retail financial services (Russ, 2006).

A study by Anani (2010) identified some problem areas which require improvement if customer retention and satisfaction is to be maintained. These included customer loyalty, relationship banking and electronic banking. The above mentioned study examined these variables in order to understand how they affect banks and customers. The study used both qualitative and quantitative analysis to test and ascertain if the customers were satisfied with the banks’ approach of managing these variables (Anani, 2010: 81). The findings in the study indicated that customer loyalty was low to a certain level which, therefore, indicated that banks should do extensive research to find ways in which they can improve customer loyalty (Anani, 2010). This is because low level of loyalty generally means that customers are and will always be ready to leave the bank if need arises. They are or will be unwilling to remain in a situation where their needs are deemed unessential or ignored. The study recommended that banks need to improve their communication channels with their customers, that is, listen to the needs of customers and

deal with their complaints in a satisfying manner (Anani, 2010). This will contribute to customer retention and satisfaction. Effective communication often leads to higher level of trust between the bank and its customers, and in return yields customer loyalty (Anani, 2010). Customer loyalty means that the customers will stay with the bank no matter what happens to the bank. The study also indicates that relationship banking is vital if banks are to retain customers (Anani, 2010). This refers to paying attention to individual complaints and not only caring for the 'rich' and 'essential' customers who are believed to be the only ones who bring profit to the bank. Banks should realize that each individual is essential in his/her own way in the profit creation of the bank. A study in New Zealand also indicated that banks that respond to changing customer needs were better able to retain and satisfy their customers (Gan, Cohen, Clemes, & Chong, 2006). Banks should therefore need careful management with regards to personalized branch-based encounters as well as more impersonal technology-enabled remote encounters (Anani, 2010).

## 2.7 Recommendations by the Global Survey 2012 on Customer Satisfaction

What should banks do to retain and satisfy their customers? Table 2.1 below indicates the recommendations made the Global Survey 2012 with regards to customer retention and satisfaction:

TABLE 2.2: Global Survey 2012

<p><b>Give customers more flexibility</b></p> <p><b>Make pricing and service promises transparent</b></p> <ol style="list-style-type: none"><li>1. Pricing is critical to customer satisfaction, but most customers have no idea how much they pay each year. Transparency over pricing and service promises is vital if banks are to deliver something customers value. It is also critical for banks to rebalance fee structures to achieve the clarity and sustainability demanded by regulators and investors.</li><li>2. Customers should have the option to buy into certain products and services, as well as the ability to earn upgrades through loyalty, whether in terms of longevity, share-of-wallet or the value they generate.</li><li>3. Customers care more about convenience than about channels. Banks need to look beyond multi-channel toward a fully integrated banking experience that combines the advantages of physical branches and in-person interactions with the information-rich digital channels. Omni-channel distribution leverages customer data gathered from branches, website visits, social media and elsewhere. Marketing offers are customer-segment specific, rather than channel specific, and allows customers to purchase a product in one channel that they had researched or seen promoted via another channel.</li></ol> <p><b>Help Customers to Shape their Experiences</b></p> <ol style="list-style-type: none"><li>4. By regaining influence over customers' decisions, banks can manage their own revenue more effectively. To do so they need to improve how they provide information and advice. Banks need to target self-directed customers and encourage greater self-service through financial planning tools, demonstrations of "how people like you are investing," or ranges of product and pricing bundles.</li><li>5. The growing importance of word of mouth and the waning power of direct selling have implications for banks' marketing strategies, which need to shift from push to pull. Banks should aim to recruit their satisfied customers as advocates. They also could recruit online affinity groups as marketers by letting them select and shape the communications they receive.</li></ol> <p><b>Help Customers to Shape their Experiences</b></p> <ol style="list-style-type: none"><li>6. By regaining influence over customers' decisions, banks can manage their own revenue more</li></ol>
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effectively. To do so they need to improve how they provide information and advice. Banks need to target self-directed customers and encourage greater self-service through financial planning tools, demonstrations of “how people like you are investing,” or ranges of product and pricing bundles.

7. The growing importance of word of mouth and the waning power of direct selling have implications for banks’ marketing strategies, which need to shift from push to pull. Banks should aim to recruit their satisfied customers as advocates. They also could recruit online affinity groups as marketers by letting them select and shape the communications they receive.

#### **Shape business models around customer need**

8. Banks need to capitalize on customers’ growing enrollment in loyalty programs, especially in emerging markets like India (48% in 2012 versus 26% in 2011). Most customers want financial rewards. Although costly, such rewards offer huge potential benefits in loyalty and advocacy. Banks should tailor programs for affinity groups and let customers choose rewards based on their value to the bank.

9. Banks should encourage customers to use digital channels whenever possible. Banks should determine which services customers want to handle through branches and encourage — not force — other transactions to move to digital channels, using price incentives, if necessary.

10. Customers identify a number of bank interactions as particularly important. Banks that focus operational improvements on these areas will optimize the resulting impact on attrition, dormancy and loyalty. They will also achieve a benefit in terms of their costs to serve. Banks recognize the importance of operational investment, but they will need to carefully target their limited capital spending budgets for maximum effect on customer satisfaction

#### **Shape business models around customer need**

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12. Banks should encourage customers to use digital channels whenever possible. Banks should determine which services customers want to handle through branches and encourage — not force — other transactions to move to digital channels, using price incentives, if necessary.

13. Customers identify a number of bank interactions as particularly important. Banks that focus operational improvements on these areas will optimize the resulting impact on attrition, dormancy and loyalty. They will also achieve a benefit in terms of their costs to serve. Banks recognize the importance of operational investment, but they will need to carefully target their limited capital spending budgets for maximum effect on customer satisfaction.

9. The use of cutting-edge technology is vital to all of the other implications we identify. This includes breaking down silos, creating omni-channel distribution, developing innovative rewards for loyalty and giving customers the ability to personalize their products and services. Technology can also help to maintain intimacy as customers move towards digital banking and greater self-service. To achieve this, banks will need to partner with technology innovators.

## **2.8 Summary**

This chapter introduced the South African banking System. It the discussed consumer satisfaction and customer relationship management as attributes to sustainability of a banking sector. It finally suggested ways in which customer loyalty and retention may be achieved. Chapter 3 which follows hereafter discusses methods of data collection and analysis.

## **CHAPTER 3**

### **METHODS OF DATA COLLECTION**

#### **3.1 Introduction**

The previous chapter on Literature Review in this study began by introducing the South African Banking System. It then discussed consumer satisfaction as well as customer relationship management as critical success factors for the sustainability of a banking business. It finally made suggestions as to how customer loyalty and attainment could be achieved.

In this chapter, methods of data collection and analysis that have been used in this study are introduced and discussed extensively. The study uses Quantitative approach to data analysis, and therefore involves descriptive and explanatory methods to analyze its data. The terms are further explained in the chapter. Since the study is quantitative in nature, and therefore, involves the utilization of surveys/questionnaires as methods of data collection, the term 'questionnaire' is also defined. The chapter is a step into the analysis of data that follows hereafter, and has been designed to correlate with aims and objectives of this study.

#### **3.2 Research Strategy/methodology**

Every research study requires a strategy according to which it is going to be aligned. A strategy is defined as a plan of action designed for the achievement of a specific goal (Denscombe, 2010). The term 'strategy' originates from the artistic manner in which war generals often have a broad overview of planned attack and then have specific tactics as part of the bigger plan for overall victory, and the victory they would achieve after careful planning (Denscombe, 2010). These are the same elements which constitute social research. According to Denscombe (2010), a well defined strategy, therefore, comprises:

- An overview of the project that will use the bigger picture as basis of how to approach the research (research paradigm).
- A plan that is rationally designed and carefully constructed that can offer the best prospects of success (research design)

- A clearly specified and achievable goal.

It is highly significant that a correlation exists between a research strategy and methods of data collection. The envisaged research strategy must also meet the objectives of study. There is a difference between a research strategy and a method of data collection. Research methods constitute methods for collecting data; and often include questionnaires, interviews, observation and documents (Denscombe, 2010:4). Research methodology, therefore, constitutes a system where methods and procedures for collection, measurement and analysis of data that the researcher has used in the study are defined and specified (Botha, 2006).

The quantitative research method has been selected for the proposed study. The rationale behind this selection is based on the following points:

- MBA students are employed individuals who are very busy and they only have two and half hours of their Part-time study daily. The element of “speed” could, therefore, be easily accommodated by a quantitative research method;
- Quantitative research can accommodate this situation as the questions are short, and to the point.

This study constitutes a survey and uses a questionnaire as a data collection method. Surveying often involves viewing something ‘comprehensively and in detail’ (Denscombe, 2010:1). According to Denscombe, 2010; Sekaran & Bougie, 2010) Surveys in social research are beneficial since they offer the following:

- Wide and inclusive coverage- a breath of view and the ability to ‘take it all in’
- Surveys offer a snapshot of how things are at a specific point in time. As surveying involves ‘looking into’, it brings with it the idea of empirical research- going out to look for the necessary information ‘out there’.

Surveys can be useful to a researcher when he/she is seeking factual information which is relative to groups of people, that is, what they do, what they think, and who they are (Dunn, 2010). Surveys also play a significant role in cases where a researcher aims to deal with particular issues and, at its best, when he/she knows exactly which factors are vital and the kind of information he/she needs (Dunn, 2010). Lastly, surveys offer an excellent way of looking at

patterns of activity within groups or categories of people (Denscombe, 2010). There are seven types of surveys that can be used. These are postal, internet, telephone, group-administered, face-to-face, observational, and documents (Sekaran & Bougie, 2010).

For the purpose of this study, face-to-face surveys will be used to measure the selection criteria of MBA students of retail banks. Regarding feasibility, it has been estimated that the research can be done within the specified time (six months). This allows enough time for research design, collection of data and analysis of results (Hadebe, 2012).

The research strategy to be utilized is ethical, covering all aspects of ethics as a pre-requisite for research (Hadebe, 2012). To ensure this is done, the researcher has endeavored that the following measures as suggested by Sekaran & Bougie (2010) be undertaken:

- The anonymity of respondents
- Confidentiality of collected data
- Making respondents to understand the nature of the research and their environment
- Informing the participants that participation is voluntary.

### **3.3 Aim and Objective of the Study**

An aim of study is what the research aims to achieve (Hadebe, 2012). Objectives, on the other hand, indicate specific issues that will be investigated in relation to the overall aim (Dunn, 2010). Research objectives are relative points which the study hopes to achieve and from which research questions are formulated (Sekaran & Bougie, 2010).

#### **3.6.1 The Aim of the Study**

More studies on the reasons why customers base their selection of specific commercial banks have been conducted in the West. Even though these studies contributed significantly to the literature on bank selection criteria of retail customers, they, however, pose a problem with regards to the transportability or transferability of their findings to other countries, in particular, the South African context due to the differences in cultural, political, economic and legal environments (Almossawi, 2001). This lack of relativity poses a gap, which, therefore, necessitates a study of this kind in a South African context. This is one of the gaps this study

aims to fill in. Secondly, most studies have been conducted on the general public. A study which could have been relevant to this study would be a study conducted amongst the undergraduate students in Malaysia (Mokhlis, Mat & Salleh, 2008). The findings, however, were mostly relative to the early findings discussed in this study. These were convenience of location and parental influence, proximity of an ATM to college; free banking service, overall student offer, as well as family loyalty (Mokhlis et al, 2008). Other studies which were conducted in the USA indicated that service charge policy, reputation, interest charged on loans, quick loan approval and friendly staff ranked highly amongst students. These studies, however, examined undergraduates, that is, students who are mostly unemployed, and whose earnings mostly come from educational loans and bursaries (Mokhlis et al, 2008). There is a shortage of studies of this kind amongst MBA students.

### **3.6.2 Objectives of Study**

The objectives of this study are:

- To examine the criteria that post-graduate MBA students consider important when selecting a bank.
- To determine how these criteria are prioritized according to their significance.
- To determine how these have impacted on the lives of post-graduate students.
- To examine whether post-graduates constitute a homogeneous group in the way they select a bank.

### **3.4 Participants and Location of study**

Since collecting data from the whole population may be time consuming and expensive, sampling often saves time and money (Hadebe, 2012). The study constitutes a survey amongst MBA students at the University of KwaZulu-Natal who are studying part-time. These are employed individuals who are very busy and they only have two and half hours of their Part-time study on daily basis. The element of “speed” could, therefore, be easily accommodated by a quantitative research method since the questions are brief and to the point.

The questionnaire will be used to study the MBA students’ selection criteria of commercial banks and the reasons thereof.

### **3.5 Cross-sectional**

A cross-sectional study is conducted over a short period of time and where an incident based on a phenomenon may be investigated in a research (Dunn, 2010). It may also be conducted to compare factors in different organizations or settings (Ako-Nai, 2005).

This research is conducted in a cross-sectional time frame, conducted over a short time period, making a comparison between the current study and similar studies previously conducted in different settings on selection criteria employed by MBA students in their choices of retail banks.

Due to time constraint, the study will not constitute a pilot study; instead the researcher has chosen to work comprehensively on his questionnaire design so that extra time is utilized to ensure clarity in an attempt to avoid problems of misunderstanding and ambiguity.

Arrangements have been made with the Graduate School of Business and Leadership's Administrator to distribute Questionnaires amongst the MBA 3 students during the first 20 minutes of their lecture time.

### **3.6 Sampling**

As collecting data from large numbers of a population is often expensive and time consuming, sampling becomes inevitable. Sampling is defined as "a process of selecting a sufficient number of elements from the population, so that a study of the sample and an understanding of its properties or characteristics would make it possible for us to generalize such properties or characteristics to the population elements" (Sekaran, 2003). Sampling saves money and time. Before sampling can be done, the researcher has to define the population (Sekaran, 2010).

#### **3.6.1 Population and Sample**

Rather than referring to everyone who lives in the country, the term "population" refers to all items in the category of things to be investigated (Denscombe, 2010:23). Therefore, if, as is the case in this study, a survey is used to study the selection criteria of retail banks by MBA students, then sample refers to MBA students who are selected to take part in the survey. By selecting a sample from a population, a researcher may be attempting to obtain a representative sample, in the case of larger surveys, or an exploratory sample, in the case of small-scale research, and tends to use qualitative data (Denscombe, 2010:24). An exploratory sample may be

utilized for probing unexplored topics and with the aim of discovering new ideas or theories (Sekaran, 2010). In this case, therefore, the selection of a sample is not always to obtain an accurate cross-section of the population (Dunn, 2010). The aim of this study is to obtain a representative sample; hence a smaller sample size is used.

### **3.6.2 Sampling design/frame**

Generalisability of the results from a sample taken from a population is often very important in research (Zwane, 2011). The results are said to be meaningful only when they are generalisable, that is, they can provide meaning beyond the limited setting in which they were originally obtained (Welman et al, 2007:55). While sampling has been said to be a process of selecting a sufficient number of the relevant elements from the population, this is the element which often makes generalisability, including those not selected in the sample, possible (Sekaran & Bougie 2010). It is maintained that a sample should be the best representation of the characteristics of the population (Terre Blanche, 2006).

According to Kothari (2008) a good sample design entails the following characteristics, therefore:

- It must result in a truly representative sample.
- It should minimize sampling error.
- It must minimize systematic bias.
- The results from the sample should be applied to the population from which it was drawn with a reasonable level of confidence (Kothari, 2008).

The sampling frame for any probability sample comprises a complete list of all the cases of the population from which a sample will be drawn (Saunders et al, 2012). If a research question or objective concerns members of a student society, the sampling frame will constitute the complete membership list for the society (Saunders et al, 2012). A sampling frame is, therefore, necessary if a probability sampling will be used (Saunders et al, 2012). There is also an emphasis on the usage of complete, accurate and up-to-date lists for sampling (Saunders et al, 2012). Since by defining a sampling frame, the researcher defines the population about which he/she can



generalize, he/she can not generalize beyond his/her sample frame as this could create problems (Saunders et al, 2012). This study, intends, therefore, to generalize within the defined sample frame of MBA students from a single institution.

### **3.6.3 The need for sampling**

Some of the reasons why sampling is necessary in research are, firstly, the inability or impracticability to research the entire population at the same time (Saunders et al, 2012). Secondly, sampling becomes inevitable when the researcher's budget prevents him/her from surveying the entire population (Sekaran & Bougie, 2010). Lastly, sampling provides a better alternative where time the researcher has at his/her disposal doesn't allow him/her to survey the entire population (Saunders et al, 2012). These reasons form the basis for the sampling selection criteria utilized in this study.

Sampling involves two types of sampling techniques, namely, probability or representative sampling and non-probability sampling (Sekaran, 2010). With probability sampling, there is a known and equal chance that each case be selected from the population (Saunders, et al, 2012). This basically means that 'it is possible to answer research questions and to achieve objectives that require the researcher to estimate statistically the characteristics of the population from the sample' (Saunders et al, 2012: 261-262). For non-probability sampling, the probability of each case being selected from the total population is unknown and it is equally impossible to answer research questions or to address objectives requiring statistical inferences about the characteristics of the population (Sekaran, 2010). Generalizations about the population from the non-probability sampling technique may be possible, however, not based on statistical grounds (Sekaran, 2010). For the purpose of this study, probability sampling technique has been selected. The reason for the selection is that the study itself incorporates a survey research strategy, which often requires inference from the sample about the population to answer the research question(s) and to meet objectives (Saunders et al, 2012). According to Saunders et al (2012: 262), probability sampling involves the following four stages;

- Identifying a suitable sampling frame based on the researcher's research questions and objectives.

- Deciding on a suitable sample size
- Selecting the most appropriate sampling techniques and selecting the sample
- Checking that the sample is representative of the population.

### 3.6.4 Deciding on Suitable Sample Size

Generalizations about populations from the collected data utilizing any probability samples are based on statistical probability (Saunders et al, 2012: 265). A larger sample's size often indicates a lower likely error in generalizing to the population (Saunders et al, 2012). Probability sampling is a compromise between the accuracy of the findings in the study and the amount of time and money invested in collecting, checking, and analyzing the data (Saunders et al, 2012). A researcher's choice of sample size within this compromise is governed by:

- The confidence he/she needs to have in his/her data, meaning the level of certainty that the characteristics of the collected data will represent characteristics of the total population.
- The margin of error the researcher is willing to tolerate, that is, the accuracy (Saunders et al, 2012).

### 3.6.5 Advantages of Surveys and Sampling

Denscombe (2010: 49) highlights four advantages for using surveys and sampling, namely;

- **A focus on empirical data.** The emphasis is on obtaining data from the real-world or 'straight from the horses' mouth'.
- **Can collect both quantitative and qualitative data.** Large volumes of data can be obtained through the self-completion questionnaires, which usually generate large volumes of quantitative data that can be analyzed statistically.
- **Wide and inclusive coverage.** In large-scale questionnaire surveys generalizations can be made out of a wider population, while in small-scale interview surveys sampling techniques used can allow the researcher to 'build up a picture based on data which includes full range of relevant items or people'.

- **Cost and time.** Surveys can offer efficiently and relatively inexpensive means of collecting data. Also, results can be obtained over a relatively short period of time and time could be the only significant cost involved.

### **3.6.6 Disadvantage of Surveys and Sampling**

One disadvantage for the utilization of surveys and sampling is:

- **The tendency to focus on data more than theory.** Due to the emphasis on empirical data there is a tendency to leave ‘data to speak for itself’ (Denscombe, 2010) without an adequate account of implications of those data for relevant issues, problems and theories. The importance of the data can be ignored (Denscombe, 2010).

## **3.7 Data Collection in Descriptive Research**

Data can be described as primary and secondary data (Hadebe, 2012). Primary data often refers to first-hand information the researcher obtains on the variables of interest for the specific purpose of the study (Sekaran & Bougie 2010:180). Secondary data, on the other hand, refers to information obtained from sources that already exist, such as literature (Sekaran & Bougie, 2008:180). The method to be used in the collection of data is often informed by the type of data required. Sekaran (2003) highlights a few methods for data collection, namely, questionnaires or surveys, interviews, observations or focus groups.

### **3.7.1 Questionnaires as Method of Data Collection**

A Questionnaire is a method of data collection which includes all methods of data collection in which an individual is asked to respond to the same set of questions in a predetermined order (deVaus, 2002). It usually includes structured interviews and telephone questionnaires as well as those questions which are answered in the absence of an interviewer, such as the Auchentoshan distillery’s online questionnaire (Saunders, et al, 2012). The questionnaire is the most efficient method of data collection within the survey strategy from a large sample prior to quantitative analysis since each respondent is asked to respond to the same set of questions (Saunders, et al,

2012). When preparing a questionnaire it becomes vital to ensure that it will be able to collect the precise data that the researcher requires to answer his/her research question/s as well as achieve his/her goals (Saunders, et al, 2012). Since a questionnaire can only be used once when collecting data, its design requires extensive work as this may affect the response rate as well as the reliability and validity of the data collected if it has not been carefully and extensively designed. In order to avoid this Saunders, et al, (2012: 419) suggest the following essentials for questionnaire design:

- Careful design of individual questions
- Clear and pleasing layout of the questionnaire
- Lucid explanation of the purpose of the questionnaire
- Pilot testing
- Carefully planned and executed delivery and return of completed questionnaires

Questionnaires are often used for descriptive or explanatory research. Descriptive research which is undertaken using attitude and opinion questionnaires enables that researcher to identify and describe the variability in different phenomena (Saunders, et al, 2012). Explanatory or analytical research enables the researcher to examine and explain relationships between variables, particularly, cause and effect relationships (Saunders, et al, 2012). It is suggested that questionnaire be used in conjunction with other methods of data collection such as in-depth interviews to explore and understand attitudes (Saunders, et al, 2012). The questionnaire in this study is used to identify and describe the variability in different phenomena, in this case the attitudes and opinions of MBA students in their selection criteria of banks.

### **3.7.2 Types of Questionnaires**

The design of the questionnaire often differs according to how it is delivered, returned or collected, and the amount of contact the researcher has with the respondents (Saunders, et al, 2012: 419). Self-completed questionnaires are usually completed by respondents and are sent electronically via the internet, posted to respondents who also return them by post after

completion, or delivered by hand to each respondent and collected later (Saunders, et al, 2012). The responses to interviewer-completed questionnaires are recorded by the interviewer on the basis of each respondent's answers (Saunders, et al, 2012: 420). Questionnaires which are undertaken using a telephone are known as telephone questionnaires. Structured interviews refer to those questionnaires where the interviewer physically meet the respondents and ask questions face to face (Saunders, et al, 2012). Interviewer-completed questionnaires enable the researcher to ensure that the respondent is whom the researcher wants (Saunders et al, 2012). This improves the reliability of data obtained.

### **3.7.3 Questionnaire design**

The types of questions that will be asked are closed-ended questions that require a limited number of response alternatives that will be categorical and numerical (Dunn, 2010). Categorical response format includes the yes-no question, and numerical will involve the Likert-type scale that will allow respondents to rate their degree of agreement or disagreement with opinion statements. The following table categorizes advantages of utilizing questionnaires:

**Table 1: Advantages of Using Questionnaires:**

<b>Mode of data collection</b>	<b>Advantages</b>	<b>Disadvantages</b>
<b>Personally administered questionnaires</b>	<p>Can establish rapport and motivate respondents.</p> <p>Doubts can be clarified.</p> <p>Less expensive when administered to groups of respondents.</p> <p>Almost 100% response rate ensured.</p> <p>Anonymity of respondents is high</p>	<p>Organizations may be reluctant to give up company time for the survey with groups of employees assembled for the purpose.</p>
<b>Mail questionnaires</b>	<p>Anonymity is high.</p> <p>Wide geographic regions can be reached.</p> <p>Token gifts can be enclosed to seek compliance.</p> <p>Respondents can take more time to respond at convenience. Can be administered electronically, if desired.</p>	<p>Response rate is almost always low. A 30% rate is quite acceptable.</p> <p>Cannot clarify questions.</p> <p>Follow-up procedures for non-responses are necessary.</p>
<b>Electronic questionnaire</b>	<p>Easy to administer.</p> <p>Can reach globally.</p> <p>Very inexpensive.</p> <p>Fast delivery.</p> <p>Respondents can answer at their convenience like the mail questionnaire.</p>	<p>Computer literacy is a must.</p> <p>Respondents must have access to the facility.</p> <p>Respondents must be willing to complete the survey.</p>

Table 3.1: Advantages and disadvantages of questionnaires (Adapted from Sekaran and Bougie, 2010, Research methods for business, Wiley, West Sussex)

### **3.7.4 Administration of Questionnaires**

#### **3.7.4.1. Face-to-Face Surveys**

The type of survey utilized in this study incorporates face-to-face surveys. Face-to-face surveys involve direct contact with individual respondents. It normally involves making use of various forms of questionnaires or interviews as their data collection method (Denscombe, 2010:16). Though contact with the respondents can be made through various approaches by the researcher, such as, meeting people in the streets or even calling at their homes or making contact in advance by letter or phone (Denscombe, 2010), the approach the researcher is undertaking in this study is, thus, making the contact with the respondents during the first 20 minutes of their lecture time. Even though this method has been known to be expensive in cases where the researcher has to travel to the location of study from time to time, it will not be for this study as it will constitute a once off contact with each group of MBA 3 students. Face-to-face surveys are beneficial to the researcher in that they can offer immediate validation of data. They, also, allow the researcher, when conducting research, to immediately sense if he/she is given false information. Furthermore, the response rates pose less of a problem, partly, because the researcher can ‘use his/her interpersonal skills and powers of persuasion to encourage the respondent to take part in the survey’, and partly because the researcher can continue to survey until he/she can accumulate the total number of responses required (Denscombe, 2010:17).

This study involves a survey, a general examination of the topic, in the form of questionnaires. According to Sekaran and Bougie (2010:197) “questionnaires are an efficient data collection mechanism when the researcher knows exactly what is required and how to measure the variables of interest”. Questionnaires can either be structured or unstructured. Questionnaires will be given to users with questions and response measurements based on the Likert-scale. This will be quantified to enable a statistical analysis to be conducted. This is a multi-method approach and is supported by Saunders *et al.* (2003), and used by other researchers in similar works (Dunn, 2010; Denscombe, 2010, Sekaran & Bougie, 2010). In this study structured questionnaires will be utilized as structured answers are anticipated due to the structured nature of the questionnaire. The questionnaires will be administered to a group of MBA students, using face-to-face interviews where the respondents will be reading and answering questions. Survey research, as an applied approach, can be targeted to understand a particular problem or

examining the experiences of certain groups (Dunn, 2010). In this study this instrument will be used to study and understand the selection criteria for retail banks of MBA students.

### **3.8 Interviews as Method of Data Collection**

Interviews can be categorized into structured, semi-structured and unstructured or in-depth interviews. Another typology differentiates between standardized interviews and non-standardized interviews. Robson (2011) refers to another typology, namely, focused and non-directive interviews. Structure interviews use questionnaires based on pre-determined and standardized or identical questions, and these are referred to as interviewer-administered questionnaires (Saunders et al, 2012). Since structured interviews are used to collect quantifiable data they are referred to as 'quantitative research interviews'. Semi-structured and in-depth interviews are non-standardized. These are known as qualitative research interviews (Saunders et al, 2012). The order of the questions may be varied depending on the flow of the conversation (Saunders et al, 2012). Unstructured interviews are informal and are used to generate in-depth general area the researcher is interested in (Saunders et al, 2012). There is no pre-determined list of questions. Since this study adopts a descriptive nature, structured interview are used to identify general patterns (Saunders et al, 2012). Structured interviews may also be used in this study in relation to explanatory study, in a statistical sense to understand the relationship between variables, such as those revealed from a descriptive study (Saunders et al, 2012).

### **3.9 The significance of high response rate**

To ensure that the researcher's data is representative of the population it is vital that an extensive work is done on the questionnaire to avoid bias of the questions asked. The researcher should be aware that non-responses may be there. According to the American Association for Public Opinion Research (2008), there are four levels of non-response that can be reported for questionnaires and structured interviews. These are:

**Complete refusal:** None of the questions answered.

**Break-off:** less than 50 per cent of all questions answered.

**Partial response:** 50 per cent to 80 per cent of all questions answered.



**Complete response:** over 80 per cent of all questions answered.

Non-response can be due to these interrelated problems:

- Refusal to respond;
- Ineligibility to respond;
- Inability to locate respondent;
- Respondent located but unable to make contact.

The most common non-response reason is that a respondent refuses to answer all questions or be involved in the research, but fails to give a reason (Saunders et al, 2012). Careful attention to the methods used to collect data can minimize non-response (Saunders et al, 2012).

Even though it may be anticipated that other respondents may be unwilling to participate, it is always essential that the researcher attempts by all means to keep this number to a minimum (Hadebe, 2012). To do this, a researcher needs to consider the following that could have a bearing on the likely response rate achieved by the survey:

- **Nature of the respondents** (sex, age, disability, literacy, employment status, etc). This study has put into consideration that, for instance, firstly, certain people may be too busy to have time to respond, while others, such as retired individuals, may have more time on their hand to respond. Secondly, people with hearing disabilities may be more inclined to participate if special attention will be given to their needs (Denscombe, 2010).
- **Subject of research.** This study takes into consideration that other respondents may be more sensitive than others, while others are considered a taboo (Denscombe, 2010). As a result topics to be investigated have been carefully selected not to include very intimate or embarrassing matters.
- **Researcher identity** (age, sex, social class, ethnicity, clothes, accent). In this study the researcher has also considered the impact of his presence in the field and knows that he has to avoid presenting himself in a manner that is considered as threatening or unwholesome by the potential respondent (Denscombe, 2010).
- **Nature of contact.** The researcher also has considered the fact that the approach used to connect with the respondents has less negative influence on the response rate.

- **Social climate.** The right to free speech is a great factor that can influence people to willingly collaborate with research and to supply honest and full answers (Denscombe, 2010). The researcher has also considered this by ensuring a provision of free speech atmosphere.

### **3.10 Pretesting and Validation**

Every research instrument is pretested and validated to detect any weaknesses that may be present with regards to the design of that instrument (Sekaran, 2010). There are two steps involved in the pretesting and validation of a research instrument to ensure reliability (Sekaran, 2010).

### **3.11 Assessing Validity of a Questionnaire**

Hair et al. (2007) define an instrument's validity as the determination of the extent to which the instrument actually measures what it is supposed to measure. There are different ways of assessing the validity of an instrument (Sekaran, 2010).

Internal validity with regards to questionnaires refers to the ability of the questionnaire to measure what the researcher intends to measure (Saunders et al, 2012). It is sometimes referred to as measurement validity as it represents the reality of what the researcher is measuring (Saunders et al, 2012). By validity of questionnaire researchers often refer to content validity, criterion validity, and construct validity (Saunders et al, 2012). Content validity refers to the extent to which the measurement device, which refers to the measurement questions in the questionnaire, provides enough coverage of the investigative questions (Saunders et al, 2012:429). This can be achieved through careful definition of the research through the literature reviewed, and where appropriate, through prior discussion with others (Saunders et al, 2012:429). Another way is to let a panel of individuals assess whether each measurement question in the questionnaire is 'essential', useful but 'not essential' or 'not necessary' (Saunders et al, 2012). Criterion-related validity, also known as predictive validity, is concerned with the ability of the measures to make accurate predictions (Saunders et al, 2012). If, for instance, a researcher is attempting to predict customers' future buying behaviours, then a test of the measurement questions' criterion-related validity will be the extent to which they actually predict

these customers' buying behaviours (Saunders et al, 2012). In assessing criterion-related validity, the researcher will be comparing the data from his/her questionnaire with that specified in the criterion (Saunders et al, 2012). This is often undertaken using statistical analysis such as correlation (Saunders et al, 2012). Construct validity refers to the extent to which the researcher's measurement questions actually measure the presence of those constructs the researcher intended them to measure (Saunders et al, 2012:430). This term is used to refer to constructs such as attitude scales, aptitude and personality tests (Saunders et al, 2012). Since validation of such constructs against existing data is difficult, other methods are used (Saunders et al, 2012).

### **3.12 Testing for Reliability of a Questionnaire**

Reliability is concerned with the findings of the research and relates to the credibility of the findings (Welman et al. 2007). The reliability of a measuring instrument indicates the extent to which the measure is without bias (error free) and hence offers consistent measurement across time and across various items in the instrument (Sekaran 2003). A measuring instrument is reliable if it produces consistent results (Zwane, 2011; Saunders et al, 2012). Two important aspects of reliability are stability and consistency.

According to Sekaran (2010) stability relates to the ability of a measure to remain the same over time despite uncontrollable testing conditions or the state of the respondents themselves, and consistency relates is indicative of the homogeneity of the items in the measure that tap the construct.

When respondents fail to interpret the question the way the researcher intended for it to be interpreted, it means it lacks internal validity, and can, therefore, not be answered. Reliability, therefore, refers to 'whether the questionnaire is able to produce consistent findings at different times and under different conditions, such as with different samples or, in the case of an interviewer-completed questionnaire, with different interviewers' (Saunders et al, 2012:430).

Three common approaches to assessing reliability have been identified as:

- Test re-test
- Internal consistency
- Alternative form

Test re-test measures of reliability are obtained by correlating data collected with those from the same questionnaire collected under as near equivalent conditions as possible (Saunders et al, 2012:430). A questionnaire may be completed twice by respondents. This often poses problems as respondents may be unwilling to answer the question twice. This method is, therefore, recommended to be used as supplement with other methods (Saunders et al, 2012). Internal consistency involves correlating responses to questions in the questionnaire with each other (Saunders et al, 2012). Due to time constraints, this measure could not be undertaken.

### **3.13 Methods of Data Analysis**

The nature of data analysis will be quantitative as it involves a survey of MBA students at the University of KwaZulu-Natal. A quantitative research approach involving triangulation, a method that involves the use of questionnaires, face-to-face interviews and non-participant observation all at the same time, will be used. Questionnaires constitute a series of questions usually pertaining to the same issue or set of issues (Dunn, 2010). The questions can both be read and answered (usually in writing) by the respondents, or they can be asked in an interview format, thus allowing the respondent to speak while the interviewer somehow records his or her answers (Dunn, 2010). This study adopts the former where questions are read and answered in writing by the respondents.

### **3.14 Summary**

This chapter discussed and described the research methodology used in the study in detail. Research strategies and different methods of data collection were discussed in conjunction with the rationale behind the selection thereof. The questionnaire design and administration was discussed. Methods of data analysis, namely, quantitative approach, Chapter 4 will present data collected from the study and analysis of results obtained from the completed questionnaires.

## **CHAPTER 4**

### **PRESENTATION AND DISCUSSION OF RESULTS**

#### **4.1 Introduction**

This chapter presents data as obtained in the survey. The chapter presents data as determined by the questionnaires which were administered to the respondents. Data is, therefore, divided, as in the questionnaire, into gender, age group, marital status, ethnicity, level of education, as well as the different criteria that is utilized by MBA 3 students in their selection of retail banks. Data is presented with the utilization of descriptive statistics. Each section of the questionnaire will be presented with the questions and the reasoning behind them. The findings will be presented with the aid of pie charts and bar graphs where applicable in order to clearly illustrate the relations and trends that may assist in data analysis. The questionnaires were administered to a group of 34 MBA third year students during their first 20 minutes of their class attendance. Respondents were given consent forms which clearly explained what was being surveyed and reasons thereof. It was clearly indicated in the forms that participation to the survey was voluntary and no participant was in any way forced to participate. They were given questionnaires attached with the researcher's information and the consent form. After the explanation about the research and reasons, they were informed of the rights that they have of participating or not participating in the survey. They were also informed that their participation would have no monetary gain. Where there was a need for further explanation to the set questions, the researcher was able to make clarifications since the surveys were done on face-to-face basis. Confidentiality of information was ensured throughout the whole process. The response rate was 100%.

#### **4.2 Treatment of data**

In an empirical study it is imperative that collected data is accurate in order to give correct analysis. This emphasises the need, therefore, for careful scrutiny of missing data and errors (Zwane, 2012). A comprehensive scrutiny was done by the researcher, and only completed questionnaires were considered for analysis. The analysis followed the scientific treatment that

the various instrumental dimensions demanded. Diagrams were used where a capture of responses as accurately as possible was necessary, and multi-choice questions were treated accordingly through the utilisation of descriptive and inferential statistics. For instance, the Likert scale responses were rated on a five point measure ranging from 1 representing strongly disagree, to 5 representing strongly agree. Data is, therefore, presented in graphs and pie charts with percentages rounded off.

### **4.3 Demographic Profile of Respondents**

The research initially aimed for 70 MBA 3 students; however, due to examinations in progress at the time of the survey, only 34 responses were obtained. Even though this sample looked smaller than expected, the researcher trusted that data would contribute to future studies since the study incorporated cross-tabulation; a comparison of the selection criteria of retail banks by MBA students to previous studies on the same issue. As has been stated before, the study aimed for 70 MBA 3 students, but only 34, representing 50% completion rate, was obtained. Fortunately, there were no incomplete questionnaires. The researcher believes that face to face surveying process conducted during the first 10 minutes of lecture time contributed to the 100% completion rate.

The demographic profile of the respondents included gender, age, marital status, ethnicity, as well as, level of education. Other demographic details were considered irrelevant for this study hence they were omitted. Table 4.4 depicts the demographic profile of respondents.

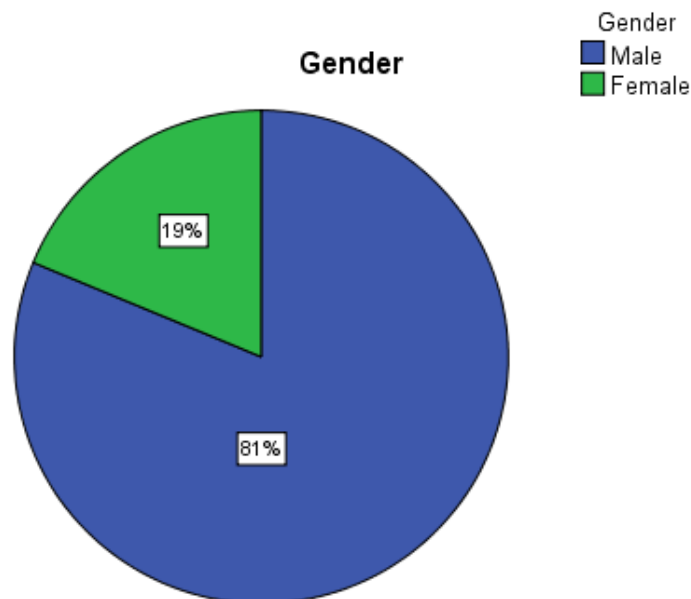
#### 4.4 Demographic Information

##### 4.4.1 Gender of the Respondents

The questionnaire asked the respondents to initially indicate their gender profile. The purpose of the question was to obtain the gender profile of all respondents. The results are indicated in Table and Figure 4.1 below:

**Table 2: Gender of Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	26	81.3	81.3	81.3
Female	6	18.8	18.8	100.0
Total	32	100.0	100.0	



**Figure 1: Gender of the Respondents**

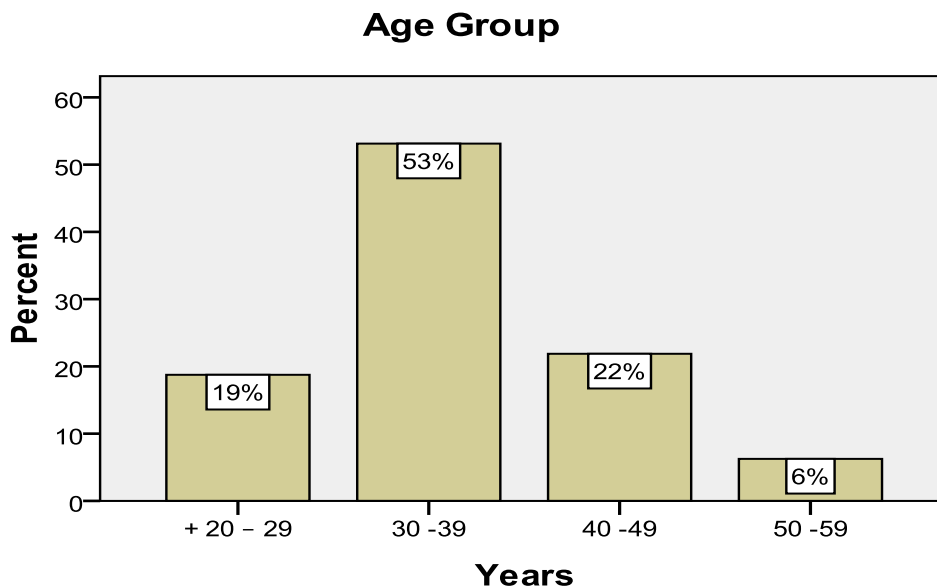
Data obtained from the surveys indicated that 81% of the respondents were male while only 19% were female.

#### 4.4.2 Age group of the respondents

Secondly, respondents were asked to indicate their age group. The purpose for this question was to determine whether factors such as age have a contributory factor to the selection criteria for retail banks of MBA students. The results are indicated in Table and Figure 4.2 below:

**Table 3: Age group of Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid + 20 – 29	6	18.8	18.8	18.8
30 -39	17	53.1	53.1	71.9
40 -49	7	21.9	21.9	93.8
50 -59	2	6.3	6.3	100.0
Total	32	100.0	100.0	





## Figure 2: Age Group of Respondents

The surveys indicated that 19% of the respondents ranged between +20-29, (53%) between 30-39, (22%) between 40-49 and only 6% constituted respondents between 50-59.

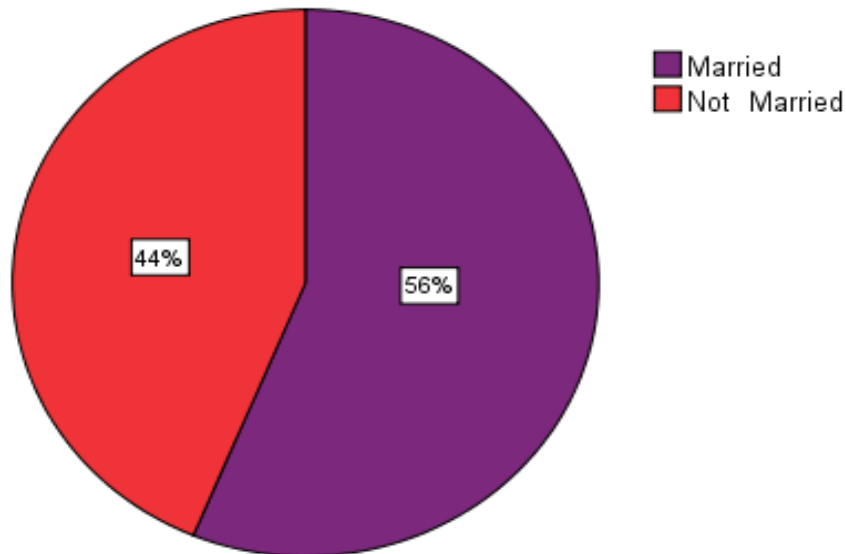
### 4.4.3 Marital status of the respondents

The third question asked the respondents if they were married or single. This question was asked to determine if their selection criteria were in any way related to marital status or not. Figure 4.3 below; indicates the marital status of MBA 3 students.

**Table 4: Marital Status (irrespective of your understanding of the process of marriage)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Married	18	56.3	56.3	56.3
Not Married	14	43.8	43.8	100.0
Total	32	100.0	100.0	

**Marital Status (irrespective of your understanding of the process of marriage)**



**Figure 3: Marital Status of the Respondents**

The above graph indicates that 56% of MBA 3 students were married compared to 44 % who were single.

**4.4.4 Ethnicity (for Demographic Information purposes only)**

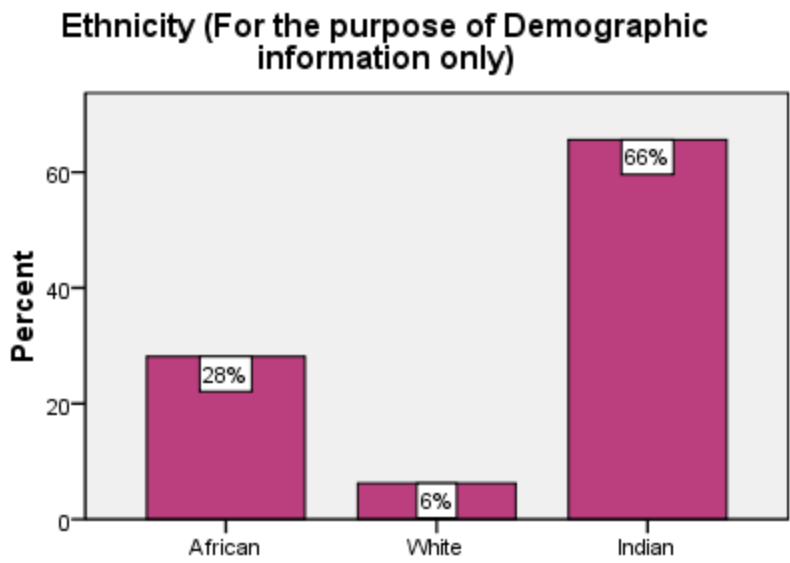
Demographic data is essential in research as it provides a better understanding of respondents regarding their background, better analysis of results as well as better means of understanding the different responding pattern amongst respondents in terms of their gender, educational background and work environment. Table and Figure 4.4 depict the ethnicity of the respondents.

**Table 5: Ethnicity (For the purpose of Demographic information only)**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	African	9	28.1	28.1	28.1
	White	2	6.3	6.3	34.4
	Indian	21	65.6	65.6	100.0
	Total	32	100.0	100.0	

**Table 6: Ethnicity (For the purpose of Demographic information only) If other please specify:**

		<i>Frequency</i>	<i>Percent</i>
<i>Missing</i>	<i>System</i>	32	100.0



**Figure 4: Ethnicity of the Respondents**

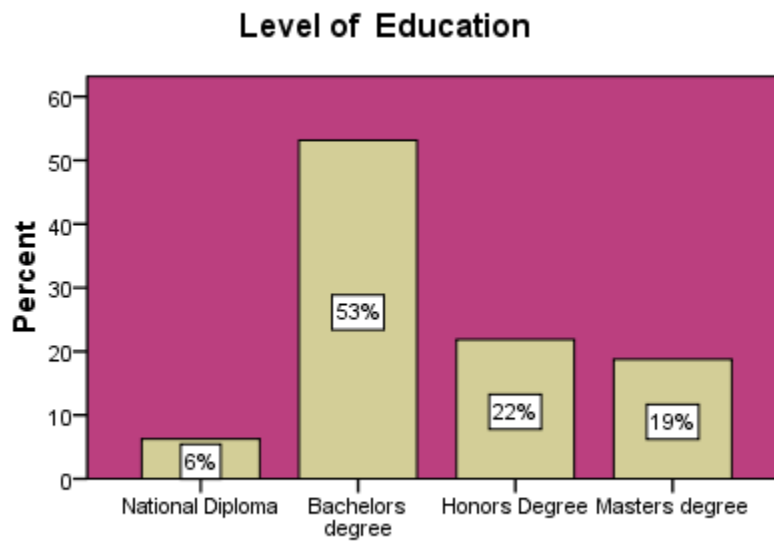
The results indicated that 66% of the respondents were Indian compared to 28% who were African and 6% who were White.

#### **4.4.5 Level of Education of the respondents**

The respondents were asked to indicate their level of education to determine if the educational background of the respondents had anything to do with the selection criteria they utilized in selecting retail banks. The results are indicated in Table and Figure 4.5 below:

**Table 7: Level of Education of the respondents**

TABLE 4.5					
Level of Education		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	National Diploma	2	6.3	6.3	6.3
	Bachelors degree	17	53.1	53.1	59.4
	Honors Degree	7	21.9	21.9	81.3
	Masters degree	6	18.8	18.8	100.0
	Total	32	100.0	100.0	



**Figure 5: Level of Education of the Respondents**

Results from the survey indicated that 6% of the respondents possessed National Diplomas, while 53% possessed Bachelors Degrees. 22% had Honors Degrees while 19% possessed Masters Degrees.

#### **4.5 Objectives of Study**

Two relevant objectives of study are discussed in this chapter. All the objectives will also be discussed in chapter 6 where conclusions and recommendations are made.

- To examine the criteria that final year MBA students consider important when selecting a bank the selection criteria of MBA final year students.
- To determine how these criteria are prioritized according to their significance.

##### **4.5.1 The Selection criteria of respondents**

The respondents were asked to indicate their selection criteria of retail banks. The following selection criteria were placed on Likert scales which ranged from 1 representing strongly disagree, to 5 representing strongly agree.

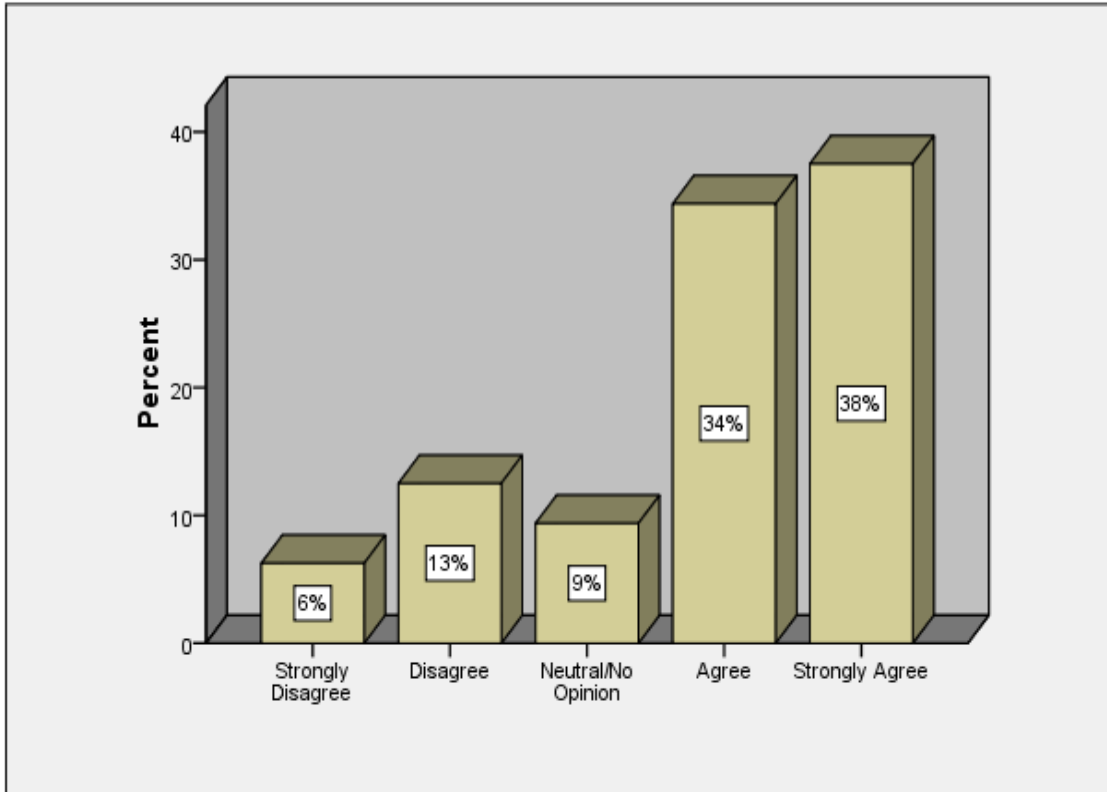
##### **4.5.2 The location of the bank is important to me.**

This question was asked to determine if the location of a retail bank was important to each respondent. The results are indicated in Table and Figure 4.6 below:

**Table 8: The location of the bank is important to me:**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	6.3	6.3	6.3
	Disagree	4	12.5	12.5	18.8
	Neutral/No Opinion	3	9.4	9.4	28.1
	Agree	11	34.4	34.4	62.5
	Strongly Agree	12	37.5	37.5	100.0
	Total	32	100.0	100.0	

### The location of the bank is important to me



**Figure 6: Location of the bank is important to me**

The results indicated that about 72% of the respondents agreed that the location of the retail bank was indeed important to them. 19% of the respondents disagreed that the location of the retail bank was important to them. Only 9% of the respondents remained neutral in answering this question.

#### **4.5.3 The presence of security personnel is important to me**

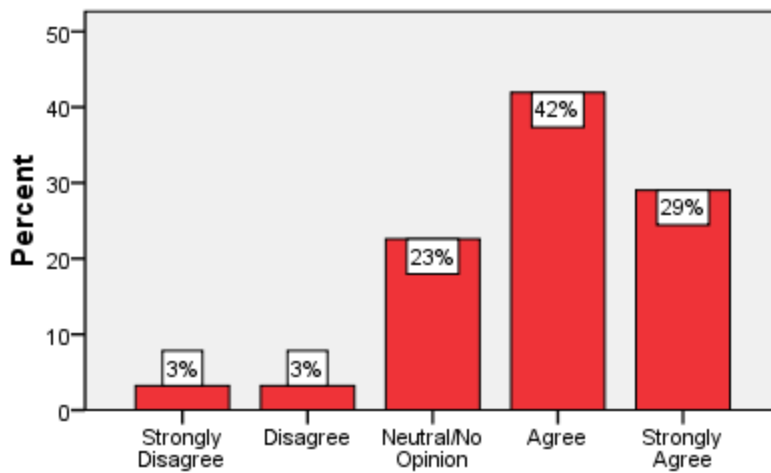
This question was asked to determine if the presence of security personnel played a significant role in the selection criteria of retail banks by the respondents. The results are indicated in Figure 4.7 below:



**Table 9: The presence of security personnel is important to me.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	3.1	3.2	3.2
	Disagree	1	3.1	3.2	6.5
	Neutral/No Opinion	7	21.9	22.6	29.0
	Agree	13	40.6	41.9	71.0
	Strongly Agree	9	28.1	29.0	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
	Total	32	100.0		

**The presence of security personnel is important to me.**



**Figure 7: the presence of security personnel is important to me**

The results of the survey indicate that 71% of the respondents agreed that the presence of security personnel played a significant role in their selection criteria of retail banks. Only 6% disagreed that the presence of security personnel played an important role in their selection criteria of retail banks. 23% remained neutral in responding to this question.

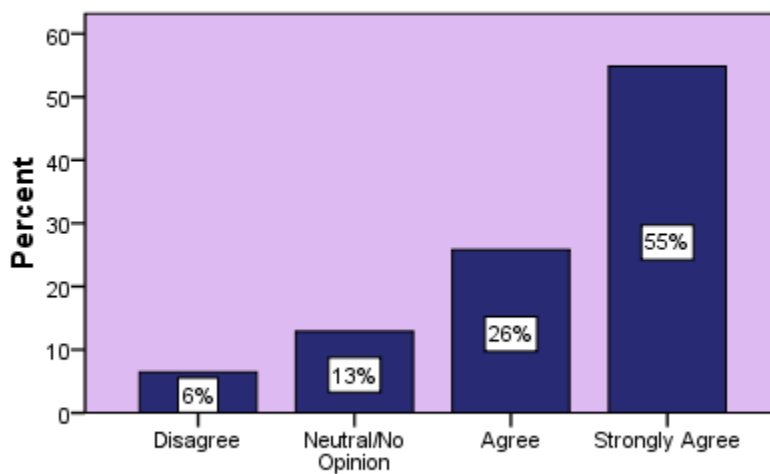
**4.5.4 The parking facility is an important factor to me**

This question was asked to determine if the parking facility plays an important role in the selection criteria of the respondents. The results are indicated in Table and Figure 4.8 below:

**Table 10: The parking facility at the bank is an important factor to me.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	6.3	6.5	6.5
	Neutral/No Opinion	4	12.5	12.9	19.4
	Agree	8	25.0	25.8	45.2
	Strongly Agree	17	53.1	54.8	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
	Total	32	100.0		

**The parking facility at the bank is an important factor to me.**



**Figure 8: The parking facility at the banks is important to me**

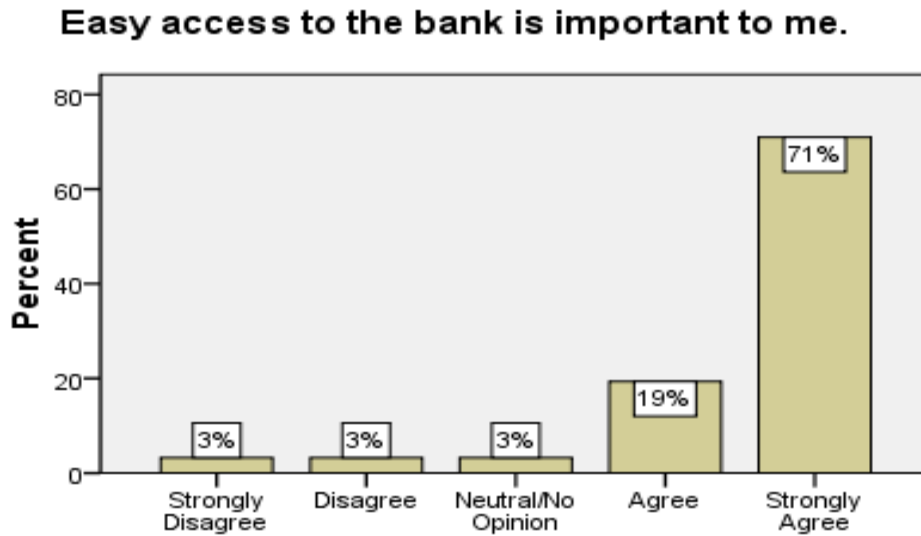
The results indicated that 81% of the respondents agreed that the parking facility was significant to them. While 6% disagreed with this, 13% remained neutral in this question.

#### 4.5.5 Easy access to the bank is important to me

This question was asked to determine if access to the bank played a significant role in the selection criteria of the respondents. The results are indicated in Figure 4.9 below:

**Table 11: Easy access to the bank is important to me.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	3.1	3.2	3.2
	Disagree	1	3.1	3.2	6.5
	Neutral/No Opinion	1	3.1	3.2	9.7
	Agree	6	18.8	19.4	29.0
	Strongly Agree	22	68.8	71.0	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
	Total	32	100.0		



**Figure 9: Easy access to the bank is important to me**

The results indicate that 90% of the respondents agreed that easy access to the banks indeed influenced their selection criteria of retail banks. Only 6% of the respondents disagreed that this played an important role in the selection criteria of retail banks. 3% of the respondents remained neutral in the responses the question.

#### **4.5.6 The professionalism in handling of problems is important to me.**

This question was intended to investigate if professional handling of problems by the retail bank played a significant role in the selection criteria of the respondents. The results are indicated in Table and Figure 4.10 below:

**Table 12:** The professionalism in handling of problems is important to me.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	8	25.0	25.8	25.8
	Strongly Agree	23	71.9	74.2	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
	Total	32	100.0		

**The professionalism in handling of problems is important to me.**



**Figure 10:** The professionalism in handling of problems is important to me

The results indicated that all the respondents agreed that professional handling of problems by the retail bank played a significant role in their selection criteria of retail banks.

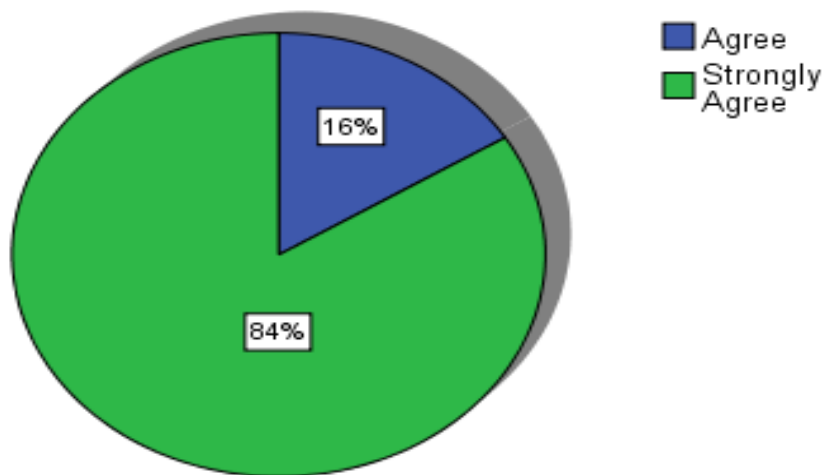
**4.5.7 Efficiency of resolving problems experienced by customers is important to me.**

This question was asked to determine if efficiency in handling problems experienced by customers played a vital role in the selection criteria of retail banks by the respondents. The results are indicated in Figure 4.11 below:

**Table 13: The efficiency of resolving problems experienced by customers is important to me**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	5	15.6	16.1	16.1
	Strongly Agree	26	81.3	83.9	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
	Total	32	100.0		

**The efficiency of resolving problems experienced by customers is important to me**



**Figure 11:** The efficiency of resolving problems experienced by customers is important to me

The results indicated that all (100%) the respondents agreed that efficiency in handling problems experienced by customers played an important role in their selection criteria of retail banks.

**4.5.8 The views and feedback from customers who had complained and were satisfied with the service recovery efforts is important to me.**

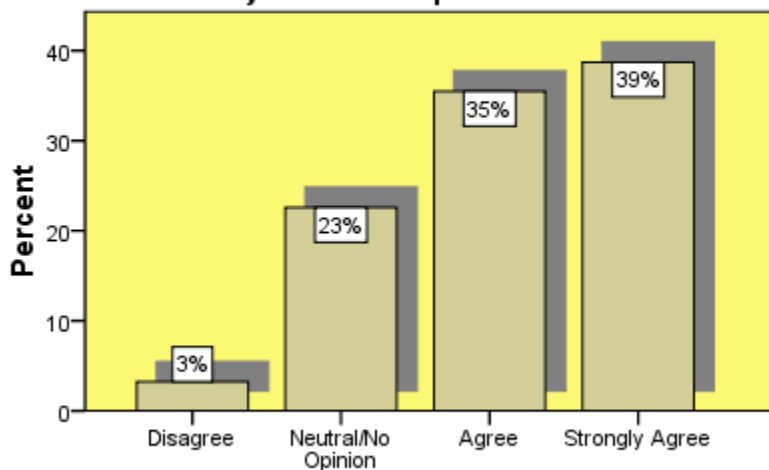
This question aimed to investigate if the views and feedback obtained from other customers regarding service recovery were significant in the selection criteria of retail banks by the respondents. The results are indicated in Table and Figure 4.12 below:



**Table 14: The views and feedback from customers who had complained and were satisfied with the service recovery efforts is important to me.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	3.1	3.2	3.2
	Neutral/No Opinion	7	21.9	22.6	25.8
	Agree	11	34.4	35.5	61.3
	Strongly Agree	12	37.5	38.7	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
	Total	32	100.0		

**The views and feedback from customers who had complained and were satisfied with the service recovery efforts is important to me.**



**Figure 12: The views and feedback from customers who had complained and were satisfied with the service recovery is important to me**

The results from the survey indicated that 74% of the respondents agree that views and feedback from other customers with regards to service recovery did play an important role in their selection criteria of retail banks. Only 3% disagreed while 23% offered no opinion on the matter.

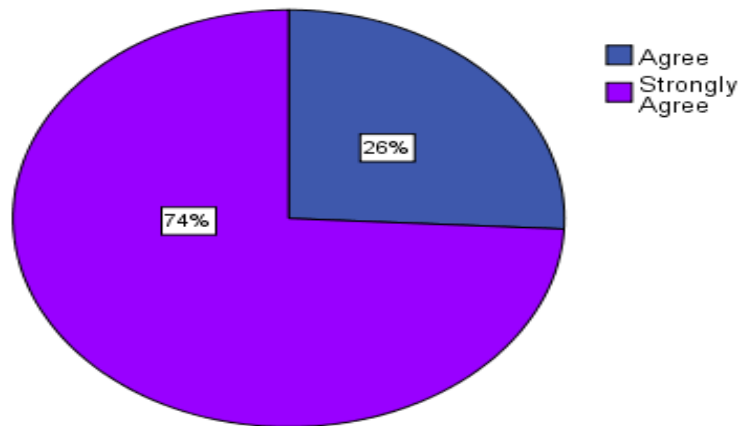
**4.5.9 Being attentive to customer concerns is important to me.**

This question aimed to discover if being attentive to customer concerns played a vital role in the selection criteria of retail banks by the respondents. The results are indicated in Table and Figure 4.13 below:

**Table 15:** being attentive to customer concerns is important to me

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	8	25.0	25.8	25.8
	Strongly Agree	23	71.9	74.2	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
	Total	32	100.0		

**Being attentive to customer concerns is important to me.**



**Figure 13: Being attentive to customer concerns is important to me**

The results from the survey indicated that all the respondents agreed that being attentive to customer concerns indeed played a significant role in the selection criteria of retail banks.

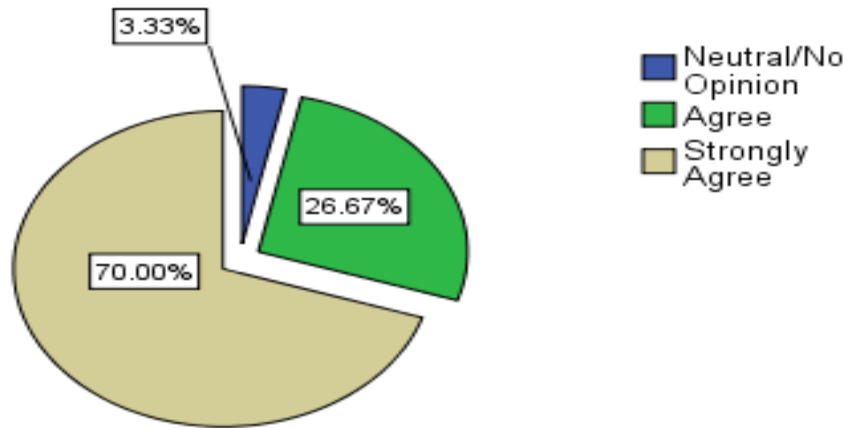
**4.5.10 The ability to resolve customer queries over the phone is important to me.**

This question aimed to find out if the bank's ability to resolve queries over the phone played a vital role in the selection criteria of retail banks by the respondents. The results are indicated in Table and Figure 4.14 below:

**Table 16: The ability to resolve customer queries over the telephone is important to me.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral/No Opinion	1	3.1	3.3	3.3
	Agree	8	25.0	26.7	30.0
	Strongly Agree	21	65.6	70.0	100.0
	Total	30	93.8	100.0	
Missing	System	2	6.3		
	Total	32	100.0		

**The ability to resolve customer queries over the telephone is important to me.**



**Figure 14: The ability to resolve customer queries over the phone is important to me**

The results from the survey indicated that 76.67% of the respondents agreed that the ability to resolve customer queries over the phone played a significant role in their selection criteria of retail banks. Only 3.33% of the respondents chose not to express the opinions on the matter.

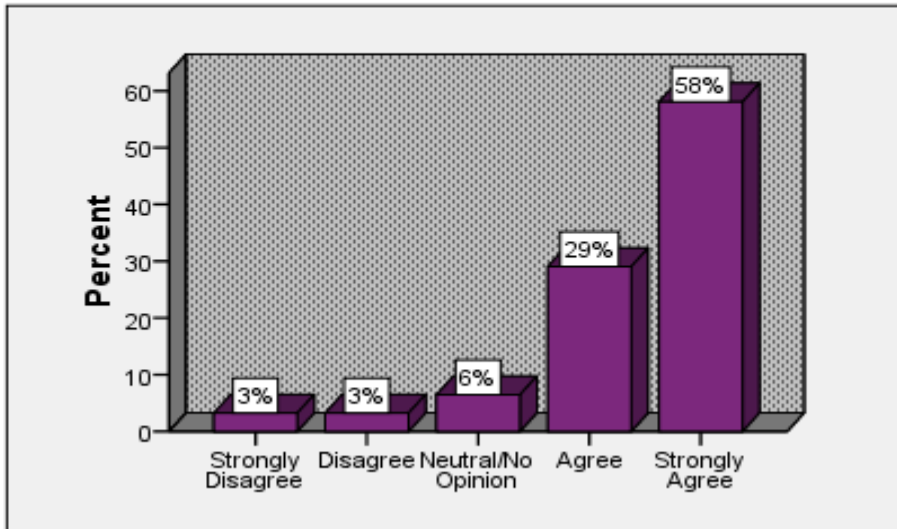
**4.5.11 Offering apology for the poor service is important to me.**

This question aimed to investigate if the offering of an apology for poor service received from the retail bank played an important role in the respondents' selection criteria of retail banks. The results are indicated in Figure 4.15 below:

**Table 17: Offering apology for the poor service is important to me.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	3.1	3.2	3.2
	Disagree	1	3.1	3.2	6.5
	Neutral/No Opinion	2	6.3	6.5	12.9
	Agree	9	28.1	29.0	41.9
	Strongly Agree	18	56.3	58.1	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
	Total	32	100.0		

**Offering apology for the poor service is important to me.**



**Figure 15: Offering of apology for poor service is important to me**

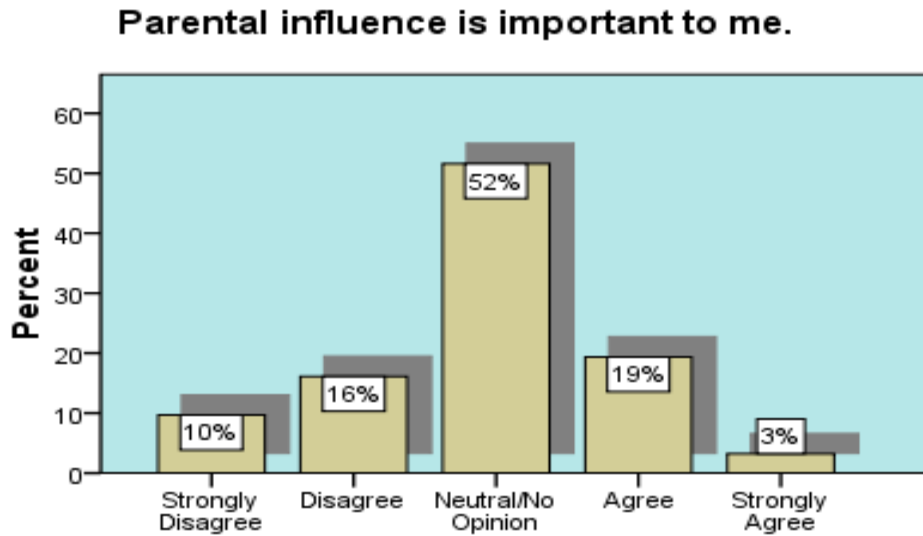
The results from the survey indicated that 87% of the respondents believed that offering an apology for poor service was vital in their selection criteria of retail banks. While 6% of the respondents disagreed with this opinion 6% offered no opinions on the matter.

**4.5.12 Parental influence is important to me.**

This question aimed to investigate if the respondents were influenced by their parents in their selection of retail banks. The results are indicated in Table and Figure 4.16 below:

**Table 18: Parental influence is important to me.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	9.4	9.7	9.7
	Disagree	5	15.6	16.1	25.8
	Neutral/No Opinion	16	50.0	51.6	77.4
	Agree	6	18.8	19.4	96.8
	Strongly Agree	1	3.1	3.2	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
	Total	32	100.0		



**Figure 16: Parental influence is important to me**

The results from the survey indicated that only 22% of the respondents were influenced by their parents in their selection of retail banks. While 26% of the respondents disagreed 52% offered no opinion on the matter.

**4.5.13 Recommendation by others is important to me.**

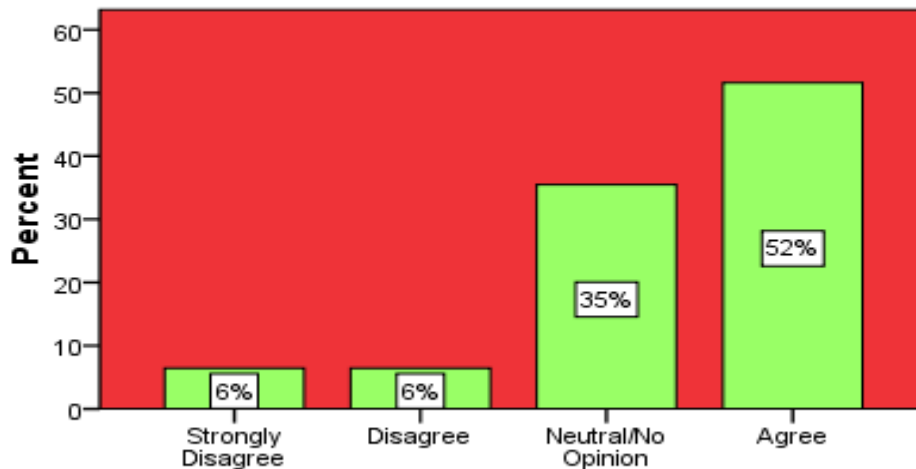
This question aimed to investigate if recommendation by others played an important role in the respondents' selection criteria of retail banks. The results are indicated from Table and Figure 4.17 below:



**Table 19: Recommendation by others is important to me.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	6.3	6.5	6.5
	Disagree	2	6.3	6.5	12.9
	Neutral/No Opinion	11	34.4	35.5	48.4
	Agree	16	50.0	51.6	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
	Total	32	100.0		

**Recommendation by others is important to me.**



**Figure 17: Recommendation by others is important to me**

The results from the survey indicated that 52% of the respondents agreed that their selection criteria of retail banks are influenced by recommendations by other people. While 12% of the respondents disagreed 35% offered no opinion on the matter.

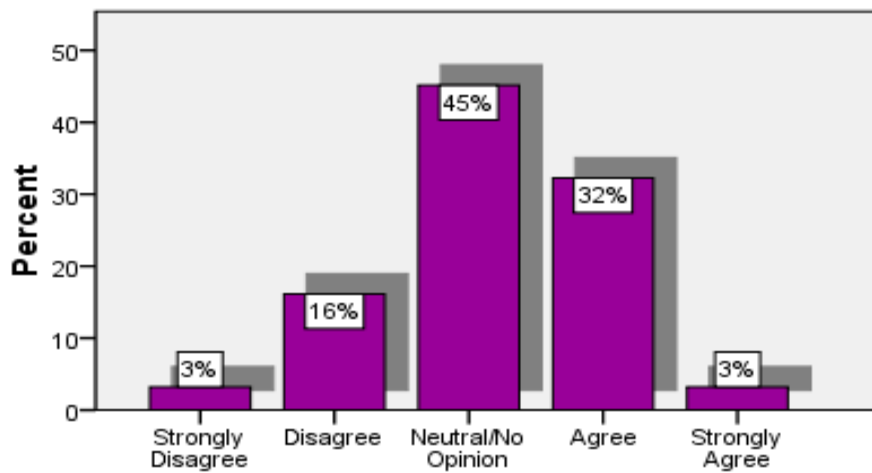
#### 4.5.14 Promotional literature in branches is important to me.

This question aimed to investigate if the respondents were influenced by promotional literature in the branches in their selection of retail banks. The results are indicated in Table and Figure 4.18 below:

**Table 20: Promotional literature in branches is important to me.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	3.1	3.2	3.2
	Disagree	5	15.6	16.1	19.4
	Neutral/No Opinion	14	43.8	45.2	64.5
	Agree	10	31.3	32.3	96.8
	Strongly Agree	1	3.1	3.2	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
	Total	32	100.0		

### Promotional literature in branches is important to me.



**Figure 18: Promotional literature in branches is important to me**

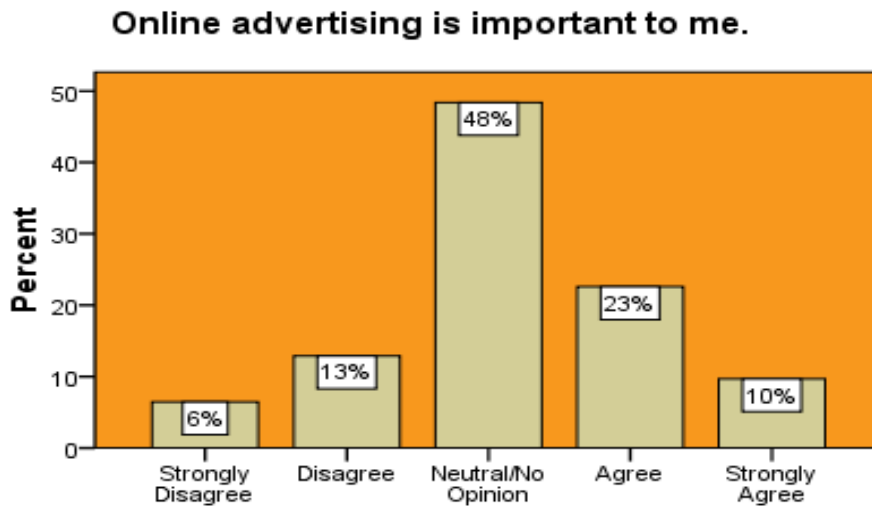
The results from the survey indicated that 35% of the respondents agreed that promotional literature played an important role in their selection of retail banks. While 19% disagreed 45% offered no opinion on the matter.

#### **4.5.15 Online advertising is important to me.**

This question aimed to investigate if respondents are influenced by online advertising in their selection criteria of retail banks. The results are indicated in Table and Figure 4.19 below:

**Table 21: Online advertising is important to me.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	2	6.3	6.5	6.5
Disagree	4	12.5	12.9	19.4
Neutral/No Opinion	15	46.9	48.4	67.7
Agree	7	21.9	22.6	90.3
Strongly Agree	3	9.4	9.7	100.0
Total	31	96.9	100.0	
Missing	1	3.1		
Total	32	100.0		



**Figure 19: Online advertising is important to me**

The results from the survey indicated that 33% of the respondents relied on online advertising for their selection criteria of retail banks. While 19% of the respondents disagreed 48% offered no opinions on the matter.

#### **4.6 Cross tabulation**

The current study confirms findings of the other previous studies. In the current study, convenience ranked in the top three criteria (Gerrard & Cunningham, 2001; Mokhlis et al 2008; Mokhlis et al 2009). Parking facility availability also ranked amongst the top 6 criteria (Almossawi, 200). Being attentive to customer needs also ranked amongst the top three criteria (Mokhlis et al 2009). The current study also agrees with the study by Mokhlis et al (2009) which found relying on promotional literature less attractive for respondents. The study, however disagrees with other findings from previous studies. For instance, other studies found location of the retail bank to be amongst the top three criteria (Mokhlis et al (2008). In this study, location ranked 9<sup>th</sup> amongst the selection criteria utilised by students in their selection of retail banks. Also, while Mokhlis et al (2008) found parental influence to be amongst the top three criteria, in this study it ranked eighth.

## **CHAPTER 5**

### **DISCUSSION OF RESULTS**

#### **5.1 Introduction**

Chapter 4 presented data as obtained through questionnaires amongst the MBA 3 students. This chapter presents the examination and explanation of data as obtained in the survey. The questionnaires were administered face-to-face to a group of MBA 3 students during the first 20 minutes of their lecture time. In this chapter data is discussed in relation to the questionnaire design, firstly, gender, age group, marital status, ethnicity which provides demographic information, level of education, as well as, the selection criteria for retail banks by the respondents. The results emanating from the questionnaires will be directly linked to the literature as discussed in Chapter 2 to determine if they are relative or not to the discussion in that chapter.

#### **5.2 Demographic Information**

This section discusses the demographic issues related to the selection criteria of retail banks by respondents. Issues such as gender, age group, marital status, ethnicity which provides demographic information, as well as, level of education of the respondents are discussed. Demographic data in research, more often than not, provides a necessary understanding of the background of the respondents, as well as, their different responding pattern.

##### **5.2.1 Gender of the respondents**

The results from the survey indicated the MBA final year class was male dominated with 81% of the respondents being male and only 19% being female. Though nothing is articulated in the literature in this study concerning gender issues in business, this may, however, indicate that the business world in South Africa is still dominated by males as these students are studying towards their Masters Business Administration degrees.

### **5.2.2 Age of respondents**

As had been indicated in the data presentation, the question about age sought to establish whether age has any contribution to the selection criteria for retail banks by MBA students.

The results in the survey indicated that the MBA class constituted four age groups. The first group of respondents was aged between +20-29 and these constituted 19%. The second group constituted 53% and they ranged from 30-39. The third group ranging from 40-49 constituted 22% of the respondents. The last group ranging from 50-59 constituted only 6% of the respondents. This means that more younger people are getting involved in the business world, and the more the younger sector of the community gets involved in business the better the economy of the country will be. This is because this group of people has a longer life span than their peers from the older age groups.

### **5.2.3 Marital Status of Respondents**

The question on marital status was asked to determine if marital status had any contributory factor to the selection criteria for retail banks by the respondents. Results indicated that 56% of MBA final year students were married compared to 44 % who were single. This indicated that more married people are becoming involved in business. The results could not, however, indicate which group between the two favoured which selection criteria due to time constraint which was limited to six months. A further study regarding this distinction would be beneficial.

### **5.2.4 Ethnicity of the respondents**

A study of the respondents' ethnicity assists in understanding their background. It also assists in the analysis of data with regards to their selection criteria with regards to their gender, age group, level of education as well as work environment. As indicated in chapter 4, the results indicated that respondents consisted of 66% of Indian, 22% Black and 6% White communities. Though not part of this study, the results interestingly indicate that the Indian community is more involved in business than the other ethnical communities. Another interesting factor regarding the results and the study in India by Rao & Sharma (2010) amongst the Indian communities is that most of the findings in the literature may correlate to this study.

### **5.2.5 Educational Background**

The question on educational background was asked because previous studies upon which this study is based were conducted amongst the educated sector of the community. Education, therefore, becomes a significant factor as it may be reckoned that the more educated the respondents are, the more significant their selection criteria for retail banks will be since they constitute a more lucrative market for banks and the economy.

As has been indicated in Chapter 4, the results from the survey indicated that 6% of the respondents possessed National Diplomas, while 53% possessed Bachelors Degrees. 22% had Honors Degrees while 19% possessed Masters Degrees. This correlates with the previous studies which were conducted amongst the Malaysian undergraduate and the Indian MBA students (Mokhlis, Mat & Salleh, 2008; Rao & Sharma (2010).

## **5.3 The Selection Criteria of MBA final year students**

### **5.3.1 The location of the bank is important to me.**

This question was asked to determine if the location of a retail bank was important to each respondent. A study which focused on consumers and their selection criteria of banks which provided them with general banking services indicated that location had greater influence on the choices that consumers made when they selected banks (Anderson et al, 1976; Martenson, 1985). Secondly, findings in a study by Rao & Sharma (2010) in Delhi which later followed the other studies discussed in this study, indicated reliability as a significant choice criterion in the selection of banks by MBA students. This included 'employee's courtesy and parking facility with the bank. Other factors, which have also increased in importance are the responsiveness, value added services and convenience. As have been found in Chapter 4, the results in this study indicated that about 72% of the respondents agreed that the location of the retail bank was indeed important to them compared to 19% of the respondents who disagreed that the location of the retail bank was important to them, with only 9% of the respondents remained neutral in answering this question. This is in agreement with previous studies where most of the



respondents were found to be in favour of the location, accessibility and convenience of the retail bank.

### **5.3.2 The presence of security personnel is important to me**

This question was asked to determine if the presence of security personnel played a significant role in the selection criteria of retail banks by the respondents.

The results of the survey indicate that 71% of the respondents agreed that the presence of security personnel played a significant role in their selection criteria of retail banks. Only 6% disagreed that the presence of security personnel played an important role in their selection criteria of retail banks. 23% remained neutral in responding to this question. This means that most of the respondents felt that the presence of a security system influenced their selection criteria of retail banks. This is in agreement with the findings in the study by Rao & Sharma (2010) in Delhi which indicated that a security system had an influence on the choice criteria of MBA students. In other words, MBA students want to always feel secured when they do their daily banking activities.

### **5.3.3 The parking facility is an important factor to me**

This question was asked to determine if the parking facility plays an important role in the selection criteria of the respondents. The results indicated that 81% of the respondents agreed that the parking facility was significant to them. While 6% disagreed with this, 13% remained neutral in this question. Findings in a study by Rao & Sharma (2010) which later followed the above studies in Delhi indicated reliability as a significant choice criterion in the selection of banks by MBA students. This included parking facility and convenience. The findings from the study and literature emphasize parking facility which then provides convenience to the customers as well as reliability as significant factors in the selection criteria that is employed by MBA students when choosing a retail bank.

#### **5.3.4 Easy access to the bank is important to me**

This question was asked to determine if access to the bank played a significant role in the selection criteria of the respondents. The results indicate that 90% of the respondents agreed that easy access to the banks indeed influenced their selection criteria of retail banks. Only 6% of the respondents disagreed that this played an important role in the selection criteria of retail banks. 3% of the respondents remained neutral in response to this question. Findings in a study by Rao & Sharma (2010) which was conducted in Delhi indicated reliability as a significant choice criterion in the selection of banks by MBA students. This included 'employee's courtesy, parking facility, loyalty programs, brand name, security system and low charges with the bank. Other factors, which have also increased in importance are the responsiveness, value added services and convenience. Findings in the Global Survey (2012) suggested that customers care more about convenience. The survey further suggested that banks should concentrate more on creating a fully integrated banking experience which combines advantages of physical branches. In other words, accessibility and in-person interactions have become more important than multi-channel interactions (Global Survey, 2012).

#### **5.3.5 The professionalism in handling of problems is important to me.**

This question was intended to investigate if professional handling of problems by the retail bank played a significant role in the selection criteria of the respondents. The results indicated that all the respondents agreed that professional handling of problems by the retail bank played a significant role in their selection criteria of retail banks. An additional study by Rashid & Hassan (2009) in Bangladesh in six full fledged Islamic banks found that non-Islamic factors such as Corporal efficiency, Core-Banking Services and Confidence were rated higher by the majority of the respondents. The report recommended the introduction of a complete E-Banking solution, the increase of advanced marketing efforts and the hiring of experienced human resources for better Islamic Banking activities in Bangladesh (Rashid & Hassan, 2009). The study recommended that banks need to improve their communication channels with their customers, that is, listen to the needs of customers and deal with their complaints in a satisfying manner (Anani, 2010). This will contribute to customer retention and satisfaction. Effective communication often leads to

higher level of trust between the bank and its customers, and in return yields customer loyalty (Anani, 2010). Customer loyalty means that the customers will stay with the bank no matter what happens to the bank. In another study, highly significant determinants emerged, such as; bank customers appeared to enjoy speed of services and the process of decision making, funds security, high confidence, friendliness and helpfulness of personnel (Akdag, Zineldin, 2011).

### **5.3.6 Efficiency of resolving problems experienced by customers is important to me.**

This question was asked to determine if efficiency in handling problems experienced by customers played a vital role in the selection criteria of retail banks by the respondents.

The results indicated that all (100%) the respondents agreed that efficiency in handling problems experienced by customers played an important role in their selection criteria of retail banks. A study by Anani (2010) identified some problem areas which require improvement if customer retention and satisfaction is to be maintained. These included customer loyalty, relationship banking and electronic banking. The study examined these variables in order to understand how they affect banks and customers. The study used both qualitative and quantitative analysis to test and ascertain if the customers were satisfied with the banks' approach of managing these variables (Anani, 2010: 81). The findings in the study indicated that customer loyalty was low to a certain level which, therefore, indicated that banks should do extensive research to find ways in which they can improve customer loyalty (Anani, 2010). This is because low level of loyalty generally means that customers are and will always be ready to leave the bank if need arises. They are or will be unwilling to remain in a situation where their needs are deemed unessential or ignored.

### **5.3.7 The views and feedback from customers who had complained and were satisfied with the service recovery efforts is important to me.**

This question aimed to investigate if the views and feedback obtained from other customers regarding service recovery were significant in the selection criteria of retail banks by the respondents.

The results from the survey indicated that 74% of the respondents agree that views and feedback from other customers with regards to service recovery did play an important role in their selection criteria of retail banks. Only 3% disagreed while 23% offered no opinion on the matter. Service quality, therefore, has been identified as a significant attribute that offers a sustainable competitive advantage to the bank as it creates value and customer satisfaction (Duffy, Miller & Bexley, 2006). Service breakdowns experienced by customers often lead to customer dissatisfaction. This then defines how crucial customer satisfaction is to the success of every commercial banking sector (Duffy, Miller & Bexley, 2006). Consumer satisfaction has been perceived as ‘a transaction specific measure or cumulative evaluation which is mainly determined by service quality’ (Duffy, Miller & Bexley, 2006: 26). The International Journal of Retail & Distribution Management (1995) reported that customers who had complained and were satisfied with the service recovery efforts were three times more likely to recommend the bank to someone else or do increased business with the bank (in Duffy, Miller & Bexley, 2006). Results in this study, therefore, amplify what the other studies had found.

### **5.3.8 Being attentive to customer concerns is important to me.**

This question aimed to discover if being attentive to customer concerns played a vital role in the selection criteria of retail banks by the respondents.

The results from the survey indicated that all the respondents agreed that being attentive to customer concerns indeed played a significant role in the selection criteria of retail banks. The study also indicates that relationship banking is vital if banks are to retain customers (Anani, 2010). This refers to paying attention to individual complaints and not only caring for the ‘rich’ and ‘essential’ customers who are believed to be the only ones who bring profit to the bank.

Banks should realize that each individual is essential in his/her own way in the profit creation of the bank.

### **5.3.9 The ability to resolve customer queries over the phone is important to me.**

This question aimed to find out if the bank's ability to resolve queries over the phone played a vital role in the selection criteria of retail banks by the respondents. The results from the survey indicated that 76.67% of the respondents agreed that the ability to resolve customer queries over the phone played a significant role in their selection criteria of retail banks. Only 3.33% of the respondents chose not to express the opinions on the matter. Secondly, customer satisfaction was greatly achieved through efficient handling of problems, being attentive to customer concerns, as well the ability to resolve customer queries over the telephone (Duffy, Miller & Bexley, 2006). Findings in this study confirm findings of previous studies that listening to customers and immediate response to queries added to customer satisfaction.

### **5.3.10 Offering an apology for the poor service is important to me.**

This question aimed to investigate if the offering of an apology for poor service received from the retail bank played an important role in the respondents' selection criteria of retail banks. Customer satisfaction was greatly achieved through efficient handling of problems, being attentive to customer concerns, as well the ability to resolve customer queries over the telephone (Duffy, Miller & Bexley, 2006). Findings in this study confirm findings of previous studies that listening to customers and immediate response to queries added to customer satisfaction. The above mentioned study also agrees with most previous studies that apology played a significant role in customer satisfaction. Findings in a study by Duffy, et al (2006), however, indicate that listening to a complaint greatly surpassed offering apology for the poor service (Duffy, Miller & Bexley, 2006). This study partly agrees with their study that listening to customer complaints plays a significant role in the choice criteria for retail banks of the respondents, however, it differs with their study where they maintain that apology plays a lesser role than listening to customer complaints. The reason for this is findings in this study indicated that 87% of the

respondents agreed that offering an apology plays a significant role in their selection criteria of retail banks.

The results from the survey indicated that 87% of the respondents believed that offering an apology for poor service was vital in their selection criteria of retail banks. While 6% of the respondents disagreed with this opinion 6% offered no opinions on the matter.

### **5.3.11 Parental influence is important to me.**

This question aimed to investigate if the respondents were influenced by their parents in their selection of retail banks. The results from the survey indicated that only 22% of the respondents were influenced by their parents in their selection of retail banks. While 26% of the respondents disagreed 52% offered no opinion on the matter. Blankson , Omar, Cheng (2009) identified four key factors, namely, convenience, competence, recommendation by parents, and free banking and/or no bank charges - to be consistent across the two economies.

Findings in this study differ slightly from the previous findings. For instance, a study which focused on consumers and their selection criteria of banks which provided them with general banking services indicated that parental influence had greater influence on the choices that consumers made when they selected banks (Anderson et al, 1976; Martenson, 1985). This study, however, found the respondents to be less likely to be influenced by their parents in the choices they made regarding retail banks. The highest number of respondents was neutral in this question. It was unclear why they could not share their views on this matter.

### **5.3.12 Recommendation by others is important to me.**

This question aimed to investigate if recommendation by others played an important role in the respondents' selection criteria of retail banks. The results from the survey indicated that 52% of the respondents agreed that their selection criteria of retail banks are influenced by recommendations by other people. While 12% of the respondents disagreed 35% offered no

opinion on the matter. Firstly, a study by Boyd, et al (1985) seeking to establish if differences existed in the selection criteria between various demographic subgroups indicated that white collar households attached a significant amount of vitality on interest rates, opening hours, and friendliness of staff, while low-income households strongly admired favourable publicity and word of mouth. Secondly, a study which studied choice criteria in multiple banking indicated that recommendations given by others were influential in selection decisions of both main and secondary banks (Kaynaks & Kucukemiroglu, 1992; Gerrard & Cunningham, 1992, Devlin & Gerrard, 2004). When opening a second account customers were found to be relying more on recommendations than on relationship factors or lessons from accumulated knowledge (Kaynaks & Kucukemiroglu, 1992; Gerrard & Cunningham, 1992; Devlin & Gerrard, 2004). In another study recommendation was highest in the list of the respondents' selection criteria of retail banks (Derlin, 2002). The latest study of customer bank choices has also found that word of mouth from fellow bankers is highly effective in influencing customers to change banks (Global Consumer Survey, 2012). Globally, 71% of customers have been found to seek advice on banking products and services from friends, family or colleagues (Global Consumer Survey, 2012). However, in another study, findings indicated that reputation, interesting advertisements and recommendation from others were lower on the overall scores (Akdag, Zineldin, (2011). This study, therefore, is in agreement with the other studies by Boyd et al (1985), (Kaynaks & Kucukemiroglu (1992), Gerrard & Cunningham (1992), Derlin (2002), Devlin & Gerrard (2004), and the Global Survey (2012).

### **5.3.13 Promotional literature in branches is important to me.**

This question aimed to investigate if the respondents were influenced by promotional literature in the branches in their selection of retail banks. The results from the survey indicated that 35% of the respondents agreed that promotional literature played an important role in their selection of retail banks. While 19% disagreed 45% offered no opinion on the matter. The results indicate that a smaller percentage of customers rely on promotional literature to make choices about retail banks.

#### **5.3.14 Online advertising is important to me.**

This question aimed to investigate if respondents are influenced by online advertising in their selection criteria of retail banks. The results from the survey indicated that 33% of the respondents relied on online advertising for their selection criteria of retail banks. While 19% of the respondents disagreed 48% offered no opinions on the matter. 65% of customers have been found to be using financial comparison sites to obtain the best deals (Global Consumer Survey, 2012). The views of online communities and affinity groups as well as the social media as a source of banking information (by 44% of customers) is amplifying customers' voices, giving them greater power as advocates or critics (Global Consumer Survey, 2012). The results from this study amplify what other studies have found, that it is only a smaller percentage of customers who rely on online advertising for making choices about retail banks.



## **CHAPTER 6**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **6.1 Introduction**

Chapter 5 discussed findings presented in Chapter 4. This Chapter discusses conclusions made from data analyzed in Chapter 5 and then makes recommendations for future studies. It has been perceived that most of the findings in the literature tie with the findings in this study. However, since the study was conducted to a small segment, namely MBA 3 students, the results can in no way be all conclusive.

Literature in this study has highlighted that banks have since realized the need for customer satisfaction with regards to services that they provide for customers. It has been perceived in the previous studies that competition amongst retail banks has become high with the arrival of newcomers such as Capitec Bank and African Bank which are targeting low income and previously unbanked communities.

The literature in this study has indicated that customers, be it the general public, undergraduate students or MBA students, possess particular selection criteria when it comes to the selection of banks. Banks have thus become aware of the growing sector of community which requires different service offerings from banks. This has introduced a new way of targeting customers known as market segmentation. As stated before, Banks have become aware of the limited resources they have at their disposal and have now developed marketing strategies that will target specific segment in order to realize greatest opportunity for success. Banks such as Barclays Bank have introduced 'market segmentation which involves studying a particular group of customers that shares particular characteristics which may include factors such as age, life stages, geography or occupation (Barclays, 2009).

As highlighted in the literature, within personal banking market, segments may include categories such as students, graduates, 'new to work', mature, and families (Barclays, 2009). It has been maintained that through the identification of different market segments, organizations

could then ensure that they are providing products or services that meet the needs of these particular customers (Barclays, 2009). Also, banks could utilize appropriate promotional techniques to reach people in the separate segments. The studying of segments therefore has become indispensable in this time an age. This has necessitated this study. The reasons for the study were that since MBA students are studying toward their business degrees, and they have become a lucrative market from which the success of banks could be expected, a study of the selection criteria for retail banks they utilize has become inevitable. The study, therefore, studied the selection criteria of MBA 3 students for retail banks.

Results from this study have indicated that the MBA 3 class was male dominated with a whopping 81% compared to 19% who were females. This may indicate that the business industry is still male dominated; however, results may not be all conclusive since the study only constituted a small segment of 34 students.

With regards to age groups it may be concluded that the class constituted of more mature students (30-39 and 40-59). However, it may also be noted that having a segment of students from 20-39 may mean that younger students are still attracted into business, and this gives hope for the South African economy. The difference in age groups and its relationship to the selection criteria of banks, although an interesting phenomenon, was not part of this study. A study of this nature would be, however, very beneficial to the South African economy, in particular, banks since they would know which age groups to attract.

The findings in this study have also shown most of the respondents to be married, meaning most of them are more mature. This could mean more stability from their part and their much wiser selection criteria. The more mature they are the more they are able to stay with the bank and not move around changing banks.

With regards to ethnicity, the highest number of the respondents was Indian, which could tally with current figure which indicate that most individuals who are in business are Indian.

With regards to the level of education, the results indicated that all the respondents were educated with only 6% without University degrees. This was relevant to previous studies which

had studied undergraduate and MBA students. This could also have meant that results of the current study could correlate with previous studies since the respondents were on an equal level.

## **6.2 Conclusions from the Study Objectives**

**The Objectives from this study were:**

- To examine the criteria that post-graduate MBA students consider important when selecting a bank.
- To determine how these criteria are prioritized according to their significance.
- To determine how these have impacted on the lives of post-graduate students.
- To examine whether post-graduates constitute a homogeneous group in the way they select a bank.

The results from the study indicated the following selection criteria for retail banks:

### **6.2.1 Selection criteria that post-graduate MBA consider important**

The location of the bank proved to be one of the most significant selection criteria customers use to choose a retail bank. The results in this study indicated that about 72% of the respondents agreed that the location of the retail bank was indeed important to them. This was found to be in agreement with previous studies where most of the respondents were found to be in favour of the location, accessibility and convenience of the retail bank.

The presence of security personnel also proved to be essential selection criterion customers use in their selection criteria of retail banks. Most of the respondents agreed that the presence of security personnel played a significant role in their selection criteria of retail banks. This means that most of the respondents felt that the presence of a security system influenced their selection criteria of retail banks. It was, therefore, concluded that MBA students want to always feel secure when they do their daily banking activities.

The availability of a parking facility proved to be a significant factor influencing customers to select retail banks. The results indicated that 81% of the respondents agreed that the parking facility was significant to them. This verified that most MBA students are greatly influenced by the availability of the parking facility in the selection criteria for retail banks. The findings from

the study and literature emphasize the significance of the availability of a parking facility, which then provides convenience to the customers as well as reliability as significant factors in the selection criteria that is employed by MBA students when choosing a retail bank.

Easy access to the banks seemed to be one of the most vital selection criteria used by customers to select banks. The results indicated that 90% of the respondents agreed that easy access to the banks indeed influenced their selection criteria of retail banks. This meant that easy access is one of the most significant selection criteria employed by MBA students when they chose retail banks.

When it comes to the handling of customer problems it matters a lot how these are handled. Professional handling of problems by the retail bank was found to be the most significant selection criterion in the customers' selection of retail banks. This indicated that customers really enjoyed being taken seriously when they experience problems.

When it comes to efficient handling of problems, the results indicated that all (100%) the respondents agreed that efficiency in handling problems experienced by customers played an important role in their selection criteria of retail banks. This signifies the importance of handling customer problems efficiently. This improves customer loyalty. A lower level of loyalty generally means that customers are and will always be ready to leave the bank if need arises. They are or will be unwilling to remain in a situation where their needs are deemed unessential or ignored.

The handling of customer complaints is important, however, the manner in which these are handled is even more important. Handling of complaints to the satisfaction of the customer breeds customer satisfaction. The findings in this study indicated that most (74%) of the respondents agree that views and feedback from other customers with regards to service recovery did play an important role in their selection criteria of retail banks. Service breakdowns experienced by customers have often been found to be leading to customer dissatisfaction. This then defines how crucial customer satisfaction is to the success of every commercial banking

sector as this often makes customers to remain with the same banks, and is likely to recommend it to other individuals.

The attention given to a customer when he/she has concerns determines whether he/she will remain with same bank or choose another bank in its place. If the customer is given full attention he/she is more likely to remain with the same bank. The results from the survey indicated that all the respondents agreed that being attentive to customer concerns indeed played a significant role in their selection criteria of retail banks. This means paying attention to individual complaints and not only caring for the 'rich' and 'essential' customers who are believed to be the only ones who bring profit to the bank. Banks should realize that each individual is essential in his/her own way in the profit creation of the bank.

This study has found that the ability to resolve queries over the phone plays a significant role in the customer's selection criteria of a commercial bank. Results from this study indicated that most (76.67%) of the respondents agreed that the ability to resolve customer queries over the phone played a significant role in their selection criteria of retail banks. Efficient handling of problems, being attentive to customer concerns, as well the ability to resolve customer queries over the telephone, more often than not, breeds customer satisfaction, which eventually results in customer loyalty. Findings in this study confirm findings of previous studies that listening to customers and immediate response to queries added to customer satisfaction.

It is assumed that a customer may at times receive poor service from a bank. What is vital is whether or not he/she is offered an apology by the attendee. An apology is expected by the customer after a poor service delivery. The results from this study indicated that most (87%) of the respondents believed that offering an apology for poor service was vital in their selection criteria of retail banks. This indicates that offering an apology is vital as a strategy for retaining customers.

Most individuals are expected to be influenced by their parents in their making of choices in life. This is because parents are expected to know more than their children due to the vast experience they possess since they have been around for a longer time. The results from this study have proven otherwise, though. Results indicated that only 22% of the respondents were influenced

by their parents in their selection of retail banks. While 26% of the respondents disagreed 52% offered no opinion on the matter. Findings in this study also differ slightly from the previous findings. For instance, a study which focused on consumers and their selection criteria of banks which provided them with general banking services indicated that parental influence had greater influence on the choices that consumers made when they selected banks. This study, therefore, concluded that the respondents were less likely to be influenced by their parents in the choices they made regarding retail banks.

It is also usually assumed that when something is recommended by someone it should be good and may be trusted. The results from this indicated that 52% of the respondents agreed that their selection criteria of retail banks are influenced by recommendations by other people. This means that some customers are greatly influenced by recommendation by other people.

Promotional literature in the branches often contains information that is vital to customers. They are, therefore, expected to use this information when making choices about banks. The results from this study have indicated that 35% of the respondents agreed that promotional literature played an important role in their selection of retail banks. The results indicate that a smaller percentage of customers rely on promotional literature to make choices about retail banks.

Technology has advanced so much that everyone is assumed to be dependant on it. It may be assumed that bank customers may from time to time use the internet to choose banks. The results from this study have proven otherwise. They have indicated that 33% of the respondents relied on online advertising for their selection criteria of retail banks when compared to 19% of the respondents who disagreed and 48% who offered no opinions on the matter. This indicates that most customers do not base their selection criteria on online promotions. This could indicate their lack of trust for online advertising.

### 6.2.2 How these criteria are prioritized

**TABLE 6.1: Prioritization of Bank Selection Criteria of MBA students**

<b>SELECTION CRITERIA FOR BANKS in the order of importance</b>	<b>Percentage</b>
1. Professional handling of problems by the retail bank	<b>100</b>
2. efficiency in handling problems experienced by customers	<b>100</b>
3. being attentive to customer concerns needs	<b>100</b>
4. easy access to the banks	<b>90</b>
5. offering an apology for poor service	<b>87</b>
6. the parking facility	<b>81</b>
7. the ability to resolve customer queries over the phone	<b>76.67</b>
8. views and feedback from other customers with regards to service recovery	<b>74</b>
9. the location of the retail bank	<b>72</b>
10. the presence of security personnel	<b>71</b>
11. recommendations by other people	<b>52</b>
12. promotional literature played an important role	<b>35</b>
13. relied on online advertising	<b>33</b>
14. influenced by their parents	<b>22</b>

### 6.2.3 How these have impacted on the lives of MBA students

Results from this study indicate that the criteria MBA students utilize in their selection of retail banks have great impact on their lives. As a segment that is either working, aspiring business individuals or already owning businesses it is clear that they are quite busy individuals. It can be inferred from the study that for MBA students, simplicity is one of the most important aspects that they are seeking when they select a bank. From the study it has been perceived that selection criteria such as professional handling of problems, efficiency in handling problems, being attentive to customer concerns as well as easy accessibility to the banks offer this simplicity for the busy MBA students. Offering of apology for poor service, parking facility, ability to solve

problems over the phone, views and feedback from other customers with regards to service recovery, the location of the retail bank and the presence of security personnel ranked in the middle in the order of priority for MBA students. These also proved to be very important in that they accommodated their daily busy schedule. From the results it became clear that if banks attempt to offer these they are going to easily attract and retain these customers. Recommendations by other people, promotional literature, reliance on online advertising and influence by parents ranked low in the MBA students' order of priorities. These were assumed to have little impact on their lives.

#### **6.2.4 Do MBA students form a homogenous group?**

The findings from this study confirm findings from previous studies. This means that MBA students do form a homogenous group in that they utilize similar criteria when they select retail banks.

### **6.3 Recommendations from this study**

- There is a shortage of literature relevant to this study. It is recommended that more studies of this nature be conducted to benefit banks and the South African economy.
- The study has also revealed that this market segment is significant as it provides the most lucrative market for the future in business. This calls for more investigations on this segment in order to meet its different banking needs.
- While 'market segmentation' has been introduced by Barclays Banks, other banks should follow suit if they have to gain competitive advantage in the business world.

### **6.4 Limitations of this study**

All studies have their limitations. The following are limitations in this study:



- **Literature:** Literature on the topic dealt with in this study is scarce. Even though the literature used in this study studied selection criteria for retail banks it was based on the general public's selection criteria. Only two studies of these investigated students. More studies of this nature should be conducted on MBA students.
- **Sample size:** Due to the above setting the study consisted of a small sample survey of 34 instead of 52 MBA final year students, as was initially planned. The results, findings and conclusions in this study can in no way be generalisable since the study constituted 34 MBA final year students. A further study of a bigger sample and a few tertiary institutions would perhaps make the study generalisable and all conclusive. This, therefore, leaves more room for further research in this area to make results and conclusions generalisable and all conclusive.
- **Time Constraint:** The study was limited to six months and therefore could not be piloted.

## 6.5 Summary

This Chapter discussed conclusions made from data analyzed in Chapter 5 and then made recommendations for future studies. It has been concluded from the findings that MBA students utilize similar selection criteria when they choose retail banks. It has also been deduced that the selection criteria they utilize impact greatly on their lives because of their busy schedule. This demands them to seek simplicity to entangle their busy lives. Selection criteria utilized was also ranked in the order of priority by MBA students. It was concluded, again, that since MBA students from previous studies utilize similar selection criteria for retail banks with MBA students from this study, they, therefore, form a homogenous group.

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**7. APPENDIX 1**

**8. QUESTIONNAIRE**



## RESEARCH QUESTIONNAIRE

Please place a cross (X) next to a space that best describes your situation. In case none of the mentioned options describes your situation.

### SECTION A: DEMOGRAPHIC INFORMATION

1. Gender

Male	
Female	

2. Age Group

+ 20 – 29	
30 -39	
40 -49	
50 -59	
60+	

3. Marital Status (irrespective of your understanding of the process of marriage)

Married	
Not Married	

4. Ethnicity (For the purpose of Demographic information only)

African	White	Indian	Coloured	Other

If other please specify: \_\_\_\_\_

5. Level of Education

National Diploma	Bachelors degree	Honors Degree	Masters degree	Doctors Degree

OBJECTIVES OF STUDY					
Students' Selection Criteria of a bank					
<b>1. Physical Features</b>	<i>Strongly Disagree</i> 1	<i>Disagree</i> 2	<i>Neutral/No Opinion</i> 3	<i>Agree</i> 4	<i>Strongly Agree</i> 5
1.1. The location of the bank is important to me					
1.2. The presence of security personnel is important to me.					
1.3. The operating hours of the bank is an important factor to me.					
1.4. The parking facility at the bank is an important factor to me.					
1.5. Easy access to the bank is important to me.					
<b>2. Customer Service</b>	<i>Strongly Disagree</i> 1	<i>Disagree</i> 2	<i>Neutral/No Opinion</i> 3	<i>Agree</i> 4	<i>Strongly Agree</i> 5
2.1. The professionalism in handling of problems is important to me.					
2.2. The efficiency of resolving problems experienced by customers is important to me.					
2.3. The views and feedback from customers who had complained and were satisfied with the service recovery efforts is important to me.					
2.4. Being attentive to customer concerns is important to me.					
2.5. The ability to resolve customer queries over the telephone is important to me.					
2.6. Offering apology for the poor service is important to me.					
<b>3. Bank Publicity</b>	<i>Strongly Disagree</i> 1	<i>Disagree</i> 2	<i>Neutral/No Opinion</i> 3	<i>Agree</i> 4	<i>Strongly Agree</i> 5

3.1. Parental influence is important to me.					
3.2. Recommendation by others is important to me.					
3.3. Promotional literature in branches is important to me.					
3.4. Online advertising is important to me.					
3.5. Direct mail to prospective clients is important to me.					
3.6. The increase of advanced marketing efforts is important to me.					
3.7. The views of social media as a source of banking information is important to me.					
<b>4. Customer Loyalty and Retention</b>	<i>Strongly Disagree</i> 1	<i>Disagree</i> 2	<i>Neutral/No Opinion</i> 3	<i>Agree</i> 4	<i>Strongly Agree</i> 5
4.1. Customers offered any incentives on any deal is important to me.					
4.2. Good rates of return is important to me.					
4.3. Provision of high-tech gadgets and electronic devices is important to me.					
4.4. Having the facility to have more than one account is important to me i.e. savings, loan, current etc.					
4.5. Corporal efficiency, Core-Banking Services and Confidence is offered to customers by bank is important to me.					
4.6. Implementation of an E-Banking solution is important to me.					
4.7. Employee's courtesy is important to me					
4.8. Customer loyalty programs are important to me.					
4.9. The Brand name of the bank is important to me.					
<b>5. Financial Consideration</b>	<i>Strongly Disagree</i> 1	<i>Disagree</i> 2	<i>Neutral/No Opinion</i> 3	<i>Agree</i> 4	<i>Strongly Agree</i> 5
5.1. Low cost of opening a bank account is important to me.					
5.2. Bank's service charge policy is important to me.					
5.3. No monthly fee to be paid by students is important to me.					
5.4. Having an overdraft facility is important to me.					

25 March 2014

Mr Gresham Lloyd Nair 200203219  
Graduate School of Business & Leadership  
Westville Campus

Protocol reference number: HSS/0446/013M  
Project title: The Factors influencing the choice of retail bank of final year MBA students at UKZN

Dear Mr Nair,

**Retrospective – Expedited Approval**

With regards to your application for ethical clearance dated 31 May 2013. The documents submitted have been accepted by the Humanities & Social Sciences Research Ethics Committee and **FULL APPROVAL** for the protocol has been granted.

**Any further violation of the UKZN Code of Ethical Conduct will result in a disciplinary process.**

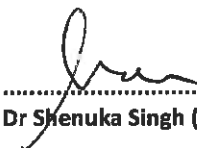
**Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.**

**Please note: Research data should be securely stored in the discipline/department for a period of 5 years.**

**The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.**

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully



.....  
Dr Shenuka Singh (Chair)

/ms

cc Supervisor: Mr Steven Msomi  
cc Academic Leader Research: Dr E Munapo  
cc School Administrator: Ms Zarina Bullyraj

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**Humanities & Social Sciences Research Ethics Committee**

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