

**ABSA clients' perceptions of the service quality provided
by ABSA Longmarket Street Branch in Pietermaritzburg**

by

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DECLARATION

Except where otherwise ^{indicated} specified in the text, this dissertation is my own original work and has not been submitted in part, or in full, to any other university.

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Student's signature...*nmadikane*.....

ABSTRACT

The financial service industry has experienced massive change since the early 1980s. In the past, banks and building societies used to serve their customers' needs differently, but with the removal of many barriers in terms of pricing and various products which the banks and building societies sold their customers, these institutions have brought about changes concerning the expansion of the products and service which they offer to their customers.

Today, many financial services encompass the philosophy of implementing marketing programmes which are aimed at looking after their customers and maximizing their satisfaction with the service.

The main aim of this study was to investigate customers' perceptions vis-à-vis the service that is provided by ABSA Longmarket Street Branch, in terms of customer satisfaction. More specifically, the objectives were:

- To identify customers' expectations in terms of financial services.
- To ascertain the perceptions of ABSA customers towards the service ABSA Longmarket Street Branch provides them with.
- To measure the gaps between the perceptions and expectations of the service that ABSA provides its customers, using the Servqual Score.
- To calculate and measure the score for the five Servqual dimensions.

Using the Servqual model to measure expectations in terms of service, i.e. what is expected compared with perceptions of service received, the study focused on ABSA customers who use the Longmarket Street Branch in Pietermaritzburg. Customers felt that brochures would be better when an information is printed in all languages and important messages be displayed on the Automated Teller Machine (ATM) screen and be advertised more often on television.

Another concern was that customers felt that it is important for the staff to show sincere interest when solving the customers' problems. This can be achieved by keeping the customer informed with the progress of his/her query. It is of the utmost importance to provide the right service at the right time.

Another concern raised was that customers need to be reassured that the problem will be solved and dealt with in a professional manner. Customers felt more secure doing their transactions at the branch rather than at the ATMs. They felt more comfortable to talk to people, as this builds long-lasting relationships. The majority of the respondents felt that management must encourage staff to share product knowledge that will help them to deliver a better quality of work.

The study shows that there is a lack of individual attention when the staff deals with customers. Giving the customer undivided attention, being patient and calling them by their names, to make them feel welcome and acknowledged, can improve this. There is a necessity for the branch to extend working hours to accommodate everyone. The branch has to consider offering facilities such as the Internet and telephone banking, to make banking simple and convenient to everyone at home.

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ACRONYMS

ATMs
CDI
MOT
MOD
MOS
MOP

Automated Teller Machines
Customer Delight Index
Moment of Truth
Moment of Dissatisfaction
Moment of Satisfaction
Moment of Pleasure

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CHAPTER 1: BACKGROUND TO THE STUDY

1.1 Introduction

✓ A **service** is an activity or benefit that one party can offer to another. It is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product (Kotler and Armstrong, 1996, p.45).

It can be very difficult to distinguish services from goods. A tangible product attached to the service frequently augments a service (Mc Coll *et al.*, 1998, p.47).

A service should be based on what the customer wants (Mc Coll *et al.*, 1998, p.46) and the organisation should indicate the measures that it will take to satisfy the needs of the customers. Pure services have a number of characteristics, which differentiate them from goods. These characteristics have implications for the manner in which the services are marketed. Since services cannot be seen, tasted or felt, customers draw conclusions about the quality from the place, price, people and communication material that they can see (Clarke, 2000, p.245). For example, the bank should convey the idea that its service is quick in the eyes of its customers. The bank's physical setting must suggest speed and efficiency. It must make this positioning strategy tangible in every aspect of customer contact (Mc Coll *et al.*, 1998, p.49).

A service is inseparable from its providers, whether the providers are people or machines (Mc Coll *et al.*, 1998, p.49). Customers should be part of the service (Mc Coll *et al.*, 1998, p.52). Another factor is that a service has to be experienced before any personal judgement of quality can be made and this is based on the customer's subjective opinion (Mc Coll *et al.*, 1998, p.212). Service quality becomes evident while the customer is receiving it. It is therefore important for the company to supply goods or services that will satisfy customers' needs (Kotler & Armstrong, 1996, p.345). To a customer, quality has two dimensions, the technical and the functional (Gronroos, 2000, p.121). These perceptions of quality are also

affected by the corporate image of the company. Quality can be a company's competitive edge (Lovelock, 1996, p.61).

Today many companies encompass the philosophy of marketing orientation by concentrating on caring for their customers and maximizing customers' satisfaction (Waterman, 1982, p.65). The purpose of this foundation is to gain long-term commitment from customers. Customer care and satisfaction programmes will help achieve such commitment. These programmes require greater variety and choice, as consumers become more confident in making decisions. Consumer sophistication demands more custom-made variation to products (Baker, 1999, p.241). Thus began the emergence of the customer-led firm, which places emphasis on customer care and satisfaction (Levitt, 1962, p.36). Consumers who are striving for satisfaction do not simply look for end products, but also draw satisfaction from the completeness of the service interaction and transaction. Development of customer care is part of service-provision. Good customer service and support ensures that customers get maximum value from their purchases (Drucker, 1994, p.151).

In the past, banks and building societies used to serve their customers' needs differently. Removal of many barriers to competition has been brought about through legislation such as the Building Society Act of 1986(Woodruffe, 1995, p.68). This Act brought about changes on expansion of the product and service range offered. This has led to intense competition, as the boundaries between banks and building societies have faded (Woodruffe, 1995, p.92). The banks currently are offering the same products, which will suit and meet the customers' needs. In order to differentiate their service from their competitors, as well as to gain a competitive advantage, the banks need to provide excellent service to customers. Customer satisfaction is important in minimising competition amongst the banks, as well as with other organisations (Cottle, 1990, p.59). Customers are satisfied when their expectations are met and delighted when their expectations are exceeded (Cottle, 1990, p.161). To deliver customer satisfaction, companies need to manage their value delivery systems in a customer-centred way (Dorian, 1996, p.72).

1.2 The role of service in banks

Banks must restructure themselves around their customers' needs and must strive to exceed their expectations (Dorian, 1996, p.90). The bank needs to place customer care at the forefront of the organization (Dorian, 1996, p.100). Banks need to maintain a high standard of work and ethics, which will act in the best interests of their customers (Page, 1992:65). Elvy (1995:32) states that it is important to *understand* customers, before understanding their needs. Banks must pay attention to meeting these needs, to retain their customers (Page, 1992:251).

Clients are the most important people in any business; therefore the bank must value and treat its customers with dignity and respect. Banks need to give customers first preference at all times and provide service that will exceed their expectations (Canning, 1999:101). Staff must always try to exceed customer expectations, so as to gain their loyalty and trust (Blem, 1995:89).

1.3 Rationale for this research

A few years ago, when the researcher completed school, she was very excited and wanted to further her studies at a technikon, but due to financial constraints her parents could not afford to pay the full tuition fees. She visited one of the banks, to apply for a student loan. She was referred to a consultant, to discuss the application process. The consultant showed no interest and, instead of assisting with the forms, which were daunting for black clients, the consultant supplied pamphlets to be read at home. She thus experienced being a client who was not shown any care or concern. That experience caused her to be aware of customers' needs.

Currently, the researcher is a bank employee and feels that there is still a great need for staff to improve the service that is offered to clients. This has become *vital*, due to competition from other banks. Customers are becoming more important for the survival of organizations.

Information should be accessible and the various products that banks offer may need to be reviewed, in the light of the needs of various types of clients. For example, banks provide pamphlets containing important information, thinking that all clients will take them and read them, only to find that some of them are unaware of various charges until they request statements. This information may need to be disseminated in a different manner that uneducated customers can understand.

Past researches have focused mainly on high-income earners, as they are perceived to be of great value to the bank (Delivering Channel Services, 2004). The information that will be gathered in this research will include low-income earners. This group of customers is important to the research because, with the correct care, they may be enticed to use other bank services. Banks need to pay attention to these clients, as their financial situation is likely to improve and they will then require other bank services, for example cheque accounts, credit cards and debit cards, which will generate income for the bank. Customers from previously disadvantaged communities find it very difficult and confusing to deal with banks. They may need to be educated in different ways, so that they will see a need to invest money with the bank. The ways in which they can benefit must be clearly and simply explained to them.

Banks therefore need to develop marketing mix strategies to satisfy all customer groups.

1.4 Statement of the problem

ABSA Longmarket Street Branch was targeted for this research for a number of reasons: ABSA employees were always rated according to the service which was rendered to their customers' using Customer Delight Index (CDI). This assessment was done on a monthly basis in all eight ABSA branches, separately. The ABSA Longmarket Street Branch is the main branch and the others are sub-branches. It was disappointing to see that the main branch was always rated badly when assessments were made. The researcher decided that it would be a valuable project to investigate customers' perceptions of the service provided to them by ABSA Longmarket Street Branch.

Given the increasing competition in the financial services industry, banks can no longer afford to focus their strategies on high-income earners, alone, and need to look at how satisfied low-income earners are, too, as they, through specific customer care initiatives, may become the high-income earners of the future. This study investigates both low and high-income earners and the perceptions of clients from the main branch, which is in Longmarket Street, Pietermaritzburg Branch of ABSA bank.

1.5 The purpose of the research

The purpose of this research project is to investigate ABSA clients' perceptions of service quality at the Pietermaritzburg Longmarket Street Branch of ABSA bank.

1.6 Research objectives

- To identify customers' expectations in terms of the financial services offered.
- To ascertain the perceptions of ABSA customers towards the service ABSA Longmarket Street Branch provides.
- To measure the gaps between the expectations and perceptions, using the Servqual Score.
- To calculate and measure the score for the five Servqual dimensions.

1.7 Limitations of the study

This study is limited to KwaZulu-Natal, Pietermaritzburg, ABSA Bank Longmarket Street Branch. The clients used for the purpose of this study were all selected because of their willingness to fill in the questionnaires as they were entering the bank.

Chapter 2 is a literature review, the fundamental part of any research. It reviews current and past studies and research conducted on similar subjects.

CHAPTER 2: FINANCIAL SERVICE MARKETING

2.1 Introduction

Chapter 2 reviews information on the financial service market, with special attention to the following: characteristics of a service, service marketing mix and relationship marketing. Financial service marketing is about maximising the customers' value in the financial institution (Weinstein and Johnson, 1999, p.10).

According to Kotler & Armstrong (1996, p. 7) "a service is an activity or benefit which one party can offer to another that is essentially intangible and does not result in the ownership of anything". Its production may or may not be tied to a physical product. Banks provide services to their clients. It must be remembered that service industries vary greatly, e.g. government offers services through hospitals and business organisations offer services such as banking (Kotler & Armstrong, 1996, p.659). In the above instances it is the customer who perceives the outcome of the services rendered to him/her and evaluates the procedure by which the service was performed (Kotler, 1996, p.700). Business's main purpose is to concentrate on what is of concern to the customer (Clarke, 2000, p.11). This will ensure that the company is addressing issues that the customers have raised and the company will ultimately provide for them. The company may need to provide good service the first time (Jude, 1999, p.31).

The financial service industry has experienced massive change since the early 1980s. Before this time banks and building societies served different customer needs, often catering for different sets of customers. Regulatory frameworks and traditional business practice meant that there was no competition among the types of institutions (Woodruffe, 1995, p.180).

Removal of many barriers such as pricing and product ranges has, due to competition, been brought about by legislation such as the Building Society Act of 1986. This Act affected expansion of the product and service range offered (Woodruffe, 1995, p.180). There was an expansion of business areas such as foreign estate agencies, financial service subsidiaries and

funding sources. This has led to intense competition, as the boundaries between banks and building societies have faded (Woodruffe, 1995, p.181).

Financial services have implemented the marketing information systems within the organisation, to ensure that information is handled systematically (Woodruffe, 1995, p.200). Financial services have developed products that will meet or satisfy the clients' needs. Market development and financial services have undertaken to increase the existing target market. This will improve the standard of service to customers. Financial services have adopted a system to segment their branches to cater for the needs of different customers (Woodruffe, 1995, p.212). Financial services need to adopt certain characteristics to overcome competition, as well as to retain customers.

2.2 Characteristics of a service

Services have a number of distinctive characteristics, which differentiate them from goods. These can be described as intangibility, inseparability, variability, perishability and inability to own services (Mc Coll *et al.*, 1998, p.48-51).

2.2.1 Intangibility

A pure service cannot be assessed using any of the physical senses such as touch, taste and smell (Mc Coll, 1998, p.48). It is difficult to patent; customers cannot judge quality in advance. The lack of a tangible product makes advertising difficult. Reliability, personal care, attentiveness of the staff and their friendliness can only be verified once a service has been purchased and utilised (Mc Coll, 1998, p.48). Financial services are generally intangible, but the service providers go to considerable lengths to make the service tangible for their customers (Kotler, 1996, p.725). Bank statements, credit cards and insurance policies are examples of the way in which financial services are presented to customers (Woodruffe, 1995, p. 225).

The physical environment, along with the goods, can be seen as a tangible element (Palmer, 2001, p.15). The design of the external and internal building, the appearance of the staff and the general cleanliness can be used by a customer to compare the quality of service of one institution with another. Tangibility is relied on more heavily by services that have limited means of demonstrating their services characteristics, that is the appearance of the staff, the building and the cleanliness of the banking hall, which would convince the customer that the bank's services are desirable (Palmer, 2001, p.16). Staff must treat customers with personal care and be friendly at all times. Marketers should implement service-marketing programmes, which will reduce customer uncertainty by means of adding value, and should implement other strategies to reduce the risk from the customers' perspective (Lovelock, 1996, p.140).

2.2.2 Inseparability

The degree of inseparability depends on the type of service and actual supplier. Many everyday services are carried out via automated methods. Because access to these systems has been broadened, customers will not be dealing directly with their own provider (Woodruffe, 1995, p.226). The manufacturer is able to make goods which are convenient to it and then the goods are made available to customers, at times which are convenient for them (Mc Coll *et al.*, 1998, p.49). Services are usually sold directly to the customers. Service is said to be inseparable from its means of production (Mc Coll *et al.*, 1998, p.50). Producer and customer must normally interact in order for the benefits of the service to be realised. Financial services must promote the same quality of service that the customers expect to receive when visiting the bank. It is therefore the responsibility of the financial service to employ people with good knowledge, to provide efficiency and reliability of these services to the customers (Woodruffe, 1995, p.227).

In the case of personal care services, the customer must be present during the entire production process. Inseparability occurs whether the producer is human, as in health care services, or a machine, as in the case of a bank (Mc Coll *et al.*, 1998, p.49). An example of the latter is the ATM. The service of the ATM can only be achieved if the machine gives

money to the customers. Inseparability has a number of important marketing implications for services, i.e. goods are first produced, then offered for sale and finally sold and consumed simultaneously. Considerable attention is given to service encounters, where the interaction occurs between the service provider and the customers. These encounters are referred to as a “moment of truth” (Mc Coll *et al.*, 1998, p.50).

The bank provides ATMs to provide efficiency for the bank and convenience for the customers, especially during busy times such as month-ends. Due to an increase in technology, the bank provides the Internet and telephone banking to its customers, to make it easier for the customers to do banking at places which are convenient to them. The bank offers a special clearance on the cheques to avoid inconvenience to its customers, i.e. it reduces inseparability.

Inseparability provides marketers with many challenges concerning finding new ways to control the interaction among producers, consumers and other consumers, so as to ensure that the experience has the desired effect on the consumers.

2.2.3 Variability

When a service is intangible and inseparable it becomes difficult for service providers to maintain a consistent output level (Palmer, 2001, p.19). Variability refers to many services that need to be tailored or customised to specific needs. The dimension of variability is the extent to which a service can be customised to meet the specific needs of individual customers (Mc Coll *et al.*, 1998, p.62). The opportunity of pre-delivery inspection, which is open to the goods manufacturer, is not normally possible with services. The service must be produced in the presence of the customer, without the possibility of intervening quality control. Different service outputs are involved in meeting customer requirements (Mc Coll *et al.*, 1998, p.50).

The major problem with a service being variable is that it can pose problems for brand building in services, compared to tangible goods. It makes it difficult to have standard costing

and pricing of service provision, in many situations (Mc Coll, *et al.*, 1998, p.51). Once a mistake has been made there is no chance for it to be corrected before consumption occurs. It is also difficult to maintain consistency when the production relies on imperfect human inputs. Service providers who target different market segments should provide their basic offering in a multitude of different forms, so that their needs are met more precisely (Mc Coll *et al.*, 1998, p.51).

Banks are trying to develop products that are flexible, so that different options and features can be combined. This means a more variable offering, one which provides service to a large potential market.

Complexity of the service transaction process will determine the extent of variability and this can differ between institutions and even within one institution (Kurtz, 1998, p.79). The greater the degree of automation, the greater the degree of standardization. Financial services cater for simple transactions to be carried out on ATMs.

Standardization is not necessarily desirable from the customer's point of view (Woodruffe, 1998, p.228). Branch encounters exhibit far more variability than ATMs. Customers prefer to deal with people and some want transactions to be handled as speedily and as efficiently as possible (Jude, 1998, p.92), while others prefer a caring approach and a friendly chat. Since customer care is the key for any organization, financial services need to tailor an approach that will best suit the needs of the individual customers (Dorian, 1996, p.201).

2.2.4 Perishability

Perishability refers to the fact that services cannot be saved, stored, resold or restored (Zeithaml, 2000, p.36). When a manufacturer produces a tangible product, like cars, and stores them on a large scale, it means that it can improve the sales for the company and it can be distributed according to the demands of the customers. Services cannot be stored for later sale or use (Mc Coll *et al.*, 1998). The perishability of services is not a problem when demand

is steady (Kotler, 1996, p.60). Service firms can use several strategies for producing a better match between demand and supply. For example, the bank can lower their service fees on cheque accounts, to attract more customers than their competitors. When it comes to the festive season, banks often employ part-time employees. Management's aim is to smooth out peaks during busy times, because if they cannot satisfy their customers these customers will go elsewhere. The fact that services cannot be returned implies a need for strong strategies when things go wrong.

2.3 Services marketing mix

“The marketing mix is the set of tools available to the company to shape the nature of the service offered to customers”(Mc Coll *et al.*, 1998, p.17). The traditional marketing mix consists of product, price, place and promotion. The notion of a mix means that all of the variables are interrelated and depend on each other.

The principle of the marketing mix is to break down a service offered into a number of component parts and to arrange them into manageable component areas for making strategic decisions.

The three Ps added to the marketing mix are people, physical evidence and process. A brief explanation of these additions would be:

- People: “All human actors who play a part in service delivery influence the buyer's perception.”
- Physical evidence: “It includes all the tangible representations, as well as the physical facility where the service is offered.”
- Process: “Refers to the operational flow of activities and the time taken to deliver the service” (Zeithaml, 2000, p.20).

2.3.1 Product ✓

In the traditional marketing mix the product is the means by which the organisation seeks to satisfy consumer needs, which might be tangible or intangible (Mc Coll *et al.*, 1998, p.19). Successful companies add benefits to their efforts that will not only satisfy but delight their

customers. By so doing, the company will gain a competitive advantage over its competitors (Kotler, 1996, p.16). In reality, the customer does not buy the product, but actually buys the benefits that the product provides to him or her (Palmer, 2001, p.20).

The company needs to consider the two generic levels of product. This addresses the question: what is the customer really buying (Kotler, 1996, p.274)?

The core service product can be used to solve the customers' needs (Kotler, 1996, p.275). The marketing team should understand customer needs and wants. The offer should be developed, produced and managed with the benefit of the consumer in mind. If a service provider wishes to be successful there must be a common view between itself and the service users. An attempt to measure consumers' perceptions, beliefs and attitudes is vital to the service provider (Mc Coll *et al.*, 1998, p.271). The financial service when they design their products must first define the core of benefits the products will provide to their customers. Actual products may include characteristics such as brand name, features and packaging. This will provide a need to buy the products, as it entails high quality being supplied to the customers (Kotler, 1996, p.275).

The secondary service level can be seen as a combination of both the tangible and the intangible elements, so that the core benefit is realised by customers (Mc Coll *et al.*, 1998, p.177). The secondary level of the service offer can be analysed in terms of a number of elements, namely features, styling, branding, service delivery, process, people quality and expectation (Mc Coll *et al.*, 1998, p.180). Customers seek fulfilment of their needs by way of indirect service (Palmer, 2001, p.45). The company uses branding to enable it to distinguish its products from those of its competitors.

An example of secondary level service of the financial service is when a bank applies specific brand names to the types of account, to appeal to segments of the population with slightly differing needs, such as pensioners (over 55 years), where they are exempted from paying certain fees as long as they maintain a minimum balance in their accounts. Another example

would be a toll free number (08600111155) to report stolen cards. Differentiation can best be achieved through the promotion of brands focus, i.e focusing on serving a few market segments and working hard to achieve low costs of production (Kotler, 1996, p. 603).

2.3.2 Price

When pricing, it is important for the organisation to decide on its strategy for the product and, at the same time, to seek additional objectives. The clearer the company is about its objectives, the easier it is to set the price (Kotler, 1996, p.341). The price has to be low enough for the customers to perceive they are receiving value for money (Lovelock, 1996, p.237). This will depend on the quality of the service they receive. Customers do not mind paying high prices, as long as the quality of the product that they buy is worth it (Lovelock, 1996, p.239). This will allow the service provider to achieve its strategic objectives. Marketers exercise all their options in developing pricing policies to suit market needs (Woodruffe, 1995, p.320).

There are a number of factors that influence how prices are determined. The four main factors are:

- The cost of producing the service
- The amount customers are willing to pay
- The price that competitors are charging &
- The regulations imposed by the government which affect pricing (Mc Coll *et al.*, 1998, p.333).

One factor that has the greatest impact on sales is the price customers are willing to pay for the service provided. When customers buy a product they exchange something of value to get something of value. If the price is high, it could be perceived as high quality or high risk (Kotler, 1996, p.351).

An example from the bank relates to the costs of bank charges and rates interest, which they offer to customers when customers apply for overdrafts, mortgage bonds and personal loans.

Prices relate to the value of the product offered to the customer and can be highly sensitive (e.g. the bank offers a reduction in interest for a first-time buyer or a preferential rate for existing customers). Customers can enjoy free benefits if they maintain a certain balance in their current accounts. The rate of return offered to investors is another element of the consumer price. Different products within the range are frequently priced at preferential rates, to attract long-term savers.

2.3.3 Promotion

Promotion is a communication tool used as an ongoing process of communication between the organisation and the customers. Promotion means the activities that communicate the merits of the products and persuade the target consumers to buy it (Kotler, 1996, p.461). The promotion process determines what is to be said, when it is to be said, where it is to be said and who is to say it (Mc Coll *et al.*, 1998, p.368). Promotion adds significance to service. It can also add tangibility and help the customer make a better evaluation of the service offered (Payne, 1993, p.150). Woodruffe, (1995, p.330) states that whether or not price is specifically referred to in the promotional message, the product must accurately reflect the service quality and value to match customers' expectations.

The promotion mix consists of advertising, personal selling, sales promotion and public relations (Kotler, 1996, p.471). Combinations of these are used to create a positive word-of-mouth message for the service provider and its service. With more planning an organisation can ensure that every encounter is turned into an opportunity to convey a positive message that encourages repeat business from customers and encourages them to pass on the message to others (Mc Coll *et al.*, 1998, p.365).

Banks and other financial institutions have continuously to strengthen awareness of the brand and company image and to inform the market about the services available and undertake major advertising. The bank has to promote campaigns, other than advertising and personal selling that would stimulate customer purchase.

2.3.4 Place

Physical location becomes an important element when the customer becomes an active part of the production process (Mc Coll *et al.*, 1998, p.20). Location of the service should be in a place which is most convenient to service provider and customer (Payne, 1993, p.263). Customers seek local access to services, often at a time which may not be economically advantageous to the producer (Kotler, 1996, p.441).

For a bank, location of the branches is important. Branches should be located in areas where it is convenient for customers to find parking (Woodruffe, 1995, p.331). Security is also a critical factor that needs to be considered. Due to the increase in technology, changes in distribution systems have made it possible to meet customer demands. Telephone banking services, or use of the Internet, allow customers to do their business at home, 24 hours a day. Branches have increased the number of their ATMs all over the country, to accommodate as many customers as possible, especially in the rural areas (Woodruffe, 1995, p.331).

2.3.5 Physical evidence

Physical evidence of service includes all the tangible representations of the service, such as brochures, letterheads and business cards (Zeithaml, 1990, p.20). Physical evidence provides excellent opportunities for the organisation to send consistent and strong messages about the organisation's purpose and the nature of the service. Physical evidence has three main components:

- The physical environment includes factors such as cleanliness and design factors such as colour and materials (Berry, 1991, p.183). Social factors include friendliness of the staff when interacting with the customers.
- Communication from company to customers forms part of the physical evidence. The company make uses of advertisements, to give a clear message to all its customers about its services (Mc Coll *et al.*, 1998, p.370).
- Customers use *price* as a guide to the quality of more intangible services.

Physical evidence linked with other promotional tools affects the user's buying habits (Hoffman & Bateson, 1997, p.212). Most banks have colours co-ordinated to their promotional ads and logo backgrounds that make it easier for customers to compare the quality of the service that the bank offers. Physical layout of the materials, such as brochures, has to be placed in a manner that will be easily seen by customers. Tellers have to look professional in their uniforms. It is important for the bank to use facilities that are clearer and easier to understand by customers when promoting its ideas. It also makes it easy for them to see which bank will cater most for their needs (Woodruffe, 1995, p.334).

2.3.6 Process

Process is the actual procedures, mechanisms and flow of activities by which the service is delivered (Zeithaml, 1990, p.20). The operational flow of the service is very important, as it involves the customers in making a decision. The more specified the service offered, the more significant is the process (Mc Coll *et al.*, 1998, p.371). Production standards are of great concern to service organisations in which customers are involved with the production process (Mc Coll *et al.*, 1998, p.372).

In banks, it is important for staff to explain the process of clearing cheques for customers. Financial services have introduced delivery channels such as telephone banking and Internet banking, to minimize the cost for the customers and to reduce queues during peak hours. The consultants have to explain the requirements needed to apply for facilities, as well as for personal loans and how long it will take to finalize the process (Woodruffe, 1998, p.336).

2.3.7 People ✓

People are a vital element of the marketing mix (Mc Coll *et al.*, 1998, p.20). Well-trained, well-motivated employees can act as elements in developing the organisational image in the eyes of the customer, more so when they have substantial contact with them (Payne, 1993, p.132). This is because their good behaviour or lack thereof, affects how the customer

perceives the service provider and the quality of service they are provided with (Mudie & Cottam, 1999, p.132).

A happy employee will be warmer and will take more active steps in efficiently providing the service, e.g. by responding quickly to customer requests (Jude, 1999, p.96). Employees can help build customer trust, promote benefits, teach customers and monitor and evaluate organisational performance (Fish *et al.*, 2000, p.96). For example, the manner in which bank employees handle customers who call the customer help line will affect the level of service quality. Front-line employees have to portray a good image of the financial institution, i.e. staff has to be friendly and treat the customer with respect when dealing with them.

2.4 Relationship marketing

Kurtz (1998, p.151) states that the purpose of relationship marketing is to build long-term connections between the company and its customer and to develop brand and firm loyalty. It has a strong focus on the customer, i.e. it simplifies the way businesses get to know their customers better and the way the business keeps in touch with its customers and tries to ensure that customers get what they want in every aspect of their dealing with the business (Merlin, 1995, p.65). Relationship marketing links to the services mix, as both tools can be used to shape the nature of the service offered to customers. The tools can be used to develop both long-term strategies and a short-term tactical programme (Mc Coll *et al.*, 1998, p.17), even though it may differ in content but achieve similar objectives, namely the best interests of the customers.

Many businesses have used relationship models to understand their customers better and develop policies for improving the relationship (Woodcock, 2000, p.120). Customer relationship marketing is important because acquiring customers is usually much more expensive than keeping them (Mc Coll *et al.*, 1998, p.33). Benefits of customer relationship marketing involve improved customer retention and loyalty. Customers stay longer and buy more and this can result in long-term value (Woodstock, 2000, p.124).

Acquiring the wrong customers and keeping them is often very damaging, especially if they are not profitable (Matchtyanger, 1995, p.106). In a business such as a financial institution a proportion of the customers are unprofitable, because the cost of serving them is much higher than the benefits derived from them (Woodruffe, 1995, p.101). In such a situation, management must implement the correct customer management programme, to keep the right customers. Relationship marketing works well for services where transactions tend to be continuous and switching costs for customers are high. Firms operating in the customisation and functional service quality sector do well with relationship marketing programmes (Stone, 1997, p.55). The long-term goal of relationship marketing is to build brand loyalty. Personal interaction with service personnel is critical in the development of the long-term relationship (Cottle, 1990, p.90).

Financial services need to implement relationship marketing when formulating their strategic marketing planning. The idea is that financial services need to analyse the current position and determine where they are right now (Woodruffe, 1995, p.251). It is important to identify their target markets. Segments should be quantifiable or measurable (in terms of numbers of customers) and accessible (customers should be able to communicate with staff and staff should be able to provide the service to the customers) (Mc Coll *et al.*, 1998, p.84). The manager and marketing team should design the marketing mix to suit their products. The management team has to adopt a service profit chain that links relationship-marketing principles for the financial institution with internal marketing (Woodruffe, 1995, p.65). This includes customer retention, telemarketing facilities to handle customer queries and use of direct mail to maintain a high level of contact. Management should give incentives to loyal customers. Employee satisfaction is also important and management has to choose the right people to do the job.

2.4.1 Functions of a relationship-marketing programme

A relationship-marketing programme should be designed to accomplish one or more of six functions (Lovelock, 1991, p.240):

1. **Social Reinforcement:** Social reinforcement refers to a customer's esteem and affiliation needs, e.g. sending a customer a birthday card provides social reinforcement.
2. **Value-Added Activity:** This involves the concepts of trustworthiness, reliability, commitment and concern. Staying in touch with a customer can provide reassurance.
3. **Benefit Reinforcement:** Benefit reinforcement involves telling a customer why a service is beneficial. Benefit reinforcement will help to reduce any cognitive dissonance a customer may be experiencing.
4. **Solving Customer Problems:** Database-marketing is concerned with selling goods or services to a customer, whilst relationship-marketing is concerned with solving the customer's problems. Making a sale is secondary, e.g. a plumber may see a particular customer's need and recommend another person who is better qualified to do the work.
5. **Customisation of Services:** is the extent to which a service needs to be customised to meet the specific needs of individual customers. Customers must feel that the firm is moulding the service to meet their particular needs. For firms operating in the customisation operational sector, this would be a natural part of their services. The functional quality service sector involves direct consumer-producer interaction (Mc Coll *et al.*, 1998, p.426). Firms operating in the functional service quality sector will need to customise the service. Because of the need to provide some customisation, firms using the cost efficiency and technical service quality operational approaches have difficulty establishing strong relationship programmes.

6. **Service Enhancement:** Customers are given “extras” to reward them for their loyalty, or they are treated in a special way. For the best customers, banks offer gift vouchers or hampers to show appreciation to their customers. The goal of service enhancement is to strengthen the bond between the company and the customer (Lovelock, 1991, p.240).

2.5 Summary

Financial services should adapt to the characteristics of financial services, so as to bring about changes in expansion of the products (Woodruffe, 1995, p.331). Marketing mix should be used to shape the nature of the service offered to customers (Mc Coll *et al.*,1998, p.17). Marketers have to find ways to make the service more tangible and to increase the service of the service provider (Kotler& Armstrong, 1996, p.423). Marketers should focus on service quality, which will be discussed in Chapter 3. A financial service market should implement the concept of relationship marketing to retain customers (Woodstock, 2000, p.154). A company effort to develop profitable long-term relationships with customers should be based on superior customer value and satisfaction (Lovelock, 1991, p.240). The company should implement programmes for marketing success to be in line with marketing concepts. The above-mentioned factors should be implemented together with the service quality, so as to improve the quality of service provided to customers.

CHAPTER 3: SERVICE QUALITY

3.1 Introduction

Chapter 3 covers the concept of service quality, followed by the expectations, i.e. how they are formed and what influences them. It also reviews perceptions, how they are formed and what influences them, the moment of truth and, lastly, customer satisfaction and service dimensions of service quality.

Service quality, from the organisation's perspective, means establishing requirements and specifications (Mc Coll *et al.*, 1998, p.425). Once established, the quality goal is based primarily on satisfying customers' needs. From a customer's perspective, service quality means how well the goods/services provided by the organisation meet or exceed customer expectations (Mc Coll *et al.*, 1998, p.425).

Business firms typically operate in an environment characterised by rapid change and often turbulence (Gronroos, 1978, p.179). Customer needs and requirements are subject to change over time. To survive, firms have to adapt to these changing circumstances. A change in customer needs which has become evident in recent times is the increased emphasis placed on quality consideration (Garvin, 1988, p.216). Quality has, in fact, been described as the most important customer trend of the decade (Rabin, 1983, p.12) and plays a crucial role not only in consumer behaviour, but also in the resulting brand loyalty (Moss and Richardson, 1985, p.400).

The importance of quality to companies marketing physical products is no less important for firms in the service sector. The challenge of meeting market needs may, however, be greater for firms in the service sector, because of the service sector's traditional lack of marketing orientation (Lovelock, 1981, p.8).

Outstanding service quality can give the organisation a competitive advantage which leads to superior sales and profit growth (Canning, 1999, p.105). In seeking quality service, the customer's needs and expectations may differ according to each individual, e.g. an elderly customer in a bank might appreciate a cashier who takes time to chat, whereas a business customer might expect to be treated in a professional manner and for the transaction to be completed as quickly and efficiently as possible. Kotler (1996) points out that if perceived service of a given company exceeds expected service, customers are apt to use the service provider again. Understanding how customers use their judgement is very important for services marketing management (Woodruffe, 1995, p.240).

Quality is “free”, but it is crucial for financial services to deliver the right service first time. This will enable the financial service to retain its customers and build a long-lasting relationship (Kotler, 1996, p.601). A company should promise only what it can deliver and deliver more than it can promise. Frontline people in a bank, who interact the most with the customers, require appropriate frameworks and systems to perform their duties. Kurtz (1998, p.142) says that, when discussing the concept of service quality, the company must have these principles in mind:

1. Service quality is more difficult for customers to evaluate than the quality of the goods.
2. Service quality is based on consumers' perceptions of the outcome of the service and their evaluation of the process by which the service was performed.
3. Service quality perceptions result from a comparison of what the customer expected prior to the service and the perceived level of service received.

Service quality begins by addressing the abstract expectations that customers hold in respect of quality. Customers subsequently judge service quality by the extent to which perceived service quality matches up to these initial expectations (Kotler, 1996, p.92).

3.2 Customers' expectations

Expectations are formed before purchasing the service (Mudie & Cottam, 1999, p.16).

Customer expectations form an important element of quality (Mc Coll *et al.*, 1998, p.180). A

service that fails to meet the expectations of one customer may be considered by them to be of poor quality, while another customer receiving an identical service, but who did not hold such high expectations, might consider the service to be of a high quality (Mc Coll *et al.*, 1998, p.180). It is therefore important for the organisation to adopt a service quality orientation as a way to gain competitive advantage over its competitors. This will motivate the company to provide the service that will meet customers' expectations. According to Parasuraman *et al.* (1998), customers hold different types of expectations, namely:

1. Desired service, which is the level of service the customer hopes to receive. An example for the financial service would be when a customer applies for a personal loan. This expectation reflects the hope and wishes that he/she might be granted the loan.
2. Adequate service is the level of service the customer is willing to accept. An example would be when a customer applies for a R10 000 personal loans. She earns a gross income of R5 000 per month and the bank can grant the loan for R4 000, due to affordability.
3. Predicted service is the level of service customers believe they might be likely to receive. This type of service can be viewed as predictions made by customers about what is likely to happen during an impending transaction. An example is when a customer wants to make a deposit at the end of the month, when the queues are long. The customer predicted service expectation would determine the length of time he/she will spend in a queue the next time (Parasuraman *et al.*, 1988, p.50).

3.3 Customers' perceptions ✓

Perceptions can be defined as the process by which customers select, organise and interpret stimuli into a meaningful and coherent picture of the world (Schiffman & Kanuk, 1983, p.136). Perceptions are considered relative to expectations. Customers perceive service in terms of the quality of the service they receive and whether or not they are satisfied with their experiences (Parasuraman *et al.*, 1988, p.74). A perception of everything that surrounds the

customers is different according to each individual. The perceptions customers form are vital to a service organisation, as the services they offer are intangible and sales rely heavily on a positive perception (Perreault & Mc Carthy, 1999, p.162). Perception becomes an influential factor when comparing customers' satisfaction with the service that is provided to them.

3.4 Moments of truth

Moments of truth occur when the customers perceive the service and compare expectations to perceptions.

Carlzon developed the theory called the "moment of truth" (MOT) theory (Jude, 1998, p.88). According to Jude (1998, p.89), the assumptions about this theory are:

- Every encounter with a customer is a MOT.
- Every time staff is face-to-face with a customer they are on trial; the customer is both judge and jury and has ultimate power.
- It is believed that it is big things that chase customers to competitors.
- It is the small things that often go unnoticed that can make a big difference.

As they deal with clients, the banking financial institutions should put this theory into practice. A MOT occurs when a client comes into contact with some aspect of the institution and has an opportunity to form an impression about the level of service which the bank provides. Every transaction that takes place with a client is a MOT. If a client enters the door, he/she enters the workplace and finds it clean and attractive (MOT). When he/she meets the guard (MOT) the guard refers the client to the receptionist (MOT). The receptionist advises the client to go to enquiries, tellers or wait for the consultant (MOT). Staff must update the client with whatever he/she does and, after the client has been helped with the transaction, the client must be thanked and wished farewell (MOT). If the staff member exceeds expectations it becomes a moment of pleasure (MOP).

In all the stages mentioned, it is the client who determines what kind MOT he/she has encountered (Jude, 1998, p.90). To achieve a level of satisfaction with financial service, it is

important that each MOT should at least result in a MOP. Institutions must establish these moments, which will be highly appreciated by customers.

3.5 Customer satisfaction ✓

Customer satisfaction is the customer's evaluation of a product or service, in terms of whether that product/service has met their needs or not, or if it has exceeded their expectations (Oliver, 1993, p.115). Satisfaction is influenced by the customer's emotional responses to the product, as well as to the perception of the quality expected (Zeithaml, 1990, p.63). Customer satisfaction should be at the heart of the marketing team, especially when the team designs the product. Failure to meet needs and expectations will result in dissatisfaction with the product/service (Parasuraman *et al.*, 1988, p.75).

Customer satisfaction with a product or service is influenced by the customer's evaluation of the product or service features (Parasuraman, 1988, p.76). Customers' emotions can affect their perceptions of satisfaction with the product/service (Zeithaml, 1990, p.100). For example, if a customer is in a bad mood, negative feelings may carry over and may influence perceptions of satisfaction. Attributions for service success or failure may influence perceptions of satisfaction as well. Customer satisfaction can also be influenced by the perception of equity & fairness. For example, if a customer goes to the reception to ask for the information on a specific product on his way out he will ask himself if he has been treated fairly, compared to other customers. Customers have to be satisfied with the service they are receiving. If they are not they pose a threat to the organisation's well-being (Parasuraman *et al.*, 1988, p.68).

3.6 Service quality dimensions

Gronroos (2000, p.63) has identified two dimensions of quality service, namely the technical and the functional. Technical quality means consumers judge the quality of services on their perceptions of the technical outcome provided and on how that outcome was delivered to them. Customers are also influenced by the technical quality of the service delivered to them

(Gronroos, 2000, p.64). It is not easy for the customer to judge (Gronroos, 2000, p.63). The customer may never know for sure whether the service was performed correctly or even if it was needed in the first place. Technical quality of the service is therefore based on the actual competence of the provider or effectiveness of the outcome (Mc Coll *et al.*, 1998, p.426). Functional quality means the process of involving the customer in participation throughout the process.

Service quality can be defined by customers and occurs where an organisation supplies goods or services to a specification that satisfies customers' needs (Mc Coll *et al.*, 1998, p.425). Dimensions of service quality are service attributes which the customers use to measure service quality, namely reliability, responsiveness, assurance, empathy and tangibles.

Parasuraman *et al.*, (1988, p.82) have outlined the service dimensions which the organisation must use to improve service quality:

- **Reliability**-ability to perform the promised service dependably and accurately. It means that the organisation must deliver what it promises its customers. Dorian (1996: 100) has described some of the important attributes of caregivers. One of these attributes is competence. Competence is defined as knowledge, skill and pride (Walker, 2000, p.151). A measure of the competence of a service industry has been found to be reflected in how it handles its bills (Larkin, 1999, p.81). Customers want to do business with companies that keep their promises, particularly those concerning core service attributes. For staff to come across as credible they must be sincere, keep promises and always stick to the facts (Cheales, 1996, p.29). Important feedback is crucial. All companies need to be aware of customers' expectations of reliability. Management has to work as a team with staff, to improve the level of service that their staff offers to their customers (Learning and Development, 1999, p.89). Customers enjoy receiving service that exceeds their expectations and, what is most important about this issue is that the customer wants it every time (Dorian, 1996, p.125).

- **Responsiveness**—is the willingness to help customers and to provide prompt service. This is another characteristic of “caregiver” referred to by (Dorian, 1996, p.50). Staff in the front line is often the ones who set the image of the company (Brian, 2000, p.52). This dimension emphasizes attentiveness and promptness in dealing with customer requests, complaints and problems. It also captures the notion of flexibility and ability to customize the service to customer needs. A company must be certain to examine the process of service delivery from the customer’s point of view, rather than from the company’s. In the financial service, a customer’s query has to be solved as soon as possible. Staff must inform the customers about the progress of the query and must follow up to see if the customer is satisfied (Learning and Development, 1999, p.90). Staff must always be dressed neatly and professionally. They must be efficient and alert to all the customer’s needs (Swartz & Iacobucci, 2000, p.45).
- **Assurance**—means the ability of the company and its employees to inspire trust and confidence in what they do. This dimension is important for services which the customer perceives involve high risk, or about which they feel uncertain about their ability to evaluate outcomes. This dimension of service quality refers to knowledge and courtesy of employees and their ability to inspire trust and confidence. In other words, it refers to their credibility. Trust is key to whether this dimension is perceived to exist (Walker, 2000, p.42). Trust and confidence may be embodied in the person who links the customer to the company (e.g. in the bank, a customer will be assigned to the banker, who will get to know the customer individually and the bank will co-ordinate all their banking services). There is “no substitute for trust”(Dawson, 2000, p.184). “Trust is everything” (Brian, 2000, p.56). Linking financial services and its personnel, and the customer and the community, leads to more enduring relationships and higher profits (Reichheld, 2001, p.29).

- **Empathy**-means carrying out the individualized attention the company provides its customers. According to Dorian (1996), a true caregiver must always be accessible. This accessibility means physical and emotional accessibility (Swartz and Iacobucci, 2000, p.56). The essence of empathy conveys the message that customers are unique and special. Canning (1999, p.217) states that, since the customers are the foundation of business, making them happy is a good business decision. Taking care of the guests is taking care of people (Romano, 2002, p.5). Customers want to feel and be part of the company that provides them with service (Larkin, 1999, p.90). In a financial service, personnel may have to call customers by name and build relationships that reflect their personal knowledge of customer requirements. This gives the firm a competitive advantage when competing with larger firms.
- **Tangibles**-refers to the physical facilities or images of the service that customers will use to evaluate quality. This involves physical facilities, equipment and appearance of personnel. Most companies combine tangibles with other dimensions, to create a service strategy which will provide fast, efficient service. Physical evidence of service includes all the tangible representations of the service such as brochures and posters (Zeithaml, 1990, p.20). Britner refers to this aspect as the “service scape” (Britner 1992:75). The service scape is the physical environment in which the service is delivered, as well as the social environment. The buildings, parking and signage are three dimensions of the physical environment. The service scape plays a critical role in shaping customer expectations, differentiating firms, employee goals and influencing the nature of customer experiences (Britner, 1992, p.80). The physical environment includes factors such as cleanliness and design factors such as colour and materials (Mc Coll *et al.*, 1998, p.370). Services are intangible products, so customers may depend on the design of the service scape to provide information on service quality (Schmitt and Simonson, 1997, p.52). Physical layout of materials such as brochures has to be such that they will be easily seen by customers at the bank.

Tellers have to look professional in their uniforms. It is important for the bank to use facilities that are clearer and easier to understand by customers when promoting its ideas. It also makes it easy for them to see which bank will cater most for their needs (Woodruffe, 1995, p.334).

If customers are dissatisfied with service, they will not immediately shift their loyalty. There is a zone of tolerance, which means the extent to which the customer is willing to accept such erratic service. For example, if the computers are off-line and the customer walks into the branch to cash a cheque, the teller will have to phone the support centre for an authorisation. If the service takes a bit longer the customer will think it acceptable to wait. It is only then the service receives the customer's attention.

A Moment of Satisfaction (MOS) happens if the staff member, either a teller or at enquiries, meets the expectations of the client. This theory can be extended to a moment of dissatisfaction (MOD). This occurs when the client is treated badly by a staff member.

3.7 Gaps Model of Service Quality

3.7.1 Background information

The Gaps Model has been used since 1990. The Gaps Model was originally developed and expounded by Parasuraman *et al.*, (1988:154). In the intervening years it has been widely used by many researchers when analysing the gaps between customers' expectations and their perceptions (Parasuraman *et al.*, 1988, p.481). The Service Quality Gaps Model serves as a conceptual framework for understanding service quality delivery. The model views service quality as five potential gaps where areas of service quality can occur. The model is divided into two sections, namely from the consumer's point of view and from the marketer's point of view (Zeithaml, 1990, p.40). Based on evidence that perceived service quality as a function of the difference between consumer expectations and perceptions, Parasuraman *et al.* (1988) conducted an exploratory study in an attempt to establish exactly how consumers evaluate service quality. The study suggested that, regardless of the service or service industry concerned, consumers use the same criteria in evaluating service quality (Zeithaml,

1990, p.39). Service quality, as perceived by the consumer, depends on the size and direction of the gap between expected service, which, in turn, depends on the nature of the gaps on the service provider's side, e.g. those associated with design, marketing and delivery of service (Parasuraman *et al.*, 1998, p.69).

The companies can use the Gaps Model to change the feeling of dissatisfaction which occurs where the actual delivery does not meet with customers' expectations of service performance, implied in a company's communication (Mc Coll *et al.*, 1998, p.154). This is called the moment of dissatisfaction (MOD). Companies need to close this gap between what customers expect and receive. This can happen when companies increase the level of service quality which the staff provides to its customers to satisfy their customers and build long-term relationships with them.

Quality entails meeting customers' expectations. It is the responsibility of the manager to balance customer expectations and perceptions and close any gaps between the two (Lovelock, 1996, p.94). This statement highlights the importance for the company of using a definition of service quality as the gap between the customer's expectations and the company's performance, as perceived by customers.

The company needs to identify the desired service and perceptions of the customer of the actual service received (Zeithaml, 1990, p.42). These will enable the company to understand and see its inadequacy in meeting customers' expectations and to have a better understanding of the measures which it must implement to close the gap. The Gaps Model consists of four levels (see Fig.1):

Gap 1 deals with identifying the customers' expectations.

Gap 2 deals with establishing the right service quality and standards.

Gap 3 deals with ensuring that service performance meets the standards set.

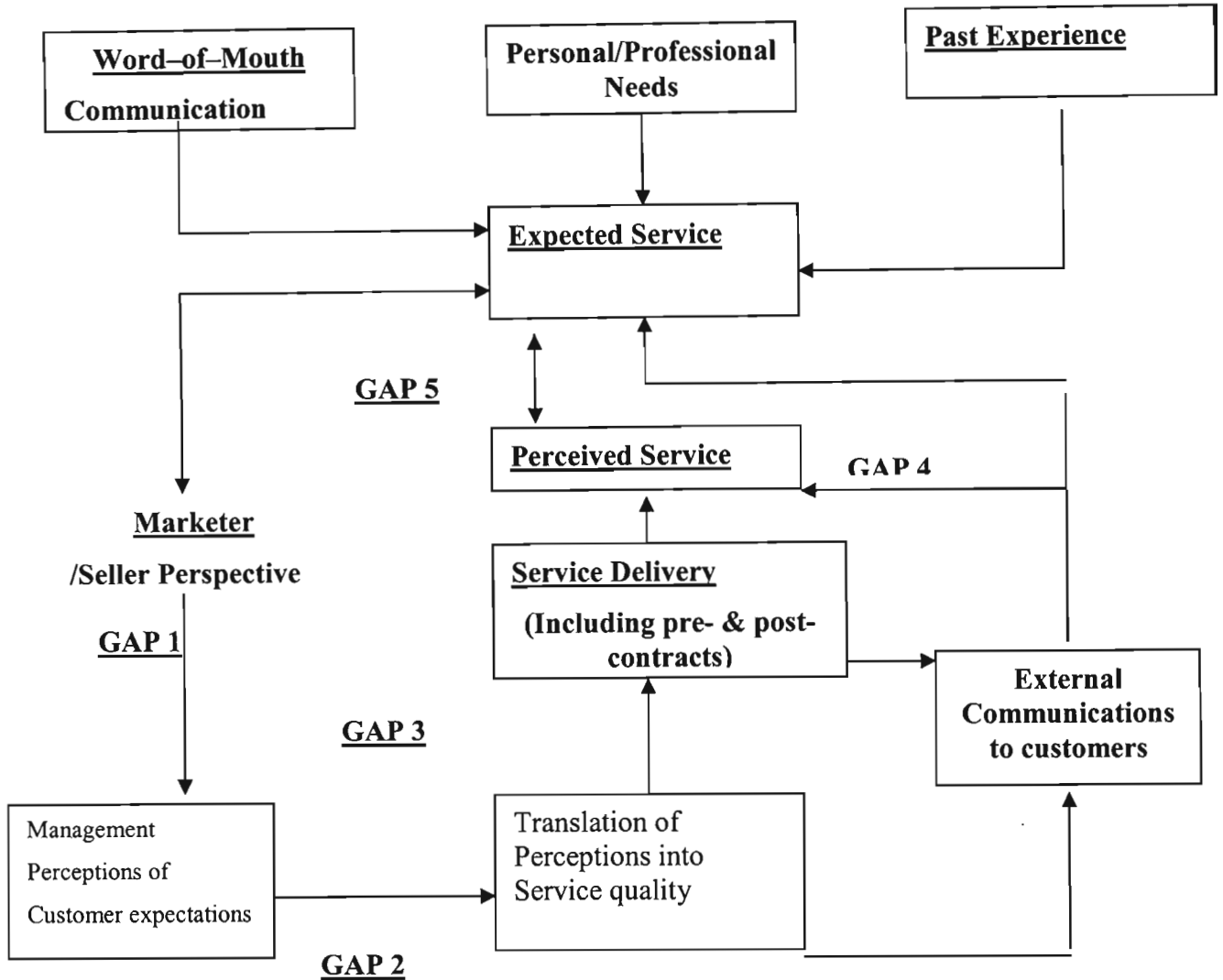
Gap 4 deals with ensuring that the service meets the promises made.

Gap 5 is a measurement that is linked to any of the above gaps.

3.7.2 The Gaps Model

Figure 1: SERVQUAL Gap Analysis Model Diagram

Customer Perspective



Gap 5 Expected service compared with experienced service
(Gronroos, 2000, p.101)

Gap 5 measures the “moment of truth” for the company (Parasuraman *et al.*, 1988, p.90).
Gap 5 is the most important, as it gives the difference between a customer’s expectations and what he really receives from services purchased. While the other gaps play an important role

in the delivery of quality service, it is Gap 5 which ultimately must be closed if an organisation is to succeed in the long run (Zeithaml, 1990, p.67).

The feeling about the service can vary from customer to customer (e.g. perceptions with the service can be bad, good or even exceed the customer's expectations). When the outcome is bad, the customer will feel disappointed, but when the outcome is good, the customer will feel satisfied and be happy to tell other people about his experience.

Gap 1 Consumer expectation and management perception

This is the difference between customers' expectations and management perception (Mc Coll *et al.*, 1998, p.154). This gap occurs when management is not aware of what customers expect, or think they know what consumers want and proceed to deliver this, when in fact customers expect something quite different (Zeithaml *et al.*, 1990, p.38). This occurs when management does not interact directly with customers, or is unwilling to ask about expectations. Gap1 could have several causes, such as insufficient use of market research, lack of interaction between management and customer, insufficient upward communication between contact employee and managers and too many layers between contact employees (Parasuraman *et al.*, 1988, p.483).

To close Gap 1, or to minimize the size of Gap 1, it is important for management/employees in the organization to have the authority to change or influence service policies and procedures (Zeithaml, 1990, p.484).

Gap 2 Management perceptions-service quality specification gap

This is the difference between the company's service quality specifications and management's perception of customer expectations (Fish *et al.*, 2000, p.168). This gap occurs when management sets specifications for quality or the specifications are not stipulated clearly (Parasuraman *et al.*, 1990, p.485). Management thinks that customer expectations are

not unreasonable. They may believe that the degree of variability inherent in the service defies standardization and therefore that setting standard will not achieve the desired specification (Lovelock, 1996). Other factors which influence this gap are failure to connect service design to service positioning, lack of customer-defined service standards, failure of the process to focus on customers' requirements, inappropriate physical evidence and service scape (Lovelock, 1996, p.371).

The gap between management's understanding the customer's expectation and the translation of these expectations into service quality depends on a number of factors:

- Management commitment to service quality.
- The extent to which the service role in the company is standardised and routine.
- Goal setting and the existence of a formal mechanism for setting the quality of service goals (Zeithaml, 1990, p.87).

In order to close Gap 2, management must be committed to improving service quality by developing customer-defined service standards to meet customers' expectations, designing services without oversimplification, incompleteness or bias (tools are needed to ensure that new/existing services are developed and improved in as careful a manner as possible) (Parasuraman *et al.*, 1998, p.420). Physical evidence to meet customers' expectations must be designed (Lovelock, 1996, p.372).

Gap 3 Service specifications-service deliveries

This is the difference between service delivery and quality specifications (Mc Coll *et al.*, 1998, p.154). This gap occurs due to human error, as well as to mechanical breakdown of facilitating or support goods (Zeithaml, 1990, p.91). Even when a guideline exists for performing service well, high quality service performance is not a certainty and appropriate resources must back up standards (people, systems and technology) (Parasuraman *et al.*, 1988, p.89). The level of the service-delivery falls short of the standard due to ineffective recruitment, poor employee technology job fit, lack of empowerment, perceived control and team work (Zeithaml, 1990, p.89).

To close Gap 3, employees should understand roles they are to play in the company. They should have clear objectives and goals concerning the company, they should implement the correct strategies and obtain regular feedback on their performance (Zeithaml, 1990, p.486). Management must recruit the right people for the right job and train them in using the technology and purchasing the equipment that will be appropriate to increasing employee-technology job fit (Liswood, 1990, p.53).

Recognition and rewards programmes must be in place. These will help to measure the performance expected from the employees to work hard and to improve team spirit among the employees (Lovelock, 1996, p.371). Empowering the employees to take control of certain areas in the department will improve the quality of service provided to the customers, minimize time wasted to get authorisation and reduce the stress level. It was found that teamwork is important in producing service of quality, because teamwork is the heart of service quality (Lovelock, 1996, p.371).

Gap 4: Service delivery-external communications

This is the difference between service delivery and the service provider's external communications. Promises made by the company through its media advertising and other communications can raise customer expectations (Zeithaml, 1990, p.115). The causes of Gap 4 are over-promising in advertising/personal selling, inadequate co-ordination between operations and marketing and differences in policies and procedures in all the service outlets (Zeithaml, 1990, p.488). Additional factors which influence external communications are that the company fails to capitalize on opportunities to educate customers on how to use services appropriately (Parasuraman *et al.*, 1988, p.350). They fail to manage customers' expectations of what they will receive in service transactions and fail to build long-term relationships. Gap 4 can be closed if the company does not promise things that it cannot provide to customers. Marketers should understand the components of the service/product which they promote (Zeithaml, 1990, p.490). The pricing strategy should be in line with competition and be fair in the customer's eyes.

3.8 Measuring service quality

Service quality can be measured by implementing a Servqual instrument, defined as a concise multiple item scale with good reliability and validity which the companies can use to measure customers' perceptions of service quality, compared to their expectations (Parasuraman *et al.*, 1988, p.168). The Servqual instrument can be adapted and designed to be applicable across a broad spectrum of services (Parasuraman *et al.*, 1988, p.167). The relative importance of each dimension to the customer can be limited to the industry, the individual business unit, the branch and the department.

Servqual is a questionnaire that was developed in the 1980s by Parasuraman *et al.* (1988:241). Their research was characterised by four phases. The first phase was to study service between customers and company, quantitatively. Phase two was a large study focusing on measuring service quality. It resulted in the development of the Servqual questionnaire. Phase three involved a research of eighty-nine fields of five countries. Phase four focused on customer service expectations and its influence on a company's process. The end result was to fine-tune the well-proven process of analysis and findings (Parasuraman *et al.*, 1988, p.242). The SERVQUAL instrument has evolved to become the most commonly used measurement instrument in marketing. A SERVQUAL instrument applies gap analysis to customer expectations and customer perceptions. Service quality is sometimes defined as a comparison between consumer expectations of service and consumer perceptions of the service level provided (Parasuraman *et al.*, 1988, p.80).

3.8.1 Advantages of the instrument

The instrument used in the study is SERVQUAL, which was developed by Parasuraman *et al.*, in 1988, to quantify the gap between customer expectations and perceptions. Parasuraman *et al.*, defines expectations as predictions made by consumers about what is likely to happen during an impending transaction or exchange.

- It serves as a diagnostic methodology for uncovering broad areas of a company's service quality shortfalls and strengths.
- It can be used periodically to track customer perceptions of service quality relative to that of its competitors.
- The instrument can be used in multi-unit retail branches to track the level of service provided by an individual department.
- The instrument can be used to categorise customers into several perceived quality segments (Parasuraman *et al.*, 1988, p.242).

3.8.2 Disadvantages of using servqual

- Numbers of researchers have failed to identify the five underlying dimensions.
- The model has been criticized for ignoring price or value.
- Customer satisfaction perceptions are poor measures of loyalty, which is seen as the ultimate goal.
- Different scores may appear to demonstrate discriminant validity and do not simply reflect some other variable (Parasuraman *et al.*, 1988, p.242).

3.9 Description of a Servqual instrument

Servqual is based upon a generic 22-item questionnaire, which is designed to cover five dimensions of service quality, namely tangibles, reliability, responsiveness, assurance and empathy (Mc Coll *et al.*, 1998, p.155).

These dimensions are:

- Tangibles-physical facilities, equipment and appearance of personnel;
- Reliability-ability to perform the promised service dependably and accurately;
- Responsiveness-willingness to help customers and provide prompt service;
- Assurance-knowledge and courtesy of employees and their ability to inspire trust and confidence;
- Empathy-caring, individualized attention, which the firm provides to its customers. (Pitt, 1995, p.261)

According to Parasuraman *et al.*, (1988) SERVQUAL measures perceived service quality according to the following formula: Q represents perceived quality for that item, P represents the corresponding perception and E represents corresponding expectation statements ($Q = P - E$) used for hospital services. This formula implies that, if expectations equal perceptions, the consumer is technically satisfied. When perceptions exceed expectations, the consumer is more than satisfied. When expectations exceed perceptions, the consumer is dissatisfied and this will reflect in a negative SERVQUAL score (Zeithaml, 1990, p.200). According to the SERVQUAL instrument, service quality is defined as a measure of discrepancy between consumers' expectations and actual service delivered (Gronroos, 2000, p.167). The outcome of the study is a measure that tells the company whether its customers' expectations are exceeded or not (Mc Coll *et al.*, 1998, p.156).

The first set of 22 items measures the expectations of the financial service within the type of service under investigation. The other measures the perception of a particular service provider (Appendix 1).

The questionnaire was constructed as a Likert scale that is a summated rating scale with 5 options, 1 being strongly disagree, 2 being disagree, 3 uncertain, 4 agree and 5 strongly agree (Appendix 1). The following studies used SERVQUAL.

3.10 Applications of the Servqual model in investigating service quality amongst general practitioner services in the Mitchell's Plain area

This study examined the service quality of general practitioners in the private sector (Naidoo, 1998). To build a customer relationship, it is necessary to know the customer in an insightful and intuitive way, in order to understand expectations and perceptions (Naidoo, 1998, p.75). The paper examines the validity and reliability of Servqual and analyses its applicability to the health care sector. The study explores whether a gap exists between customer expectations and perceptions of general practitioner service performance.

The results indicate that Servqual appears to be a consistent and reliable scale to measure health care service quality (Naidoo, 1998, p.77). The results also indicate that perceived health care service performance generally falls short of expectations. The study aimed to

provide insights to assist general practitioners to expand their services into a more comprehensive package and to highlight the critical role that general practitioners can play in the country's quest for improving the quality of health care. This research highlighted the potential of integrating patients or customers into the process of motivating general practitioner services to become more customer orientated.

3.11 Application of Servqual in retail banking

A study conducted by Blanchard and Galloway (1994) sought to determine the perceptions of customers and staff of the requirement of a quality service in retail banking. The specific objectives of this research were to demonstrate that customers perceive service quality as being different from that of the quality delivered. The service quality delivered by banking is different from what is rendered by the post office. The research strategy was to justify the objectives theoretically. The Servqual questionnaire was distributed to a small group of customers who are directly involved with the purchase of the service. The research showed that banking offered better service than the post office. The literature review and reports suggest that improvements can be made, focusing on issues such as reliability (for example, the requirement of cash to be available at all times in ATMs is clearly a reliability issue, while politeness is an assurance issue which management need to discuss with the staff). This outcome indicates that management should concentrate on periodic measurement of customers' perceptions, so as to adapt its service marketing strategies, because service is always dynamic.

3.12 A study based on service quality perception in retail banking

Nel *et al.* (1992) conducted a study based on service quality perceptions in retail banking. Parasuraman *et al.* (1988) describe how a research methodology SERVQUAL instrument was used to measure the perceptions of service quality in the retail banking industry. A systematic random sample was drawn, following a random start. The total sample size was 650. A total of 180 useable questionnaires were returned by mail. This was a response rate of

27.7%. The respondents were grouped in terms of three demographic variables: gender, age and level of education (Nel *et al.*, 1992).

The objectives of this study were:

- To determine an overall service quality score, as defined by SERVQUAL;
- To establish whether the original 22 expectations and evaluation statements represent measurements of the five service quality dimensions, as suggested by Parasuraman *et al.* (1988).
- To determine the consistency between expectations and perceptions in the retail banking industry (Nel *et al.*, 1992).

The use of statistical techniques was considered for the study and the first objective was addressed by computing the mean difference between the 22 expectation and perception items, as proposed by Parasuramal *et al.* (1988). The second objective was addressed by means of factor analyses of the original 22 expectation and perception statements. These results were used to construct a casual model, which was subjected to a path analysis in order to investigate the level of consistency between expectations and perceptions in the retail banking industry (Nel *et al.*, 1992).

Their study reported on the consumer's point of view (known as Gap 5) in the Servqual model. Gap 5 measures the "Moment of Truth" for the retail banking industry. The analysis returned a Servqual score of -0.493 (Nel *et al.*, 1992). This negative Servqual score suggests that service performance did not meet customer expectations. Retail banking therefore does not succeed in satisfying customer expectations in terms of service quality delivery (Nel *et al.*, 1992).

The highest point estimate was assurance and reliability -0.112. The second best point estimate for empathy was -0.124, having customers' best interests at heart seems to be the area of greatest concern and the lowest point estimate for tangibles was -0.379; this shows that there is considerable discrepancy between what respondents expect and what they actually receive from the bank in terms of tangible aspects of banking services (Nel *et al.*, 1992). The results confirmed that tangibles were the area in which financial service did not performs well. Although the result indicated a shortfall in terms of what customers expect

from banks and what they really receive (-0.379), there is ample room for changing perceptions regarding the items that constitute tangible dimension (e.g. physical facilities must be visually appealing to customers and materials associated with service such as brochures, promotional material and bank statements contribute significantly to forming perceptions of service quality dimensions).

As the point estimate for three variables differ from 1.000 to a considerable extent shows that there is substantial difference between what respondents expect from banking institutions and what they actually receive during service delivery. The application of SERVQUAL really showed that there was a potential need for financial services to adopt a radical change over time, in order to survive.

3.13 Summary

Financial services have to adapt to changing circumstances to retain their existing customers and becoming very competitive in facing new developments emanating from their competitors. Service quality has been shown to have a profound and substantial impact on the financial institution and strategic performance of organizations should be compatible in terms of services provided, otherwise an institution should always develop new strategies to stay ahead of others (Garvin, 1988). It is essential for organisations to develop and build adequate measures of service quality and to implement them. By doing so they will be ensuring that they come to grips with one of the fundamental predictors of performance (Garvin, 1988, p.151).

In Chapter 3 the researcher looks at ways to measure service quality. Researchers such as Parasuraman *et al.* (1988) and Gronroos (2000) seem to agree that one crucial issue of service quality is a measure of discrepancy between consumers' expectations of quality service and actual service delivery to them. It is hoped that the present study, applying the Servqual instrument, can contribute to the overall customer care strategies of all service sectors in financial institutions. Chapter 4 will look at ABSA-service quality strategy.

CHAPTER 4: ABSA-SERVICE QUALITY STRATEGY

4.1 Introduction

Chapter 4 covers the purpose, mission and vision of the amalgamation of four banks in South Africa, as well as the service quality strategy which the new ABSA Bank currently uses to service its customers.

In 1999, ABSA Bank originated from an amalgamation of four banks in South Africa. It was formed when the United Building Society, Allied Building Society, Trustbank and Volkskas came together to form one bank called ABSA Bank.

ABSA embraces three fundamentals for its existence, namely purpose, mission and vision (Abacus 1. 4, 2001). ABSA's purpose is "to be partners in growing South Africa's prosperity". According to Abacus 1. 4, (2001p.89) ABSA's mission is "to be partners in growing South Africa's prosperity by being South Africa's leading financial services group, serving all our stakeholders". ABSA's vision is "to be a customer-focused financial services group in targeted market segments" (Abacus 1. 4, 2001, p.89). This vision helps ABSA to make a difference in the life of its customers.

4.2 ABSA's five values

- Values their employees and customers and treats them with fairness.
- Demonstrates integrity in all their actions.
- Strives to meet the needs of their customers.
- Takes responsibility for their work.
- Displays leadership in all they do.

A detailed description follows of each of the values (Learning and Development, 2000, p.85).

- **Value people and treat them with fairness:** "ABSA appreciates diversity and recognizes the worth of all people. Treat each other as one expects to be treated;

ABSA acknowledges that everyone is unique and his or her needs are different. Create a work environment where people can raise ideas and opinions without the fear of being victimized or discriminated against; ABSA creates and maintains an atmosphere of mutual trust and respect. ABSA provides a challenging work environment and opportunities for personal growth for its people. ABSA gives credit and recognition to the people who have contributed to ABSA's success and achieved the best business results" (Learning and Development, 2000, p.32).

- **Demonstrate integrity in all actions:** "ABSA operates by treating its stakeholders in a fair and honest manner. It displays openness and trust in all relationships it forms with its stakeholders. ABSA conducts its professional life in a manner that will bring credit to the organization, at all times. ABSA maintains the highest level of ethics and discretion in its interaction with its stakeholders, i.e. its customers, shareholders and the community" (Learning and Development, 2000, p.40).

- **ABSA strives to exceed the needs of its customers:** "ABSA seeks to anticipate and understand the needs of its customers and endeavours to exceed customers' expectations. ABSA will focus on activities and work that will add value to its services and benefit its customers. ABSA honours its promises to its customers, to ensure credibility. It gets to know its customers and builds relationships with them. ABSA fosters ongoing knowledge enrichment and improvement among its staff, so as to improve its service towards its customers" (Learning and Development, 2000,p.45).

- **ABSA accepts responsibility for the quality of its work:** "ABSA takes ownership of its future, destiny and development. It continuously improves and sets high goals for everyone in the company. ABSA shares knowledge with its colleagues, to help them deliver a better quality of work. Management encourages teamwork and accepts joint responsibility for achievement of business goals throughout the organization, by building partnerships. Management measures performance against set standards and

ensures that non-performance is identified and corrective action taken” (Learning and Development, 2000, p.48).

- **ABSA displays leadership in all that they do:** “Staff demonstrates passion and commitment in all their dealings with customers. ABSA displays a concern for authentic personal and professional growth and for the well-being of others. ABSA consistently demonstrates integrity, honesty, trust and respect in their behaviour. Management engages the staff in continuous self-renewal and organizational renewal. ABSA utilizes fellowship, when performance requires them to rely on the capacities and insights of other people. ABSA exhibits a willingness to stand up for its beliefs, to assume responsibilities, to challenge others to admit mistakes and to change its behaviour, if contrary to the ABSA value system” (Abacus 1.8, 2000, p.40).

ABSA has three service standards that support its values. These standards are a reflection of the needs of the customer and of how customers want their services delivered to them. These service standards form the basis for “the legendary service programme” and help ABSA to deliver service that will encourage its customers to return again and again (Abacus 1.9, 2002, p.101).

4.3 Service standards to achieve ABSA’s values

Friendly and Helpful: “Staff must greet people in a warm and friendly manner. Staff needs to have a positive attitude. Being positive helps to improve attitudes towards work and customers. Customers can easily detect tension in the branch; therefore it is the responsibility of everyone to strive towards a pleasant and professional working environment. Staff must be courteous and polite when dealing with customers. They must make their customers feel important at all times. It is important for staff to know who their customers are. They should find out what is important about them. Staff must attend to customers’ different needs. They must be eager to help their customers at all times. Staff must aim to exceed their customers’ expectations. This can be done by going the extra mile. Staff must not forget the little things that make a big difference in their customers’ expectations. Staff and the management team

need to think ahead to stay ahead, i.e. know the customers' opinions and understand the situations they come across. Staff needs to be proactive and show initiative, i.e. take ownership of their jobs. Staff must seize opportunities that will add value to their product/service" (Abacus 1.10, 2002, p.65).

Quick and accurate: "Quick implies that all ABSA staff must act rapidly in assisting their customers. This will show their clients that they are valued, that they will exceed the expectations of the customers and will prove that staff can take responsibility for their own work. Quick means to deliver a desired service in a shorter time than the customer expects it. Staff must look for ways to improve service delivery. They should make optimal use of equipment and resources, i.e. staff needs time to muster their colleagues and explain to them the processes and procedures that will help them to satisfy specific customer needs. Staff is urged to read up on everything related to their work. They must develop their skills, i.e. do as many courses as are necessary to improve their knowledge of their work. Staff should have the responsibility to perform their task properly. They should keep up to date with the product and company's developments. By doing this, staff can gain confidence to resolve any problems which customers have. This will help the individual to develop his or her personal growth. It is important to keep the customer informed of what is happening. Staff needs to be organized, as this will enable them to work faster" (Learning and Development, 2000, p.65).

"Accurate" implies that all ABSA staff must actively attempt to do things correctly the first time, as mistakes cost time and money. Being accurate supports ABSA's values, particularly to demonstrate quality in their work and to exceed the requirements of their customers. Accuracy is critically important in a banking context, especially when dealing with customers' investments. Staff needs to communicate the correct facts to their customers. Staff must use a language that a customer understands. They must pay attention to what customers say and focus on the task at hand. The customer should be informed about what is needed and the facts correctly recorded. It is always prudent to take stock of what the individual knows of his/her work and to evaluate his/her knowledge against his/her performance. "There is a need

for staff to improve their knowledge, so as to stay abreast of new developments, which may have an impact on the quality of what they do” (Learning and Development, 2000, p.55).

Honest and reliable: “Staff must be sincere and trustworthy, so that they build long-lasting relationships with their customers. Staff must treat all the customers who visit the branch with dignity and respect. They must learn to admit mistakes, apologize and correct any errors as quickly as possible. They must always tell the truth and not make excuses. There must be teamwork amongst the staff. If a colleague is under pressure he/she must be assisted. It is important to keep promises. If staff commits themselves to something, they must do it. There must be follow-up and customers must be kept informed. A good rapport with the customers must be established. Staff needs to be consistent in their performance” (Learning and Development, 2000, p.58).

The customer has particular needs that must be attended to accurately and quickly. Knowledge of the customer’s needs is crucial, to enable ABSA staff to match it with ABSA service or products that will satisfy that need. Staff must communicate their understanding of the need (check with the customers). They must obtain accurate information to satisfy their needs. Some of the factors staff needs to consider when taking ownership of staff attitudes towards customers are as follows: listen attentively; staff must understand clearly what the customer wants. Ask the right questions; tell the customers how their needs will be addressed. Keep the customers informed of the progress; answer all their questions. Act with integrity, i.e. do not promise what cannot be delivered. Take responsibility for the customer’s problem, i.e. avoid sending the customer from pillar to post (Learning and Development, 2000, p.45).

In order for ABSA Bank to become the most competitive financial institution, staff has to comply with values of the bank and have to implement the service standards to support the values of the bank. This will benefit the staff to meet with the requirements of the customers as well to recruit more customers.

4. 4 Creating a customer-centric ABSA culture

ABSA's vision is to be a customer-focused financial service. This means that ABSA has to identify who their target market is and thereafter they must divide their market to meet with their standards. ABSA must use a relationship model to understand their customers' needs. This will enable them to develop products that will meet customers' needs (Abacus 1.7, 2001, p.24).

ABSA's culture is to be customer-centric. This means that ABSA focuses mainly on serving its customers. The customer is the centre of ABSA's thoughts, actions and service. Staff is the most important builders of customer-centric culture. They are the ones who must take the purpose and mission of the company and put it into the hearts and minds of customers. ABSA focuses on building long-lasting relationships with its customers, by listening attentively to their needs/demands. This will happen by responding swiftly to changing customer requirements, to meet with ABSA's expectations.

Everyone at ABSA is an ambassador for the company and must continue to maintain service excellence when dealing with customers. Creating and communicating a well-defined customer service strategy will inspire line people to develop a friendly atmosphere with their customers. ABSA has developed the 'I AM THE BRAND' programme, which is aimed at creating brand awareness, building understanding of the brand, its drivers and its values towards customers (Abacus 1.7, 2001, p.24). This programme has enabled the company to improve customers' experiences with the company. Commitment and individual action must be created. This campaign has been a great success, in the sense that more customers can easily distinguish ABSA's products from its competitors. Statistics have shown a great improvement in terms of ABSA's products that have been sold to customers. Quality of product has been rated the best (Abacus 1.3, 2001, p.80).

4.5 ABSA's different target markets

ABSA has centralized all the branches in the Pietermaritzburg area into four categories, namely Retail Banking Services, Professional Financial Service, Flexi-Banking Service and Small Business. The reason is to enable ABSA to cater to the needs of all its customers.

4.5.1 Retail Banking

Retail Banking Service focuses on the middle portion of the retail market. Most of the customers in this market segment are employed. The aim is to strive to provide ABSA's customers with high-quality, off-the-shelf, competitively priced products that will suit their specific needs. It is in this area that ABSA aims to provide the core of its retail banking, with a focus different from its competitors. A market positioning and value of mutual respect has been developed. Mutual respect is underpinned by the concept that ABSA understands and respects its customers (Abacus 1. 6, 2001, p.22). This implies emotional empowerment and comfort, confidence and guidance for customers. Efficiency, reliability and product knowledge are critical values in the bank. Product, price and service imply a competitive range of products customized for young people, students and adult customers. The Bank provides advice, care, guidance, support and assistance to its customers. Convenience and easy access are supplied through the Internet and electronic, telephonic and branch banking (Abacus 1. 6, 2001, p.22).

4.5.2 Professional Financial Service

The Professional Financial Service offers excellence in financial advice and relationship management services to ABSA's more affluent customers (Abacus 1. 4, 2001, p.35). ABSA offers differentiated service levels in terms of speed, accuracy, accessibility and e-business. ABSA also offers transactional services and exclusive financial relationship advice and service to its customers. The professional financial service team in the branch believes that creating and maintaining a culture of excellent service will result in a positive attitude and enthusiasm when dealing with customers. This will give them a better chance to cross-sell

their products and provide a better brand image in their customer's mind (Abacus 1. 4, 2001, p.35).

4.5.3 Flexi-Banking Services

ABSA concentrates its efforts on changing customer behaviour on the flexi-save basis, through cross-selling their value-added electronic services such as ATMs. Their target markets are individuals with basic transactional needs, who use simple savings, investment and insurance products. The benefit of this product, besides the financial benefit of additional revenue and profitability for the business, is that customers will migrate to electronic channels, thus reducing branch traffic. The branch would be building profitable and sustainable long-term relationships and enhancing the image of ABSA as a serious player in the market. In the longer term, it is ABSA's vision to become the preferred banker in this segment, based on the understanding of the needs and ability to innovatively provide products and services that meet the needs of customers (Abacus 1.6, 2001, p.12).

4.5.4 Small Business

Staff who have superior knowledge relating to matters of agriculture and new business will manage small business customers. This specific market contributes about one-third of business-banking service's total revenue and staff therefore need to give good advice relating to financial matters. Even with these customers there is a need for electronic services such as ATMs and Internet banking that leads to the minimization of bank charges.

4.6 Services Mix

Target marketing is product envisaged by an organisation or institution and service mix serves as objectives to reach the target, therefore this section will embark on service marketing mix, which is the set of tools available to the company to shape the nature of the service offered to customers"(Mc Coll et al., 1998, p. 17). The traditional marketing mix consists of seven ps namely: place, promotion, people, product, price, physical evidence and process.

4.6.1 Place and delivery channels

ABSA Bank offers the following delivery channels with the aim of delivering outstanding service to all customers and providing sales and service support to the product and segment (Abacus 1. 4, 2001, p.35). The customer is central to the channels' service and this means that the delivery channels are in line with customers' needs. Customers are made aware of this facility through advertising. This encourages behavioural changes, which enable customers to do business in a place which is more convenient to them.

Physical location becomes an important element when the customer becomes an active part of the production process (Mc Coll *et al.*, 1998, p.20). Location of the service should be in a place that is most convenient to both service provider and customer (Payne, 1993, p.263). Customers seek local access to services, often at a time which may not be economically advantageous to the producer (Kotler, 1996, p.441). ABSA Bank has a branch network of about 700 branches countrywide and the ATM footprint is the largest in the country (Abacus 1,1, 2001, p.65). Branches have increased the number of their ATMs all over the country, to accommodate as many customers as possible, especially in the rural areas (Victor, 2005). ATMs offer banking transactions and general service to all market segments.

ABSA Bank also encourages customers to use alternative electronic channels such as Internet, telephone and cell phone banking (Victor, 2005). The delivery channels include an Internet banking service, which caters for banking transactions, applications and general information for the individual, business and corporate market. Mobile banking offers banking transactions via cell phones to the individual markets. Security is a critical factor that needs to be considered. Due to the increase in technology, changes in distribution systems have made it possible to meet customer demands. Telephone banking services, or use of the Internet, allow customers to do their business at home, 24 hours a day.

4.6.2 Promotion

ABSA has launched a new advertising campaign, called “ABSA and proud of it.” The main purpose of this campaign is to establish the ABSA brand in the customer’s mind and to assist ABSA to become the number one choice in the financial services industry.

This message was chosen to create a sense of pride among staff members when dealing with customers, so as to build awareness and create confidence among stakeholders, as well as to make ABSA the preferred employer for the present and for the future. The theme is “Today, Tomorrow, together” reflects what ABSA stands for. It emphasizes the fact that ABSA will face today and tomorrow, together with all its customers, and all the difficulties they encounter. ABSA’s stakeholders should feel proud to be associated with ABSA. Everyone’s lives are criss-crossed by uncertainty, change, fear of the unknown, joy and happiness, but ABSA will always be a supporter in these circumstances. ABSA values its customers and would like to build lasting relationships with them (ABSA and proud of it! 2002, p.25).

ABSA has developed a product feature such as “I am the brand”, giving information about the new product that will meet the organization’s needs, as well as customers’. The marketing team has developed a product range that will bring more sales and income for the bank and favour customers’ needs.

The recent promotion brand is “My Bank”, the theme that translates all advertisements of ABSA Bank. All promotions are run in a segment specific manner. Promotions are aimed at a specific target market (ABSA and proud of it! 2002, p.25).

4.6.3 People ✓

Excellent customer service involves not only the ability to respond to customers when they have questions or complaints, but also the ability to make it convenient and desirable to continue to utilize or invest in a service (Abacus 1.2, 2001, p.65). ABSA’s management team ensures that the impression made by front-line staff has a significant impact on the business’s

success. When customers see an expression of unhelpfulness or disinterest they will decide to take their business to the competitors (Abacus 1.2, 2001, p.65).

It is vitally important that the standard of service is consistent amongst all the players within an organization, from management down to front-line staff; through to the security guard (Abacus 1.2, 2001, p.65). Management has taken the initiative of working together with the staff as a team, i.e. management has played a role in educating the staff to believe in their products (the staff was divided into groups to compete amongst each other to answer questions which related to all the products which ABSA offers to its customers; the winning team received an incentive bonus). Communication develops confident staff who will help customers to select the right products that will meet their needs and demands (Abacus 1,1, 2001, p.65).

4.6.4 Product

The product is the means by which the organisation seeks to satisfy consumer needs, which might be tangible or intangible (Mc Coll *et al.*, 1998, p.19). ABSA Bank Longmarket Street Branch offers a wide variety of products, ranging from entry-level savings accounts to very complex financial plans done for private bank and corporate customers. These products are sold through various customer segments within the Bank. Longmarket Street Branch has been segmented into mass market with specific focus on retail customers. Products are never developed without taking the value proposition of the segment into account (Abacus 1, 1, 2001, p.68).

4.6.5 Price

ABSA Bank prices according to what the perceived value would be for the customer and for a specific service (Abacus 1, 5, 2002, p.50). ABSA Bank considers the cost incurred for that service as well as the competitor price for it. The combination ultimately determines the price that is charged for a specific service on a specific product (Abacus 1, 9, 2002, p.49).

When pricing, it is important for the organisation to decide on its strategy for the product and, at the same time, to seek additional objectives. The clearer the company is about its objectives, the easier it is to set the price (Kotler, 1996, p.341). The price has to be low enough for the customers to perceive they are receiving value for money (Lovelock, 1996, p.237).

Longmarket Street Branch has to relate to the value of the product offered to the customer and has to be in line with what the customers are willing to pay, when they structure their pricing relating to costs of bank charges and rates which they offer their customers when customers apply for overdrafts, mortgage bonds and personal loans.

4.6.6 Physical evidence

Physical evidence of service includes all the tangible representations of the service, such as brochures, letterheads and business cards (Zeithaml, 1990, p.20). The ABSA Bank and ATM network is very comprehensive. ABSA signage is prominent and displayed as clearly and as visibly as possible wherever signage is being put up, whether at a branch or a dealership. The bank has a merchandising section and this makes the bank more tangible and leads to a vital product in relation to lifestyle.

4.6.7 Process

Process is the actual procedures, mechanisms and flow of activities by which the service is delivered (Zeithaml, 1990, p.20). ABSA processes form part of each product area, as far as processes for production are concerned. ABSA uses an intranet portal for communication processes, e.g. Absa news update, circulars and product policies.

In the Longmarket Street Branch, it is important for staff to explain the process of clearing cheques for customers. The branch has introduced delivery channels such as telephone banking and Internet banking, to minimize the cost for the customers and to reduce queues during peak hours. The consultants have to explain the requirements needed to apply for

facilities, as well as the personal loans and how long it will take to finalize the process (Woodruffe, 1998, p.336).

4.7 Service Quality

ABSA has used the following service quality dimensions to improve the level of customer service within the organization, to retain existing customers and to gain an edge in competing against competitors (Abacus 1.2, 2001, p.65).

According to Woodruffe (1995, p.151), access is defined as enabling customers to communicate with the relevant people needed within the bank, at any time. ABSA has located the ATM centres at the branches which are convenient to customers in terms of parking (Abacus 1.3, 2002, p.19).

Competence is the ability to perform the tasks needed to meet the required performance and the knowledge to perform the service effectively (Parasuraman *et al.*, 1998, p.82). Staff has the confidence and ability to perform their duties in a professional manner and is also instilled with the skills that lead to the ability to be trusted by customers (Abacus 1.5, 2002, p.63). Responsiveness deals with the willingness to meet customers' needs within a specific time. A customer's query or complaints are solved as soon as possible. Staff informs the customers about the progress of the query and follows up to see if the customer is satisfied (Abacus 1. 6, 2002, p.80).

“Reliability is measured against consistency in performance” (Abacus 1. 7, 2002, p.10). Management works as a team with the staff on the ground, to improve the level of service that is offered to customers. Customers enjoy receiving service that exceeds their expectations and, what is most important about this, is that the customer wants more services every time to be executed by the very same member of staff who provided the service before. Staff is encouraged by management to make an extra effort when dealing with customers, in order to retain the customer within the organization (Abacus 1. 7, 2002, p.10).

Respect/courtesy is expected from staff, who has been informed to be attentive, cheerful and polite when dealing with customers. Staff prioritises customers the most, as they pay the salaries. A customer brings the work to ABSA and therefore it is the responsibility of the staff to satisfy the customer's wants. Staff provides reliable solutions to the customer's problems (Abacus 1.8, 2002, p.84).

Empathy is the ability to understand why customers feel a certain way (Abacus 1.8, 2002, p.84). Everyone has the basic right to respond and feel the way customers do. According to Abacus 1.8 (2002), communication begins with effective listening and the staff listens to what the customer wants and determines what is required by a client. Staff controls their emotions, especially their tempers, when people are rude or create unnecessary unpleasantness. Staff develops means to rectify mistakes (Abacus 1.8, 2002, p.84).

Abacus 1.8 (2002) refers to ABSA's internal customers as partners (staff, stakeholders and shareholders). Internal customer service is important in maintaining the required level of service to the external customer. It ensures that ABSA's systems and procedures are working efficiently, reducing bottlenecks and frustration, eliminating wastage and downtime and improving quality and throughput within the various departments.

4.7.1 Quality

Re: Our customers: Total quality management is an important issue to consider, as it has an impact on the costs, efficiency and profitability of an organization (Abacus 1.9, 2002, p.50). ABSA has trained its staff to give the right information to the customer, the first time. Management give equal opportunity to everyone to upgrade with product knowledge. Staff may register to write various tests. These enable them to have good knowledge of all the various products which they sell to their customers. They institute retraining programmes to keep pace with change and new developments.

The main branch, management have implemented an e-monitor system called the Customer Delight Index (CDI) (refer to Appendix 1a), to measure the service that they offer to their

customers on a daily basis (Abacus 1.9, 2002, p.100). A sound service measurement process has been implemented to measure the quality service provided by the touch points (i.e. tellers and enquiries) within the outlets. The process has been developed in consultation with the key stakeholders, from the proposal phase through questionnaire development and the research was conducted through monitoring the system test. These monitoring systems were placed at the enquiries counter and near the tellers. When the customer goes to one of these areas, he/she has the opportunity of rating staff-members on the quality of services which they have delivered. One branch in the Gauteng region was used to pre-test a monitoring system for service quality. The test had indicated no problems and customers understood the process and answered the questions successfully. Thereafter the other regions, nationally, implemented it. The CDI methodology allows for continuous improvement on the current service and should be viewed as a dynamic, ever-changing, ever-enhancing tool that can provide valuable insights into what ABSA Longmarket Street has to do to please its customers.

4.7.2 CDI Questionnaire

According to Delivering Channel Services (2003), the questionnaire consists of six levels, namely: Hygiene, Interaction Outcome, Advisory, Value Add and One-on-one (refer to Appendix 1b). The above-mentioned levels are based on the following questions:

- **Personal appearance**, which manifests itself in the customer's eye through the following: the clothes that staff wear and how they are worn, the hairstyle, make-up and accessories such as shoes and jewellery.
- **Service counters**: its general appearance and documents/slips on the service counter. Are they neat? Are documents used by the enquiries/staff readily available when required?
- **Tone of voice and body language** is measured by the customers through the following: manner of greeting, a genuine smile, using the customer's name if he/she is regular customer, body posture that shows interest in the customer's needs.
- **Queue time**, which is experienced by the customer during peak hours/times.

- **Language** used by the staff creates mutual understanding with the customer. Staff have to use words which are easily understood by the customer and use paraphrasing as often as possible to ensure mutual understanding
- **Understanding** refers to asking customers appropriate questions and offering appropriate possibilities to customers.
- **Courteous manner:** is measured by the customer through experiencing or not experiencing the manner in which staff address the customer. Staff has to respect cultural diversity and act accordingly and staff must avoid using words which may be offensive to the customer.
- Customers want **assurance** while they are interacting with ABSA personnel and want to be able to make a judgement on the organisation's ability to assure them of confidentiality and the confidence with which their business is conducted.
- The **capability** of the staff to complete a task skilfully needs to be displayed by the person performing the task.
- Staff has to show a **willing and prompt response** when dealing with customers.
- **Effectiveness** of the staff to do right the first time when dealing with customers.
- Staff has to make the customer **feel** that they belong with ABSA.
- Transaction should be done **efficiently**, i.e. quickly and accurately.

The results which were obtained at the end of the month were not good (refer to Appendix 1a). The Longmarket Street Branch was scored an average of 80% from the Delivering Channel Services 2003 compared with the sub-branch, which was awarded the remaining 20%. The results for the Longmarket Street Branch were as follows:

Table 1 May/June 2003 CDI results

ABSA Longmarket Street Branch	Percentage
Personal Appearance	83.6%
Service Counter	91.0%
Tone of voice and body language	92.1%
Queue time	81.9%
Language	92.1%
Understanding	93.0%
Courteous manner	93.6%
Assurance	91.5%
Capability	90.0%
Willing and prompt response	93.0%
Effectiveness	93.0%
Efficiently	94.2%

At the end of research all Pietermaritzburg branches were compared and the main branch (Longmarket Street Branch) worse percentage than was expected for a main branch and that was broadly different from other branches, where the score was considered to be small. Therefore consistency became a very considerable factor, as ABSA Bank is the service provider, which needs to balance service delivery. Because the Longmarket Street Branch is the main branch, the results were expected to be good, as its staff have been in the field for more than two years. Staff had the knowledge and skill to perform their job in a professional manner.

The researcher of this study has therefore conducted a quantitative study which will enable or identify the areas that the branch needs to improve so that the conceptualisation of what is really needed can be retrieved from SERVQUAL than CDI as it shows not to be competitive or lack some kind of international recognition (Victor, 2005) to deliver better services to its users.

Good customer care relies as much on the implementation performance of an organization as it does upon stated objectives and plans. This will be determined by the efficiency of staff in performing their tasks. The level and range of accountability and responsibility will be dependent upon staff competencies and skills while performing their jobs.

4.6 Summary

Chapter 4 has examined service quality and ABSA Longmarket Street Branch marketing service quality strategy and system used to measure service quality, to understand how the branch has positioned itself in the market place to meet its customer's needs, without failure. Chapter 4 indicates that, although the branch had its own system to measure service quality, this system has not benefited the branch to achieve its goal to provide excellent service towards its customers (Delivering Channel Services, 2003).

The system lacks the characteristic dimensions of service quality which can be used to ascertain the customer's expectations and perceptions towards service that is provided by ABSA Longmarket Street Branch. The aim of this study is to investigate expectations and perceptions using the Servqual instrument, which differs from the Customer Delight Index, so that recommendations can be made for future quality service delivery. The research methodology will be presented in the next chapter, with in-depth explanations of the Servqual instrument and the research design which were used to collect data.

CHAPTER 5: RESEARCH METHODOLOGY

5.1 Introduction

Chapter 5 shows the steps that were followed to develop the methods and procedures for measuring service quality in the study. Factors such as objectives, the research design, sampling and analysis of data would be taken into consideration to provide accurate results and a greater chance of reliability and validity.

5.1.1 Purpose of the study

The purpose of this research project was to investigate ABSA clients' perceptions of service quality in the Longmarket Street Branch, Pietermaritzburg.

5.1.2 Research objectives

- To identify customers' expectations in terms of financial services;
- To ascertain the perceptions of ABSA customers towards the service that is provided to them by the ABSA Longmarket Street Branch
- To measure the gaps between the perceptions and expectations, using the Servqual scores.
- To calculate and measure scores for the five Servqual dimensions.

5.2 Research design

A descriptive study was undertaken to measure service quality in the Longmarket Street Branch of ABSA, to provide management with possible solutions. A descriptive study permits the research to be flexible and adaptable to change. Descriptive research is where a specific situation is studied either to see if it gives rise to any general theories or to see if existing general theories are borne out by the specific solution (Melville and Goddard, 1996: p.46).

5.3 Research approach

The study was more quantitative and allowed the researcher to collect a large quantity of data from a sizeable population. The use of a questionnaire permitted the data to be standardised and easily analysed.

5.3.1 Sample

In order to investigate the perception of ABSA clients of service provided to them, the sample unit was the ABSA Longmarket Street Branch, chosen from eight sub-branches in the Pietermaritzburg area because it services a large population of ABSA clients, being the centre of all the other branches. The sample elements were clients at ABSA Bank. This branch was targeted for a number of reasons: ABSA employees were always rated according to the service which they rendered to their customers. The assessment was done on a monthly basis in all eight ABSA branches, separately. The ABSA Longmarket Street Branch is the main branch and the others are sub-branches. It was disappointing to see that the main branch was rated badly when assessments were made. The researcher decided it would be a valuable project to investigate customers' perceptions of the service provided to them by ABSA's Longmarket Street Branch.

Non-probability sampling was used to obtain an accurate data analysis. According to Bailey (1987), the obvious advantage of non-probability sampling is that it is much less complicated, much less expensive and may be done on a spur-of-the-moment basis to take advantage of available respondents, without the statistical complexity of a probability sample. A non-probability sample may prove perfectly adequate if the researcher has no desire to generalize his or her findings beyond the sample, or if the study is merely a trial run for a larger study (Bailey, 1987). If the investigator plans to repeat the study at a later date, he or she may initially be more interested in perfecting the questionnaires than in the sample and may find a non-probability sample adequate (Bailey, 1987). Therefore non-probability applies to this study because it does not generalize and it is flexible in terms of providing the required results.

5.3.2 Questionnaire

The questionnaire was a Servqual instrument that was developed by Parasuraman *et al.* (1988) and the five Servqual dimensions measured were tangibles, reliability, responsiveness, assurance and empathy. Servqual is a multiple-item scale for measuring service quality (Parasuraman *et al.*, 1988, p.168). The advantage of the Servqual questionnaire is that it provides accuracy and a complete collection of all valuable factors, in the correct manner and with minimal bias (Parasuraman *et al.*, 1988, p.445).

The Servqual statements are structured as follows:

- Tangibility: statements 1-4
- Reliability: statements 5-9
- Responsiveness: statements 10-13
- Assurance: statements 14-17
- Empathy: statements 18-22 (Zeithaml, 1990, p.176) (refer to Appendix 2)

The questionnaire has two sets of twenty-two questions. The first 22 questions deal with clients' expectations of the quality of the service that the bank should offer. The next 22 questions relate to performance perceptions of the service actually provided by the banks, both being fairly similar in sentence construction. The questionnaire was constructed as a Likert scale, that is a summated rating scale with 5 options, 1 being strongly disagree, 2 being disagree, 3 uncertain, 4 agree and 5 strongly agree (refer Appendix 2). The first four statements, on tangibility, relate to the appearance of physical facilities, personnel and communication materials. The second five statements deal with reliability. This was the level of delivering desire, accuracy in performance and the actual accuracy and dependability received.

Statements concerning responsiveness dealt with actual levels of willingness to help and deliver prompt service. Assurance statements dealt with actual behaviour and knowledge of employees and their ability to build trust and confidence. Empathy statements dealt with ability to display individual attention and caring towards customers (Mc Coll *et al.*, 1998, p.155).

5.3.2.1 Piloting the questionnaire

Salant and Dillman (1994, p.120) and Allison *et al.* (1996, p.52) deal with the importance of conducting a pilot survey to test the clarity and “user friendliness” of a questionnaire.

A questionnaire was pre-tested with ten respondents from a sub-branch in Pietermaritzburg. These respondents did not form part of the sample for this study. The pre-test indicated that clients did not experience any problems with the questionnaire.

By using Servqual, research analysis is aided, as it provides a tried and tested method of analysis (Zeithaml, 1990, p.156). This allowed the data and the resulting analysis to have a higher probability of being accurate. The questionnaire is linked to the gap analysis model and was used in conjunction when the data were analysed.

5.3.3 Data collection procedures

The questionnaires were left on the front counter of the bank for a month and were administered by the receptionist, who informed customers of their existence and the need to complete them. There were 154 questionnaires that were analysed for this study. The questionnaire is in Appendix 2.

Once the letter granting permission from the University was received and the pre-test study was completed, the researcher proceeded as follows. A copy of the letter appears as Appendix 3. The procedure was as follows within ABSA Bank:

- The questionnaire was taken to the branch manager.
- Discussion with the branch manager ensued (refer to Appendix 3).
- The researcher provided explanations to the branch manager on the procedure for completing the questionnaires and her requirements.
- A receptionist helped administer the questionnaires and encouraged the respondents to complete them.
- Data was collected on 06 January 2003.
- The respondents were given a month to complete the questionnaires.
- After a month, the researcher collected the questionnaires.

5.4 Analysis of data

Data is analysed so that the researcher can provide an analysis of results from what has been studied and answers to the research questions (Sapsford and Jupp, 1996, p.162). The purpose of coding data is to render data in a form which can be presented and analysed (Birley and Moreland, 1998, p.59).

The data from the questionnaires was then captured to the statistical software package called SPSS version 11.5. Frequency tables were produced. The different descriptive statistics were calculated using SPSS.

The data from the questionnaire were captured using the specified analysis for Servqual and the different analyses were carried out, i.e. pie charts were used to display the results. The mean, which is the average score summing over the responses and divided by the sample size for each variable, was calculated (Parasuraman *et al.*, 1998, p.251). The median, which is the value in the centre of a data set, when arranged from highest to lowest, was calculated for each variable. The mode is the most frequent value (Zeithaml, 1990, p.156). The range is the difference between the highest and lowest values for each variable. This indicates consistency in the responses of people who participated in the study. The standard deviation is the square root of the variance (Parasuraman *et al.*, 1998, p.252). All these were applied to descriptive statistics (refer to Appendix 5).

5.5 Servqual calculations

The questionnaire consisted of a set of 22 questions dealing with customers' expectations and another 22 questions dealing with the perceptions customers had of the Longmarket Street Branch.

5.5.1 Calculating the scores

1. Firstly, the expectation score was subtracted from the perception score for each question.
2. For each of the five dimensions the score was averaged. For example, the first four questions relate to Tangibility and the individual scores from each question were added together and divided by four, which gave a score for that dimension.
3. For each question, the scores were added up and each was divided by the number of total respondents.
4. The scores for each dimension were then compared (refer to Appendix 4).

5.6 Reliability

Cronbach's Alpha was calculated as part of the reliability test, to assess how valid the results were and if similar results would be obtained if the sample size was increased. A value of 0.7 or higher is a very good value that indicates that there will be the same results if the survey was done with a larger sample of students (Birley and Moreland, 1998, p.62).

Cronbach's Alpha was calculated for both expectations and perceptions, as follows: The coefficient alpha value for the perceptions is 0.9398, which is good, and the coefficient alpha value for the expectations in this study is 0.9524, which is very good. The overall alpha in this case is 0.9405, which is good. These results are consistent with those reported in Parasuraman *et al.* (1988), suggesting that the measures exhibit high levels of reliability and internal consistency.

5.7 Limitations

Some of the questionnaires were not handed in because clients had forgotten and some were not completed properly, which could have impacted negatively on the results of this study. Apart from these, all the other questionnaires (154) were completed and analysed by the researcher.

The questionnaires were presented only in English. There are customers that would do better answering questionnaires in Afrikaans, Zulu or any of the other official languages in South Africa. Answering questions in different languages will shed light on different expectations from different cultures. It is possible that sampling error occurred, if only a certain group or type of customers responded due to the voluntary (that is respondent-initiated) data collection approach.

5.8 Summary

Chapter 5 presented the research methodology, data collection procedure, questionnaires and data analysis. Use of the Servqual instrument was explained and limitations of the research were presented. The reliability of the study was proven. Piloting was carried out to eliminate any possible ambiguity, unclear choices and poorly worded questions. The data collected was analysed using SPSS and data results are presented in Chapter 6, using five dimensions scores.

CHAPTER 6: PRESENTATION OF FINDINGS

6.1 Introduction

Chapter 6 presents the data collected with the use of the Servqual instrument, which was used to investigate perceptions of service quality at the Pietermaritzburg Longmarket Street Branch of ABSA Bank, by high-and low-income earners.

The primary objectives of the study were:

- To identify customers' expectations in terms of the financial services.
- To ascertain the perceptions of ABSA customers towards the service ABSA Longmarket Street Branch provides to them.
- To measure the gaps between the perceptions and expectations, using the Servqual scores.
- To calculate and measure scores for the five Servqual dimensions.

The researcher measured perceived service quality according to the formula Q (represents quality) = P (represents perceptions) - E (represents expectations).

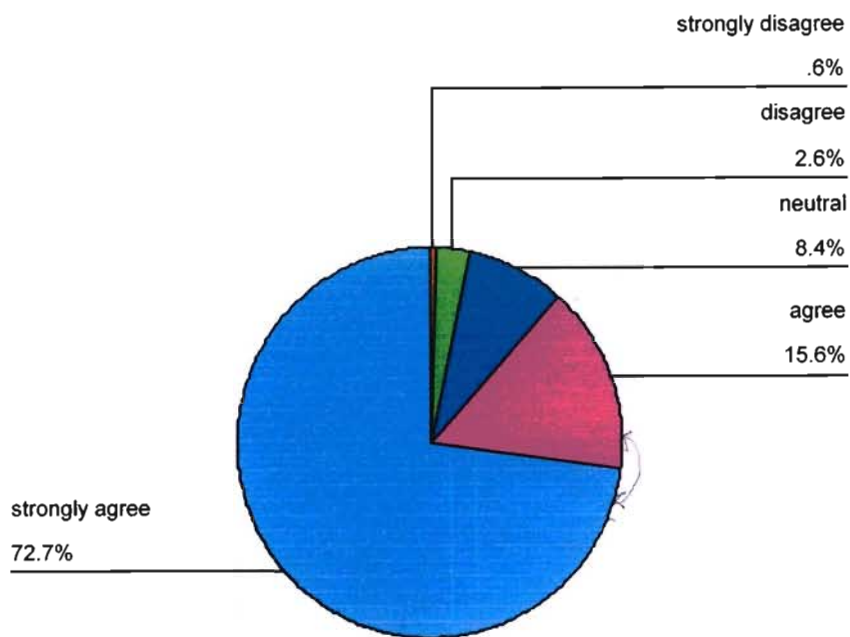
The total sample size was 250. A total of 154 questionnaires were correctly completed, resulting in a response rate of 61.6%. The respondent group was described in terms of two demographic variables: qualifications consisted of unskilled, semi-skilled, skilled and professional and race consists of Black, Coloured, Indian and White (refer to Appendix 2). The demographic profile of the sample showed that 19.5% of the respondents were professional, 16.6% were skilled, 33.0% were semi-skilled and 30.9% were unskilled. The breakdown of sample by race was as follows: 33.7% of the respondents were African, 24.1% Coloured, 13.6% were Indian and 28.6% were White.

6.2 Expectations

The researcher used pie charts to display the respondents' expectations for each of the 22 questions (refer to Appendix 6 for full details). The results were as follows:

6.2.1 Excellent financial services will have up-to-date equipment

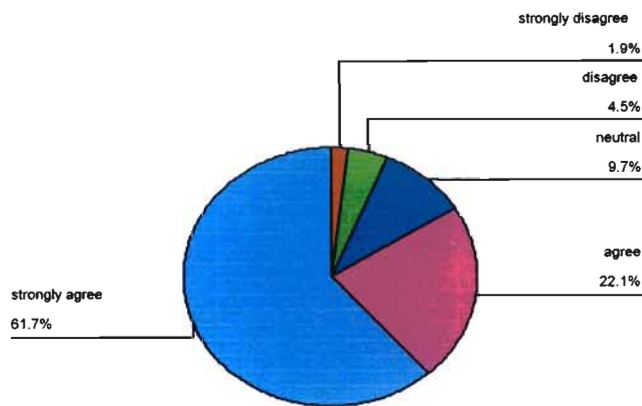
Figure 1 Up-to-date equipment



Most (88.3%) strongly agreed with this statement. Respondents expect financial service branches to have up-to-date equipment, so that the staff can provide efficient service to customers. Only 3.2% of the respondents disagreed.

6.2.2 The physical facilities at an excellent financial services branch will be visual appealing

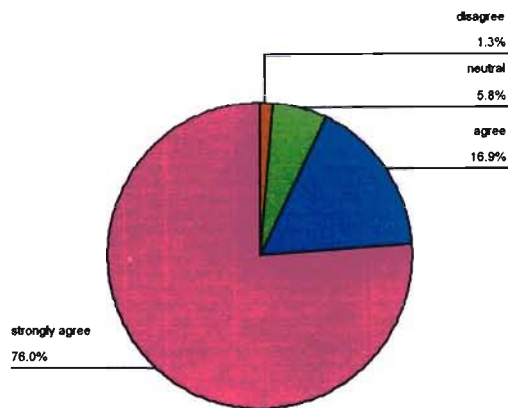
Figure 2 The physical facilities



Most financial services would like to improve the visual appeal of their branch to make them more attractive to customers. According to the study, 83.8% of respondents agreed and some disagreed with the statement. Respondents expect a branch to be visually appealing. Only 6.4% disagreed with the statement. Customers' expectations are very high and therefore physical facilities of an excellent financial service should be visually appealing.

6.2.3 Staff at an excellent financial service will be well-dressed and neat

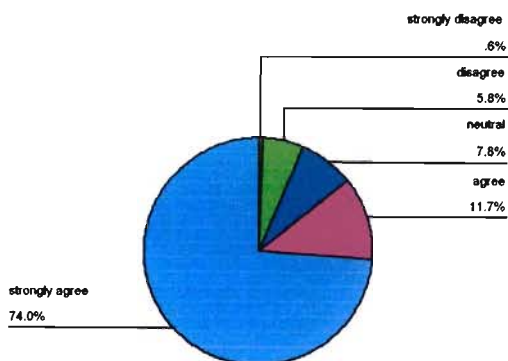
Figure 3 Appearance of the staff



Personal presentation and grooming standards are identified in accordance with the organisational dress policy. Most respondents (92.9%) expect staff to look professional in their uniforms; 1.3% of the respondents disagreed. Based on these responses, professional appearance plays a role in the work environment.

6.2.4 Materials associated with the service (such as brochures) will be visually appealing at the counter

Figure 4 Materials associated with the service are visually appealing

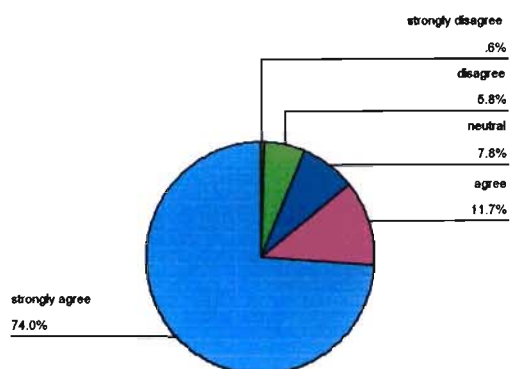


The majority (85.7%) of the respondents agreed that materials such as brochures, which provide information to customers, must be visually appealing at the counters. Brochures

should be placed at the counter for ease of reference. Only 6.4% of the respondents disagreed with the statement and did not expect brochures to be visually appealing.

6.2.5 When excellent financial services promise to do something by a certain time, they will do so.

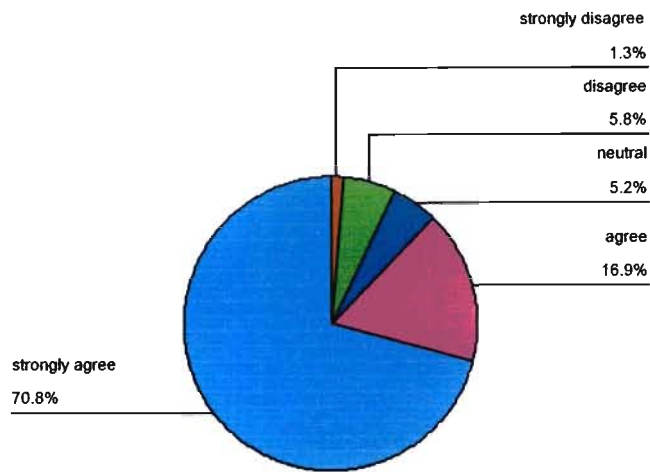
Figure 5 Service reliability



Customers are happy to deal with people who are honest and reliable in handling their problems or meeting their needs (Cheals, 1994, p.85). The majority of respondents (85.7%) agreed with the statement, i.e. they expect the financial service to deliver something at certain times and then stick to that promise. Respondents agreed that when a branch commits to an action it must carry it out. Only 6.4% of the respondents disagreed and did not expect staff to keep their promises. To them, it is not important to stick to promises and perform certain services by a certain time.

6.2.6 Excellent financial services show a sincere interest in solving customers' problems

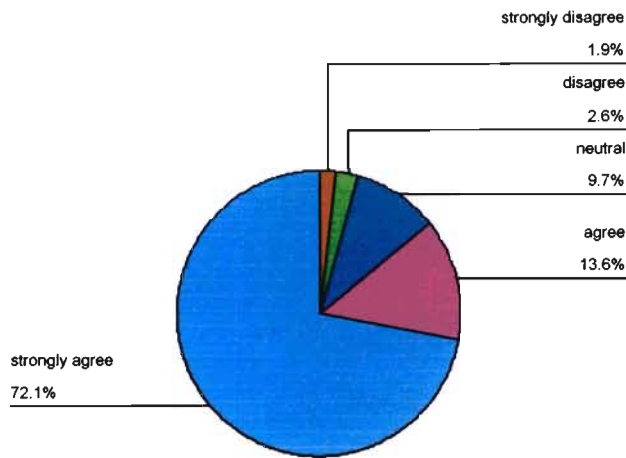
Figure 6 Sincerity on problem-solving



A helpful attitude towards customers is displayed when the staff is willing and eager to help the customers; 87.7% of the respondents agreed with the statement that they expect staff to show a sincere interest in solving their problems. Staff must aim to exceed customers' expectations; 7.1% disagreed that a financial institution should show sincere interest in solving the customers' problems.

6.2.7 Excellent financial services perform the best service correctly, first time

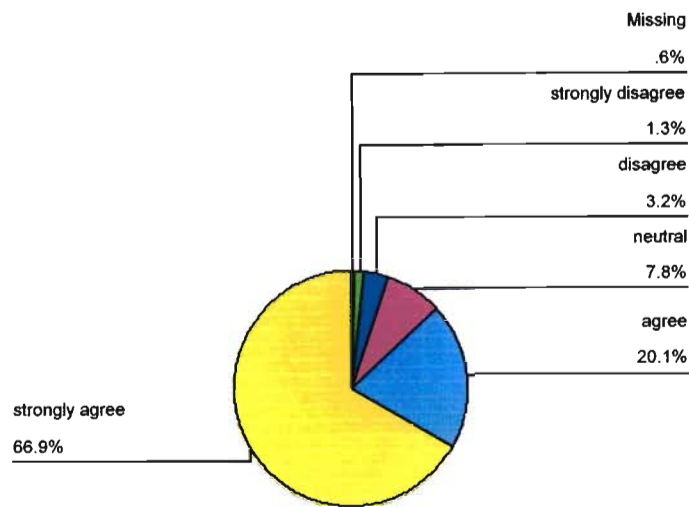
Figure 7 Deliver the best service correctly, first time



Providing a service correctly the first time provides quick and accurate assistance to customers (Jude, 1998, p.80). Most respondents (85.7%) agreed that the branch and people must be thorough in their work and strive for quality outputs. Respondents agreed to the principle of doing the important things correctly the first time and paying attention to detail and checking; 4.5% disagreed with the statement, i.e. respondents do not expect a branch to deliver the best service right the first time.

6.2.8 Excellent financial services provide their service at the times they promise to do so

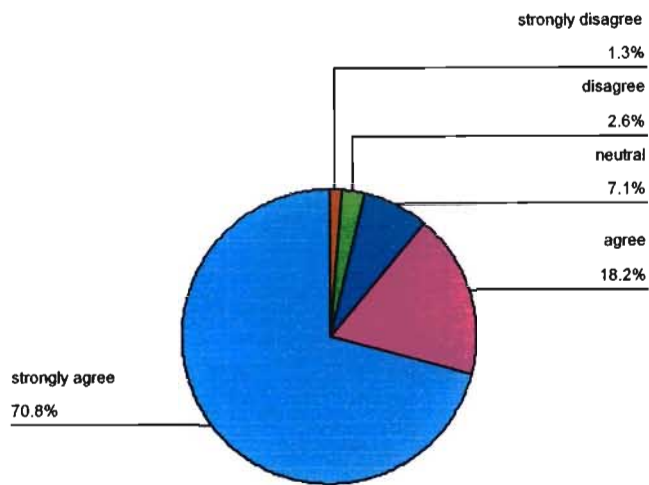
Figure 8 Service provided at time promised



A majority (87%) of the respondents agreed with the statement and expect the branch/staff to meet deadlines that are set. The branch/staff is expected to act with a sense of urgency as they promised to do so; 7.8 % of the respondents were uncertain; 4.5% of the respondents disagree with the statement and do not expect a financial institution to provide service at the times they promise to.

6.2.9 Excellent financial service insist on error- free records

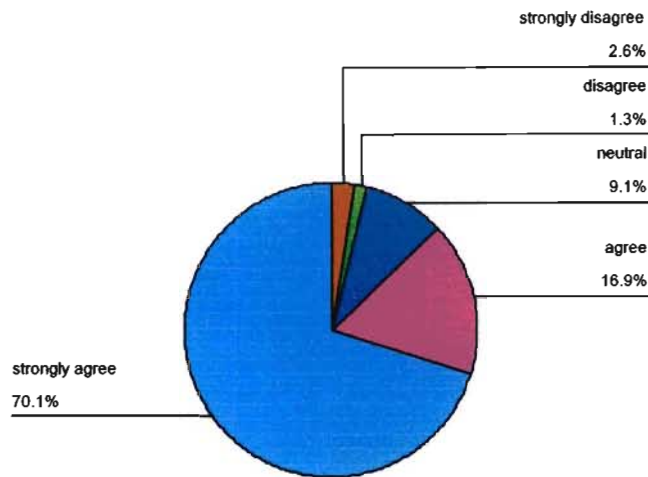
Figure 9 Provide error-free records



Problems can be minimized if staff can be consistent in their performance and correct mistakes as soon as possible (Blem, 1995, p.66). Most (89%) of the respondents agreed with the statement and expect staff to do the work accurately and reduce error in records. 7.1% were uncertain about the importance or need for the branch to have error-free records. 3.9% of the respondents disagreed with the statement, and do not expect staff to do their work accurately.

6.2.10 Staff of excellent financial services will tell customers exactly when services will be performed

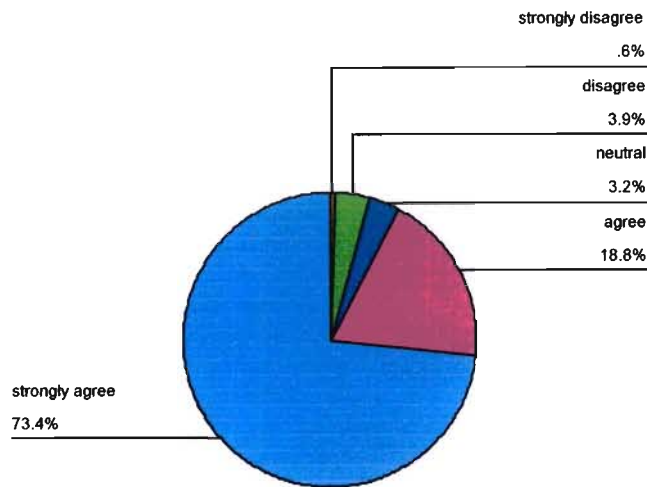
Figure 10 Performance of service



Most of the respondents (87%) agreed with the statement and expect employees of the financial service to tell the customers exactly when a service would be performed; 3.9% disagreed with the statement and do not expect staff to say exactly when the service would be performed. Customers expect the information related to their transaction to be communicated clearly to them, before they make a decision (Woodruffe, 1995, p.105).

6.2.11 Employees of excellent financial services will give prompt service to customers

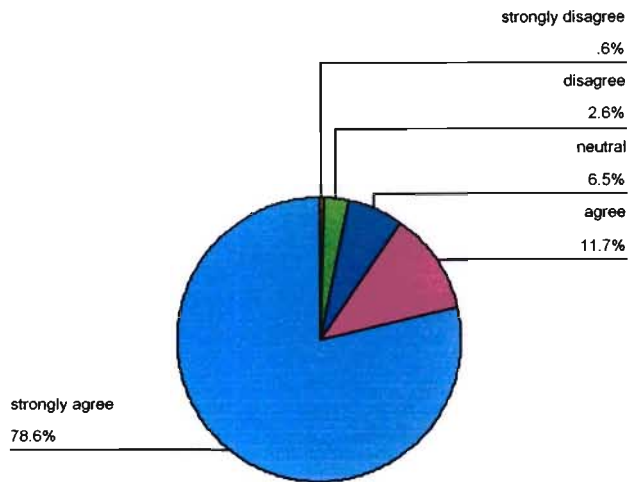
Figure 11 Prompt service to customers



Quick and accurate customer service is provided when employees use speed to meet the needs of customers (Dorian, 1996, p.85). Many (73.4%) of the respondents strongly agreed that each employee must give prompt service to customers at all times; 18.8% of the respondents agreed that the employee uses time efficiently; 4.5% of the respondents disagreed with the statement and do not expect staff to give prompt service to customers. The majority of the customers expect to deal with staff that give prompt service to them at all times.

6.2.12 Employees of excellent financial services will always be willing to help customers

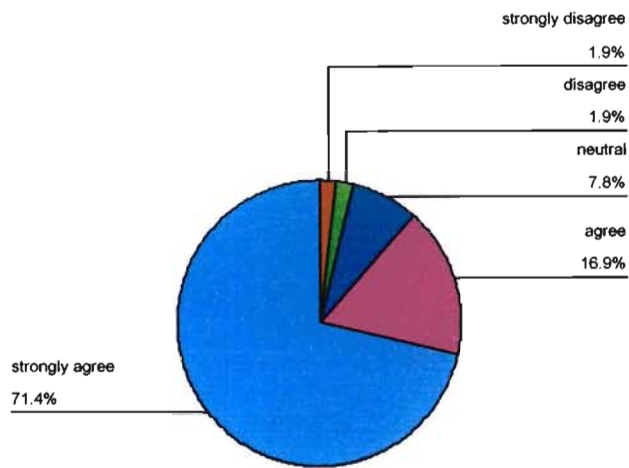
Figure 12 Willingness to help customers



Customers feel very good if staff go the extra mile and are willing and eager to satisfy their needs (Woodruffe, 1995, p.101); 90.3% of the respondents agreed on the importance of employees being willing to help their customers; 3.2% disagreed with the need for employees to be willing to help customers. The results show that the majority of customers expect the staff to show more eagerness and do more than required. Excellent financial service should employ staff that is competent and staff should help and take care of customers.

6.2.13 Employees of excellent financial services are never too busy to respond to customers' requests

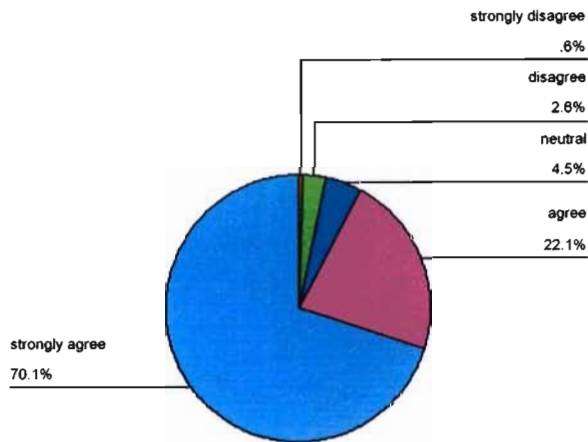
Figure 13 Respond to customer requests



Most of the respondents (88.3%) agreed with the statement and expect employees to respond to a customer's requests. Respondents expect the staff of the financial service to act with a sense of urgency in handling the customer's requests; 3.8% of the respondents disagreed. They do not expect employees to respond to the customers' requests.

6.2.14 The behaviour of employees of excellent financial services instil confidence in customers

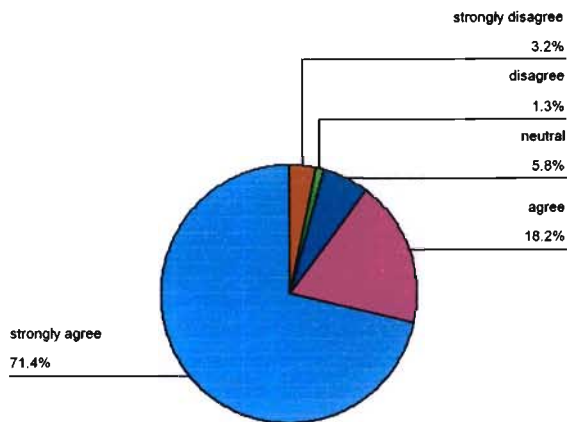
Figure 14 The behaviour of employees instil confidence



The behaviour of employees whilst performing their jobs should instil confidence in the customer (Cottle, 1990, p.96); 92.2% of the respondents agreed that the behaviour of employees instil confidence. Only 3.2% of the respondents disagreed that employees should instil confidence in customers when doing their jobs.

6.2.15 Customers of excellent financial services feel safe to do their transaction at the branch

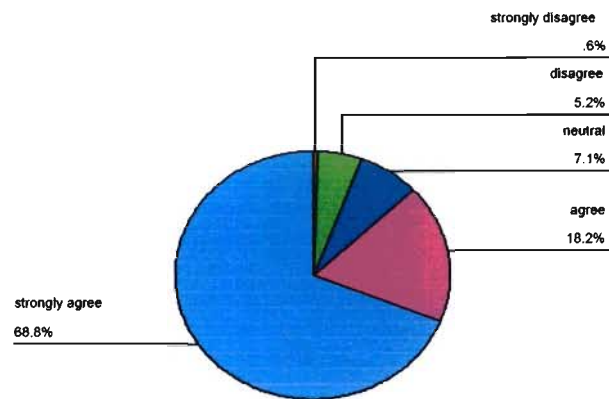
Figure 15 Safety of transactions



Customers need to know the location of the branch that they will use to carry out the transaction; 89.6% of the respondents agreed that they must have a safe place to do their transactions. Respondents expect the customers to have a safe and well-protected environment when performing their transactions. This safety relates to both the physical environment and the absence of the possibility of fraud; 4.5% disagreed and do not expect staff to provide a safe place for them to perform their transactions.

6.2.16 Employees of excellent financial services are consistently courteous to customers

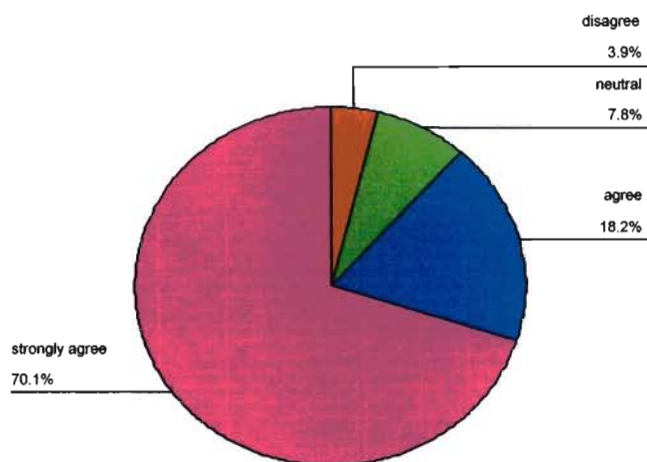
Figure 16 Consistently courteous to customers



Customers admire staff that treat them in a friendly fashion (Canning, 1999, p.198); 87% of the respondents agreed that employees of the financial service must be polite and consistently courteous when dealing with customers; 5.8% disagreed with the statement and do not expect employees to have a courteous attitude when helping customers. Canning (1999, p.217) states that customers are the foundation of business and making them happy is a good business decision. Customers want to feel that they are part of the company (Canning, 1999, p.220).

6.2.17 Employees of excellent financial services has the knowledge to answer questions

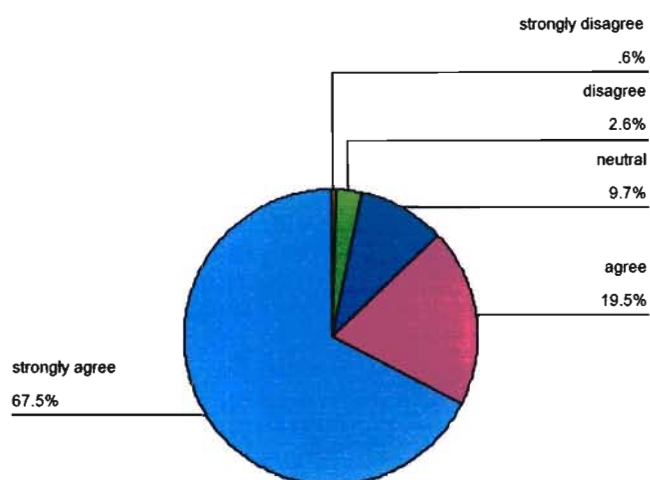
Figure 17 Staff knowledge



Employees must upgrade their knowledge by keeping up-to-date with product and company developments (Liswood, 1990, p.79). They must learn as much as possible about their jobs; 88.3% of the respondents agreed with the need for employees to have the knowledge to answer their questions. Respondent expect employees to be expert in what they say; 7.8% were uncertain and 3.9% disagreed. These respondents do not expect employees to have the knowledge to answer customers' questions.

6.2.18 Excellent financial services give their customers individual attention

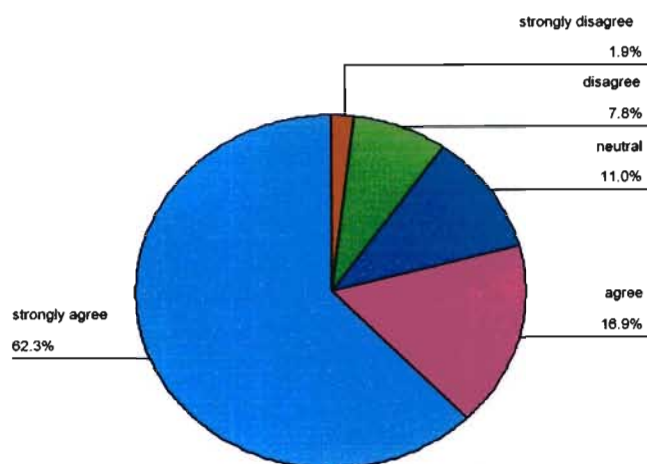
Figure 18 Give customer individual attention



Customers need undivided attention when they talk to the staff and managers (Woodruffe, 1995, p.80). Employees should look people in the eye and give the impression that the employee/manager is interested in listening to their problems or attending to their needs (Jude, 1998, p.85). As many as 87% of the respondents agreed and expect employees to give customers individual attention when dealing with them. Only 3.2% disagreed with the statement and do not expect the staff at all times to give individual attention to customers.

6.2.19 Excellent financial services branches have operating hours convenient to all their customers

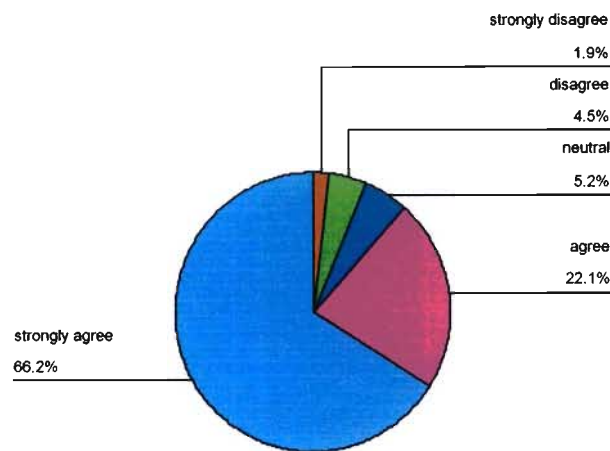
Figure 19 Operational hours



Employees must be punctual and perform their transactions very fast during peak hours (Jude, 1998, p.68). Colleagues should help their fellows. Operating hours should be flexible, to accommodate all customers (Woodruffe, 1995, p.136). More than two-thirds (78.3%) of the respondents agreed with the need for convenient hours to suit every customer. Respondents expect the working hours to be convenient to all the customers; 9.7% disagreed and do not expect the bank policy to comply with the needs of all customers.

6.2.20 Excellent financial services branches have staff who gives customers personal attention

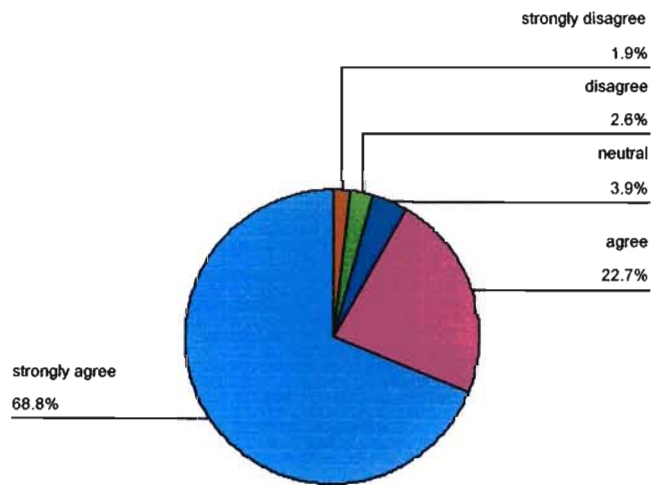
Figure 20 Personal attention



Customers appreciate people who make them feel important, treat them like royalty and attend to their individual needs differently (Dorian, 1996, p.126); 88.3% of the respondents agreed that employees should give personal attention to them and 6.4% disagreed with the statement. Thus most respondents expect staff to give customers personal attention when handling their personal matters or explaining instructions to them.

6.2. 21 Staff of excellent financial services have customers' best interests at heart

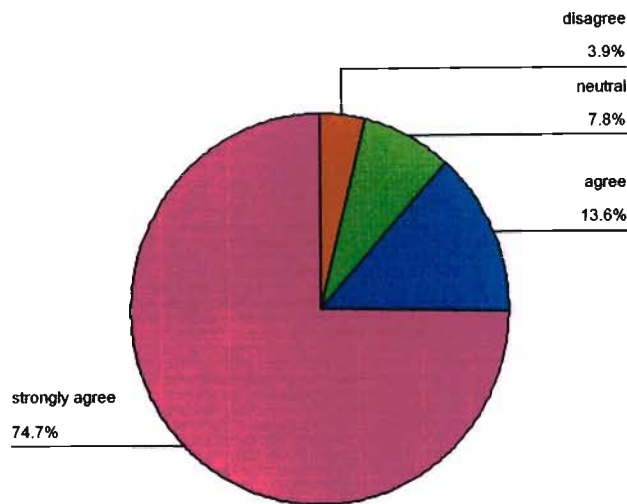
Figure 21 Staff must have customers' best interests at heart



91.5% of the respondents agreed that staff must be willing to put customers' interests first; 4.5% of the respondents disagreed with the statement and do not expect staff to have customers' best interests at heart.

6.2.22 Staff of excellent financial services understand the specific needs of their customers

Figure 22 Customers' needs



Staff must understand customers' needs thoroughly (Cheals, 1994, p.95). Most of the respondents (88.3%) agreed that staff should identify and understand customers' needs and promise to fulfil those needs. Staff should be willing to solve problems and keep the customer informed with feedback; 7.8% were uncertain; 3.9% disagreed and did not expect the staff to understand the specific needs of the customers.

Expectations in terms of the dimensions

The highest expectation on tangibles was 4.68, related to staff appearance and the average score for tangibles was 4.53. The responsiveness was rated at 4.65 in terms of willingness to help customers and average score for responsiveness was 4.58. Empathy was 4.59, which is the staff understanding the specific needs of their customers and average score for empathy was 4.48. The expectation on the assurance was rated 4.58, related to the ability of employees to instil confidence in customers and average score for assurance was 4.54. Reliability considered to be the highest was 4.55, linked with the provision of error-free records and

average score for reliability was 4.52. The average of overall gap scores for each dimension was 4.53.

Summary

This section has highlighted the dimensions in which the customers' expectations were rated the highest. This includes dimensions such as tangibles, responsiveness, assurance and empathy. The results have indicated that the majority of the respondents expect the financial institutions to provide service that will exceed their expectations all the time. The excellent financial service should formulate strategies that will assist them to satisfy customers and this will help them to gain the edge over competitors. The next section views the perceptions that are more related to expectations.

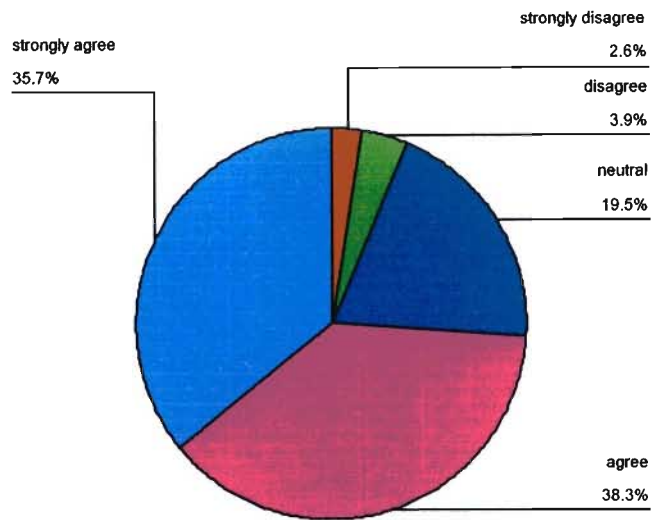
6.3 Perceptions

The perceptions customers form are vital to a service organisation, as the services they offer are intangible and sales rely heavily on a positive perception (Perreault & Mc Carthy, 1999, p.162). Perception becomes an influential factor when measuring customers' satisfaction with the service that is provided to them (Zeithaml, 1990, p.250). Customers have to be satisfied with the service they are receiving in order to build long-term relationships with customers. If they are not, they will pose a threat to the organisation's well being (Parasuraman *et al.*, 1988, p.250).

The following section presents the respondents' perceptions for each of the 22 questions (refer to Appendix 7 for full details).

6.3.1 ABSA Longmarket Street Branch has modern-looking equipment

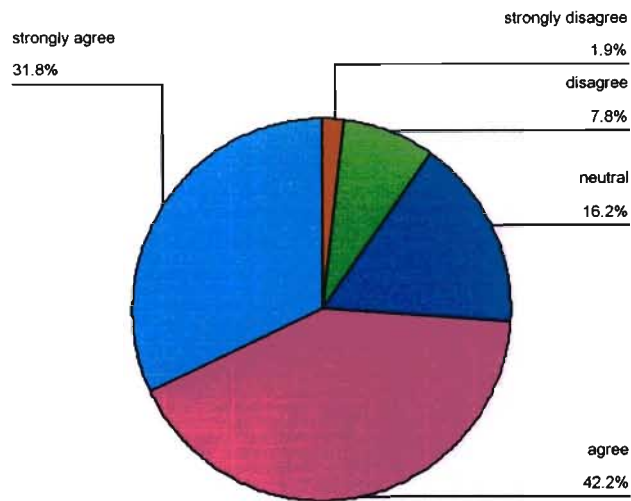
Figure 23 Modern equipment



Based on the perception that customers have of the equipment that ABSA uses, 74% of the respondents agreed that the equipment was modern looking; 19.5% were uncertain and 6.5% disagreed with the statement that ABSA has modern-looking equipment.

6.3.2 ABSA Longmarket Street Branch has visually appealing facilities

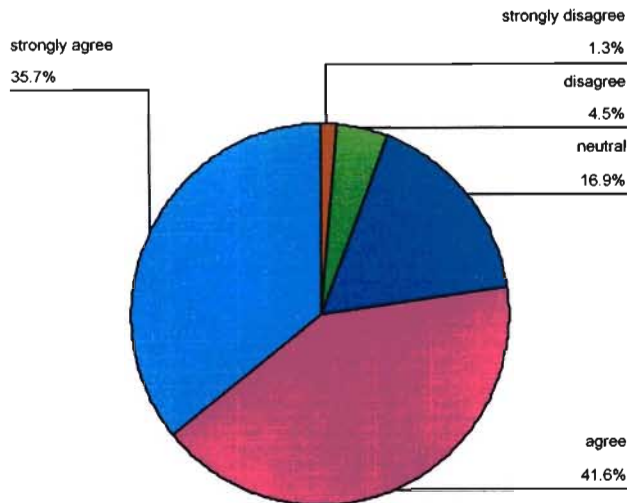
Figure 24 Visually appealing facilities



A majority (74%) of the respondents thinks that the branch looks good. The results show that branch facilities are visually appealing; 16.2% were uncertain; 9.7% do not think that the branch is visually appealing. Most retail banking services cannot be touched, seen, or sensed in the same manner that products can be physically sensed (Mc Coll *et al.*, 1998, p.48). The branch must have physical facilities that are appealing to customers. This will make it easier for customers to select the right products (Woodruffe, 1995, p.96).

6.3.3 Staff at ABSA Longmarket Street Branch is well-dressed and appears neat

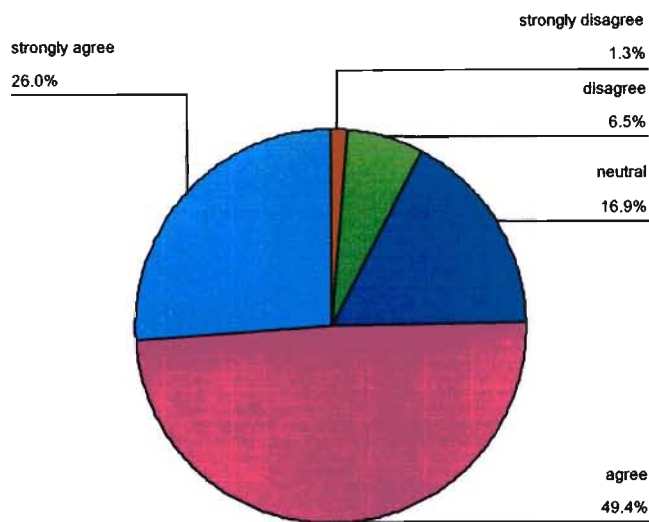
Figure 25 Physical appearance of staff



Personal presentation and grooming standards must comply with the ABSA corporate dress code, i.e. the staff image portrays the correct image of ABSA (Abacus 1.5, 2001, p.80). (77.3%) of the respondents agreed that staff are well-dressed and appear neat; 16.9% were uncertain about their feelings and 5.8% disagreed. The personal appearance of the staff gave an impression of professionalism, as it portrays the correct image of ABSA (Abacus 1.12, 2002, p.14). It is a combination of clothes, hairstyle and jewellery that creates the customer's impression of an individual's personal appearance, when interacting with someone at the branch (Abacus 1.5, 2001, p.85).

6.3.4 Materials associated with service (such as brochures) are visually appealing at ABSA's Longmarket Street Branch

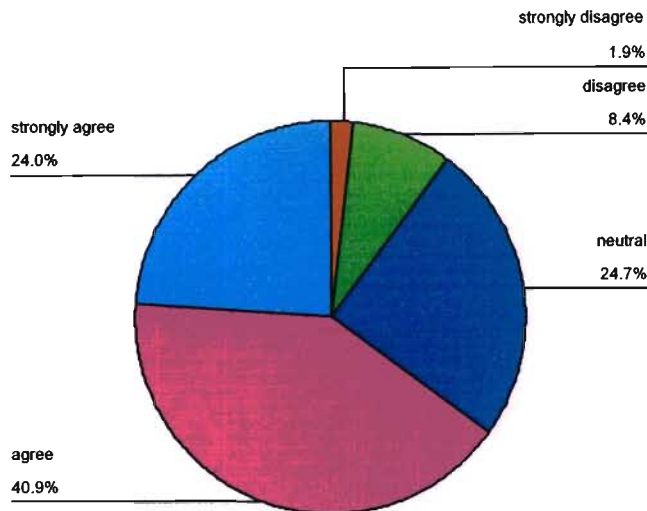
Figure 26 Materials associated with service



More than three-quarter (75.4%) of the respondents agreed with the statement, namely that the materials which ABSA Longmarket uses were visually appealing; 7.8% of the respondents disagreed and do not think they are visually appealing. Results show that it is of great concern, as the majority of the respondents agreed that the branch should provide information in the form of material such as brochures and promotional material to which are easy for customers to read.

6.3.5 When the Longmarket Street Branch promises to do something by a certain time, it does so

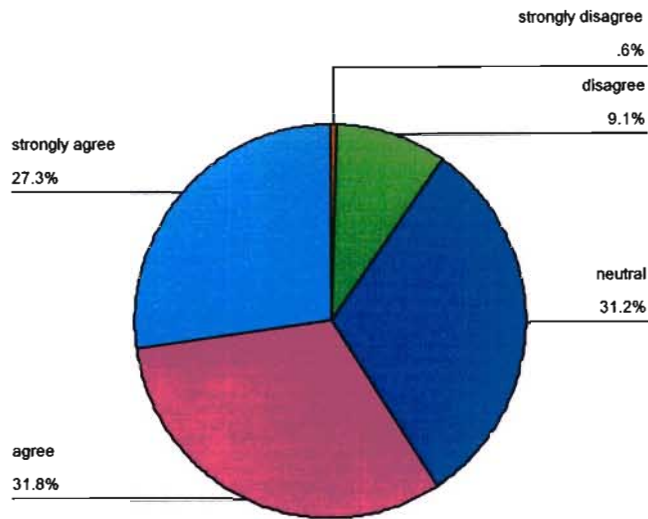
Figure 27 Fulfilment of promises



It is important for the branch to gain the trust and confidence of its customers (Learning and Development, 2000, p.45). This can happen when employees keep their promises, i.e. do what they say they will do. If they commit to something, they do it. They follow up and keep customers informed of the progress; 64.9% of the respondents agree that Longmarket Street Branch keeps its promises; 24.7% were uncertain about the statement; 10.3% disagree that ABSA Longmarket staff fulfil their promises when dealing with customers. It is of concerns that over a quarter of respondents were either neutral or believed that Longmarket Street Branch does not fulfil its promises.

6.3.6 ABSA's Longmarket Street Branch shows a sincere interest in solving the problem

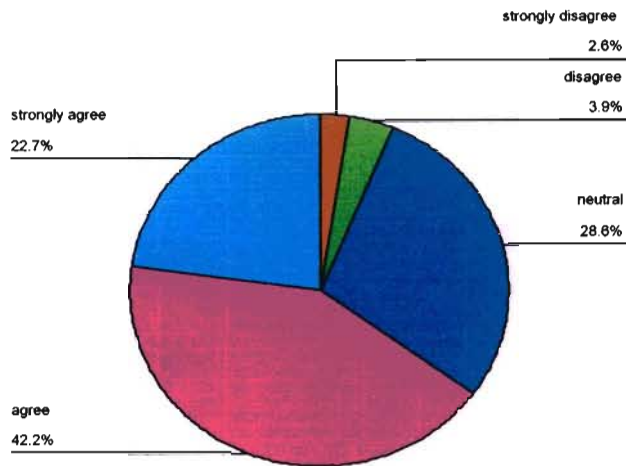
Figure 28 Sincerity of problem-solving



About 59.1% of the respondents agreed that staff who work at the Longmarket Street Branch show willingness and eagerness to help customers with their problems; 9.7% of the respondents disagreed with the sincerity the staff of Longmarket Street Branch shows when solving customers' problems. The results show that staff needs to show an interest and be willing to solve the customers' problems. If staff does this, the customer feels that he/she has received a warm welcome and is happy to become a part of the ABSA family (Jude, 1998, p.101).

6.3.7 ABSA Longmarket Street Branch performs the service right the first time

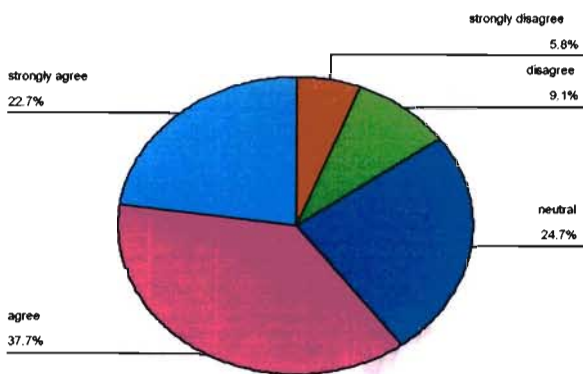
Figure 29 Branch performs the right service the first time



64.9% of the respondents agreed that staff of the Longmarket Street Branch do things right the first time; 28.6% of the respondents were neutral and 6.5% disagreed with the statement. Transactions should be done effectively. About a third of the respondents did not agree that the service is performed right the first time.

6.3.8 ABSA Longmarket Street Branch keeps its promises

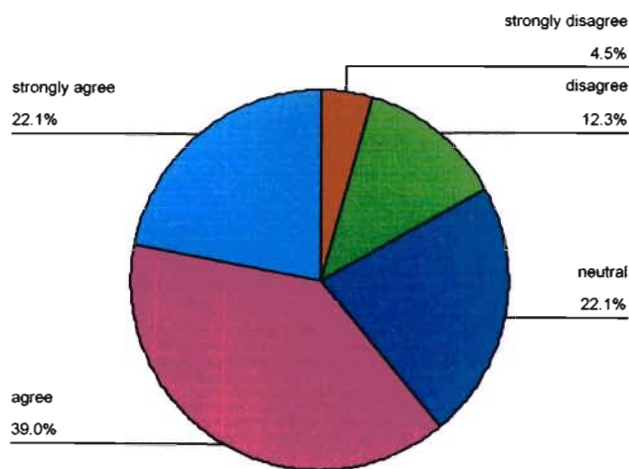
Figure 30 Branch keeps its promises



Over half (60.4%) of the respondents agreed that ABSA Longmarket staff keep their promises; 24.7% were neutral; 14.9% disagreed with the statement. The latter believes that the staff does not keep their promises when helping customers. The branch has to deliver the service, which they promise. Customers want to do business with companies that keep their promises particularly those concerning core service attributes (Zeithaml, 1990, p.98). All companies need to be aware of customers' expectations of reliability.

6.3.9 ABSA Longmarket Street Branch insists on error-free records

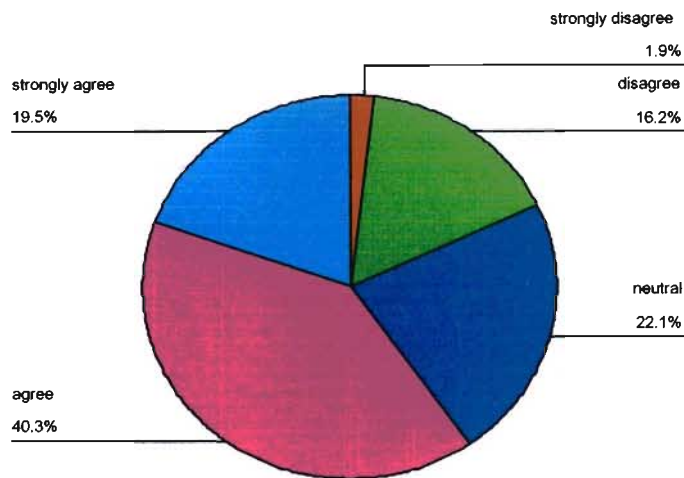
Figure 31 Error-free records of Branch



61.1% of the respondents agreed that the staff provides service to their customers with error-free records; 22.1% were neutral; 16.8% disagreed. Staff has to process transactions correctly, with no errors.

6.3.10 Staff at the Longmarket Street Branch tell customers exactly when services will be performed

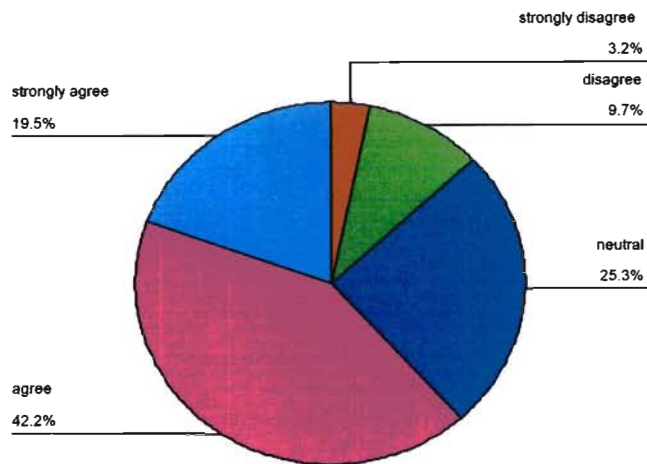
Figure 32 Telling customers exactly when services will be performed



60% only of the respondents agreed that staff tell customers exactly when services will be performed, as well as updating customers with the progress; 22.1% were neutral; 18.1% disagreed that staff inform or update the customers concerning exactly what is going to happen and even to matters relating to the future. Branch/staff has to inform customers of progress when they are solving their problems (Abacus 1.5,2001, p.80).

6.3.11 Staff at the Longmarket Street Branch give customers prompt service

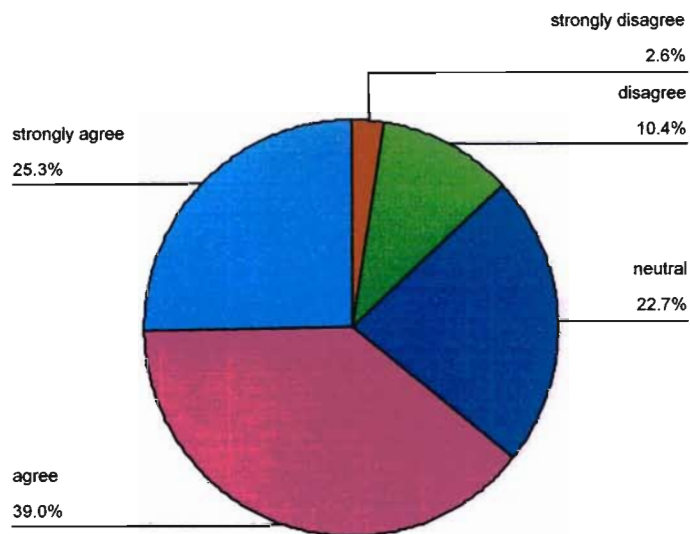
Figure 33 Branch staff give customers prompt services



61.7% of the respondents agreed that they receive prompt service from staff at the Longmarket Street Branch; 25.3% were neutral; 12.9% of the respondents disagreed with the the turn-around for them to receive answers concerning their problems. These respondents do not feel they get prompt service. Staff should show willingness and provide prompt service when interacting with customers (Jude, 1998, p.155).

6.3.12 Staff at the Longmarket Street Branch is always willing to help their customers

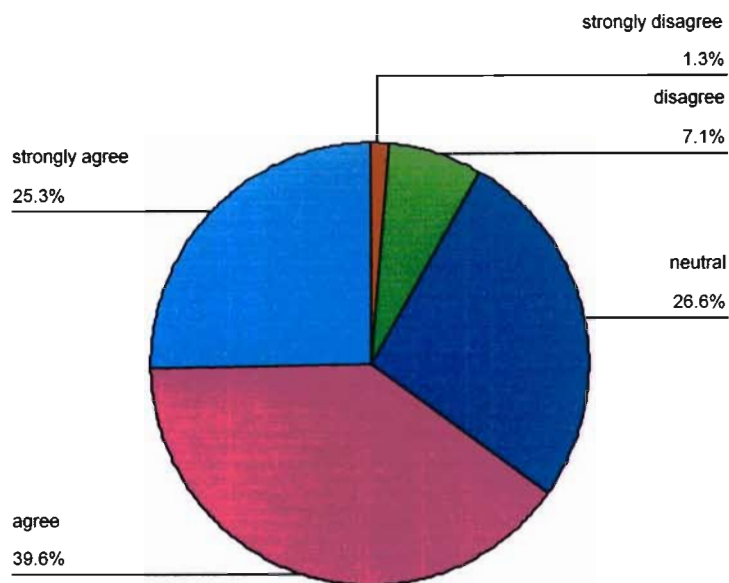
Figure 34 Branch staff willingness to help their customers



64.3% of the respondents agreed that the staff at the Longmarket Street Branch find out what is important to the customer and attend to his/her needs in a different way. Staff show willingness and eagerness to help their customers; 13% of respondents disagreed with the statement. These customers felt they seldom get staff that has time to listen to their problems; 22.7% were uncertain. Not all staff is willing to do just a little more than needed. Staff should show eagerness, be friendly, smile and listen attentively to customers' needs and be able devise prompt solutions to their problems (Woodcock, 2000, p.145).

6.3.13 Staff at Longmarket Street Branch is never too busy to respond to customers' requests

Figure 35 Branch staff never too busy to respond to requests

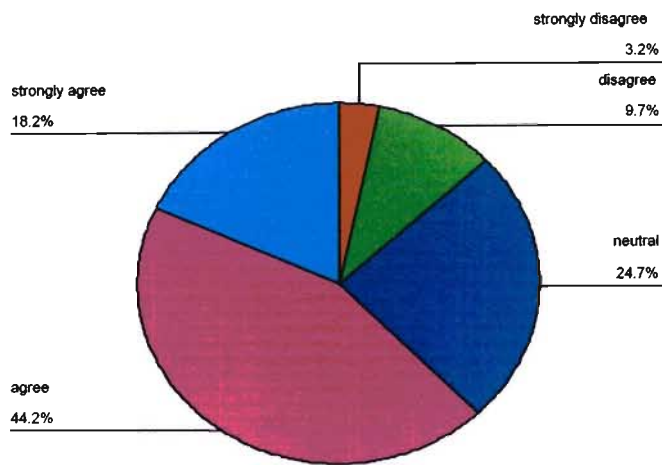


65% of the respondents agreed that staff at Longmarket Street Branch is never too busy to attend to customers' requests; 8.4% disagreed with the statement; 26.6% were uncertain.

According to Blem (1995, p. 150), "it is important for staff to show passion in their work and show interest in assisting people who need help".

6.3.14 The behaviour of staff at Longmarket Street Branch instils confidence in their customers

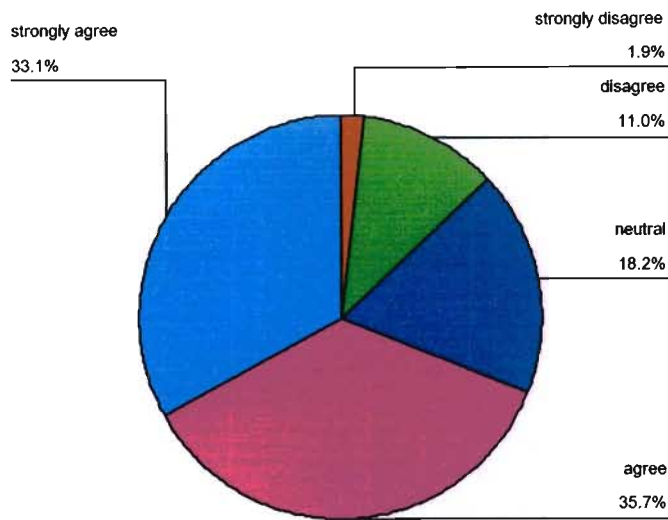
Figure 36 Branch staff instils confidence in their customers



Staff should be sincere and trustworthy, in order to build long-lasting relationships with their customers (Canning, 1999, p.204); 62.4% of the respondents agreed with the statement that the support and commitment they get from the staff instils confidence in them; 12.9% disagreed with the statement and felt that the overall behaviour of staff does not instil confidence in them.

6.3.15 Customers feel safe to do their transactions at the Longmarket Street Branch

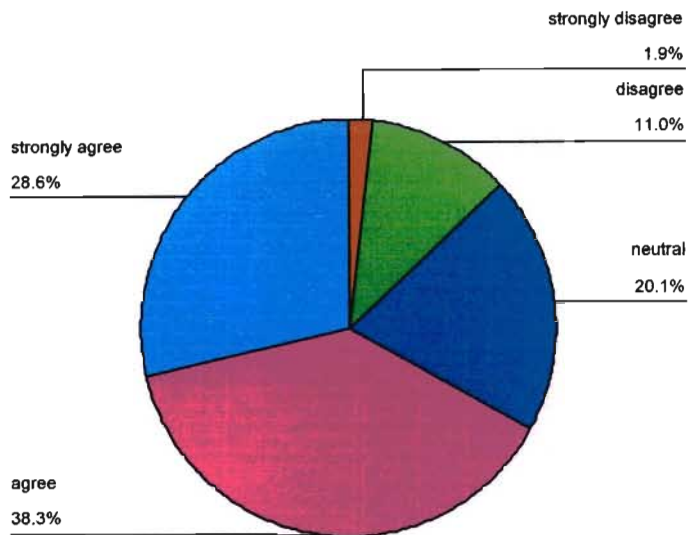
Figure 37 Customer feel safe to do their transactions



According to Woodruffe (1995, p.96), security is the most critical factor that needs to be considered. The location of the Branch is thus an important factor. 69% of the respondents agreed that they feel safe to do their transactions at the Branch. Location of the service has to be in a place which is most convenient to both service provider and customer (Payne, 1993, p.264); 12.9% disagreed with the statement. They do not feel safe in their transactions within the branch. This may be when dealing with bulk transactions in an open space, especially when dealing with cash; 20.1% were neutral. Safety in terms of fraud is also an important factor as far as customers are concerned (Woodruffe, 1995, p.70).

6.3.16 Staff of the Longmarket Street Branch is consistently courteous with their customers

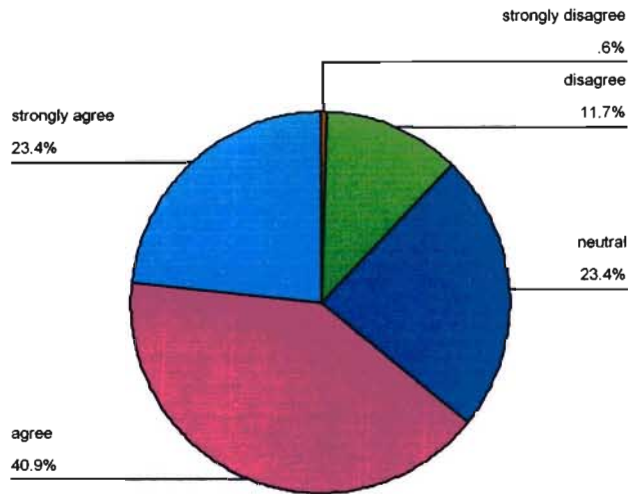
Figure 38 Branch staff consistently courteous with their customers



Staff needs to make customers feel important all the time (Canning, 1999, p.201). 67% of the respondents agreed that staff are polite and show courtesy when dealing with customers. The manner in which a member of staff addresses a customer plays an important role when dealing with customers (Woodruffe, 1995, p.62); 12.9% disagreed with the statement. They do not believe they are consistently treated with courtesy; 20.1% were neutral. It is important for staff to make customers feel important at all times when doing transactions or explaining specific products (Woodruffe, 1995, p.60).

6.3.17 Staff of the Longmarket Street Branch has the knowledge to answer customer's questions

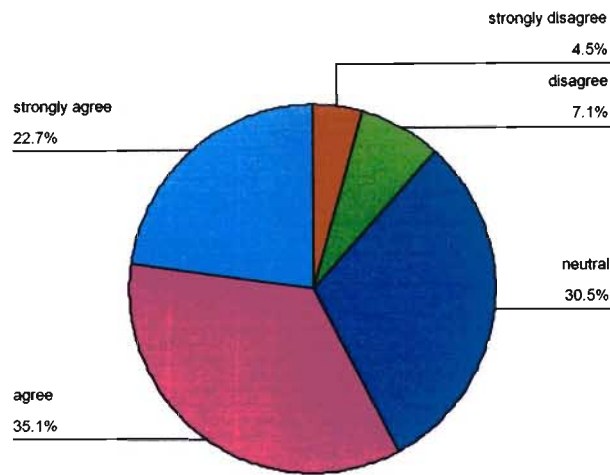
Figure 39 Branch staff knowledge to answer customers questions



Staff should continuously improve and set high goals for themselves. Staff shares knowledge with their colleagues, to help them deliver a better quality of work (Lovelock, 1996, p.89). 64.3% of the respondents agreed that staff has the knowledge to answer customers' questions; 12.3% disagreed and think that staff lacks knowledge to answer questions when dealing with customers; 23.4% were neutral.

6.3.18 Staff at the Longmarket Street Branch give their customers individual attention

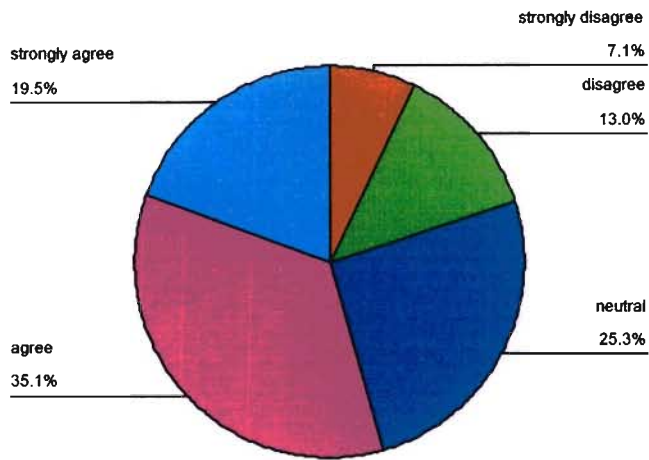
Figure 40 Branch staff give their customers individual attention



Over a half (57.8%) of the respondents agreed with the statement that the customer receives individual attention from staff; 11.6% of the respondents disagreed with the statement. The results indicated that 30.5% of the respondents were uncertain about whether or not staff gives them individual attention. This is of concern to the Branch and staff should listen attentively to what the customer wants and show willingness and eagerness to solve customers' problems (Jude, 1998, p.50). Customers would choose to visit the Branch as long as they receive good service.

6.3.19 The Longmarket Street Branch has convenient operating hours

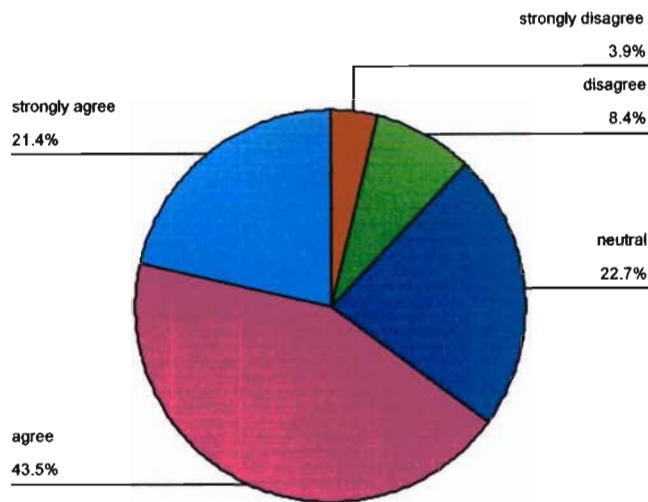
Figure 41 Branch operational hours



About a half of the respondents (54.6%) agreed that the operating hours of Longmarket Street Branch are convenient; 20.1% disagreed that operating hours are convenient to all customers and 25.3% of the respondents were uncertain.

6.3.20 The staff gives their customers personal attention

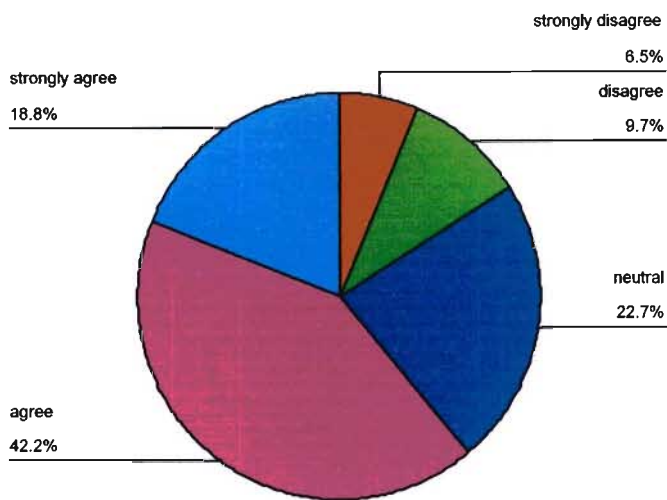
Figure 42 Branch staff gives personal attention



Customers appreciate people who make them feel important, treat them like royalty and attend to their individual needs (Dorian, 1996, p.126). Staff must appreciate the presence of their customers; 65% of the respondents agreed that they receive personal attention from the branch; 22.7% were uncertain; 12.3% disagreed with the statement that they receive individual attention.

6.3.21 The Longmarket Street Branch has customers' best interests at heart

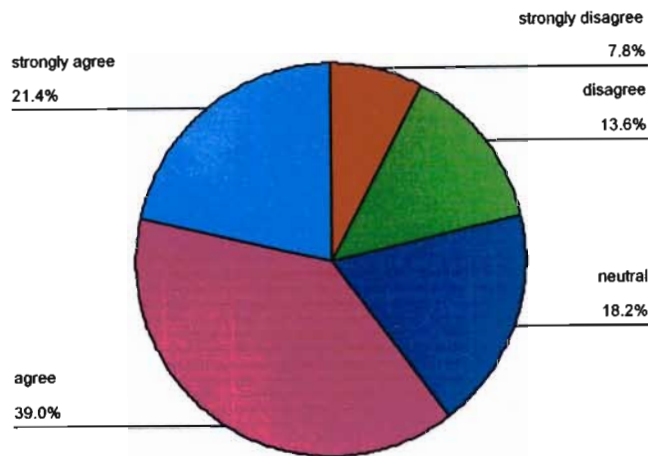
Figure 43 Branch staff has customers' best interests at heart



61% of respondents agreed that staff of the Longmarket Street Branch has customers' needs/interests at heart; 16.2% of the respondents disagreed with the statement and perceive the branch as not having their interests at heart and 22.7% were neutral. Staff should at all times prioritise their customers' needs/interests (Dorian, 1996, p.91). They should remember that the customer is all-important and the customer expects to be treated with respect and dignity (Cheals, 1994, p.50). Customers are the people who pay the ABSA staff their salaries.

6.3.22 Staff at the Longmarket Street Branch understand their customers' needs

Figure 44 Branch staff understands customers' needs



60.4% of the respondents agreed with the statement that staff understand the customers' needs; 21.4% of the respondents disagreed with the statement and perceive that the branch does not understand individuals' specific needs; 18.2% were neutral.

Perceptions in terms of the dimensions

The highest perception on tangibles was 4.06, related to physical appearance of staff and average score for tangibles was 3.98. The perception on the assurance was rated 3.87, which is the branch staff performance and average score for assurance was 3.77. The responsiveness was rated highest 3.81, in terms of branch staff being never too busy to respond to requests and average score for responsiveness was 3.70. Reliability rated 3.79, when it comes to deliver the best service at the right time and average score for reliability was 3.71. Empathy was 3.70, which is the staff giving their customers personal attention and average score for empathy was 3.58. The average of overall gap score for dimension was 3.75.

6.4 Gap analysis

Gap 5 is the difference between customers' expectations of the service they will receive and what they perceive they have received (Parasuraman *et al.*, 1988, p.125). In order to operationalise this, an average score is calculated based on a five-point rating scale for each response to each statement. This is done for all statements in both expectation and perception sections (Zeithaml, 1990, p.196). Once the different scores have been calculated, the score on each of the five dimensions can be computed, namely tangibility, reliability, responsiveness, assurance and empathy (refer to Appendix 4).

The gap analysis results were as follows:

Table 2

STATEMENTS	EXPECTATIONS	PERCEPTIONS	GAP SCORE	DIMENSION SCORE	
1	4.57	4.01	-0.56	-0.55	TANGIBLES
2	4.37	3.94	-0.43		
3	4.68	4.06	-0.62		
4	4.49	3.92	-0.57	-0.80	RELIABILITY
5	4.53	3.77	-0.76		
6	4.50	3.76	-0.74		
7	4.51	3.79	-0.73	-0.88	RESPONSIVENESS
8	4.49	3.62	-0.87		
9	4.55	3.62	-0.93		
10	4.51	3.59	-0.92	-0.77	ASSURANCE
11	4.60	3.65	-0.95		
12	4.65	3.74	-0.91		
13	4.54	3.81	-0.73	-0.90	EMPATHY
14	4.58	3.64	-0.94		
15	4.53	3.87	-0.66		
16	4.49	3.81	-0.69	-0.90	EMPATHY
17	4.55	3.75	-0.80		
18	4.51	3.64	-0.86		
19	4.30	3.47	-0.83	-0.90	EMPATHY
20	4.46	3.70	-0.76		
21	4.54	3.57	-0.97		
22	4.59	3.53	-1.06		

The highest statement gap score on tangibles was -0.62 , related to appearance of staff and smallest statement gap score was -0.43 , related to physical facilities. Average gap score on tangibles was -0.55 . The highest statement gap score of assurance was -0.94 , based on staff

instills confidence in their customers and smallest statement gap score was -0.66 . Average gap score on assurance -0.77 . Highest statement gap score on reliability was -0.93 , linked to branch insists on error-free records and smallest statement gap score was -0.73 , linked to branch performs the right service the first time. Average gap score on reliability was -0.80 . Highest statement gap score on responsiveness was -0.95 , related staff give customers prompt services and smallest statement gap score was -0.73 , related to staff never being too busy to respond to customers' requests. Average gap score on responsiveness was -0.88 . Highest statement gap score for empathy was -1.06 , related staff understands customers' needs and the smallest statement gap score was -0.76 gap score, in terms of staff who give their personal attention. Average gap score on empathy was -0.90 . Overall average for gap scores dimensions was -0.78

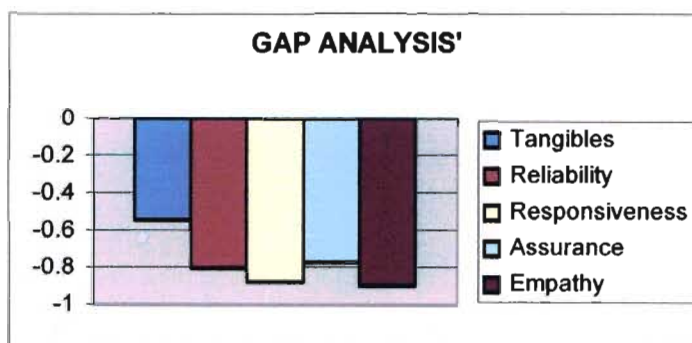
6.5 SERVQUAL INDEX

Table 3 Dimensions score

The SERVQUAL INDEX was found to be:

Dimensions	scores
Tangibles	-0.54545
Reliability	-0.80453
Responsiveness	-0.87825
Assurance	-0.77273
Empathy	-0.8974

Figure 45 Gap analysis



From Figure 45, it seems as if the greatest difference between the perceptions and expectations of the customers of ABSA is with respect to empathy, responsiveness and reliability. The negative difference implies that the expectation scores have exceeded the perception scores. The gap does not seem to be as big with respect to tangibles and assurance but still reflect the negative results in ABSA's service to its customers.

6.6 Summary

The results have shown that customers perceive that they receive excellent service from the bank, based on figures from the second half of Appendix 4, which has presented a great challenge to the staff and the management of the bank. Chapter 7 will further discuss the results presented in this chapter 6. Conclusions and recommendations will be presented, as well as what the researcher discovered and recommends for further research.

CHAPTER 7: RESEARCH DISCUSSION AND CONCLUSION

7.1 Introduction

Chapter 7 presents gap analysis results and discusses the data presented in chapter 6. The conclusion of the whole research is presented. The present research was related to customers' expectations about the service that they receive from the financial institutions. It looked at what they perceive about a particular institution; it also examined the gaps between expectations and perceptions and calculated and measured the score for the five Servqual dimensions, namely: tangibles, reliability, responsiveness, assurance and empathy. These Servqual dimensions are discussed with the research objectives in mind. The objectives were the focal point of the research, as they guided the study in terms of not losing the main aim. The objectives were as follows:

- To identify customers' expectations in terms of the financial services at ABSA Bank.
- To ascertain the perceptions of ABSA customers towards the service ABSA Longmarket Street Branch provides.
- To measure the gaps between the expectations and perceptions using the Servqual score.
- To calculate and measure the score for the five Servqual dimensions.

7.2 Objective 1: To identify customers' expectations in terms of the financial services

Expectations are formed before purchasing the service (Mudie & Cottam, 1999, p.15). Customers' expectations form an important element of quality (Mc Coll *et al.*, 1998, p.180). All companies need to be aware of customers' expectations (Parasuraman *et al.*, 1998, p.82).

The main reason for this research was to identify customers' expectations in terms of service, i.e. what they expect from financial services. The results showed that customer's expectations about the services offered by the financial institutions were limited to the services provided. The research presented a great challenge to the staff and management of the bank.

7.2.1 Expectations on tangibles

The majority of the respondents (88.3%) expect a financial service branch to have up-to-date equipment so that the staff can provide customers with efficient services. Respondents expect the staff to look professional in their working environment. The manner in which a person presents him/herself creates a good personal appearance in the customer's mind (Woodruffe, 1995, p.332). A majority (64.9%) of the respondents expect materials such as brochures to be visually appealing, so that customers can understand the message/content easily. This information enables the customer to choose the right products, at a cost which they can afford and, most of all, which meets their needs (Woodruffe, 1995, p.334).

The appearance of the staff was rated the highest statement gap score (4.68) in relation to physical appearance of staff. This implies that respondents expect staff to look professional in their uniforms.

7.2.2 Expectations concerning reliability

The highest expectation score for reliability was the provision of error-free records. Excellent financial service providers insist on no errors. This means that respondents expect staff to do the work accurately and reduce error in records. Reliability is defined by Lovelock (1991, p.368) as the ability to perform the promised service dependably and accurately. Customers enjoy receiving a service that exceeds their expectations and, what is most important about this issue is that the customer wants it every time (Dorian, 1996, p.125).

7.2.3 Expectation on responsiveness

Staff was expected to be available to help customers. Responsiveness was rated the highest statement gap score (4.65) in relation to staff willing to help their customers. Employees must be willing to help customers and to take care of their needs. Responsiveness refers to the willingness displayed when helping a customer. To meet the expectations of customers, staff should make provision for timely services (Zeithaml, 1990, p.26).

Concerning the performance of service, 87% of the respondents expect staff to tell the customers exactly when the service will be performed. A company must be certain to examine the process of service delivery from the customer's point of view, rather than from that of the company (Learning and Development, 2000, p.90). Customers formulate impressions and opinions about a company after interacting with that company and, in particular with its staff (Dorian, 1996, p.36).

Customers feel very good if staff goes out of their way to be willing and eager to satisfy customers' needs (Cheals, 1994, p.80). A high 90.3% of the respondents expect staff to show willingness to help customers meet their needs. In the present research, 88.3% of the respondents expect the staff to respond to their requests quickly. According to Liswood (1990, p. 53), companies need to train their employees to be quick and accurate when performing their tasks. Employees have to be given quality support if they are expected to do jobs at the highest level and to meet customers' needs (Blem, 1995, p.56).

7.2.4 Expectations in terms of assurance

The behaviour of staff is expected to inspire confidence to customers. Assurance was rated the highest statement gap score (4.58) in relation to staff instilling confidence when dealing with customers. This will build long-lasting relationships with customers. Staff must take ownership of their jobs (Cottle, 1990, p.96).

Company policies and procedures do change, because of new products that are developed. Periodic refresher courses and updates have to be organized to keep employees from losing touch with basic service standards (Liswood, 1990, p.45). The company and its employees are expected to inspire trust and confidence in what they do. Trust and confidence may be expected to be embodied in the person who links the customer to the company (Parasuraman *et al.*, 1998). Majority of the respondents (92.2%) agreed that the staff instils confidence to customers. Physical location becomes an important element when the customer becomes an active part of the production process (Parasuraman *et al.*, 1998, p.99). Location of the services should be in a place which is convenient to both the service provider and the customer

(Payne, 1993, p.263). 90% of the respondents expect to have a safe place to perform their transactions. Assurance means the ability of the company and its employees to inspire trust and confidence in what they do (Zeithaml, 1990, p.90). Customers often seek local access to services at a time which may not be economically advantageous to the producer (Kotler, 1996, p.441).

Liswood (1990) states that companies need to pay attention to training employees, because they can lose sight of important service principles after they have been employed for a while. The employees must upgrade their knowledge by keeping up-to-date with product and company development (Liswood, 1990, p.79). A majority of (88.3%) respondents agreed that they expect staff to have a wide knowledge to answer their questions. Management should work with staff to plan their development programme for the next six months and make sure that corrective measures are taken properly and promptly (Kotler, 1996, p.96).

7.2.5 Expectations on empathy

Empathy was rated the highest expectation score for staff understanding customers' needs. The bank deals with a large client customer base, especially if clients require individual attention. The Branch is expected to understand its customer's specific needs. Staff must understand the customers' needs and be willing to meet customers' requirements efficiently.

Branch operating hours should be convenient to all the customers. The increase in technology and changes in the distribution systems have made it possible to meet customers' demands (Woodruffe 1995, p.101). 79.2% of the respondents expect operating hours to be flexible to accommodate all customers. During peak hours branch managers should consider extending working hours to meet the needs of the customers.

Customers appreciate people who make them feel important and attend to their individual needs (Dorian, 1996, p.126). More than four-fifths (88.3%) of the respondents expect to receive personal attention when dealing with staff. Staff must be willing and eager to solve customers' problems and satisfy their needs in the most efficient manner (Parasuraman *et al.*, 1998, p.90). 92% of the respondents agreed with this statement. Staff must understand the

customers' needs thoroughly (Cheales, 1994, p.95). 88.3% of the respondents strongly agreed that staff must identify and understand the customer's needs and promise to fulfil those needs. Understanding how customers use their judgement is very important for service marketing management (Woodruffe, 1995, p.240). A company should promise only what it can deliver and deliver more than what it can promise (Kotler, 1996, p.601).

7.3 Objective 2: To ascertain the perceptions of ABSA customers towards the service ABSA's Longmarket Street Branch provides to them.

Perception becomes an influential factor when measuring customer satisfaction with the service they receive. Perceptions are considered relative to expectations. Customers perceive service in terms of the quality of the service they receive and whether or not they are satisfied with their experiences (Parasuraman *et al.*, 1998, p.74). Most financial services have to improve their visual appeal. This is supported by the fact that 61.7% of respondents expect a branch to be visually appealing. According to Brown *et al.* (2001, p. 40), service businesses know that if their customers do not enjoy the experience, do not value it and do not think it meets their needs and expectations, they will not return. Service businesses know how much value a customer can repay to the organisation over repeated visits. Providing what the customer wants benefits the company as well, because the company makes a profit through sales facilitated by these customers (Garvin, 1998, p.40).

7.3.1 Perception of tangibility

The appearance of the staff was rated the highest statement of the gap score (4.06) analysis. It is easy to recognise a member of staff when the uniform is being worn. Staff image portrays the image of the branch. Staff has to be well-groomed and professional. Staff has to look professional in their uniforms; 77.3% of the respondents agreed that staff of the Longmarket Street Branch appears neat. The manner in which a person presents him/herself creates the customers' perception of a person's personal appearance (Abacus 1.5,2001, p.85).

The physical environment, along with the goods, can be seen as a tangible element (Palmer, 2001, p.15). The design of the external and internal building can be used by customers to compare the quality of service of one institution with another (Palmer, 2001, p.16). 74% of the respondents agreed that equipment at the Longmarket Street Branch was modern-looking.

Physical evidence of service includes all the tangible representations of the service such as brochures, letters and business cards (Zeithaml, 1990, p.20). Physical layout of material such as brochures has to be such that it will be easily read by customers (Woodruffe, 1995, p.334). 76% of the respondents said that the material, including brochures, was visually appealing (Abacus 1.5,2001, p.86).

7.3.2 Perception on reliability

The highest perception score for reliability was that the branch performs the service right the first time. This can happen when employees keep their promises (Learning and development, 2000, p.86). 65% of the respondents said that the Longmarket Street Branch fulfils its promises. If staff commits themselves to something they must do it. Staff has to be consistent in their performance (Learning and Development, 2000, p.48). Staff must be willing to meet the customer's needs within a specific time. Excellent customer service comprises not only the ability to respond to customers when they have questions /complaints, but show sincere interest in solving problems (Abacas 1.2, 2001, p.58). Staff must give the impression of willingness to assist customers to solve their problems; 59.1% of the respondents said that staff of Longmarket Street Branch shows sincere interest in solving their problems.

Accuracy means that staff must actively attempt to do things correctly the first time, as mistakes cost time and money (Dorian, 1996, p.84). Accuracy is critically important in a banking context, especially when dealing with customers' investments (Woodruffe, 1995, p.99). 65% of the respondents said that the branch provides its services and does things right the first time. Customers have to be satisfied with the service that they are receiving. If they are not satisfied they pose a threat to the organisation's well-being (Parasuraman *et al.*, 1991, p.68). A dissatisfied customer could convey negative perceptions of the service provider to

other potential customers and could seek out other service providers who can better satisfy his/her needs (Kurtz 1998, p.56).

Customers want to do business with companies that keep their promises, particularly those concerning core service attributes (Zeithaml, 1990, p.98). Staff must act with integrity, i.e. they must not promise what cannot be delivered. 60.4% of the respondents said the staff at the Longmarket Street Branch keeps their promises. Factors staff needs to consider when taking ownership: keep customers informed of progress and take responsibility for the customers' problems i.e. avoid sending customers from pillar to post (Learning and Development, 2000, p.51).

According to Liswood (1990, p. 53), company policies and procedures do change and new products are developed; the level of knowledge of the staff has to enable them to perform their duties with minimal errors. This is supported by the results, 61.1% of the respondents felt that staff does provide services to their customers with error-free records.

7.3.3 Perception on responsiveness

The highest statement score for responsiveness was that staff at the Longmarket Street Branch is never too busy to respond to customers' requests. Responsiveness is the willingness to help customers and to provide prompt service (Parasuraman *et al.*, 1998, p.101). In the financial world a customer's query has to be solved promptly. Staff must inform customers about the progress of the transaction. It is important to tell customers exactly when services will be performed. 60% of the respondents said the staff *does* tell customers exactly when the service will be performed. Customers want to feel, and be, part of the company that provides a service to them (Canning, 1999, p.68). Staff shows willingness and provides prompt service when interacting with customers (Jude, 1998, p.25). This dimension emphasizes attentiveness and promptness in dealing with customers' requests and problems (Cheals, 1994, p.88).

Promptness also captures the notion of flexibility and ability to customize the service to customer needs. 62% of the respondents said that they receive prompt service from staff at

Longmarket. Staff must give the impression of willingness to assist customers to solve their needs. If the customers see an expression of unhelpfulness or disinterest, they will decide to take their business to the competitors (Abacus 1.2, 2001, p.81). 64.3% said that staff shows willingness to help their customers. Staff has to show passion in their work and should act rapidly in responding to customers' requests. This will show their customers that they are valued. It is important to keep the customer informed of the progress (Learning and Development, 2001, p.56). 65% of the respondents said that staff at the Longmarket Branch is never too busy to attend to customers' requests. The Branch has to focus on activities that will add value to its services and benefit its customers (Learning and Development, 2001, p.45).

7.3.4 Perception on assurance

Assurance was rated highest statement of the gap score (3.87) concerning that customers feel safe to do their transactions at the Longmarket Street Branch. Assurance is the ability of the company and its employees to inspire trust and confidence in what they do (Parasuraman *et al.*, 1988, p.82). This dimension is important for services which the customer perceives involve high risk or about which they feel uncertain about their ability to evaluate outcomes. Staff should be sincere and trustworthy, in order to build long-lasting relationships with their customers (Canning, 1999, p.204); 62.4% of the respondents agreed that staff instil confidence in their customers.

Security is the most crucial factor that needs to be considered (Woodruffe, 1995, p.96). Due to increase in technology, changes in distribution systems have made it possible to meet customer demands (Woodruffe, 1995, p.331). Systems have to add security to prevent fraud, especially if the transactions are done via the Internet. Customers seek local access to services, often at a time which will be more convenient to them (Kotler, 1996, p.441). Location of the service should be in a place which is most convenient to both service provider and customer (Payne, 1993, p.263). 69% of the respondent felt safe to do their transactions at the Branch.

Concerning the effectiveness of customer care, staff has to be friendly and treat customers with respect when dealing with them (Fish *et al.*, 2000). Staff needs to have a positive attitude, which helps to improve attitude towards work and customers (Dorian, 1996, p.212). Customers readily detect tension in the branch and therefore it is the responsibility of everyone to strive towards a pleasant and good working environment (Blem, 1995, p.68). Two-thirds (67%) of the respondents agreed that staff is courteous and polite whilst dealing with customers. Staff must make customers feel important at all times (Jude, 1998, p.36). The manner in which one addresses a customer is very important (Abacus 1.10, 2002, p.41). Staff needs to address customers by their names. It is also important to respect cultural diversity and act accordingly (Zeithaml, 1990, p.93).

Staff shares knowledge with their colleagues, to help them to deliver a better quality of work (Lovelock, 1996, p.89); 64.3% of the respondents agree that staff has knowledge to answer the customers' questions. Training should recast the vision of the bank. This means that employees should be given high quality support if management expect them to perform jobs at the highest level and meet customers' wants and needs (Liswood, 1990, p.86).

7.3.5 Perception on empathy

The highest statement of the empathy was that staff gives personal attention to customers. According to Jude (1998, p.101), "staff must pay attention to what customers say and focus on the task at hand. Listening attentively is a very crucial factor when dealing with customers". Staff must understand clearly what the customer wants, ask the right questions and tell the customer how they will address the need; 58% of the respondents agreed with the statement that the customer at the Longmarket Street Branch receives individual attention from staff. Customers will use the branch as long as they receive good service. 30.5% respondents were uncertain, and 11.6% disagreed.

Operating hours should be flexible, to accommodate all customers. Due to increase in technology, changes in distribution systems have made it possible to meet customer demands (Woodruffe, 1995, p.101). More than half (55%) of the respondents agreed that the operating

hours that the Longmarket Branch offers to its customers are convenient, 25% respondents were uncertain and 20% disagreed. 65% of the respondents agreed that staff gives them personal attention when they visit the branch.

The Branch determined what is important to the customer and attends to his/her needs in a different way (Cheales, 1994, p.75). Branch/staff had customers' needs/interests at heart. Staff remembered that the customer is always important; they are the people who pay staff salaries (Jude, 1998, p.100). The results indicated that 61% of the respondents agreed that staff of the Longmarket Street Branch has customers' needs and interests at heart.

Concerning the issue of understanding customers' needs, 60.4% of the respondents agreed that staff understand their needs. Communication begins with effective listening. The staff must re-phrase the question to make sure he/she understands the customer's requirements (Abacas 1.2, 2001, p.59). Staff needs to be proactive and show initiative. Staff must seize opportunities that will add value to their services. Since all the financial services offer the same product, one way of differentiating themselves from their competitors is by offering excellent services that will exceed the customer's expectations.

7.4 Objective 3: To measure the gaps between the expectations and perceptions using the Servqual scores

Objective 3 deals with overall gap scores of expectations and perceptions of Servqual, and compare to the past research scores, which were provided through CDI. Tangibility (-0.43) was the smallest gap, i.e. the Longmarket Street Branch has visually appealing facilities. That means the Branch does not use facilities that are appealing to customers. The score for tangibility was -0.62, which relates to the physical appearance of staff. However, according to Nel's study the results indicated a shortfall (-0.379) on tangibles which relate to materials associated with service such as brochures. In terms of CDI findings, actual score on tangibles was 89.7%. This indicates that personal appearance of staff at the Longmarket Street Branch was well groomed. The researcher supposes that the uniform that staff wears play its roles in terms of making it easier for customers to identify staff members.

The statement of the gap score for reliability was that ABSA's Longmarket Street Branch performs the service right the first time. Reliability was rated -0.73 as the smallest statement gap score. This indicates that the staff is not doing things right the first time. This can enable the branch to gain competitive advantage over its competitors. The lowest statement score for reliability was -0.93 . Based on Nel's study which was looking at customer service had reliability rated -0.112 . It indicated that customers want to deal with the branch that performs the best service right the first time. In terms of CDI findings, results were 83.6% on reliability. This indicates that the transaction was done accurate the first time. It implies that staff is accurate when dealing with transactions and user friendly.

The statement gap score for responsiveness was -0.73 , related to the fact that staff at the Longmarket Street Branch is never too busy to respond to customers' requests. The results showed that customers perceive that the staff attends to their requests immediately. In terms of CDI findings, results were 93% on willing and prompt response. Staff at the Longmarket Street Branch gives customers prompt service.

The smallest statement gap score for assurance was -0.66 . Customers do not feel safe to do their transactions at the Longmarket Street Branch. Safety and security to prevent fraud are the critical factors that need to be considered in the banking environment, so that customers feel safe to do their transactions at the branch (Woodruffe, 1995, p.17). The biggest score was -0.94 . However in Nel's study the result on assurance was -0.112 . Assurance should be the focus of management to secure their existing customers as well as win new customers. CDI findings, have indicated that a majority of customers (94.4%) have shown trust and confident in dealing with ABSA front line staff at the Longmarket Street Branch (Appendix 1a).

The statement of the gap score for empathy was -0.76 , which implies that staff did not give their customers personal attention. It is thus important to give customers personal attention when staff deals with customers. The lowest score was -1.06 . In Nel's study the results were -0.124 . This indicated that having customers' best interests at heart seems to be area of

greatest concern. Meanwhile the CDI results on empathy were 93.3% illustrating staff positive understanding of customers' needs.

After comparing the differences between perceptions and expectations, the results have shown a negative score, as the customer's expectations exceeded perceptions. The researcher calculated an average score of -0.66 , based on the results of the five dimensions.

7.5 Objective 4: To calculate and measure scores for the five Servqual dimensions

7.5.1 Tangibility

When comparing the customers' expected and perceived beliefs of the quality of the service that is offered to them, it is evident that the gap does not seem to be large, relative to the other dimensions. Tangibility was rated the best dimension, at -0.54545 (refer to Table 2). This shows that expectations exceed perceptions. The results confirm that expectations were the area in which the service of the bank performed better than other dimensions, but perceptions were always lower than expectations (see Table 1). The following items contributed to this negative dimension score: appearance of staff scored 4.68 as the highest on tangibles, but the perception on the same area scored 4.06 as the highest on tangibles. The lowest expectation on tangibles (4.37) deals with physical facilities, but the lowest perception in the same tangibles was 3.92, which relates to materials associated with services such as brochures. Although the results point to a shortfall in terms of what customers expect from banks and what they really receive, there is ample room for changing perceptions regarding the material associated with service, such as brochures, pamphlets, promotional material and bank statements.

7.5.2 Reliability

Reliability was rated the third worst dimension, at -0.80453 . Excellent financial service must be error-free. This was rated highest (4.55) for expectations. Respondents expect staff to do the work accurately and reduce error in records, compared to 3.79 as the highest for perceptions, which relates to delivering the best service at the right time. The lowest

expectation on reliability was 4.49, which is service provided on time. The lowest perception was rated 3.62, referring to service provided on time and the provision of error-free records. This shows that expectations exceed perceptions. It is of great concern that ABSA have received a bad rating for a dimension that should be of great importance to the financial services, to gain customers' loyalty. According to the literature, customers are happy to deal with people who are honest and reliable in handling their problems or meeting their needs (Dorian, 1996, p.101). Keeping promises is one of the most important characteristics of customer-focused companies. When the service exceeds their expectations, the customers' perception of quality rises (Cheales, 1994, p.201). Canning (1999, p.81) states that reliability is based on the ability of staff to provide what he/she promises, dependably and accurately. It is important for the company to honour its promises. The company must go to great lengths to close the gap between the performance of their products and what customers expect (Dorian, 1996, p.127).

According to Cheales (1994: p.55), "one general fault that can be attributed to most companies is making promises they cannot keep". Management has to keep their promise to do things within a definite period. Staff has to provide the service right the first time.

7.5.3 Responsiveness

In the present study, the rating shows that the customers' Servqual score for responsiveness was rated second worst, at -0.87825, when compared to expectations and perceptions. The highest score was 4.65 for expectations, which was willingness to help customers; 3.81 was the highest score for perceptions, which related to responding to customers' requests. The lowest were 4.51 on expectations and 3.59 for perceptions, which were both related to performance of service. Customers expect to get service that will meet their needs, as well as exceed their expectations, when they deal with staff of the Longmarket Street Branch.

According to the literature, responsiveness is a dimension that has a great impact on customers' perceptions. Responsiveness means that staff must be willing to help customers promptly (Pitt *et al.*, 1995, p.261) Staff must use time efficiently, to respond to customers'

requests very quickly (Kurtz, 1998, p.99). Responsiveness comes into question when customers are experiencing difficulties and problems. Customers come into the bank with the perception that they will get solutions to their problems. Dorian (1990, p.85) says that a company must restructure itself around customers' needs and strive to exceed their expectations. Cottle (1999, p.181) supported Jude, stating that customers are satisfied when their expectations are met and delighted when their expectations are exceeded. Therefore it is crucial to do the little things that make a big difference.

There is a gap that needs to be bridged by staff when dealing with customers. Staff must be quick and accurate when giving information or solving customers' problems. Satisfying customers' needs should be the first priority for staff, as this will increase the customer base (Woodruffe, 1995, p.75). If the customers are not happy they will take their business elsewhere else and will disseminate a negative image of the bank (Jude, 1998, p.95). It is important for the branch to gain the trust and confidence of its customers (Learning and Development, 2001, p.45).

7.5.4 Assurance

When comparing the expectations and perceptions of customers' of service quality, results indicated that there was a slight gap between expectations and perceptions. The rate for the dimension was -0.77273, being the fourth worst. The highest score 4.58 for expectations related to behaviour of employees, compared to the highest score (3.87) for perceptions which reflected on customers' feeling safe to do their transactions. The lowest score was 4.49, related to consistent courteousness to customers and 3.64, the perceptions of the behaviour of employees. This means that staff is polite and show professionalism when dealing with customers, although behaviour of employees is more favoured concerning expectations than perceptions. The cause for the gap is that the staff of the Longmarket Street Branch needs to provide assurance to the customers that it is safe to do their transaction. This means that customers must be safely protected in terms of fraud. The negative difference implies that the expectation scores have exceeded the perception scores. Management need to train their staff and give them support, so that they can instil confidence when dealing with customers.

Page (1992, p.65) states that the company needs to maintain high standards of work and ethics, which can act in the best interests of the customers. Meeting the emotional needs of customers ensures customers' loyalty (Kogan, 1994, p.89). Customers need assurance that information will be treated confidentially and their problems will be solved in a professional manner (Kogan, 1994, p.100).

Of great importance is the knowledge and courtesy of employees and their ability to convey trust and confidence (Ziethmal *et al.*, 1990, p. 26). Trust is earned with integrity (Jude, 1999, p.146).

According to Liswood *et al.* (1990, p.53), companies need to pay attention to training their employees, because staff can lose sight of important service principles after they have been employed for a while. The company's policies and procedures change and new products are developed. Competitors produce new challenges. Customers' needs and wants evolve with changes (Liswood, 1990, p.100).

7.5.5 Empathy

The results show that empathy rated last in terms of dimensional scores; it was rated -0.8974. The highest score for an expectation was 4.59 that related to staff understanding the specific needs of their customers. The highest perception was 3.70, which pertained to staff giving customers personal attention. Both lowest expectations (4.30 and 3.47) for perceptions applied to operational hours convenient to all customers. This indicates that expectations are higher than perceptions.

Empathy is a difficult dimension to fulfil, especially if clients require individual attention as the bank deals with a large client customer base. Empathy can be defined as having good communication with people and being able to understand customers' needs (Mc Coll *et al.*, 1998, p.155).

8 Conclusion

The results have shown that customers' expectations about the service which they receive from excellent financial institutions exceed their perceptions. This presents a great challenge to the staff as well as to the management of the bank. The bank is expected to provide excellent service to its customers all the time. This can happen if both management and staff work as a team and share ideas, which will result in improving the customer's satisfaction.

It is concluded that the Longmarket Street Branch of ABSA should try to improve its reliability, responsiveness and empathy. Management have to focus their attention on these dimensions, so as to increase the quality of the service which they offer their customers, to meet or exceed their expectations. Staff and management need to work as a team, to reduce the discrepancy between customers' pre-service delivery expectations and actual service delivery.

CHAPTER 8: RECOMMENDATIONS AND RECOMMENDATION FOR FUTURE RESEARCH

8.1 Introduction

Service quality encompasses the reliability of the original product and/or services as well the competency, integrity and promptness of staff and support services (Milakovich, 1995, p.16). Chapter 8 deals with how financial services can improve their scoring in each dimension. It recommends what future research can be carried out to improve the quality of the service which financial institutions offers their customers. The following recommendations have emerged from the study:

8.2 Recommendations

- ✓ The gaps mean that the financial institution should be prepared to affect changes that would meet the expectations of customers. Expectations are formed before purchasing the service (Mudie & Cottam, 1999, p.15). Customers' expectations form an important element of quality (Mc Coll *et al.*, 1998, p.180). The gap between management's understanding the customer's expectation and the translation of these expectations into service quality depends on a number of factors: management commitment to service quality, the extent to which the service role in the company is standardised and routine, goal setting and the existence of a formal mechanism for setting the quality of service goals (Zeithaml, 1990, p.87).

- ✓ ABSA's Longmarket Street Branch should implement strategies to improve service quality in the dimensions. Staff must have the confidence and ability to perform their ~~duties~~ in a professional manner and should be imparted with the skills that lead to being regarded as trustworthy by customers (Abacus1.5, 2002, p.63). The management should have a method of grooming incoming staff in the manner that will keep and increase conscientious customer based values.

- ✓ ABSA Bank, in general should identify who their potential customers are. They should use relationship models to understand their customers better and develop products that will meet customers' needs. The customer has particular needs that must be attend to accurately and quickly (Learning and development, 2000, p.45). Kurtz (1998, p.151) states that the purpose of relationship marketing is to build long-term connections between the company and its customer and to develop brand and firm loyalty. It has a strong focus on the customer, i.e. it simplifies the way businesses get to know their customers better and the way the business keeps in touch with its customers. It tries to ensure that customers get what they want in every aspect of their dealings with the business (Merlin, 1995, p.65).

- ✓ Since “customers are king”, financial institutions have to provide the services that exceed customers' expectations all the times. Excellent financial institutions have to perform the service right the first time. Given these facts, if banks are not providing these services, they will end up losing customers to their competitors. ABSA Bank offers delivery channels to provide outstanding service to all customers and to provide sales and service support to the product and segment (Abacus1. 4, 2001, p.35).

- ✓ ABSA Bank should research the different customer bases. This would allow the comparison of perceptions and expectations of customers from different background or age groups. By doing this, researchers can determine whether or not cultural background or age has noticeable impact on the perceptions and expectations of customers. The average results were -0.66, which implies dissatisfaction. Management need to invest in training their staff and carefully check potential staff, to match the culture and the goals of the financial institution, as it apparent that they are not providing customers with the desired level of service quality.

- ✓ ABSA Bank should have staff that provides a satisfactory service to customers, in order to build a long-lasting relationship with the customers and to retain their organisational brand. Therefore the employee must keep up-to-date with products, as well as with company developments. Staff must think ahead to stay ahead. Periodic

courses should be organized to keep employees from losing touch with basic service standards and to teach them how to respond to changing conditions. This means employees should be given quality support if they are expected to perform jobs at the highest level and to meet customers' needs and wants (Liswood, 1990, p.121).

- ✓ Staff should be willing to go the extra mile when they deal with customers. Staff has to offer the customer privacy. The transaction must be done in a manner that manifests understanding. Staff should have the knowledge to answer customers' questions. Good behaviour of employees will add value to the performance of their jobs. "No customers, no business, no employment" is the cliché (Abacus1.5, 2001, p. 70).
- ✓ Staff should understand customers' needs and should have customers' best interests at heart. In the bank, staff needs to show respect and listen carefully to what the customer wants. Staff must try to fulfil these needs. Staff has the confidence and ability to perform their duties in a professional manner and are indoctrinated with the skills that lead to being trusted by customers (Abacus1.5, 2002, p.63). Staff must have eye contact with customers. This gives the impression that staff is interested in listening to their problems and is willing to attend to their needs.
- ✓ Financial services need to measure service quality by using service quality dimensions. Financial services have to close the gap between what the customer is expecting, and that which is delivered. In the longer term, it is ABSA's vision to become the preferred banker in this segment, based on the understanding of the needs and ability to innovatively provide products and services that meet the needs of customers (Abacus 1.6, 2001, p.12).
- ✓ The lowest expectation on tangibles was 4.37, which deals with physical facilities, but the lowest perception in the same tangibles was 3.92, which relates to materials associated with services such as brochures. The study that will investigate physical facilities would be of great value in terms of restructuring and refurbish the current

physical facilities. I suppose that the brochures should be translated into other official languages, i.e. many clients of the bank are using different languages.

- ✓ Responsiveness was rated second worst, at -0.87825, when compared to expectations and perceptions. The staff response when it comes to transactions and new clients request should be studied so that efficiency and competency be evaluated and that will lead to save time of the client.
- ✓ The study found that reliability was rated the third worst dimension, at -0.80453. Excellent financial service must be error-free. The banks should provide proper training towards its employees which will lead to carefulness when staff deals with clients' documents.
- ✓ Assurance was rated -0.77273, which is being the forth-worst dimension. Management need to train their staff and give them support, so that they can instil confidence when dealing with customers. Customers need assurance that their information will be treated confidentially and the related problems that will be solved in a professional manner. The bank management should establish means of keeping and instilling assurance to its staff and customers.
- ✓ Empathy rated last in terms of dimensional scores -0.8974. Empathy is a difficult dimension to fulfil, especially if clients require individual attention as the bank deals with a large client customer base. Empathy requires the ABSA management to determine a good communication with people and being able to understand customers' needs. The research that could be conducted will provide a method of maintaining communication and the means of understanding customers' needs.

8.3 Recommendation for future research

Further research that could be conducted in the future is:

- Financial service must adapt the characteristics of financial services, to bring about expansion of the product. Further studies can be carried out with the aim of developing marketing strategies in terms of marketing products. The present study was limited by the sources of information that were provided by ABSA Bank.
- ABSA Bank should formulate policies to maintain a high level of ethics in its interaction with its customers and to bring credit to the organisation and build long-term relationships.
- The study investigated the perception of the service quality provided by ABSA Longmarket Street Branch in terms of providing excellent service. The researcher considers that there is a need for a study to look at improving Customer the Delight Index, as it is not providing more information about the bank as servqual study does. Therefore, five dimensions being embedded or intertwined to a CDI study could bring pivotal results.
- Financial institutions should introduce a system for making information available and accessible, by using physical documents or by using electronic documents. It became obvious from the present research that most financial institutions do not have much information displayed or published to help customers, researchers or scholars retrieve information. A study should be carried out on why financial institutions do not have information available to everyone.

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LIST OF APPENDIXES: Appendix 1a Customer Delight Light Index

Channel Services: Touchpoint Customer Delight Index Customer Ratings

ABSA Region=Kwazulu Natal

Touchpoint=HOST

Branch Name=194 LONGMARKET STREET (8024)

Mont:JUN/AUG 2005

Sample Size For Selection is 1

Question Number	Question	Y. Weigh	Actual Score	Satisfaction Gap	Delight Gap
Level 1: Hygiene					
A.1_1	The personal appearance of the.... was well-groomed and professional	5.3%	83.6%	(9.41%)	(10.46%)
A1_2	The service counter/ work area of the...., was clean and organized	5.8%	91.0%	(2.08%)	(3.13%)
A1_3	The tone of the voice/ body language of the... , was warm and Approachable (with a 'smile')	5.1%	92.1%	(0.93%)	(1.98%)
A1_4	The queue, at the time you were at the... , was being effectively serviced through teller assistance and moved along steadily	3.4%	81.9%	(11.18%)	(12.23%)
Level 2: Interaction					
B1_1	The language used by the... , was clear and easy to understand	6.7%	92.1%	(0.93%)	(1.98%)
B1_2	The understanding by the... , was shown in their effort to determine 'your exact need'	7.1%	93.0%	(0.02%)	(1.07%)
B2_1	The courteous manner of the ... was respectful and friendly	7.7%	93.6%	0.59%	(0.46%)
B2_2	The assurance given by the... , was shown in their confident and confidential manner in dealing with your transaction/ request	7.5%	91.5%	(1.53%)	(2.58%)
B23	The capability of the.... was skilful and knowledgeable in completing their task	7.7%	90.0%	(3.05%)	(4.10%)
B3_1	The assistance of the... was shown in their willing and prompt response to assist you	7.9%	93.0%	(0.02%)	(1.07%)
Level 3: Outcome					
r1_1	The enquiry/ transaction the... dealt with, was done efficiently [quick and without delay]	7.5%	94.2%	1.19%	0.14%
1_2	The enquiry / transaction the..... dealt with, was done effectively accurate — right first time)	8.0%	93.0%	(0.02%)	(1.07%)
Level 4: Advisory					
01_1	The advice/ information 'RELATED' to your enquiry/ transaction communicated by the..... , was of use to you	7.0%	60.5%	(2.60%)	(3.65%)
Level 5: Value Add					
E1_1	The 'PRO-ACTIVE' service offered OR advice/ information communicated by the was of benefit to you (IF APPLICABLE)	6.7%	91.6%	(1.47%)	(2.52%)
Level 6: One-on-one					
F1_1	The personal manner of the.... , was shown by using our name and by creating Rapport with you (treated as a unique individual)	6.6%	89.7%	(3.36%)	(4.41%)
Overall Percentage Achieved		90.9%		(2.17%)	(3.22%)
DCS CDI Target		92.50%			
CDI Superscore: Loyalty and Commitment Factors					
question Number	question	Score			
Loyalty		93.8%			
G1_1	You would continue using Absa's branch service in future	95.0%			
G1_2	You would increase your purchases of other products and services through Absa branches	93.3%			
G1_3	You would recommend Absa's branch service to friends and family	93.0%			
Commitment		93.9%			
H1_1	You feel totally committed to using Absa's branch service	93.3%			
H1_2	It would matter a lot to you if for some reason you could no longer use an Absa branches' services	94.3%			
H1_3	If given the choice to choose between branches of different bank's, you would choose Absa's branch service again	94.0%			
Perceived Value					
Question Number	Question	Score			
Perceived Value					
U1_5	Do you believe the service the branch offers to YOU is value for money?				

Delivery Channel Services: Touchpoint Customer Delight Index
Customer Ratings
ABSA Region=Kwazulu Natal
Touchpoint=ENQUIRIES
Branch Name=194 LONGMARKET STREET (8024)
Month=MA Y/JUN 2003

Question Number	Question	% Weigh	Actual Score	Satisfaction Gap	Delight Gap
	Level 1: Hygiene	19.6%	88.7%	(4.33%)	(5.38%)
1A1_1	The personal appearance of the....., was well-groomed and professional	5.3%	85.6%	(7.49%)	(8.54%)
1A1_2	The service counter/ work area of the, was clean and organized	5.8%	93.3%	0.28%	(0.77%)
1_3	The tone of the voice/ body language of the....., was warm and approachable (with a 'smile')	5.1%	93.3%	0.28%	(0.77%)
1_4	The queue, at the time you were at the, was being effectively serviced through teller assistance and moved along steadily	3.4%	78.9%	(14.16%)	(15.21%)
	Level 2: Interaction	44.6%	93.6%	0.58%	(0.47%)
B1_1	The language used by the, was clear and easy to understand	6.7%	96.7%	3.62%	2.57%
B1_2	The understanding by the....., was shown in their effort to determine your exact need'	7.1%	93.3%	.28%	(0.77%)
B2_1	The courteous manner of the, was respectful and friendly	7.7%	94.4%	1.39%	0.34%
B2_2	The assurance given by the....., was shown in their confident and confidential manner in dealing with your transaction/ request	7.5%	94.4%	1.39%	0.34%
B23	The capability of the was skilful and knowledgeable in completing their task	7.7%	91.1%	(1.94%)	(2.99%)
B3_1	The assistance of the....., was shown in their willing and prompt response to assist you	7.9%	92.2%	(0.83%)	(1.88%)
	Level 3: Outcome	15.5%	89.4%	(3.62%)	(4.67%)
c1_1	The enquiry/ transaction the... dealt with, was done efficiently quick and without delay\	7.5%	90.0%	(3.05%)	(4.10%)
C1_2	The enquiry/ transaction the..... dealt with, was done effectively accurate - right first time 1	8.0%	88.9%	(4.16%)	(5.21%)
	Level 4: Advisory	7.0%	88.3%	(4.72%)	(5.77%)
DI_1	The advice/ information 'RELATED' to your enquiry/ transaction communicated By the....., was of use to you	7.0%	88.3%	(4.72%)	(5.77%)
	Level 5: Value Add	6.7%	92.5%	(0.55%)	(1.60%)
E1_1	The 'PRO-ACTIVE' service offered OR advice/ information communicated By the...., was of benefit to you (IF APPLICABLE)	6.7%	92.5%	(0.55%)	(1.60%)
	Level 6: One-on-one	6.6%	88.9%	(4.16%)	(5.21%)
F1_1	The personal manner of the...., was shown by using our name and by creating rapport with you (treated as a unique individual)	6.6%	88.9%	(4.16%)	(5.21%)
	Overall Percentage Achieved		90.3%	(2.80%)	(3.85%)
	DCS CDI Target			92.50%	
Perceived Value					
Question Number	Question	Score			
	Perceived Value				
I/1_5	Do you believe the service the branch offers to you is value for money?				

Channel Services: Touchpoint Customer Delight Index Customer Ratings

ABSA Region=Kwazulu Natal

Touchpoint=HOST

Branch Name=194 LONGMARKET STREET (8024)

Mont:JUN/AUG 2005

Sample Size For Selection is 1

Question Number	Question	% Weigh	Actual Score	Satisfaction Gap	Delight Gap
	Level 1: Hygiene	13.8%	78.8%	(14.28.)	(15.33%)
I1_1	The personal appearance of the, was well-groomed and professional	5.3%	80.0%	(13.05%)	(14.10%)
I1_3	The tone of the voice/ body language of the, was warm and approachable (with a 'smile')	5.1%	90.0%	(3.05%)	(4.10%)
I1C4	The queue, at the time you were at the, was being effectively serviced through teller assistance and moved along steadily	3.4%	60.0%	(33.05%)	(34.10%)
	Level 2: Interaction	44.6%	98.3%	5.22%	4.17%
B1_1	The language used by the, was clear and easy to understand	6.7%	100.0%	6.95%	5.90%
B1_2	The understanding by the....., was shown in their effort to determine your exact need'	7.1%	100.0%	6.95%	5.90%
B2_1	The courteous manner of the, was respectful and friendly	7.7%	100.0%	6.95%	5.90%
B2_2	The assurance given by the, was shown in their confident and confidential manner in dealing with your transaction/ request	7.5%	100.0%	6.95%	5.90%
B23	The capability of the was skilful and knowledgeable in completing their task	7.7%	90.0%	(3.05%)	(4.10%)
B3_1	The assistance of the, was shown in their willing and prompt response to assist you	7.9%	100.0%	6.95%	5.90%
	Level 3: Outcome	15.5%	100.0%	6.95%	5.90%
C1-1	The enquiry/ transaction the..... dealt with, was done efficiently (quick and without delay)	7.5%	100.0%	6.95%	5.90%
C1_2	The enquiry/ transaction the... dealt with, was done effectively accurate - right first time)	8.0%	100.0%	6.95%	5.90%
	Level4: Advisory	7.0%	100.0%	6.95%	5.90%
D1_1	The advice/ information 'RELATED' to your enquiry/ transaction communicated By the... of use to you	7.0%	100.0%	6.95%	5.90%
	Level 5: Value Add	6.7%	100.0%	6.95%	5.90%
E1_1	The 'PRO-ACTIVE' service offered OR advice/ information communicated by the was of benefit to you (IF APPLICABLE)	6.7%	100.0%	6.95%	5.90%
	Level 6: One-an-one	6.6%	100.0%	6.95%	5.90%
F1_1	The personal manner of the, was shown by using our name and by creating rapport with you (treated as a unique individual)	6.6%	100%	6.95%	5.90%
	Overall Percentage Achieved		96.2%	3.12%	2.07%
	DCS CDI Target			92.50%	
Perceived Value					
Question Number	Question	Score			
	Perceived Value				
U1_5	Do you believe the service the branch offers to you is value for money?				

Appendix 1b ABSA's questionnaire

<A - TELLER SECTION>

I am now going to read out a number of statements regarding the service you received from the TELLER.

PLEASE RATE EACH STATEMENT ON A SCALE OF 0 TO 10,
WHERE 10 = EXCELLENT, 5 = AVERAGE AND 0 = VERY
POOR.

IF YOU ARE UNABLE TO RATE SOMETHING FAIRLY

PLEASE STATE "NOT APPLICABLE".

AI-1T	0	1	2	3	4	5	6	7	8	9	10	N/A
The TELLER was <u>well-groomed</u>												
and professional.												
AI-2T	0	1	2	3	4	5	6	7	8	9	10	NA
The service <u>counter area</u> was												
<u>clean and organised.</u>												
AI-3T	0	1	2	3	4	5	6	7	8	9	10	N/A
The TELLER'S <u>tone of voice</u> and												
<u>body language</u> was warm and												
<u>approachable</u> ('service with a												
smile').												
AI-4T	0	1	2	3	4	5	6	7	8	9	10	N/A
The TELLER <u>Queue</u> was												
<u>effectively serviced</u> and moved												
along <u>steadily.</u>												
BI-1 T	0	1	2	3	4	5	6	7	8	9	10	N/A
The <u>language used</u> was <u>clear and</u>												
<u>easy to understand.</u>												
BI-2T	0	1	2	3	4	5	6	7	8	9	10	N/A
The ability to <u>understand your</u>												
Request was shown by the <u>effort</u>												
<u>made to determine 'your exact</u>												
<u>need'.</u>												
B2-1T	0	1	2	3	4	5	6	7	8	9	10	N/A
The TELLER was <u>courteous.</u>												
<u>respectful and friendly.</u>												
B2-2T	0	1	2	3	4	5	6	7	8	9	10	N/A
<u>Peace of mind was created by his</u>												
or her <u>confident and confidential</u>												
<u>Manner in dealing with your</u>												
<u>transaction.</u>												
B2-3T	0	1	2	3	4	5	6	7	8	9	10	N/A
The TELLER was <u>capable and</u>												
<u>knowledgeable in completing the</u>												

task.	0	1	2	3	4	5	6	7	8	9	10	N/A
B3-1T Willingness to <u>assist</u> was shown in his or her prompt response.	0	1	2	3	4	5	6	7	8	9	10	N/A
CI-IT Your <u>transaction</u> was handled quickly and without delay (<u>efficiently</u>).	0	1	2	3	4	5	6	7	8	9	10	N/A
CI-2T Your <u>transaction</u> was handled accurately - right the first time (<u>effectively</u>).	0	1	2	3	4	5	6	7	8	9	10	N/A
DI-IT <u>Advice or information ABOUT your transaction</u> was of <u>use to</u>	0	1	2	3	4	5	6	7	8	9	10	N/A
EI-IT <u>PRO-ACTIVE service offered or ADDITIONAL Advice/information</u> was of <u>use to you</u> .	0	1	2	3	4	5	6	7	8	9	10	N/A
FI-IT The TELLER'S <u>personal touch</u> was shown by <u>using your name</u> and by <u>creating rapport/ conversation with you</u> (treated you as a unique individual).	0	1	2	3	4	5	6	7	8	9	10	N/A
TI-COM Any other comments you wish to add regarding the teller's service?												
Comments:												

<AI-Dissatisfaction_ Satisfaction & Delight Section>

<B - ENQUIRIES SECTION>

I am now going to read out a number of statements regarding the service you received from the Enquiries clerk.

PLEASE RATE EACH STATEMENT ON A SCALE OF 0 TO 10

WHERE 10 = EXCELLENT, 5 = AVERAGE AND 0 = VERY POOR.

AI-1E The ENQUIRIES CLERK was <u>well-groomed and professional</u> .	0	1	2	3	4	5	6	7	8	9	10	N/A
AI-2E The service <u>counter area</u> was <u>clean and organised</u> .	0	1	2	3	4	5	6	7	8	9	10	NA
AI-3E The ENQUIRIES CLERK'S <u>tone of voice and body language</u> was <u>warm and approachable</u> ('service with a smile').	0	1	2	3	4	5	6	7	8	9	10	N/A
AI-4E The ENQUIRIES <u>queue</u> was <u>effectively serviced and moved along steadily</u> .	0	1	2	3	4	5	6	7	8	9	10	N/A
BI-1E The <u>language used</u> was <u>clear and easy to understand</u> .	0	1	2	3	4	5	6	7	8	9	10	N/A
BI-2E The ability to <u>understand</u> your request was shown by the <u>effort made to determine 'your exact need'</u> .	0	1	2	3	4	5	6	7	8	9	10	N/A
B2-1E The ENQUIRIES CLERK was <u>courteous, respectful and friendly</u> .	0	1	2	3	4	5	6	7	8	9	10	N/A
B2-2E <u>Peace of mind</u> was created by his or her <u>confident and confidential manner in dealing with your request</u> .	0	1	2	3	4	5	6	7	8	9	10	N/A
B2-3E The ENQUIRIES CLERK was <u>capable and knowledgeable in completing the task</u> .	0	1	2	3	4	5	6	7	8	9	10	N/A
B3-1E Willingness to <u>assist</u> was shown in his or her <u>prompt response</u> .	0	1	2	3	4	5	6	7	8	9	10	N/A
CI-1E Your <u>enquiry</u> was handled quickly and without delay (efficiently).	0	1	2	3	4	5	6	7	8	9	10	N/A
CI-2E Your <u>enquiry</u> was handled accurately - right the first time (effectively).	0	1	2	3	4	5	6	7	8	9	10	N/A
DI-1E <u>Advice or information ABOUT your request</u> was of use to you.	0	1	2	3	4	5	6	7	8	9	10	N/A

E1-1E PRO-ACTIVE service offered OR additional advice/information was of use to you.	0	1	2	3	4	5	6	7	8	9	10	N/A
F1-1E The ENQUIRIES CLERK'S personal touch was shown by using your name and by creating rapport/conversation with you (treated you as a unique individual).	0	1	2	3	4	5	6	7	8	9	10	N/A
E1-1COM Any comments you wish to add regarding the ENQUIRIES CLERK'S service?												
Comments:												

<BI – Dissatisfaction, Satisfaction & Delight Section>

EXP-1ENQ On the rating scale 0-10, rate your 'overall service experience' with the 'ENQUIRIES CLERK'.	0	1	2	3	4	5	6	7	8	9	10	N/A
--	---	---	---	---	---	---	---	---	---	---	----	-----

<Screener 5>

Did you, in the past 2 weeks, deal with the (Host/Floor Manager or Switchboard Operator) at (Branch name) branch?

No - <Terminate>Thank you for your time.

Yes - Which one?

Select:

If SBO, continue.

<If, by some chance, both were encountered, asks the customer to select only one and proceed accordingly. >

If Host, continue.

C - SBO SECTION

Appendix 2 Questionnaire

I am an ABSA Bank employee, as well as a Masters student who am currently doing research on Customer Care. The purpose of these questions is to obtain valuable information, which will be used by ABSA Bank to improve the standard of customer care.

Based on your experiences as a customer of a financial institution, please think about a kind of financial institution that would deliver excellent quality service. Think about the kind of financial service with which you will be pleased to do business with. Rating guide is as follows:

Rating		Qualifications	Race
1	Strongly Disagree	Unskilled	Black
2	Disagree	Semi-skilled	Coloured
3	Uncertain	Skilled	Indian
4	Agree	Professional	White
5	Strongly Agree		

Respond to **ALL** the statements

1	Excellent financial service branch will have up-to-date equipment								
2	The physical facilities at excellent financial service branch will be visually appealing								
3	Staff at excellent financial service branch will be well dressed and appear neat								
4	Materials associated with the service (such as brochures) will be visually appealing at the counter								
5	When excellent financial service branch promise to do something by a certain time, they will do so								
6	When a customer has a problem, excellent financial service branch will show a sincere interest in solving it								
7	Excellent financial service branch will perform the best service right the first time ✓								
8	Excellent financial service branch will provide their service at the times they promise to do so ✓								
9	Excellent financial service branch will insist on error-free records								

10	Employees of excellent financial service branch will tell customers exactly when services will be performed	1	2	3	4	5
11	Employees of excellent financial service branch will give prompt service to customers	1	2	3	4	5
12	Employees of excellent financial service branch will always be willing to help customers	1	2	3	4	5
13	Employees of excellent financial service branch will never be too busy to respond to customers requests	1	2	3	4	5
14	The behaviour of employees of excellent financial service branch will instil confidence in customers	1	2	3	4	5
15	Customers of excellent financial service branch will feel safe in their transactions	1	2	3	4	5
16	Employees of excellent financial service branch will be consistently courteous with customers	1	2	3	4	5
17	Employees of excellent financial service branch will have the knowledge to answer customers questions	1	2	3	4	5
18	Excellent financial service branch will give their customers individual attention	1	2	3	4	5
19	Excellent financial service branch will have operating hours convenient to all their customers	1	2	3	4	5
20	Excellent financial service branch will have staff who give customers personal attention	1	2	3	4	5
21	The staff of excellent financial service branch will have the customer's best interests at heart	1	2	3	4	5
22	Staff of excellent financial service branch will understand the specific needs of their customers	1	2	3	4	5

The following set of statements relate to your feelings about ABSA, Longmarket branch. For each statement, please show the extent to which you believe Longmarket branch has the feature described by the statement.

Rating guide is the same as first questionnaire.

Rating	
1	Strongly Disagree
2	Disagree
3	Uncertain
4	Agree
5	Strongly Agree

1	ABSA Longmarket branch has modern-looking equipment	1	2	3	4	5
---	---	---	---	---	---	---

2	ABSA Longmarket branch has visually appealing facilities	1	2	3	4	5
3	ABSA Longmarket branch staff looks professional in their uniforms	1	2	3	4	5
4	Materials associated with the service (such as brochures) are visually appealing at Longmarket branch	1	2	3	4	5
5	When Longmarket branch promises to do something by a certain time, it does so	1	2	3	4	5
6	When a customer has a problem, Longmarket branch shows a sincere interest in solving it	1	2	3	4	5
7	Longmarket branch performs the service right the first time	1	2	3	4	5
8	Longmarket branch provides it's service at the time it promises to do so	1	2	3	4	5
9	Longmarket branch insists on error-free records	1	2	3	4	5
10	Staff at Longmarket branch tells customers exactly when services will be performed	1	2	3	4	5
11	Staff at Longmarket branch give customers prompt service	1	2	3	4	5
12	Staff at longmarket branch are always willing to help customers	1	2	3	4	5
13	Staff at Longmarket branch are never too busy to respond to customers requests	1	2	3	4	5
14	The behaviour of staff of Longmarket branch instils confidence in customers	1	2	3	4	5
15	Customers feel safe to do their transactions with ABSA Longmarket branch	1	2	3	4	5
16	Staff of Longmarket branch are consistently courteous with their customers	1	2	3	4	5
17	Staff of Longmarket branch have the knowledge to answer customers questions	1	2	3	4	5
18	Longmarket branch gives their customers individual attention	1	2	3	4	5
19	Longmarket branch has convenient operating hours to all it's customers	1	2	3	4	5
20	Longmarket branch has staff who gives their customers personal attention	1	2	3	4	5
21	Longmarket branch has their customers best interests at heart	1	2	3	4	5
22	Staff of Longmarket branch understand their customers specific needs	1	2	3	4	5

Appendix 3 Letter from the University



School of Business
Faculty of Human and Management Sciences

MBA HOUSE
Milner Road, Main Campus
Private Bag X01 Scottsville
Pietermaritzburg 3209 South Africa
Telephone (033) 260 5899 Fax (033) 260 6150

2 December 2002

TO WHOM IT MAY CONCERN

This is to confirm that **MISS NOMAGUGU MADIKANE (STUDENT NO. 962115865)** is a bona fide student at the School of Business, University of Natal, Pietermaritzburg. She is a candidate for Master of Business Administration (MBA) degree. Miss Madikane is currently collecting research data necessary for her thesis entitled: **An Investigation of ABSA's client perceptions of customer care in the Longmarket Street branch environment.**

I am supervising this research and would be happy to answer any queries you might have regarding the procedures and policies for confidentiality. It would be greatly appreciate if you could be of assistance to her in any way possible to complete this research.

Yours sincerely



PROFESSOR DEBBIE VIGAR
DIRECTOR: MBA PROGRAMMES AND DISSERTATION
SUPERVISOR

E-Mail: viqard@nu.ac.za

Miss Madikane's E-Mail: gugumadikane@yahoo.com

Appendix 4 Calculation of the Servqual scores

The results were as follows:

Question	Expectation mean	Perception Mean	GAP
1	4.571428571	4.006494	-0.56494
2	4.37012987	3.941558	-0.42857
3	4.675324675	4.058442	-0.61688
4	4.493506494	3.922078	-0.57143
5	4.525974026	3.766234	-0.75974
6	4.5	3.75974	-0.74026
7	4.512987013	3.785714	-0.72727
8	4.490196078	3.623377	-0.86682
9	4.545454545	3.616883	-0.92857
10	4.506493506	3.590909	-0.91558
11	4.603896104	3.649351	-0.95455
12	4.649350649	3.74026	-0.90909
13	4.538961039	3.805195	-0.73377
14	4.584415584	3.642857	-0.94156
15	4.532467532	3.87013	-0.66234
16	4.493506494	3.805195	-0.68831
17	4.545454545	3.746753	-0.7987
18	4.506493506	3.642857	-0.86364
19	4.298701299	3.467532	-0.83117
20	4.461038961	3.701299	-0.75974
21	4.538961039	3.571429	-0.96753
22	4.590909091	3.525974	-1.06494

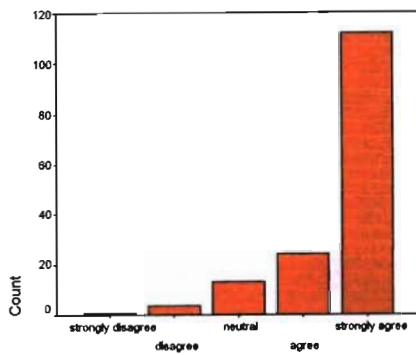
Appendix 5 Descriptive statistics

	Mean	Median	Mode	Std. Deviation	Variance
EXP1	4.571429	5	5	0.8073	0.6517
EXP2	4.37013	5	5	0.9698	0.9405
EXP3	4.675325	5	5	0.6456	0.4168
EXP4	4.493506	5	5	0.8104	0.6568
EXP5	4.525974	5	5	0.9161	0.8392
EXP6	4.5	5	5	0.9306	0.8660
EXP7	4.512987	5	5	0.9164	0.8397
EXP8	4.490196	5	5	0.8745	0.7647
EXP9	4.545455	5	5	0.8409	0.7071
EXP10	4.506494	5	5	0.9093	0.8268
EXP11	4.603896	5	5	0.7873	0.6199
EXP12	4.649351	5	5	0.7715	0.5952
EXP13	4.538961	5	5	0.8717	0.7599
EXP14	4.584416	5	5	0.7558	0.5713
EXP15	4.532468	5	5	0.9159	0.8388
EXP16	4.493506	5	5	0.8874	0.7875
EXP17	4.545455	5	5	0.8011	0.6417
EXP18	4.506494	5	5	0.8264	0.6830
EXP19	4.298701	5	5	1.0672	1.1390
EXP20	4.461039	5	5	0.9298	0.8645
EXP21	4.538961	5	5	0.8489	0.7207
EXP22	4.590909	5	5	0.7972	0.6355
PER1	4.006494	4	4	0.9735	0.9477
PER2	3.941558	4	4	0.9851	0.9704
PER3	4.058442	4	4	0.9092	0.8266
PER4	3.922078	4	4	0.8969	0.8043
PER5	3.766234	4	4	0.9755	0.9515
PER6	3.75974	4	4	0.9772	0.9550
PER7	3.785714	4	4	0.9286	0.8623
PER8	3.623377	4	4	1.1090	1.2298
PER9	3.616883	4	4	1.0978	1.2052
PER10	3.590909	4	4	1.0392	1.0799
PER11	3.649351	4	4	1.0067	1.0135
PER12	3.74026	4	4	1.0341	1.0693
PER13	3.805195	4	4	0.9433	0.8899
PER14	3.642857	4	4	0.9946	0.9893
PER15	3.87013	4	4	1.0584	1.1203
PER16	3.805195	4	4	1.0358	1.0729
PER17	3.746753	4	4	0.9672	0.9354
PER18	3.642857	4	4	1.0521	1.1069
PER19	3.467532	4	4	1.1557	1.3355

PER20	3.701299	4	4	1.0234	1.0474
PER21	3.571429	4	4	1.1017	1.2138
PER22	3.525974	4	4	1.1947	1.4274

Appendix 6 Bar graphs showing customers' expectations

1.Excellent financial service branch will have up-to-date equipment



EXP1

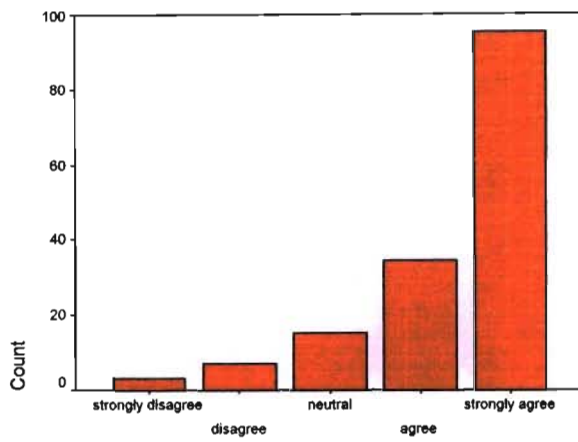
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	.6	.6	.6
	disagree	4	2.6	2.6	3.2
	neutral	13	8.4	8.4	11.7
	agree	24	15.6	15.6	27.3
	strongly agree	112	72.7	72.7	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.571	5

The mean, which is the average score by summing over the responses and then dividing by the sample size, is 4.571 for this question.

The mode which is the most frequent response is "5" which is translated "strongly agree"

2. The physical facilities at excellent financial service branch will be visually appealing

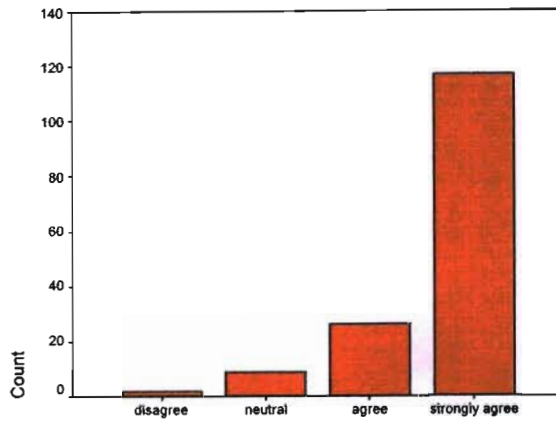


EXP2

Mean	Mode
4.37	5

The mode which is the most frequent response is “5” which is translated “strongly agree

3. Staff at excellent financial service branch will be well dressed and appear neat



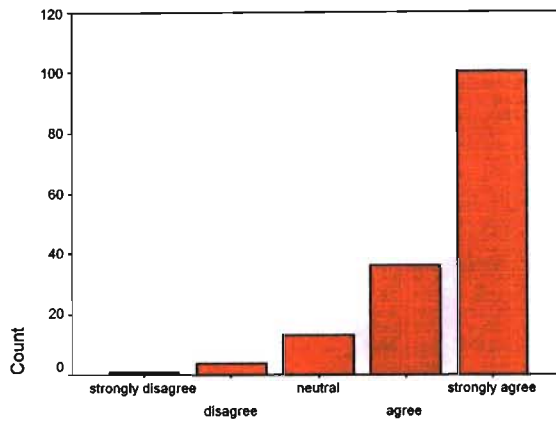
EXP3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	2	1.3	1.3	1.3
	neutral	9	5.8	5.8	7.1
	agree	26	16.9	16.9	24.0
	strongly agree	117	76.0	76.0	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.675	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

4. Materials associated with service (such as brochures) will be visually appealing at the counter



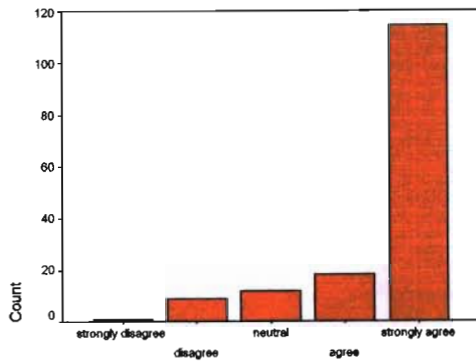
EXP4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	.6	.6	.6
	disagree	4	2.6	2.6	3.2
	neutral	13	8.4	8.4	11.7
	agree	36	23.4	23.4	35.1
	strongly agree	100	64.9	64.9	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.493	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

5. When excellent financial service branch promise to do something by a certain time, they will do so.



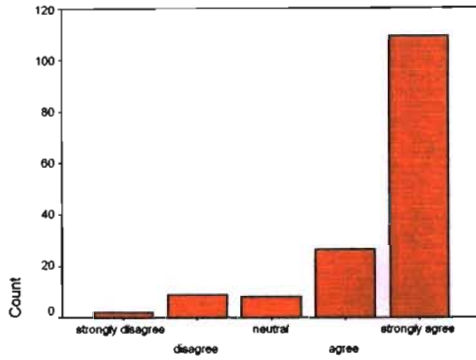
EXP5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	.6	.6	.6
	disagree	9	5.8	5.8	6.5
	neutral	12	7.8	7.8	14.3
	agree	18	11.7	11.7	26.0
	strongly agree	114	74.0	74.0	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.526	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

6. When a customer has a problem, excellent financial service branch will show a sincere interest in solving it



EXP6

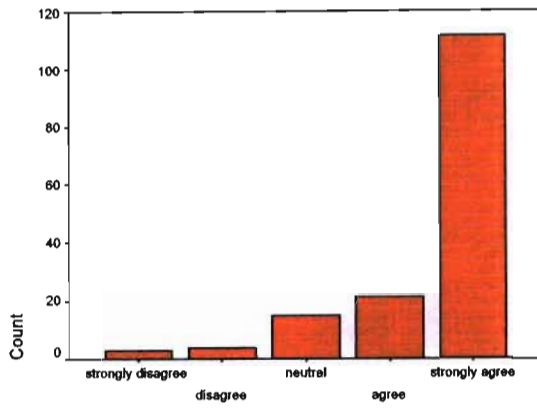
EXP6

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	2	1.3	1.3	1.3
	disagree	9	5.8	5.8	7.1
	neutral	8	5.2	5.2	12.3
	agree	26	16.9	16.9	29.2
	strongly agree	109	70.8	70.8	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.5	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

7. Excellent financial service branch will perform the best service right the first time



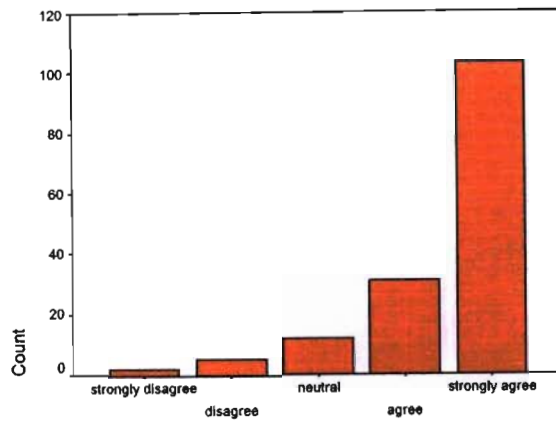
EXP7

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	3	1.9	1.9	1.9
	disagree	4	2.6	2.6	4.5
	neutral	15	9.7	9.7	14.3
	agree	21	13.6	13.6	27.9
	strongly agree	111	72.1	72.1	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.512	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

8. Excellent financial service branch will provide the their service at the times they promise to do so



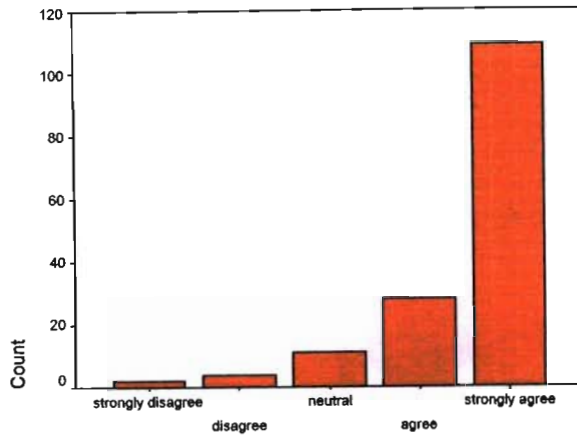
EXP8

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	2	1.3	1.3	1.3
	disagree	5	3.2	3.3	4.6
	neutral	12	7.8	7.8	12.4
	agree	31	20.1	20.3	32.7
	strongly agree	103	66.9	67.3	100.0
	Total	153	99.4	100.0	
Total		154	100.0		

Mean	Mode
4.490	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

9. Excellent financial service branch will insist on error free records



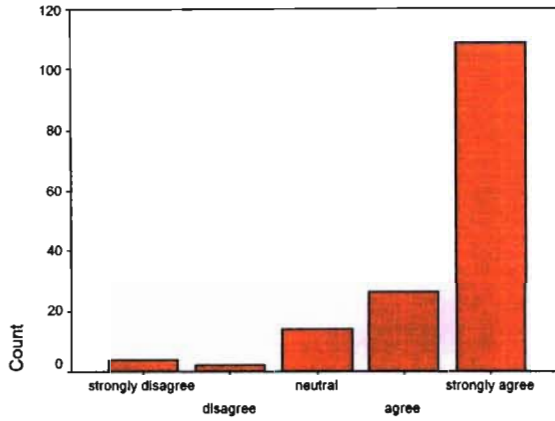
EXP9

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	2	1.3	1.3	1.3
	disagree	4	2.6	2.6	3.9
	neutral	11	7.1	7.1	11.0
	agree	28	18.2	18.2	29.2
	strongly agree	109	70.8	70.8	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.545	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

10. Employees of excellent financial service branch will tell customers exactly when services will be performed



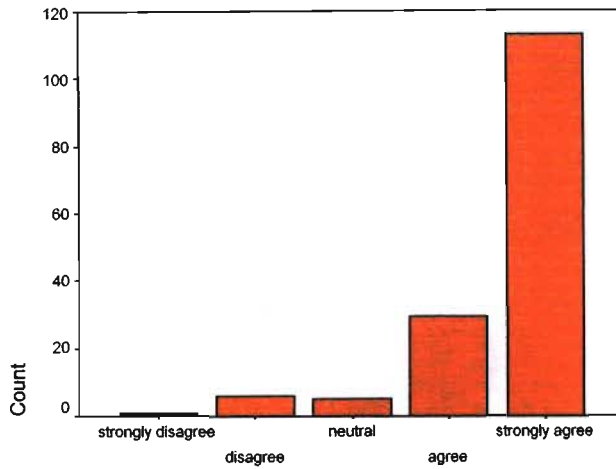
EXP10

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	4	2.6	2.6	2.6
	disagree	2	1.3	1.3	3.9
	neutral	14	9.1	9.1	13.0
	agree	26	16.9	16.9	29.9
	strongly agree	108	70.1	70.1	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.506	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

11. Employees of excellent financial service branch will give prompt service to customers



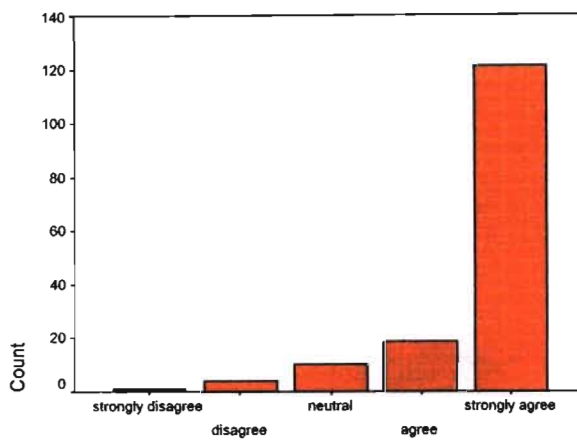
EXP11

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	.6	.6	.6
	disagree	6	3.9	3.9	4.5
	neutral	5	3.2	3.2	7.8
	agree	29	18.8	18.8	26.6
	strongly agree	113	73.4	73.4	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.604	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

12. Employees of excellent financial service branch will always be willing to help customers



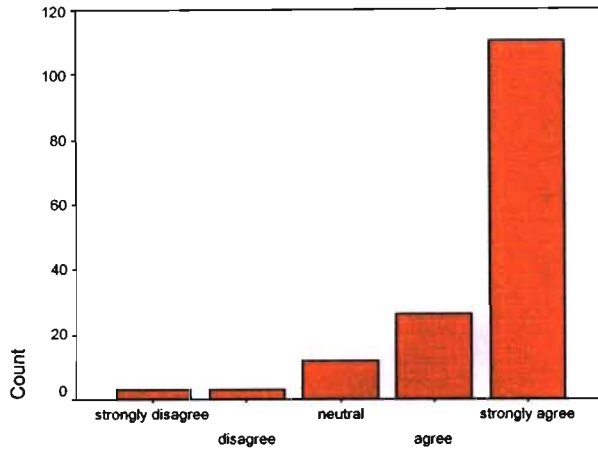
EXP12

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	.6	.6	.6
	disagree	4	2.6	2.6	3.2
	neutral	10	6.5	6.5	9.7
	agree	18	11.7	11.7	21.4
	strongly agree	121	78.6	78.6	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.649	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

13. Employees of excellent financial service branch will never be too busy to respond to customers requests



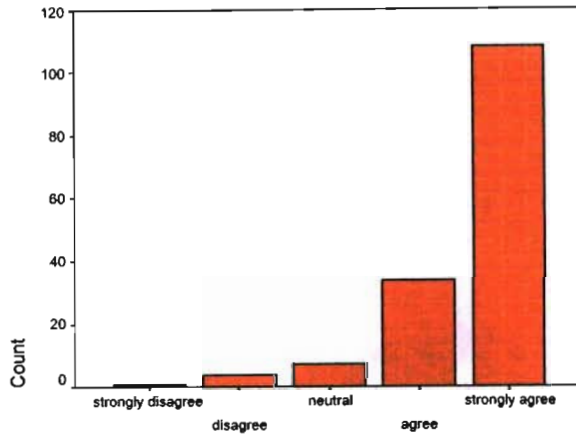
EXP13

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	3	1.9	1.9	1.9
	disagree	3	1.9	1.9	3.9
	neutral	12	7.8	7.8	11.7
	agree	26	16.9	16.9	28.6
	strongly agree	110	71.4	71.4	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.539	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

14. The behaviour of employees of excellent financial service branch will instil confidence in customers



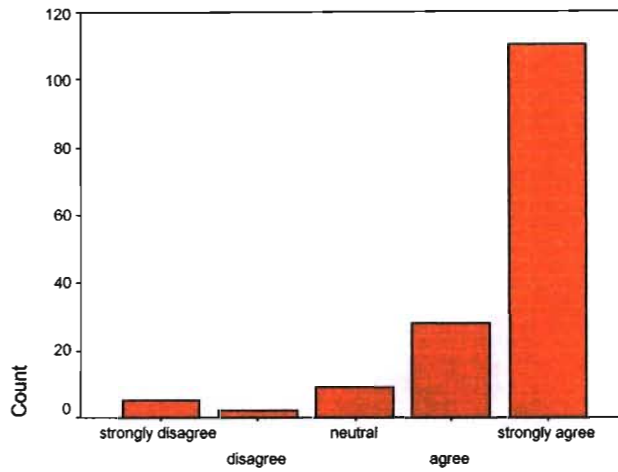
EXP14

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	.6	.6	.6
	disagree	4	2.6	2.6	3.2
	neutral	7	4.5	4.5	7.8
	agree	34	22.1	22.1	29.9
	strongly agree	108	70.1	70.1	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.584	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

15. Customers of excellent financial service branch will feel safe in their transactions



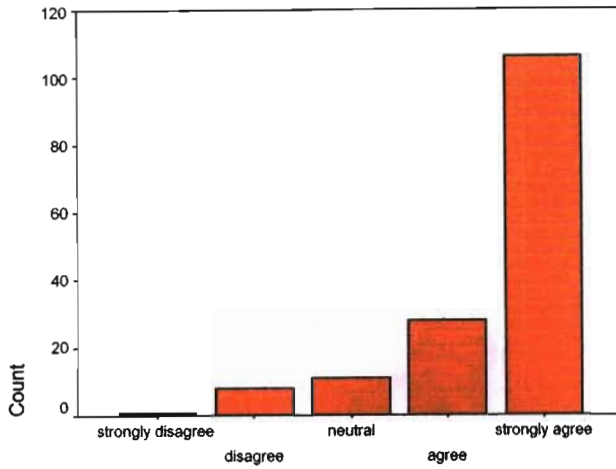
EXP15

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	5	3.2	3.2	3.2
	disagree	2	1.3	1.3	4.5
	neutral	9	5.8	5.8	10.4
	agree	28	18.2	18.2	28.6
	strongly agree	110	71.4	71.4	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.532	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

16. Employees of excellent financial service branch will be consistently courteous with customers



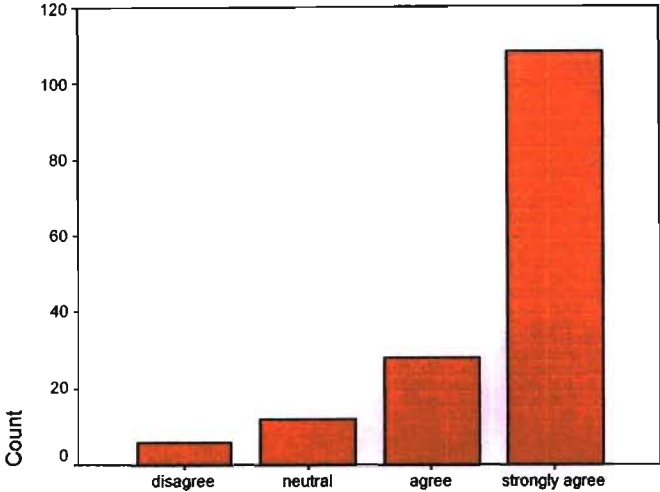
EXP16

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	.6	.6	.6
	disagree	8	5.2	5.2	5.8
	neutral	11	7.1	7.1	13.0
	agree	28	18.2	18.2	31.2
	strongly agree	106	68.8	68.8	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.493	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

17. Employees of excellent financial service branch will have the knowledge to answer customer questions



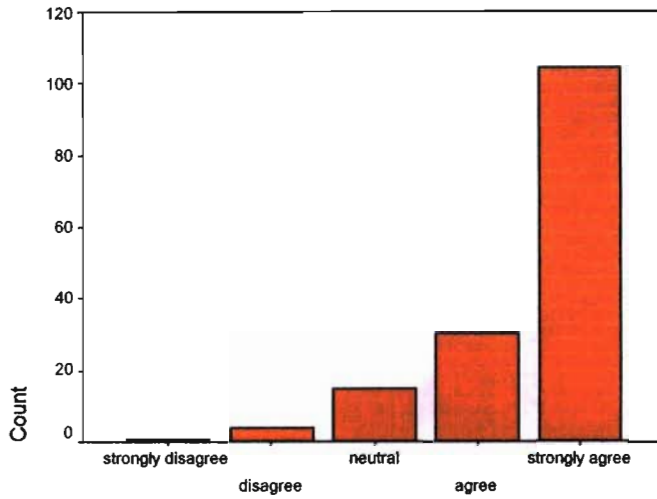
EXP17

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	6	3.9	3.9	3.9
	neutral	12	7.8	7.8	11.7
	agree	28	18.2	18.2	29.9
	strongly agree	108	70.1	70.1	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.506	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

18. Excellent financial service branch will give their customers individual attention



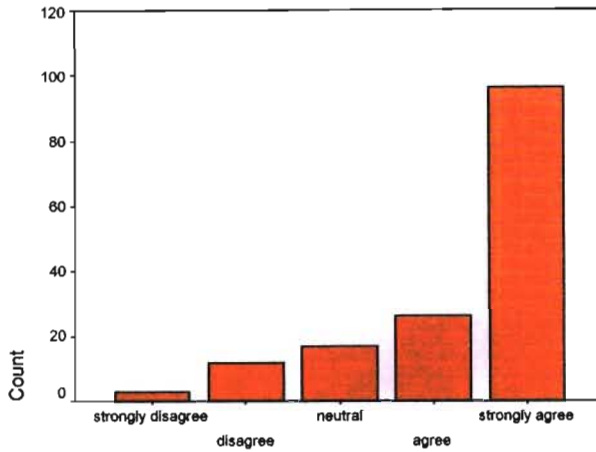
EXP18

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	.6	.6	.6
	disagree	4	2.6	2.6	3.2
	neutral	15	9.7	9.7	13.0
	agree	30	19.5	19.5	32.5
	strongly agree	104	67.5	67.5	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.506	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

19. Excellent financial service branch will have operating hours convenient to all their customers



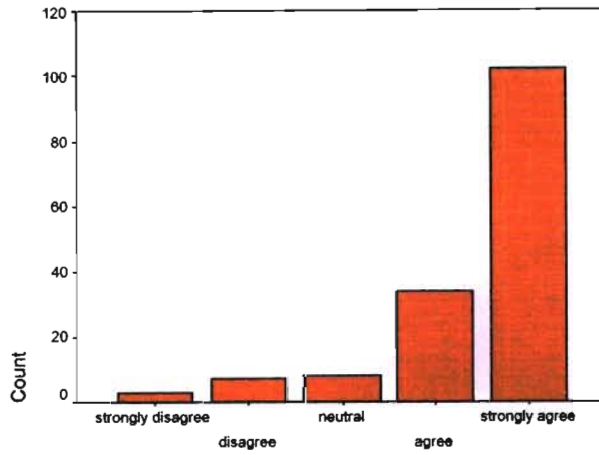
EXP19

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	3	1.9	1.9	1.9
	disagree	12	7.8	7.8	9.7
	neutral	17	11.0	11.0	20.8
	agree	26	16.9	16.9	37.7
	strongly agree	96	62.3	62.3	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.298	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

20. Excellent financial service branch will have staff who give customers personal attention



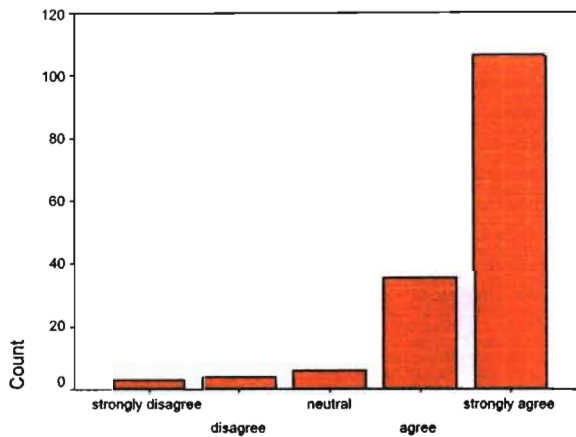
EXP20

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	3	1.9	1.9	1.9
	disagree	7	4.5	4.5	6.5
	neutral	8	5.2	5.2	11.7
	agree	34	22.1	22.1	33.8
	strongly agree	102	66.2	66.2	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.461	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

21. The staff of excellent financial service branch will have the customers best interest at heart



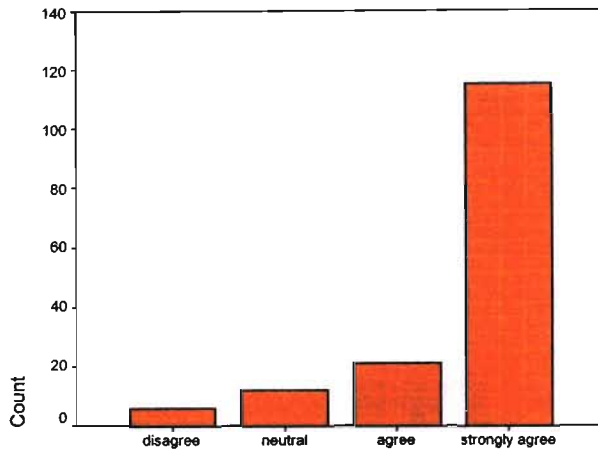
EXP21

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	3	1.9	1.9	1.9
	disagree	4	2.6	2.6	4.5
	neutral	6	3.9	3.9	8.4
	agree	35	22.7	22.7	31.2
	strongly agree	106	68.8	68.8	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.539	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

22. Staff of excellent financial service branch will understand the specific needs of their customers



EXP22

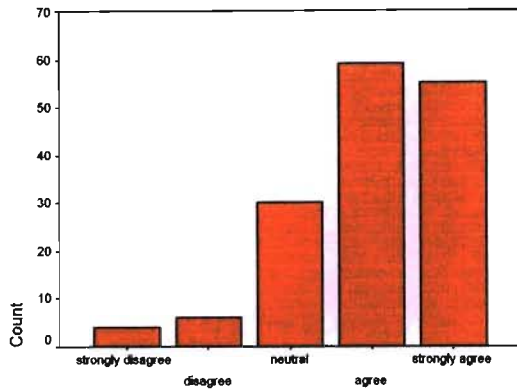
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	6	3.9	3.9	3.9
	neutral	12	7.8	7.8	11.7
	agree	21	13.6	13.6	25.3
	strongly agree	115	74.7	74.7	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.590	5

The mode which is the most frequent response is “5” which is translated “strongly agree”

Appendix 7 Bar graphs showing customers' perceptions

1. ABSA Longmarket Street branch has up-to-date equipment



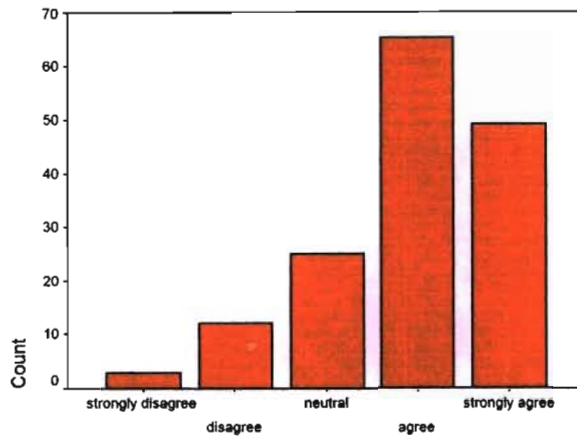
PER1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	4	2.6	2.6	2.6
	disagree	6	3.9	3.9	6.5
	neutral	30	19.5	19.5	26.0
	agree	59	38.3	38.3	64.3
	strongly agree	55	35.7	35.7	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.006	4

The mode which is the most frequent response is “4 which is translated “agree”

2. The physical facilities at ABSA Longmarket Street branch is visually appealing



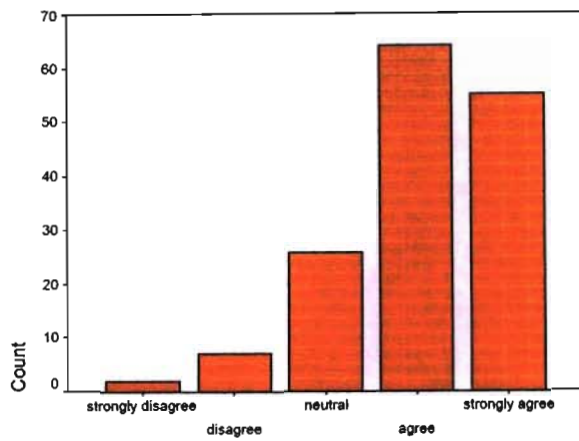
PER2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	3	1.9	1.9	1.9
	disagree	12	7.8	7.8	9.7
	neutral	25	16.2	16.2	26.0
	agree	65	42.2	42.2	68.2
	strongly agree	49	31.8	31.8	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.942	4

The mode which is the most frequent response is “4 which is translated “agree”

3. Staff at ABSA Longmarket Street branch is well dressed and appears neat



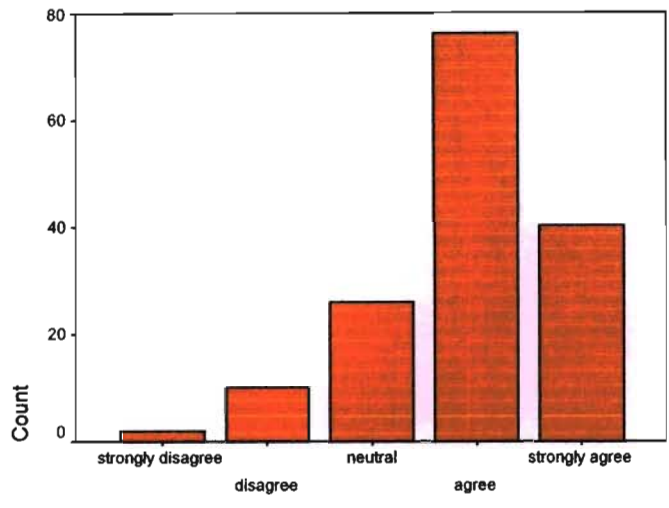
PER3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	2	1.3	1.3	1.3
	disagree	7	4.5	4.5	5.8
	neutral	26	16.9	16.9	22.7
	agree	64	41.6	41.6	64.3
	strongly agree	55	35.7	35.7	100.0
	Total	154	100.0	100.0	

Mean	Mode
4.058	4

The mode which is the most frequent response is “4 which is translated “agree”

4. Materials associated with service (such as brochures) will be visually appealing at the ABSA Longmarket Street branch



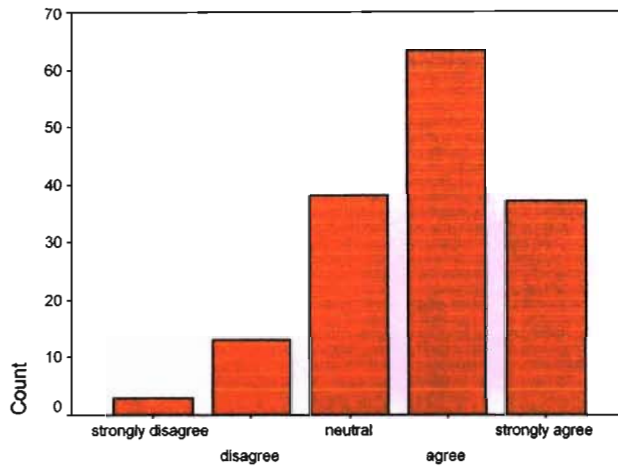
PER4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	2	1.3	1.3	1.3
	disagree	10	6.5	6.5	7.8
	neutral	26	16.9	16.9	24.7
	agree	76	49.4	49.4	74.0
	strongly agree	40	26.0	26.0	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.922	4

The mode which is the most frequent response is “4 which is translated “agree”

5. When ABSA Longmarket Street branch promise to do something by a certain time, they will do so.



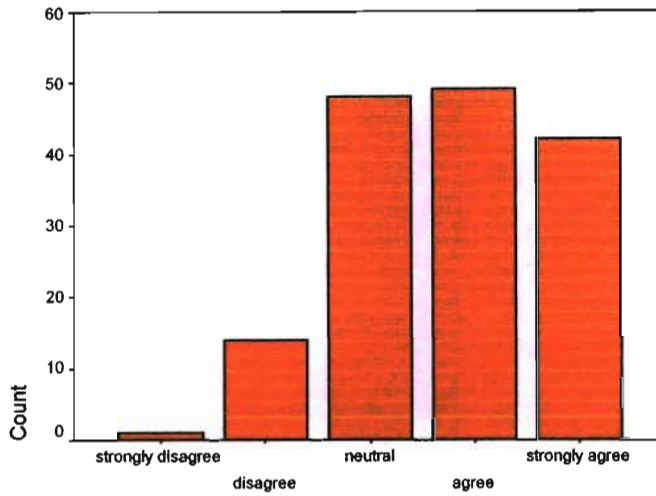
PER5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	3	1.9	1.9	1.9
	disagree	13	8.4	8.4	10.4
	neutral	38	24.7	24.7	35.1
	agree	63	40.9	40.9	76.0
	strongly agree	37	24.0	24.0	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.766	4

The mode which is the most frequent response is “4 which is translated “agree”

6. When a customer has a problem, ABSA Longmarket Street branch shows a sincere interest in solving it



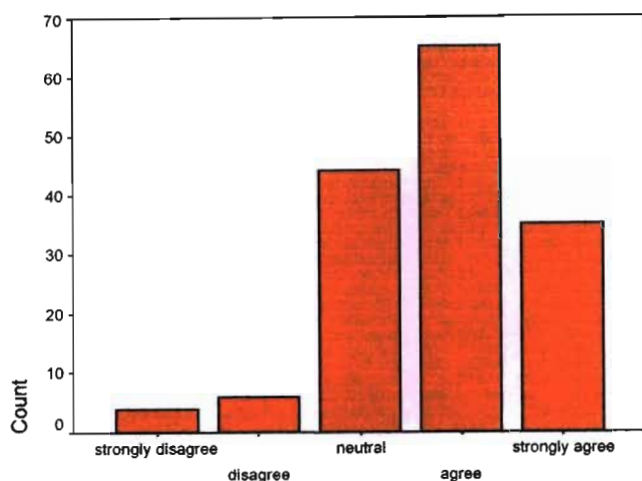
PER6

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	.6	.6	.6
	disagree	14	9.1	9.1	9.7
	neutral	48	31.2	31.2	40.9
	agree	49	31.8	31.8	72.7
	strongly agree	42	27.3	27.3	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.759	4

The mode which is the most frequent response is “4 which is translated “agree”

7. ABSA Longmarket Street branch performs the best service right the first time



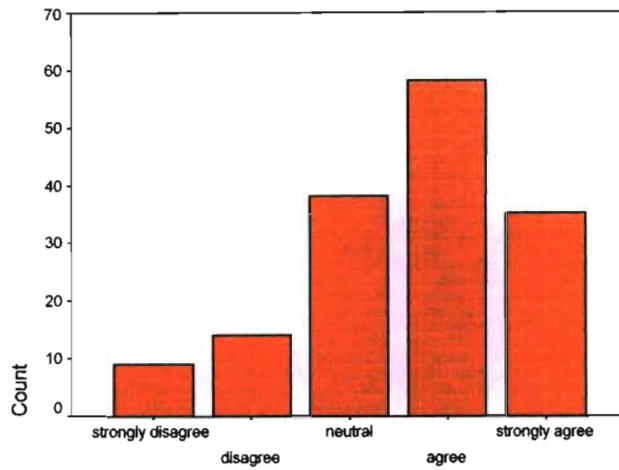
PER7

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	4	2.6	2.6	2.6
	disagree	6	3.9	3.9	6.5
	neutral	44	28.6	28.6	35.1
	agree	65	42.2	42.2	77.3
	strongly agree	35	22.7	22.7	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.786	4

The mode which is the most frequent response is “4 which is translated “agree”

8. ABSA Longmarket Street branch provides the their service at the times they promise to do so



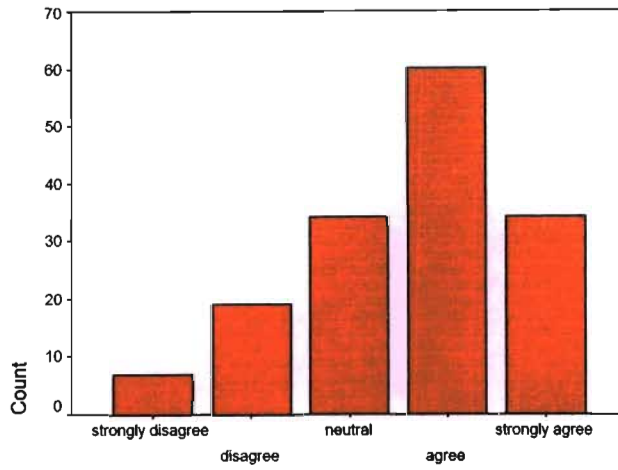
PER8

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	9	5.8	5.8	5.8
	disagree	14	9.1	9.1	14.9
	neutral	38	24.7	24.7	39.6
	agree	58	37.7	37.7	77.3
	strongly agree	35	22.7	22.7	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.623	4

The mode which is the most frequent response is “4 which is translated “agree”

9. ABSA Longmarket Street branch insist on error free records



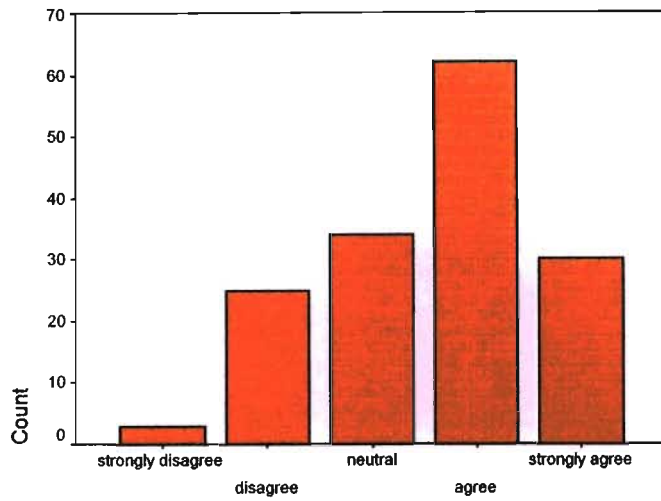
PER9

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	7	4.5	4.5	4.5
	disagree	19	12.3	12.3	16.9
	neutral	34	22.1	22.1	39.0
	agree	60	39.0	39.0	77.9
	strongly agree	34	22.1	22.1	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.616	4

The mode which is the most frequent response is “4 which is translated “agree”

10. Staff of ABSA Longmarket Street branch tell you exactly when services will be performed



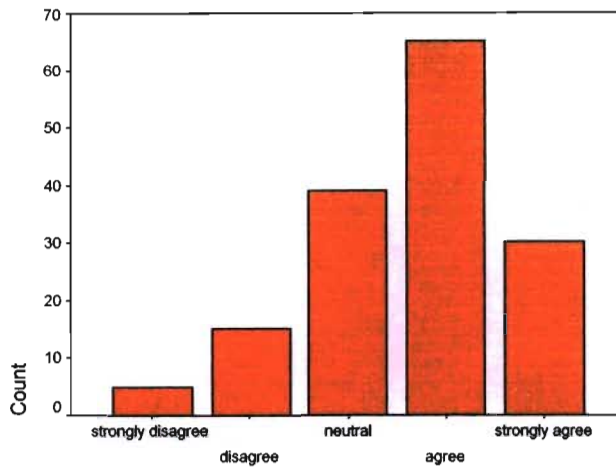
PER10

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	3	1.9	1.9	1.9
	disagree	25	16.2	16.2	18.2
	neutral	34	22.1	22.1	40.3
	agree	62	40.3	40.3	80.5
	strongly agree	30	19.5	19.5	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.590	4

The mode which is the most frequent response is “4 which is translated “agree”

11. Staff of ABSA Longmarket Street branch give prompt service to you



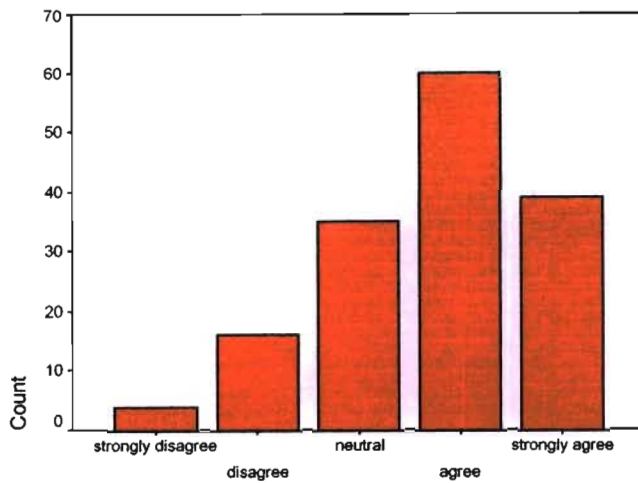
PER11

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	5	3.2	3.2	3.2
	disagree	15	9.7	9.7	13.0
	neutral	39	25.3	25.3	38.3
	agree	65	42.2	42.2	80.5
	strongly agree	30	19.5	19.5	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.649	4

The mode which is the most frequent response is “4 which is translated “agree”

12. Staff of ABSA Longmarket Street branch are always willing to help you



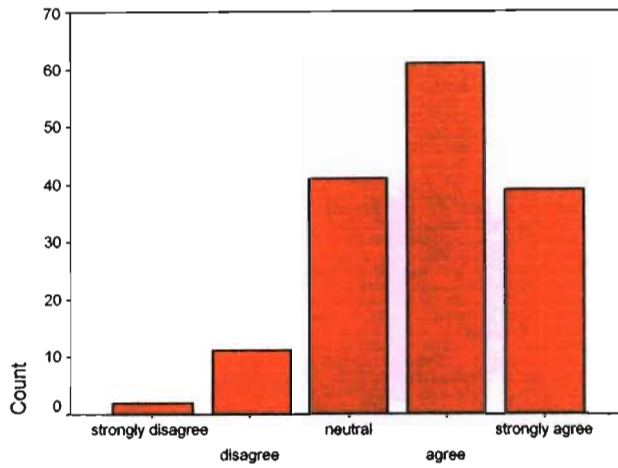
PER12

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	4	2.6	2.6	2.6
	disagree	16	10.4	10.4	13.0
	neutral	35	22.7	22.7	35.7
	agree	60	39.0	39.0	74.7
	strongly agree	39	25.3	25.3	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.740	4

The mode which is the most frequent response is “4 which is translated “agree”

13. Employees of excellent financial service branch will never be too busy to respond to your requests



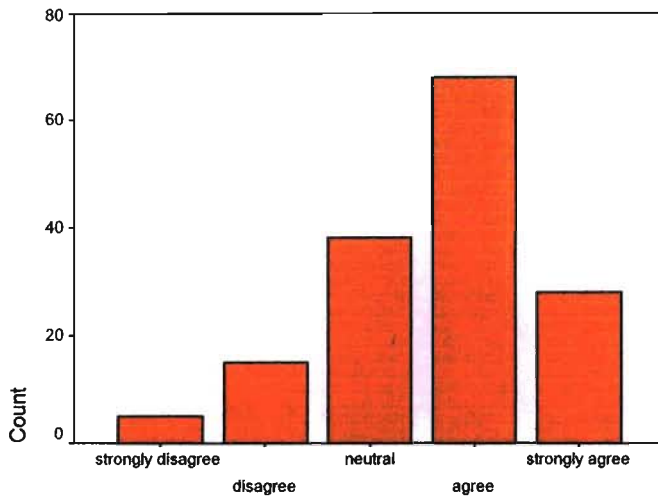
PER13

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	2	1.3	1.3	1.3
	disagree	11	7.1	7.1	8.4
	neutral	41	26.6	26.6	35.1
	agree	61	39.6	39.6	74.7
	strongly agree	39	25.3	25.3	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.805	4

The mode which is the most frequent response is “4 which is translated “agree”

14. The behaviour of staff of ABSA Longmarket Street branch will instil confidence in customers



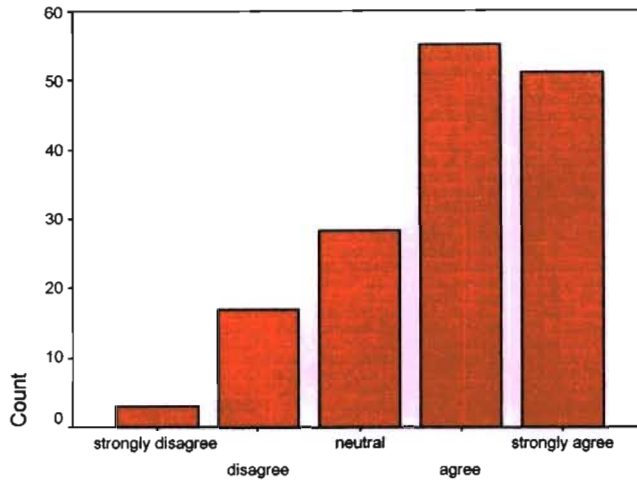
PER14

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	5	3.2	3.2	3.2
	disagree	15	9.7	9.7	13.0
	neutral	38	24.7	24.7	37.7
	agree	68	44.2	44.2	81.8
	strongly agree	28	18.2	18.2	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.642	4

The mode which is the most frequent response is “4 which is translated “agree”

15. You feel safe to do your transactions at ABSA Longmarket Street branch



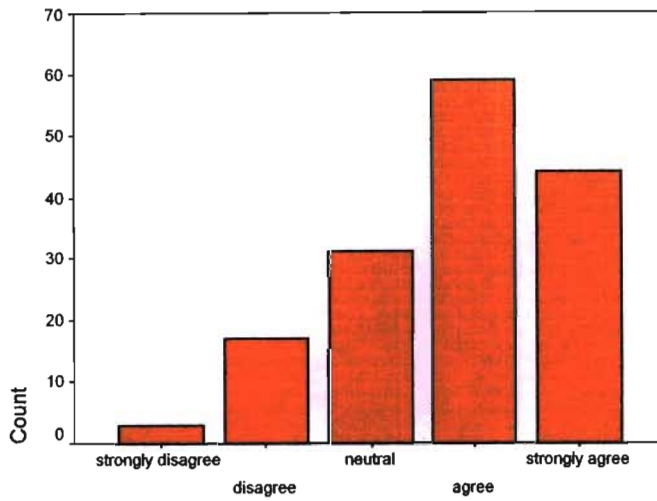
PER15

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	3	1.9	1.9	1.9
	disagree	17	11.0	11.0	13.0
	neutral	28	18.2	18.2	31.2
	agree	55	35.7	35.7	66.9
	strongly agree	51	33.1	33.1	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.870	4

The mode which is the most frequent response is “4 which is translated “agree”

16. Staff of ABSA Longmarket Street branch are consistently courteous with you



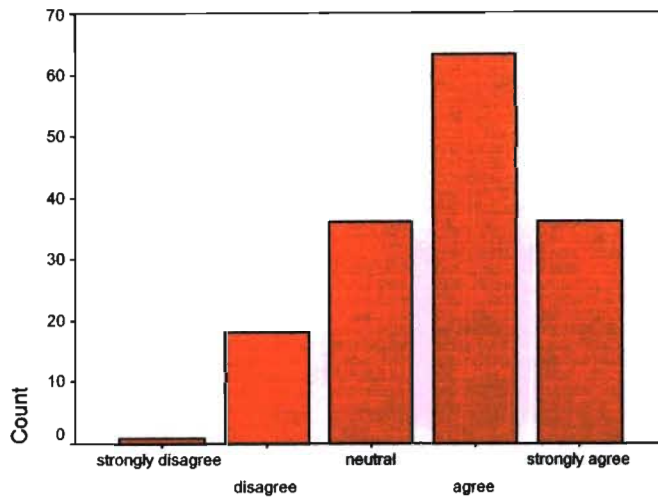
PER16

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	3	1.9	1.9	1.9
	disagree	17	11.0	11.0	13.0
	neutral	31	20.1	20.1	33.1
	agree	59	38.3	38.3	71.4
	strongly agree	44	28.6	28.6	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.805	4

The mode which is the most frequent response is “4 which is translated “agree”

17. Staff of ABSA Longmarket Street branch have the knowledge to answer your questions



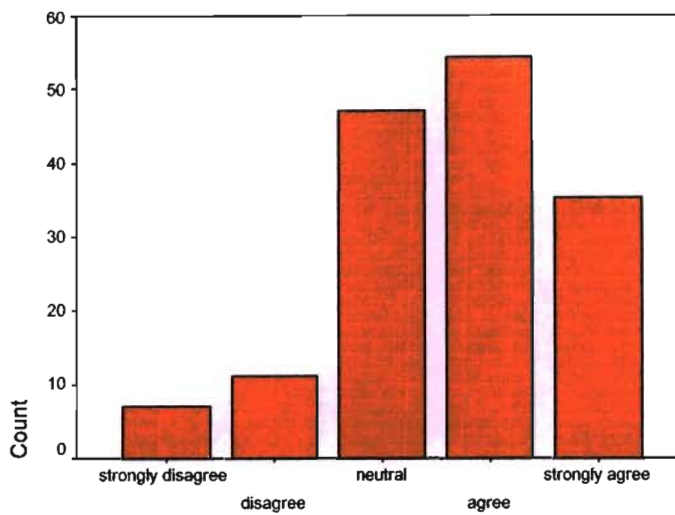
PER17

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	.6	.6	.6
	disagree	18	11.7	11.7	12.3
	neutral	36	23.4	23.4	35.7
	agree	63	40.9	40.9	76.6
	strongly agree	36	23.4	23.4	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.746	4

The mode which is the most frequent response is “4 which is translated “agree”

18. ABSA Longmarket Street branch give you individual attention



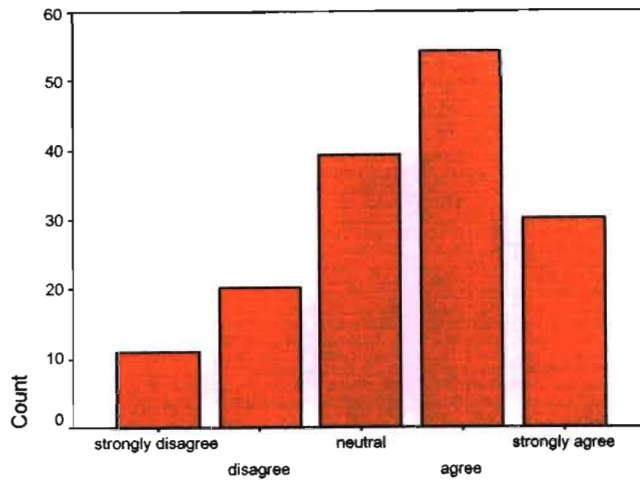
PER18

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	7	4.5	4.5	4.5
	disagree	11	7.1	7.1	11.7
	neutral	47	30.5	30.5	42.2
	agree	54	35.1	35.1	77.3
	strongly agree	35	22.7	22.7	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.642	4

The mode which is the most frequent response is “4 which is translated “agree

19. ABSA Longmarket Street branch have operating hours convenient to all their customers



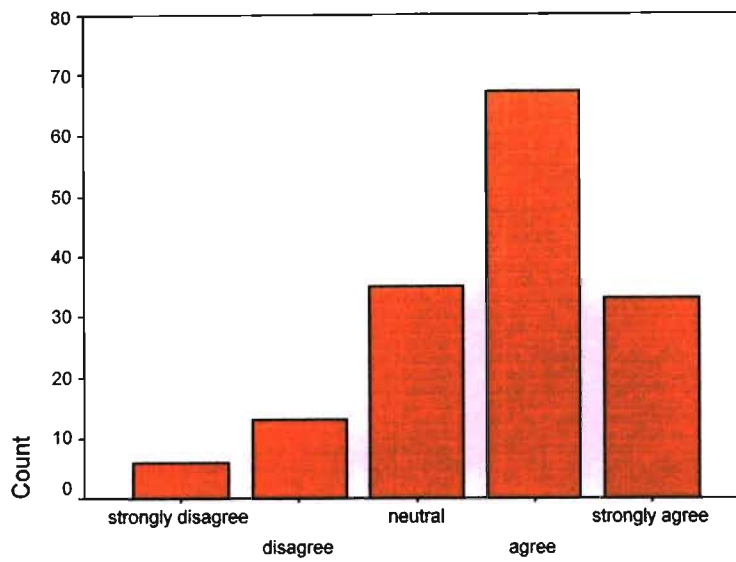
PER19

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	11	7.1	7.1	7.1
	disagree	20	13.0	13.0	20.1
	neutral	39	25.3	25.3	45.5
	agree	54	35.1	35.1	80.5
	Strongly agree	30	19.5	19.5	100.0
	agree				
	Total	154	100.0	100.0	

Mean	Mode
3.467	4

The mode which is the most frequent response is “4 which is translated “agree”

20. ABSA Longmarket Street branch have staff who give you personal attention



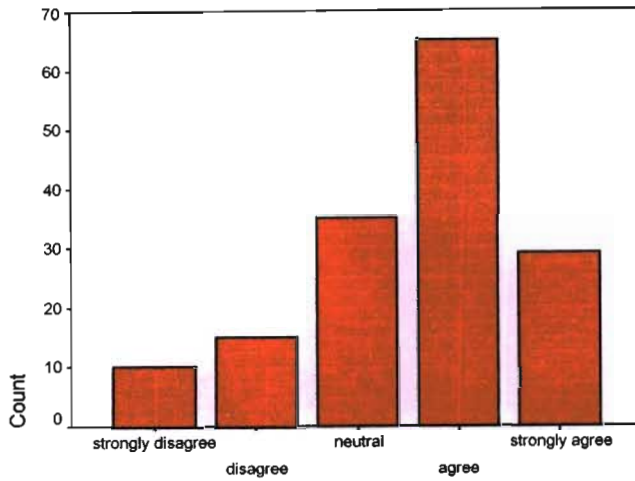
PER20

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	6	3.9	3.9	3.9
	disagree	13	8.4	8.4	12.3
	neutral	35	22.7	22.7	35.1
	agree	67	43.5	43.5	78.6
	strongly agree	33	21.4	21.4	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.701	4

The mode which is the most frequent response is “4 which is translated “agree”

21. The staff of ABSA Longmarket Street branch have your best interest at heart



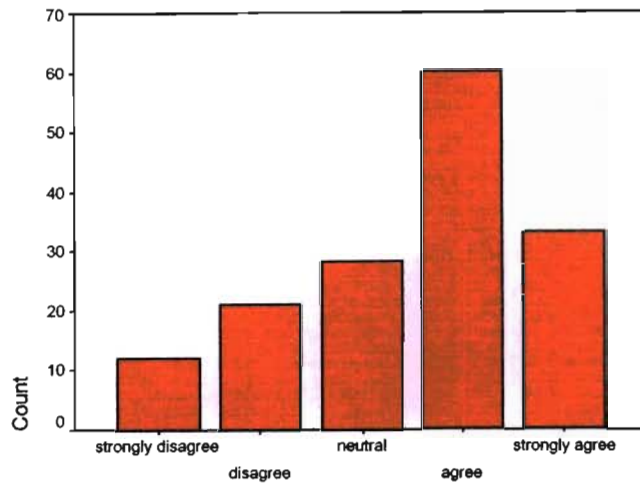
PER21

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	10	6.5	6.5	6.5
	disagree	15	9.7	9.7	16.2
	neutral	35	22.7	22.7	39.0
	agree	65	42.2	42.2	81.2
	strongly agree	29	18.8	18.8	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.571	4

The mode which is the most frequent response is “4 which is translated “agree”

22. Staff ABSA Longmarket Street branch understand your specific needs



PER22

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	12	7.8	7.8	7.8
	disagree	21	13.6	13.6	21.4
	neutral	28	18.2	18.2	39.6
	agree	60	39.0	39.0	78.6
	strongly agree	33	21.4	21.4	100.0
	Total	154	100.0	100.0	

Mean	Mode
3.529	4

The mode which is the most frequent response is “4 which is translated “agree”