

UNIVERSITY OF KWAZULU-NATAL

**A study of the Customer Relationship Management (CRM) strategy of local banks
from the perspective of MBA students at UKZN**

By:

Dhesigan Gurayah

9255333

**A dissertation submitted in partial fulfilment of the requirements for the degree of
Master of Business Administration**

**Graduate School of Business and Leadership
College of Law and Management Studies**

Supervisor: Dr Abdulla Kader

December 2016

DECLARATION

I, Dhesigan Gurayah, declare that:

- I. The research reported in this dissertation, except where otherwise indicated, and is my original research.
- II. This dissertation has not been submitted for any degree or examination at any other university.
- III. This dissertation does not contain any other person's data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
- IV. This dissertation does not contain any other person's writing, unless specifically acknowledged as being sourced from other researchers. Where other written sources have been quoted, then:
 - Their words have been re-written but the general information attributed to them has been referenced;
 - Where their exact words have been used, their writing has been placed inside quotation marks, and referenced.
- V. This dissertation does not contain text, graphics or tables copied and pasted from the Internet, unless specifically acknowledged, and the source being detailed in the dissertation and in the biography section.

Signature:

Date: 09 December 2016

ACKNOWLEDGEMENTS

- It has been said that the journey of a 1000 miles starts with the first step. Those initial tentative and uncertain steps were taken 3 years ago, and after many trials and tribulations, the curtain has finally come down on a truly challenging and life changing experience.
- The events of past few years will be greatly remembered for the many challenges and sacrifices which were made to make this dream possible. To my amazing wife Jayrasha R.Gurayah, you have been the rock on which my success has been built. This achievement would never have been possible were it not for your endless love, support and confidence in me to achieve what was seemingly impossible, only a few years ago. For all those long hours spent away from you and our boys, I will forever be grateful for the strength and courage you showed during those lonely and difficult days.
- To my two precious twin sons Kairav and Tharshey, you have given me a greater sense of purpose in life. You both have inspired me to reach for the stars and have brought out the very best in me. Daddy loves you both very much, and hopes that that one day you will grow to realise the massive sacrifices which were made to give the both of you a better life.
- To my late Mother, I know that you are probably smiling from the heavens above and thank you for your divine grace and wisdom always. Your belief in me has always made me achieve the impossible. To my Father, for instilling in me the importance of an education and something which I will continue to carry with me for the rest of my days.
- It will also be remiss of me, not to extend my heartfelt thanks to my extended family for all their encouragement and unflinching support over the years. To Uncle Joey, Aunty Gladys, Aunty Marie, Uncle Anand, Gays and Sandy, I thank you all for the

moral support. This accomplishment would not have been possible without your love and assistance.

- To the incredible team of academics behind me, your intellectual contributions have been greatly appreciated in helping me compile an absorbing study:
- My supervisor, Dr. Abdulla Kader, your calm disposition, guidance and experience was always very reassuring during the stressful times. I thank you for your sincerity, patience and willingness to always assist.
- Dr. Gill Hendry, for assisting with the statistical output of my research, which helped shaped and enhance the quality of my study.
- Dr. Mervyn Williamson, for your valued technical insights and constructive inputs and professionalism at an important stage of my dissertation, I am immensely grateful.
- To my two dear friends, Khulekani Ndlovu and Raven Naidoo, I will forever be thankful for the kindness and support you have shown throughout the programme.
- Lastly, but certainly not least to my spiritual master, Lord Hanuman. What started out as an academic experience has ended as a spiritual one. I have learnt in this lifetime that faith cannot be seen but can be felt.

Jai Hanuman Jai ...

ABSTRACT

The banking landscape continues to be shaped by the global themes of mobile technology, cyber-crime, volatile financial markets, a rigid regulatory framework and a more demanding and well informed customer.

The traditional role of banks and the manner in which they engage with their clients has changed with the advent of mobile technology, social media and other digital technologies. With the rapid pace of change brought by the advancement of technology, compliance enforced legislation & the growing intensity of competition, the strategic focus of banks has been forced to adapt to an ever changing environment.

The following study explored the changing face of Customer Relationship Management (CRM) practices within the local banking sector, as experienced by customers. In light of an ever changing banking sector and a rapidly changing technological environment, the customer perception was investigated to determine the level of service quality prevalent amongst local banks and to gauge a measure of customer centricity & loyalty of customers towards banks.

In view of a changing business environment, the study sought to take a closer look at the key components of CRM and their importance in shaping customer perceptions. The customer perspective has been represented by the 2nd year Master of Business Administration (MBA) student population, who are based at the Graduate School of Business (Westville Campus). Prior arrangements were made with the lecturer, to allow the researcher the opportunity to address the class and provide a brief overview behind the purpose of the study. The quantitative approach was chosen, whereby the researcher issued a self-composed questionnaire which was designed to help achieve the objectives of the study.

The study revealed significant findings, which showed that banks have started to customise their products and have started to build more personalised relationships with

their clients'. There was also a significant correlation between age & the opinions on customer centricity, service quality and customer loyalty. The finding, points to the fact that the larger the age, the greater the level of agreement across all of the objectives.

In closing, there were also notable areas of significant disagreement which emerged, whereby banks were perceived as having inconvenient trading hours and not being transparent with regards to bank charges and fees. Subsequent recommendations were made in view of the findings. The study also served to highlight the fact the concept of CRM is evolving, thus requiring constant client engagement to improve on existing work management practices.

TABLE OF CONTENTS

CONTENTS	PAGE NO.
Cover and Title Page	i
Declaration	ii
Acknowledgement	iii-iv
Abstract	v-vi
Table of Contents	vii-ix
List of Figures	x
List of Tables	xi-xii
List of Tests	xiii
List of Acronyms	xiv
List of Appendices	xv-xvi
 CHAPTER 1: INTRODUCTION TO THE STUDY	
1.1 Introduction	1
1.2 Background	1-3
1.3 Research Problem	3-4
1.4 Aim of the Study	4
1.5 Research Objectives	4
1.6 Research Questions	5
1.7 Significance of the Study	5
1.8 Research Methodology	5-6
1.9 Delimitations of the study	6
1.10 Limitations of the Study	6-7
1.11 Proposed Structure of Chapters	7-8
1.12 Conclusion	9
 CHAPTER 2: LITERATURE REVIEW	
2.1 Introduction	10

2.2 What is Customer Relationship Management (CRM)	10-12
2.3 CRM Model	12-15
2.4 CRM Implementation	15-21
2.5 Managing Client Relationships in the Digital Era	21-23
2.6 Perceptions of Product and Service Quality	23-26
2.7 The SERVQUAL Model (5 Dimensions of Service)	26-30
2.8 Customer Centricity	30-36
2.9 Conclusion	36

CHAPTER: 3 RESEARCH METHODOLOGY OF THE STUDY

3.1 Introduction	37-38
3.2 Research Design and Research Strategy	38
3.3 Research Methodology	38-39
3.4 Study Area/Site	39
3.5 Target Population	39-40
3.6 Sample Size and Sampling Strategy	40
3.7 Research Instrument and Data Collection	40-41
3.8 Reliability and Validity	41-42
3.9 Statistic Tests Used	42-43
3.10 Data Analysis	43
3.11 Ethical Considerations	43
3.12 Conclusion	44

CHAPTER: 4 DATA ANALYSIS AND DISCUSSION OF RESULTS

4.1. Introduction	45
4.2 Sample Size	46
4.3 Demographic Information of Respondents	47-52
4.4 Descriptive Statistics	53
4.5 Presentation of the Results by Objectives	54-86
4.6 Reliability of the Study	87-88
4.7 Correlation Analysis	89-95

4.8 Conclusion	95
CHAPTER: 5 CONCLUSION AND RECOMMENDATIONS	
5.1 Introduction	96
5.2 Findings from the Study	96-100
5.3 Conclusion from the Findings	100
5.4 Significant Findings Emerged from the Study	100-101
5.5 Recommendations	101-102
5.6 Recommendations for Future Research	102
5.7 Conclusion	103-104
LIST OF REFERENCES	105-109

LIST OF FIGURES

Figure 2.1 Outline Framework of CRM	14
Figure 2.2 CRM of a Company	18
Figure 4.1 Adequacy of Sample Size	46
Figure 4.2 Summary of Transactional Channels	50
Figure 4.3 Graphical Representation for Objective 1	65
Figure 4.4 Graphical Representation for Objective 2	77
Figure 4.5 Graphical Representation for Objective 3	86
Figure 4.6 Graphical Representation of Correlation between 3 Variables	90

LIST OF TABLES

Table 4.1 Gender	47
Table 4.2 Telephone/Cell	47
Table 4.3 ATM	48
Table 4.4 Online	48
Table 4.5 Branch	49
Table 4.6 Transactional Channels	50
Table 4.7 Race	51
Table 4.8 Customer Insights/Feedback ... process improvement.	54
Table 4.9 Banks are increasingly offering ... client needs.	55
Table 4.10 There are adequate customer ... your concerns.	56
Table 4.11 My Bank offers products ... my specific needs.	57
Table 4.12 There is a greater personalised ... towards their clients.	58
Table 4.13 Banks have convenient operating hours.	59
Table 4.14 bank processes are flexible and ... customer focused.	60
Table 4.15 Banking relationships are ... product focused.	60
Table 4.16 Banks maintain contact ... on a proactive basis.	61
Table 4.17 Mobile Banking Applications ... very secure.	66
Table 4.18 Service Requests are attended to quickly in a branch.	67
Table 4.19 The Complaint handling ... efficient and effective.	68
Table 4.20 The perceived service quality ... high standard.	69
Table 4.21 Front line bank staff ... process and products.	70
Table 4.22 Banks are transparent ... other service charges.	70
Table 4.23 Service personnel display ... to my requests.	72
Table 4.24 Effective CRM requires that ... to service clients.	73
Table 4.25 The online service quality ... safe and secure.	74
Table 4.26 The loyalty programmes offered ... customer relationships.	78
Table 4.27 Loyalty programmes offered ... easily distinguishable.	79
Table 4.28 Technological advancements ... much simpler.	80
Table 4.29 Service quality is ... remain with a bank.	80

Table 4.30 I am not prepared to change my bank.	81
Table 4.31 I have a strong relationship with my bank.	82
Table 4.32 The marketing strategies ... are the same.	83
Table 4.33 Pattern Matrix ^a	88

LIST OF TESTS

Test 4.1 Binomial Test	52
Test 4.2 Descriptive Statistics	53
Test 4.3 One-Sample Statistics: Objective 1	62
Test 4.4 One-Sample Test: Objective 1	63
Test 4.5 One-Sample Statistics: Objective 2	75
Test 4.6 One-Sample Test: Objective 2	76
Test 4.7 One-Sample Statistics: Objective 3	84
Test 4.8 One-Sample Test: Objective 3	85
Test 4.9 Reliability Statistics	87
Test 4.10 Reliability Statistics	87
Test 4.11 Reliability Statistics	87
Test 4.12 One-Sample Statistics: Correlation	89
Test 4.13 One-Sample Test: Correlation	89
Test 4.14 Group Statistics	91
Test 4.15 Descriptives	92
Test 4.16 Descriptives	93
Test 4.17 Correlations	94

LIST OF ACRONYMS

(CRM)	Customer Relationship Management
(UKZN)	University of Kwa-Zulu Natal
(MBA)	Master of Business Administration
(WWW)	World Wide Web
(LCV)	Lifetime Customer Value
(IT)	Information Technology
(CVM)	Customer Value Management
(MFRC)	Micro Finance Regulatory Council
(Gen Y)	Generation Y
(SPSS)	Statistical Package for the Social Sciences

CHAPTER: 1

INTRODUCTION TO THE STUDY

1.1 Introduction

The banking sector continues to face tough challenges in both its macro and micro environments. A changing legislative environment, compounded by a tough economic environment, has forced banks to rethink their strategies on all fronts. The sweeping challenges brought about by technological innovations and a changing business environment has changed the way we do banking.

The changes within the banking environment, brought about by the introduction of new technologies and a more demanding customer, has forced banks to review and improve on existing customer relationship management practices. The important themes of customer centricity and service quality are explored in greater detail, as they are at the heart of the Customer Relationship Management (CRM) strategies employed by South African local banks. The above study aims to explore customer relationship management strategies employed by local banks from a customer perspective, represented by the currently enrolled Masters of Business Administration (MBA) students of the University of Kwa-Zulu Natal (UKZN). It is hoped that this study will highlight key areas which can be refined and further improved upon by banks in their daily customer relationship management practices, in their quest to improve customer satisfaction levels and deliver high quality service.

1.2 Background

In the aftermath of the financial crisis of 2007, the global financial system has experienced a prolonged period of financial instability and uncertainty. The increased market risk following the crisis has placed the spotlight firmly on banks, as they continue to undergo significant structural changes. With regulatory and compliance requirements becoming more onerous and demanding, the pressure on South African banks to conform to international standards have increased. Compliance with the Basel Accord and its underlying principles, require banks to increase their reserves

which has resulted in a further strain on their capital requirements. This has resulted in banks making changes to their strategic plans and streamlining their daily operations.

The further wave of anti -money laundering legislation to prevent abuse of the financial system for money laundering purposes, along with the introduction of consumer protection enforced legislation, has further increased the compliance costs of banks. The on-going regulatory changes, along with the emergence of new technologies and intense competition within the banking sector, has continued to reshape the banking landscape in South Africa.

At the forefront of these changes, are customers who are impacted in their daily interactions with banks. The rollout of new banking processes to mitigate risk and ensure regulatory compliance has to some extent altered the conventional face of banking. The discussion which follows probes the impact on customer engagement and endeavours to determine the customer's perception of service quality of banks and to gauge how customer centric are the strategies of local banks. Further to this, the important concept of customer loyalty is also investigated, to try and determine the factors which drive customer loyalty. Customer loyalty has been cited as a key component in building a sustainable competitive advantage, whereby loyal customers engage in positive behaviour such as referrals and continued patronage over time (Afsar, Rehman, Qureshni and Shahjehan, 2010: 1040).

At the heart of this study, is a discussion around the theoretical framework of Customer Relationship Management and its strategic importance to an organisation. CRM can be described as a comprehensive strategy which focuses on establishing, maintaining and enhancing relationships with customers, with the objective of creating value for the organisation (Zulkifi and Tahir, 2011: 2447). The related business activities are discussed in greater detail, along with the core focus of client centricity and the building of collaborative relationships with clients. A central theme of CRM relating to banks involves a shift in their business models from being product- centric to customer-centric (Sivaraks, Krairit and Tang, 2011: 143), with all related activities being built around the customer in an attempt to create more efficient and personalised relationships.

As the pace of change continues to sweep through the market and CRM practices continue to evolve, it has become increasingly important for organisations to understand key service attributes which influence consumer behaviour and which enhance customer satisfaction. The five core service dimensions of Assurance, Reliability, Tangibles, Empathy, and Responsiveness, as highlighted in the Servqual Model by Parasuraman, 1985 (Naik, Gantasala and Prabhakar, 2010: 231), are cited as important dimensions which shape a customer's perception around the service quality of an organisation. The overall understanding of a customer's motivations and expectations will help provide a guideline of how best to serve a customer and the necessary improvements which would need to be made within an organisation to meet a customer's needs (Naik et al, 2010: 235).

1.3 Research Problem

The banking sector is at the centre of our economy, and affects both businesses and individuals alike. Banks remain a key player in the financial services industry, and are well known for being frontrunners in respect of introducing new technological innovations and being part of a highly regulated industry. In light of the prevailing recessionary environment where headline earnings have started to fall and the risk of default has increased, local banks have started cost cutting measures to realign their business models and streamline their operations.

Aligned to the growing operational and market risks facing banks, there have been significant regulatory pressures being applied whereby banks are now obliged to implement new Anti-Money Laundering Legislation to comply with global banking standards. This has seen banks start the process of verifying customer records all over again and requesting updated information from their clients during the normal course of business. In certain instances, customers are being requested to provide information on several occasions, much to their annoyance. To ensure clients are fully compliant, service requests are being delayed until such compliance requirements have been met. Whilst it is imperative that compliance is adhered to and customer records are updated, the process and manner in which this is being done, appears to be impacting service delivery to clients.

The further introduction of new innovative technologies have been largely welcomed due its convenience and ease of use. Whilst the introduction of certain automated technologies have replaced the human interface, the question of relationship quality and removal of personalised relationships has surfaced. Has the realignment of certain processes using technology compromised the service quality?

In light of the above discussion and the significant internal changes being rolled out by banks, the research problem serves to address how customer centric have banks become and the resulting impact on their service quality to clients. Are these changes merely been done to mitigate risk and cut costs? The study which follows aims to address this question, and gain a measure of the level of customer centricity and service quality of local banks.

1.4 Aim of the Study

The ultimate purpose of the research stands to identify the gaps which exist in the present CRM strategies employed by banks, with a view to highlighting them so that they can be addressed and the necessary improvements be made, to help strengthen the service delivery models of local banks.

1.5 Research Objectives

The aim of the study is to explore the different CRM strategies employed by local banks and to identify the gap which exists in their CRM strategy through the following research objectives:

- A. To determine how customer centric are the CRM strategies of local banks from the customers' perspective.
- B. To determine the general perceived levels of service quality amongst local banks.
- C. To determine the key drivers of customer loyalty.

1.6 Research Questions

The study aims to answer the following research questions:

- A. Are the CRM strategies of local banks customer centric from a customer's perspective?
- B. What are the general perceived levels of service quality amongst banks?
- C. What are the key drivers of customer loyalty?

1.7 Significance of the Study

The concept of customer relationship management is an important concept, which is applicable to all industry sectors. Whilst the nature of businesses have evolved in a fast changing market, the basic fundamental practices of managing customer relations continues to be shaped by technology with an even greater focus on strong relationships.

The banking sector and its changing customer relationship management strategies have made for an interesting study in light of the ongoing structural changes affecting the sector. The impact of these changes on the consumer continues to change the face of customer relations with the introduction of technology and the change in service delivery models.

The study aims to measure the impact of these changes on customer relations, since banks remain a key service provider which touches the lives of all consumers. The findings of the study are there to contribute to the existing body of research to help banks make strategic improvements to their existing customer relationship management strategies and enhance their service delivery to customers.

1.8 Research Methodology:

This section of the dissertation will propose a research design that will display an appropriate design that will create the foundation of the research. This study has chosen the positivist, descriptive research approach. A research approach will be stipulated in accordance to the method that will be selected and the principles behind

the research choice, of which a quantitative method will be used in this study. The study site and population target will give an indication on how the site will be determined and the population target of perceived groups which will ensure clarity. The sample includes students who are in their second year of study, which is made up of both block and part time students, equating to a total population size of **117 students**. The sampling strategy of convenience nonprobability sampling will include the aspects of sampling techniques which will aid in apportioning the population targets into a smaller group of sample sets. Data collection methods will portray the techniques of collecting data which are appropriate to the respective research method. The survey instrument and data quality control will emphasise the appropriateness of conducting research through a quantitative approach. Data analysis will use the data collected from respondents for the summarisation of findings. The ethical considerations within the study will certify that the proposed research will be conducted in an ethical manner.

1.9 Delimitations of the Study:

The following delimitations below will highlight the research boundaries:

- A. The study focused on CRM issues as seen through the lens of a retail consumer. The perspective of corporate clients was not solicited
- B. The study was restricted to MBA students based at UKZN, hence the generalizability of the findings should be exercised with caution

1.10 Limitations of the Study:

The following reasons were identified as possible limitations of the study:

- A. The names of the local banks have been excluded from the questionnaire. This could have served as a clear differentiator when questions were answered, with some banks rating higher in the category of customer centricity and service quality, than others.
- B. The study also assumes that the perspective being investigated is that of a retail client, whereas the population sample is generally high income earners who fall

within the private banking category. A client's experience of service quality within the retail space and private banking segment might be totally different therefore affecting their perceptions of banks. This might impact on the way some questions might have been answered, resulting in a marginal distortion of the results.

- C. The quantitative data collection method of using a questionnaire, might have resulted in the loss of some rich data which could have been prevented, had the qualitative approach been used. The use of an in depth interview process, might have allowed respondents the opportunity to provide more detailed feedback around service quality issues with possible suggestions, instead of having to answer closed questions.
- D. The use of a non-probability technique, namely, convenient sampling limits the generalisability of the findings of the study.

1.11 Proposed Structure of Chapters

<p>1. Chapter One: Introduction to the Study</p>	<ul style="list-style-type: none"> - Background - Research Problem - Aim of the Study - Research Objectives & Research Questions - Significance of the Study - Research Methodology - Delimitations of the Study - Limitations of the Study - Proposed Structure of Chapters
<p>2. Chapter Two: Literature Review</p>	<ul style="list-style-type: none"> - What is CRM? - CRM Model - CRM Implementation - Managing Client Relationships in the Digital Era - Perceptions of Product and Service Quality

	<ul style="list-style-type: none"> - Servqual Model - Customer Centricity
<p>3. Chapter Three: Research Methodology</p>	<ul style="list-style-type: none"> - Research Design - Research Strategy - Research Methodology - Study Area/Site - Target Population - Sample Size and Sampling Strategy - Research Instrument and Design of Questionnaire - Validity and Reliability - Statistical Tests - Data Analysis - Ethical Considerations
<p>4. Chapter Four: Research Findings and Data Analysis</p>	<ul style="list-style-type: none"> - Summary of Results - Demographic Information - Descriptive Statistics - Presentation of Results by Objectives - Reliability of the Study - Correlation Analysis
<p>5. Chapter Five: Conclusion and Recommendations</p>	<ul style="list-style-type: none"> - Findings from the Study: Lit Review & Primary Research - Conclusion from the findings: Significant findings - Recommendations of the Study and Future Research

1.12 Conclusion:

This chapter provided a high level overview of the background of the study, the research objectives and questions, along with a detailed statement of the underlying research problem. The study of Customer Relationship Management practices within the local banking sector makes for an interesting discussion in view of the significant challenges facing the banking industry.

Chapter 2 will provide an overview of previous research conducted on CRM within the banking industry.

CHAPTER: 2

LITERATURE REVIEW

2.1 Introduction

This section of the research covers literature relating to the theoretical models, theories and frameworks which are related to the concept of Customer Relationship Management (CRM). It includes industry wide examples of CRM in practice and the insights of scholars from across the globe.

2.2 What is Customer Relationship Management (CRM)?

Customer Relationship Management (CRM) in its simplest form relates to the management of client relationships. The concept has evolved over the years to a more integrated and enterprise wide approach, to include all activities & processes which impact on client relations. The importance of CRM has grown over the years, as organisations have identified it as being a catalyst for growth. The modern day concept of CRM has seen the introduction of new technologies and practices, with the ultimate objective of building sustainable and profitable relationships with clients. The overarching themes of customer centricity and managing for value, continue to shape the concept of CRM.

There have been many contributing theories to try and explain the concept of CRM. Rababah, Mohd and Ibrahim (2011), argued that CRM is a concept which includes the 3 components of: people, technology and processes, whereby organisations try to learn more about their customers with a view of trying to build sustainable relationships with them (Rababah, Mohd and Ibrahim, 2011: 22).

Similarly, another definition which was put forward by Parvatiyar and Sheth which stated that CRM was a comprehensive strategy of acquiring, retaining and partnering with the customer with the objective of trying to create value for both the client and the company (Richards and Jones, 2008: 121).

Customer Relationship Management is increasingly being viewed as a comprehensive strategy and process that enables organisations to identify, attract and retain profitable customers by establishing and maintaining long term relationships with them. The term CRM is a system of managing relationships with a customer, and can be broken down into 3 main components: *customer*, *relationship* and *management* (Tavana, Fili, Tohid, Vaghari and Kakouie, 2013: 63-64). The concept of relationship building is to help nurture and increase the profitability of customers through the building of collaborative relationships whilst management relates to adopting a customer based approach which places the customer at the centre of an organisation (Tavana et al, 2013: 63-64). In an age of rapid technological advancement and increased levels of competition, customer relationship management is viewed as being of strategic importance to an organisation. A highly personalised and well-structured business relationship is increasingly being viewed as an important way to enhance customer satisfaction, increase sales, reduce costs and add value for both the customer and the organisation.

In recent times, the importance of CRM practices have grown significantly due to more companies adopting customer centric strategies, programmes, tools and innovative technologies to improve the management of client relationships. They have awoken to the need for integrated customer knowledge to help build closer, collaborative relationships with their customers. The emergences of new digital technologies have also significantly altered how companies interact with their customers, thereby resulting in a greater degree of integration between functional departments within organisations. CRM has evolved into an enterprise wide approach, which uses knowledge about customer behaviour and preferences, in order to develop programmes and strategies which add value to customers and help enhance their overall business relationship (Parvatiyar and Sheth, 2001: 1-2).

In today's business environment, there are a variety of channels available through which companies interact with their customers. These include channels such as front line sales and service staff, call centres, websites, and various other marketing departments. Customers often engage with personnel from cross functional departments, which therefore requires a higher degree of integration between the different departments in an organisation. It is therefore important that for effective CRM implementation to take place, there needs to be a frontline information system

available which shares customer information across all interface units. The challenge remains in developing an integrated CRM platform which is able to collect relevant input data and simultaneously generate cross sell opportunities to other customer interfaces that may interact with the client (Parvatiyar and Sheth, 2001: 18-19)

According to Thompson, 2004 (Tavana et al, 2013: 64), CRM can be classified into 4 general groups which cover: *strategies, technologies, processes* and *information systems*: (Tavana et al, 2013: 64).

These are as follows:

- CRM forms part of an organisational strategy which focuses on acquiring and retention of customers through customer satisfaction (Tavana et al, 2013: 64)
- CRM (Burnett, 2001), relates to a set of methodologies, processes, software and systems which assist with the effective management of customer relationships (Tavana et al, 2013: 64)
- CRM involves relationship management strategies to help build sustainable business relationships, along with the analysis of customer data to improve knowledge about customers and create a competitive advantage (Tavana et al, 2013: 64)
- CRM is a comprehensive business and marketing strategy that integrates processes and technology and where the organisation's activities are built around the customer. (Tavana et al, 2013: 64).

2.3 CRM Model

The logic of CRM is based on the principle of moving away from a product based approach towards a more customer-centric approach, with the strategic objective of managing for value (Hillebrand, Nijholt and Nijssen, 2011: 595). Historically, marketing initiatives did not pay much attention to customer information; however the CRM model is now focused on the systematic integration and analysis of customer information to be used by management and front line staff. Past research has shown relational information processes has a positive effect on customer relationship performance (Hillebrand et al, 2011: 595). Firms which have a sound understanding of current

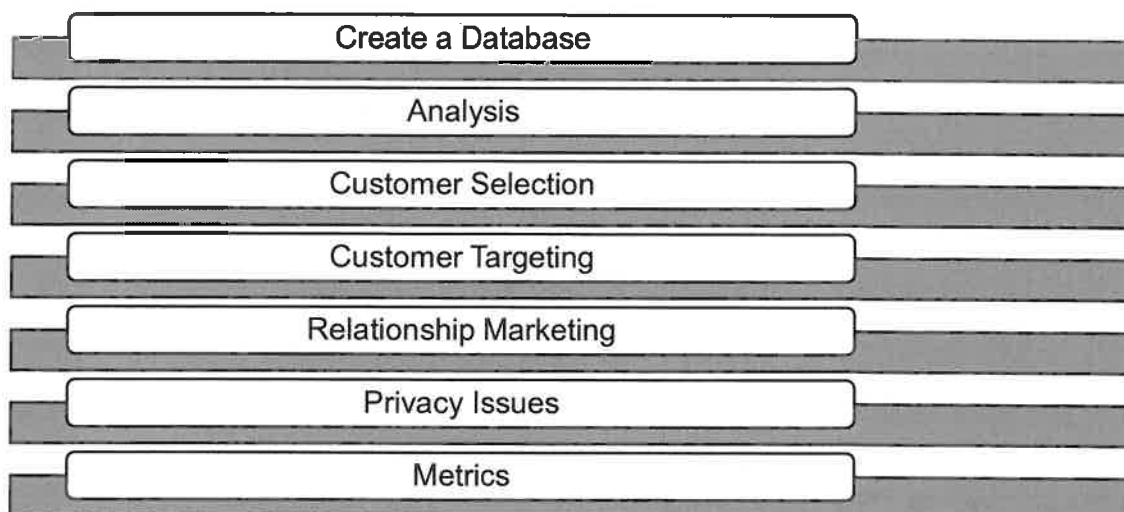
customer needs, the reasons behind these needs and the manner in which these needs change over time, are able to enjoy enhanced customer relationships. These customer insights assist in tailoring customer solutions to meet customer requirements, and ultimately help in the creation of additional value and customer retention (Hillebrand et al, 2011: 595).

Whilst CRM is a practice with a large technological component, some commentators have warned against focusing too much on the technological aspect, and compromising the true goals of CRM in the process (Hillebrand et al, 2011: 596). Firms which lack a deep understanding of the underlying fundamentals and workings of CRM, are likely to lose the effectiveness of technology in practice, and may not be able to derive the full benefit. The concept of a 'customer intimacy strategy', was introduced which was focused on the extent to which a firm's strategy is aimed at building stronger client relationships, to be able to customise solutions which meet customer needs (Hillebrand et al, 2011: 596). Firms which have a stronger customer intimacy strategy in place are better equipped to understand customer needs and ensure that the CRM system and relational information processes are correctly implemented. This would further help in tailoring their business processes and creating a client centric model which satisfies the needs of the customer and ensuring that the customer is at the centre of the organisation and its processes.

The changes brought about by the technological revolution, have changed the way companies do business and how they choose to interact with their customers. (Winer, 2001: 89). The World Wide Web (WWW), has provided companies with a digital platform to establish and nurture business relationships. The advent of e-commerce and other related technologies have enabled companies to develop CRM products which track customer behaviour and even help predict future spending patterns.

In an attempt to build a complete CRM perspective, there are basically 7 basic components required in a CRM Management model which are detailed as follows: (Winer, 2001: 91). Refer to figure 2.1, below.

Figure 2.1 [Outlined Framework of CRM]



[Source: Winer, R.S. (2001). 'A Framework for Customer Relationship Management', *California Management Review*, 43(4): 89-105]

Service industries, such as banks, are generally well placed to collect data, due to the high level of interactions with their clients (Winer, 2001: 92). Companies which manufacture consumer goods for example, have a greater challenge building a database due to a lack of systematic information since many of their customers would be using intermediaries such as supermarkets which prevents direct contact with the organisation and the subsequent loss of important data (Winer, 2001: 92)

In the analysis of customer data, a new concept of "Lifetime Customer Value" (LCV) has been introduced which measures the potential profitability of each customer (Winer, 2001: 95). This aids in customer selection and provides a clearer guideline, as to where marketing efforts need to be concentrated.

Whilst there are many building blocks within the CRM Framework, the "relationship" aspect is the cornerstone upon which any customer retention programme is built. The goal of relationship management programs is to achieve a high level of customer satisfaction through customer service, loyalty and rewards programmes, customization of product and a sound understanding of client expectation and needs (Winer, 2001: 98).

Customer service encounters are an important priority within firms since it has the ability to ensure repeat business or destroy a customer's confidence in a company. Both proactive and reactive service measures are used where the former involves the anticipation of customer needs, and reactive systems is where the customer has a problem and contacts the company to seek assistance in solving the problem (Winer, 2001: 99). The advancement of web based services enables customers to interact with service representatives on a real time basis, and provide real time solutions to customer requests.

The constant changes within CRM have meant that traditional metrics need to be updated. Traditional measures such as profitability and market share continue to be important measures of success (Winer, 2001: 102). However, there has been a greater emphasis on customer centric measures such as customer satisfaction surveys, which serve to highlight if policies are working or not.

In a further theoretical perspective offered by Payne & Crow, 2005, (Peltier, Zahay and Lehmann, 2013: 2), the CRM process provided opportunities to obtain additional data and information, which was instrumental in creating value and helping to improve the understanding of a client. In addition to this, the quality of data obtained from various customer touch points, have been known to have an impact on organisational performance as per a finding by Zahay and Peltier (2008), (Peltier et al, 2013: 2). The importance of a high quality customer database was deemed fundamental to interactive marketing strategies as argued by Blattebrg, Malthouse and Neslin, since high quality data has a positive impact on business performance (Peltier et al, 2013: 1).

2.4 CRM Implementation

CRM has been described in many ways by theorists offering various definitions over the years. It has however become very clear that it is more than just a strategy, a process, a philosophy or a technological tool, but rather a broad spectrum of functions and processes which need to be integrated to form a comprehensive view of a customer.

To remain competitive, companies are deploying new CRM systems to get closer to their customers and implementing new enterprise wide applications as part of an ever changing business environment (Finnegan and Currie, 2010: 153). This process is not without its challenges, as there is both individual and organisational resistance, which create barriers for overall integration. The challenges of integration have further been compounded by legacy systems (Finnegan and Currie, 2010: 154). To ensure the successful implementation of CRM, all aspects of the business would need to be integrated to provide a unified approach. These include the integration of cultures, processes, technology and the important buy-in of its people (Finnegan and Currie, 2010: 155). It is of paramount importance to promote collaborative thinking across the organisation, to show how the sociology of science and the sociology of technology can benefit each other by adopting an integrative approach (Finnegan and Currie, 2010: 155).

CULTURAL LAYER:

It is important to nurture the right culture before implementing a CRM strategy within an organisation. A customer centric model involves a shift in culture whereby information is shared far more freely. Cultural change can be effected by effective communication, where information reaches all employees, and carries the support and commitment of senior management towards education and training programmes. This will help boost the motivation levels of staff, and also help reduce resistance to new challenges (Finnegan and Currie, 2010: 157).

PEOPLE LAYER:

The implementation of CRM is dependent on the joint collaboration of employees from various functional areas such as Sales, Information Technology (IT), Marketing etc. Whilst diversity can create accountability issues with a resistance to change, top management must be seen at the forefront to drive and promote the benefits of organisational change (Finnegan and Currie, 2010: 157).

The introduction of change management programmes when rolling out CRM initiatives is seen as an important intervention since it is ultimately the staff that needs to apply their knowledge and skills to make the CRM strategies a success (Sen and Sinha, 2011: 609).

PROCESS LAYER:

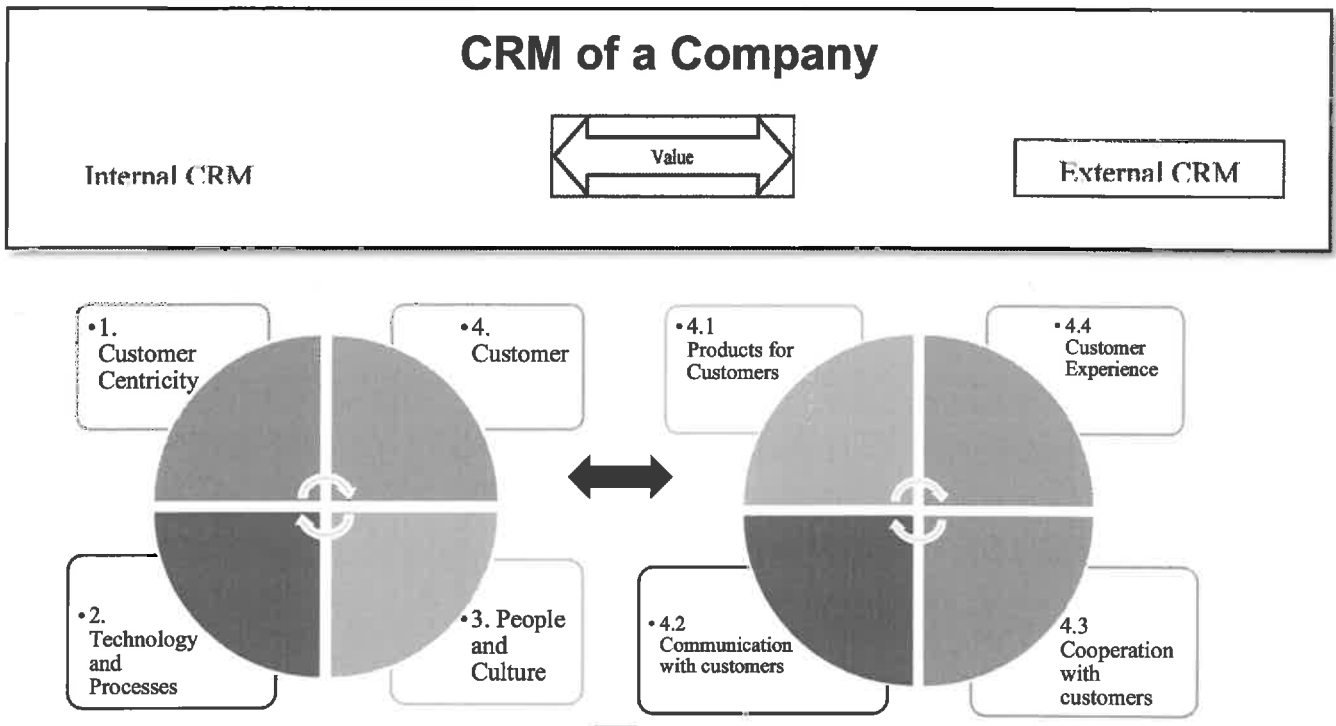
It is important that the business process be shaped from being product orientated to customer centric, and that redesigning core business processes involve customer feedback. The redesign of processes which builds on customer feedback, helps foster customer loyalty, and also plays an important role in process improvement (Finnegan and Currie, 2010: 158).

TECHNOLOGY LAYER:

CRM strategies are underpinned by strong technological innovations which help collect and analyse data in respect of customer behaviour and further helps enhance service delivery to clients. However, it remains extremely important that the accuracy and integrity can be relied upon and that data is updated and standardized across all databases, throughout the organisation (Finnegan and Currie, 2010: 158).

CRM technologies play a critical role in providing the infrastructure which helps manage client relationships, (Chang, Park and Chaiy, 2010: 850) and is central to providing sales support, service support, data integration, data analysis and other support functions. The role of CRM technologies is further highlighted as it enhances marketing strategies from a planning and implementation perspective, as stated in research undertaken by Slotegraaf and Dickson, (2004) (Chang et al, 2010: 850). Whilst the challenges of CRM implementation remain, a structured and multi-layered approach can help manage and minimize the negative aspects associated with integration, by combining the socio-technical elements, refer to figure 2.2.

Figure 2.2 [CRM of a Company]



[Source: Triznova, M., Mat'ova, H., Dvoracek, J. and Sadek, S. (2015). 'Customer Relationship Management based on Employees and Corporate Culture', *Procedia – Economics and Finance*, 26: 953-959.]

- *Information Technology (IT)*

The rapid pace of technological advancement has seen IT become an integral part of CRM strategy. The use of information as a management tool has enabled companies to collect and analyse important data about their customers, and turn this into a competitive advantage.

Information Technology has enabled organisations to build closer relationships with customers through the use of lead management, contact management, and sales forecasting tools. It has helped in collecting customer data, disseminating and guided firms in the use of organisational resources. The proposed business improvement processes of a company are almost exclusively directed by the firms enhanced IT capabilities (Bahrami, Ghorbani and Mohammad, 2012: 61-62).

According to Chircu and Kauffmann, (2000) a firm can obtain a significant competitive advantage through the use of Information Technology capabilities to exploit specific organisational resources, which are costly or difficult to imitate. (Bahrami et al, 2012: 62). IT also provides various channels, through which firms can interact with customers, thereby assisting in increasing operational efficiencies and driving down costs.

Whilst it is very apparent that there are numerous benefits associated with the use of information technology, firms must guard against too strong a focus on the IT side of Customer Value Management (CVM) at the expense of the customer (Verhoef and Lemon, 2013: 3). Investments in technology should be done in such a way which enriches the customer experience and helps with the improvement of overall processes which are in line with customer centricity (Verhoef and Lemon, 2013: 3).

Information technology continues to play a key role in assisting to help redesign business processes and improve organisational performance. It aids in the development of CRM systems which are able to store, maintain and distribute customer knowledge throughout the organisation (Chen and Popovich, 2003: 677). The effective management of information has an important role to play to help devise innovative customer solutions (Chen and Popovich, 2003: 677). Data warehousing is an important IT management tool which helps in the collection of customer data and storage of data from across the various operational systems. It helps in the transformation of customer data into customer intelligence, which is used to form a better understanding of customer behaviour (Chen and Popovich, 2003: 678).

- *Employee Engagement*

The construct of employee engagement speaks to the cognitive and emotive state of mind of employees (Mackay, Allen and Landis, 2016: 1), which translates into motivated and committed employees who give of their best efforts when performing their jobs. Engaged employees display a great deal of commitment and enthusiasm and are very motivated to achieve both individual and organisational goals. It therefore stands to reason that this outward display of commitment and purpose, along with a positive attitude, would further help in improving service quality and being good ambassadors for the company. Organisations would be well advised to pay careful

attention to this important aspect, since it can help develop an important strategic enabler for the company.

- *Business Process*

Customer relationship marketing techniques are arranged around a customer, rather than a product (Chen and Popovich, 2003: 681). In line with this, customer centric organisations integrate their marketing and business process, to serve their customers in an effective and efficient manner (Chen and Popovich, 2003: 681). In addition to the technological perspective, which has been previously discussed, the retention and satisfaction of a customer is achieved through business process management.

Couldwell 1998, (Chen and Popovich, 2003: 682) stated that CRM is a combination of both business processes and technology which seeks to get a better understanding of a customer. A core theme of customer centricity involves the on-going redesign of core business processes and involves on-going customer feedback with the ultimate goal being to develop product and services which meet the customer needs (Chen and Popovich, 2003: 682). In further research conducted by Seybold (1998-2001), customers were asked about the barriers they encountered when dealing with the company. Chen and Popovich went on to suggest that in designing customer centric organisations, the following steps were suggested:

- (a) Make it easy for customers to do business by constantly focusing on the end user.
- (b) Examine and redesign if necessary, the information flows between front and back office.
- (c) Be proactive with customers, and build in some measurable checks and balances, to strive for continuous improvement in daily interactions
(Chen and Popovich, 2003: 682).

The optimization of customer relationships, require a proper understanding of all customers, both profitable and non-profitable, and the tailoring of business processes to treat customers individually (Chen and Popovich, 2003: 684). The philosophy of “one size fits all” needs to be changed, as customers have unique preferences and needs. Business processes which are perceived as accommodating, simple and easy

to understand will help foster greater customer loyalty and improve customer satisfaction levels.

2.5 Managing Client Relationships in the Digital Era

The recent emergence of social media applications has challenged businesses to be more innovative and integrate their processes and systems with social media, as customers continue seeking to build more collaborative and enhanced relationships with organisations (Trainor, Andzulis, Rapp and Agnihotri, 2014: 1202). This view has been further expanded and contributions by Coltman and Srinivasan, 2007, which stated that where there has been an integration of IT and business resources, this enhanced CRM capabilities has helped strengthen customer relationships and further improve organisational performances (Trainor et al, 2014: 1202).

The rise of social media has revolutionised the way businesses and consumers interact. Social media has proved disruptive to traditional marketer- customer interface, and has provided new platforms such as Facebook, LinkedIn, YouTube, Twitter, Internet etc. These platforms have allowed perspectives, opinions and valuable insights to be shared with a wider audience and remain an area which marketers cannot ignore.

Customers have become more empowered and have access to an unlimited amount of information (Harrigan, Soutar, Choudhury and Lowe, 2015: 29). Complaints and reviews are shared openly on social media platforms, which plays an important role in influencing consumer- decision making (Harrigan et al, 2015: 29). Organisations with an underlying CRM orientation are more likely to make use of social media technologies, to further strengthen their CRM model (Harrigan et al, 2015: 29).

Research done by (Huber 1990), have suggested that advanced technologies help organisations stay in touch with their customers, and also recognises customers as engaged partners in the value creation process (Harrigan et al, 2015: 30). With the many touch points available through social media, organisations have the opportunity to gain valuable information about their customers relating to customer preference, customer satisfaction and additional insights which can be used in marketing campaigns. The concept of engaged partners is clearly highlighted, as in the case of

Apple Computers, whereby online communications were setup to encourage input from customers from the initial product design stage through to marketing campaigns (Harrigan et al, 2015: 30).

Companies are able to utilise social media in their on-going efforts to maintain contact and retain customers, where valuable feedback can be shared about product and services. They are also able to spot potential clients who are about to leave an organisation, and then able to build models which strengthen client retention (Malthouse, Haenlein, Skiera, Wege and Zhang, 2013: 270).

One of the pitfalls around social media remain the concerns around privacy and security. Companies may not be comfortable with sensitive product information discussed across a wide audience. Further, negative word-of mouth comments posted by disgruntled customers, can result in negative sentiment towards a company, and result in the possible loss of clients in a competitive market (Malthouse et al, 2013: 274).

The rapid advancement of technology within the mobile industry, for example, has provided many digital channels to help enhance customer relationships. These services and benefits range from helping to support sales and marketing processes, nurturing customer relationships and the use of wireless networks to provide a medium of service delivery as argued by Camponovo, (2005), as cited in Sinisalo, Salo, Karjaluoto and Leppaniemi, 2007: 773. Whilst these technologies have assisted with personalisation of communication, companies need to ensure all the necessary legal and ethical requirements are met, and the necessary permission obtained from customers prior to engaging with electronic marketing campaigns (Sinisalo et al, 2007: 773). In line with the growing use of mobile technologies, there has also been the rapid rise in the threat of cybercrime. Cybercrime has its roots in cyberspace and poses a massive threat of computer hacking, identity theft, fraud and a gross violation of an individual's rights. Special focus and attention would need to be dedicated to improving online security measures to counter the on-going threats of the cybercrime, and potential disastrous and disruptive effect it could have on destroying customer relations.

The growing interest in social media has meant that conventional CRM strategies would need to evolve by producing contact points which provide value to both the

customer and the company (Managing Relationships in the Social Media Era). The rapid shift in customer expectations continue to challenge businesses to facilitate greater interactions and deploy more social media applications to enhance customer relationships (Trainor et al, 2014: 1201).

Enhanced Social CRM capabilities as supported by research findings, found that firms which engage customers in a collaborative manner, would eventually help in developing strong customer relationships which have a positive impact on customer satisfaction and loyalty (Trainor et al, 2014: 1204).

2.6 Perception of Product and Service Quality

There are many factors which influence a customer's purchasing decision, with quality being cited as one of the key factors. It has also been noted, that according to research by Jiang and Zhang, service quality is seen to increase customer satisfaction which in turn encourages customer loyalty which translates into increased profits for an organisation (Jiang and Zhang, 2016: 81)

It therefore stands to reason that in order to deliver high quality service, one needs to fundamentally understand what customers really want, as stated by Zeithaml (Jiang and Zhang, 2016: 81). Service quality has been seen as a precursor to customer satisfaction, which can be described as a feeling of pleasure or disappointment a customer feels after utilising a product or service. Whilst the concepts of service quality and customer satisfaction are closely related, they are not interchangeable (Jiang and Zhang, 2016: 81).

The perception of how a customer sees and experiences a product or service will ultimately influence their level of customer satisfaction. Meeting and exceeding client expectations remains the core objective of an organisation, which ultimately translates into a satisfied and happy customer, who will continue to support and contribute to the organisation's growth (Strickland, 2008: 1).

The concept of quality is multidimensional which includes the physical characteristics of a product and service rendered. A customer perceives service as a physical product which either meets or exceeds expectations, or fails to satisfy their needs. If for

whereby airlines collaborated with each other in an attempt to improve their joint competitiveness and profitability, by agreeing to share international routes.

Whilst the appeal of flying using a vast airline network and redeeming additional air miles from alliance partners was seen as attractive, research has shown that the main attraction remained service quality. Studies have also revealed that the service qualities of American airliners were compromised in comparison to their Asian and European counterparts, which also raised further suspicion of airlines using the alliance merely as an opportunity to gain access to lucrative international routes or whether it was an opportunity to improve on their service quality (Janawade, 2011: 2).

A consumer's perception of airline service attributes focused on basic services aspects such as: on-time departures; flight issues; refunds; fare complaints and airline customer amenities such as seat comfort, ease of check-in and quality of meals. Since airlines provided a "personal experience", performance varied amongst the different service providers. In an attempt to measure airline service quality, Robeldo (2011), formulated the Servpex Model, which focused on airline service quality. This model focused on 3 factor structures such as tangibles, reliability and customer care. Robeldo also stressed the importance behind understanding customer expectations, as it remained the key to improving service quality issues within the airline industry (Janawade, 2011: 5).

Similar studies were carried out within the Chinese Airline Industry to determine the relationship between customer satisfaction, loyalty and service quality. According to studies by Lai et al, 2009 (Jiang and Zhang, 2016: 81), it was found that cultural factors played an important role in assessing customer loyalty. In terms of service quality, dimensions such as arrival times, punctuality, safety, and in flight comfort, contributed towards shaping the perception of airline service quality. Further research within this industry found those airlines which offered a better service than their competitors were able to build customer loyalty in the long term (Jiang and Zhang, 2016: 81).

- *Perception of Service Quality in the South African Banking Sector*

Banks have always regarded service quality as an important driver of competitive advantage and strategic importance. The rapidly changing marketplace, have forced

banks to make strategic shifts in their business models to ensure quality can be enhanced and improved upon (Coetzee, van Zyl and Tait, 2013: 5).

Service quality has become an important focus area due to it being viewed as an important precursor to customer satisfaction, along with its supporting role in strengthening financial performance and promoting customer loyalty (Coetzee et al, 2013: 5). It has been well documented that improved customer satisfaction levels will result in higher profits, and foster greater customer loyalty in the process. Empirical evidence provided by Ennew and Brinks (1996), (Coetzee et al, 2013: 5) have also supported the notion of a direct relationship which exists between service quality, customer satisfaction and customer loyalty (Coetzee et al, 2013: 5).

Since products and services within the banking sector are similar and easily substitutable, the service quality amongst banks is now being viewed as the key differentiator. The process of quantifying service quality has however posed a challenge due to the abstract and less tangible nature of a service (Kumar and Dash, 2013: 2).

2.7 The Servqual Model (5 Dimensions of Service)

Parasuraman's Servqual Model provided a theoretical framework to help define the measure of service quality. Parasuraman defined quality of service as the difference between what a customer expects of service to the perception of actual service rendered (Shanka, 2012: 002). In essence, the model states that service quality can be quantified by measuring the discrepancy of customer's expectations and perception of the service received (VasanthaKumari and Rani, n.d.: 299).

- **Tangibles:** This relates to the physical surroundings/appearance of staff, equipment etc.
- **Reliability:** Reliability refers to the ability to provide the promised service in an accurate manner.
- **Responsiveness:** Relates to the willingness to help customers by providing a fast and efficient service.

- Assurance: refers to the ability to inspire confidence within the customer, by displaying sound knowledge and the trustworthy behaviour of staff.
- Empathy: refers to the caring and individualized attention provided to a customer (Albarq, 2013: 702).

In a study conducted by Muyeed (2012), (Coetzee et al, 2013: 12), focusing on Retail Banks in South Africa which included feedback from both client respondent groups and bank respondent groups, the study found that promptness of service to be the most important driver of service quality. The client's perceptions of service quality were influenced by the speed by which decisions were made by the bank (Coetzee et al, 2013: 12).

The contact personnel at the branch felt that decisions were not made quickly, resulting in clients complaining about the turnaround times of decisions etc. In order to improve turnaround times and to be able to service clients more efficiently, banks need to empower contact personnel to make decisions and is a view supported by a study done by Rootman, Tait & Sharp (2011), when comparing SA banks to International Banks. The study highlighted the need to ensure that front line contact personnel are suitably empowered to ensure that they can action a client's request (Coetzee et al, 2013: 13).

Further research based on the Malaysian banking Industry by Kumar, Tat Kee and Manshor in 2009, relating to the key critical factors which impact service quality with reference to the Servqual Model, have shown that the service quality of banks can be improved tremendously. By applying dominance analysis with reference to the Servqual Model and focusing on the two dimensions of both competence and convenience to its customers, the service quality gap can be reduced by as much as 76%. The knowledge, skills, and behaviour of staff, will ensure clients are serviced in a warm, efficient and professional manner, thus inspiring confidence and assuring clients of their ability to carry out the service request, thereby influencing their perception of service rendered (Kumar, Tat Kee and Manshor, 2009: 224).

In a similar study conducted on Service Quality Delivery and the related impact on Customer Satisfaction within the Malaysian Banking Sector by Munusamy, Chelliah and Mun, it was found that the main problem experienced by consumers was around rigid banking hours, which were deemed inconvenient. Banking hours were initially

from 10:00 to 4:00, but was changed from 9.30 to 4.30 due to consumer demand (Munusamy, Chelliah and Mun, 2010: 399). The convenient trading hours offered by banks to allow clients to conduct transactions in the shortest possible time, also had a high service quality gap. A customer's perception of service convenience, will impact on their overall valuation of service quality.

Whilst service quality is important in achieving customer satisfaction, there also needs to be a level of consistency with which the service is delivered. To this end, inconsistencies arise due to many front end staff interacting with clients, with varying levels of knowledge and experience. This reinforces the need for a clear training programme to be put in place whereby staff are trained and up skilled in the various aspects of managing a client relationship and a consistent level of professionalism and service be maintained when interacting with clients (Kumar et al, 2009: 224-225).

The delivery of quality services is increasingly being seen as a strategic enabler which is vital to the growth and success of an organisation. Service quality has been known to increase customer satisfaction, which in turn creates customer loyalty and helps create opportunities for repeat business (Ravichandran, Mani, Kumar and Prabhakaran, 2010: 117). Quality of service can be defined in general terms, as the overall assessment of a service by a customer (Ganguli and Roy, 2011: 170). The assessment of the service quality is based on the customer's service encounter, which the customer experiences. Service quality can be viewed as the difference between what the customer expects of a service and the actual service delivered (Lenka, Suar and Mohapatra, 2009: 48).

There are numerous factors which are responsible for shaping a customer's perception of service quality. The Servqual Model, which was developed by Parasuraman, is based on the expectation – performance gap of service quality. The model focused on 5 core dimensions which were adopted to explain the factors which impact a customer's perception of service quality, and the gaps which hindered delivery of good service quality. The core dimensions of reliability, responsiveness, empathy, assurance and tangibles, where all are deemed to have an important impact on service quality (Ravichandran et al, 2010: 118).

The dimension of reliability, responsiveness, empathy and assurance are all referred to as "soft quality attributes" of service providers (Lenka et al, 2009: 49). Reliability

refers to the ability of the service provider to provide service in an accurate manner. Responsiveness can be attributed to the willingness of staff to deliver a prompt service. Assurance relates to the ability of employees to inspire trust and confidence, through their knowledge of products and services and displaying the correct behaviours. Empathy, relates to the individualised attention and care shown towards a client (Lenka et al, 2009: 49).

There are also “hard quality attributes” of a service provider which play an important role in shaping a customer’s perception of service quality. These include technology enabled services and the physical environment of a service firm, which could influence the customer’s perception of the service quality (Lenka et al, 2009: 49).

A critical component that has been repeatedly cited in any business relationship is around the question of trust and assurance. This component of assurance is important since it reassures a customer that their interests are well protected and there is no reason to doubt the transparency of a process or transaction.

Assurance and trust play an important role in influencing a customer’s perception of quality. In a research entitled: “A value Based Approach to improve Customer Experience” by (Malviya & Varma, n.d.), within the telecommunication sector, the study showed a lack of transparency around billing issues on customer accounts, was a large source of customer complaints. Providing clearer visibility around this can significantly help to improve customer satisfaction and the perception of service quality (Malviya & Varma, n.d.: 06).

Further research conducted in a South African context, have also revealed that banks do not consistently reveal all their charges. As per a study done by the Micro Finance Regulatory Council (MFRC, 2003), the findings revealed that customers were surprised by bank charges and did not appear to have an understanding of the individual transactional charges (Hawkins, 2004: 197).

Service quality continues to be seen as the key to ensuring customer satisfaction and helping to promote customer loyalty. It remains an important area of focus to ensure that clients can be retained. Service providers need to pay attention to areas of weakness to ensure service quality perceptions can be improved upon, and new

customers can be attracted by displaying high levels of service quality (Mandhachitara and Poolthong, 2011: 124).

2.8 Customer Centricity

Central to the theme of CRM is that of a customer centred approach to be adopted throughout an organisation, when dealing with its customers. All activities and processes are devised around meeting the client's needs, which would ultimately result in the organisation achieving its strategic objectives.

The rising expectations of customers and the increased level of competitiveness in the banking sector, have seen the introduction of many new CRM initiatives to attract, retain and grow client relationships. A wave of new technologies have seen banks attempt to build more integrated and closer relationships with their customers.

Customer centricity is an important part of a business model, with the customer being placed at the centre of the paradigm with the main goal being that of creating value for the customer (Frankenberger, Weiblen and Gassmann, 2013: 673). The concept of customer centricity emphasises the need to understand what customers want, how they want it and how best can the organisation arrange its activities to try and satisfy those needs (Frankenberger et al, 2013: 673).

Customer centricity can be broken down into 3 core aspects:

- (1) Customer oriented values and beliefs from the highest levels of an organisation.
- (2) The use of dedicated customer facing units to service clients.
- (3) The main goal of the company on meeting the needs of the customer and ensuring customers' are satisfied (Frankenberger et al, 2013: 673).

As part of a customer centric culture, the building of close relationships with clients along with a frequent level of interaction is required. Further, solutions need to be tailor made and customised to meet a client's specific need.

2.8.1 Customisation

The concept of customization refers to how a firm's offering is tailored to meet specific client needs, whilst at the same time catering for a demand for greater variety in their customer offering (Coelho and Henseler, 2012: 332). Customers are more informed and demanding, and require a greater deal of customization to satisfy their needs. As per empirical findings by Ennew and Binks in 1996, customization in the service delivery process is being viewed as an additional dimension of service quality (Coelho and Henseler, 2012: 332). Further research by Bettencourt & Gwinner 1996, also concluded that customers who received customized treatment in their service encounter, are likely to be more satisfied than those who receive a standard treatment (Coelho and Henseler, 2012: 332).

There are numerous favourable outcomes associated with customisation. Not only is there a perception of greater quality and increased customer satisfaction, but customisation also helps build greater loyalty and trust amongst customers (Coelho and Henseler, 2012: 335). A greater level of customisation helps reduce customer uncertainty and vulnerability thereby helping to build customer trust and inspiring customer confidence (Coelho and Henseler, 2012: 333-334).

Customisation also helps improve the levels of customer loyalty, since core needs are better fulfilled as opposed to a standardized offering. Through customisation, the attractiveness of alternatives diminish relative to the customized offering. Customisation also creates switching costs for customers. In cases where the switching costs are high, dissatisfied customers may still decide to remain with an organisation since the perceived switching costs outweigh the perceived switching benefits (Coelho and Henseler, 2012: 336). Customisation continues to have a positive influence on a customer's perception in terms of quality and satisfaction.

2.8.2 Relationship Management

CRM entails the building of more closer and collaborative relationships with the client, with the core objective being to maximise the lifetime value of a client to an organisation (Peppard, 2000: 321). As a key component of a customer centric

organisation, building deeper and more meaningful business relationships with a personalised touch, is vitally important in enhancing the customer experience.

There are many benefits of strong customer relationships as per (Heskett, 1994, as follows: (Peppard, 2000: 321).

- Relationship marketing increases retention and improves customer satisfaction
- It also helps facilitate feedback loops ,whereby customer feedback can be obtained
- Strong relationships help anticipate customer demand, and help to determine customer preferences in a proactive manner.
- Active relationship management provides greater cross-sell opportunities and helps with the retention of clients.

Personalised relationships continue to provide an emotional connection with clients, whereby the high level of interactions help foster greater loyalty and trust due to personalised attention to client needs.

2.8.3 Customer Loyalty

Customer loyalty relates to the display of a favourable attitude towards a service or product, which is characterized by the on-going commitment to continue using a service or product (Thuy and Hau, 2010: 469).

There are many factors which influence customer loyalty, thereby resulting in the display of a positive behaviour towards a product/service. An individual's personal value system has been highlighted as a possible reason which guides a customer's behaviour and loyalty towards a product or service. The decision to purchase a product or use a service can be intrinsically linked to their personal value system which guides their decision making. In addition to the personal value system of a consumer, research conducted by Gan et al, (2006), also found that corporate image, customer value and switching barriers are important antecedents of customer loyalty and that customer satisfaction alone doesn't make a significant contribution to customer loyalty (Thuy and Hau, 2010: 469).

Customer loyalty relates to the firm commitment to patronise a preferred service provider on an on-going basis (Chuah, Marimuthu and Ramayah, 2014: 534). Loyal customers engage in favourable activities such as referrals, repeat purchases and positive word of mouth, endorsing a company's products and services. This is important for developing a sustainable competitive advantage and is vital for the survival and growth of an organisation. The retention of an existing client base, who become regular buyers of a brand, help substantially reduce marketing costs since the costs of retaining an existing client are substantially lower than the costs of acquiring a new client (Mandhachitara and Poolthong, 2011: 123). In addition, loyal customers make positive recommendations about their favourite brands to a wide audience thus further promoting the brand's image in the marketplace.

According to a study within the retail banking sector by Lewis & Soureli (2006), (Mandhachitara and Poolthong, 2011: 124), the main antecedents of bank loyalty were identified as perceived value, service quality, customer satisfaction, trust and image, with all factors being interrelated. Further research by Einweller, (Mandhachitara and Poolthong, 2011: 124) also revealed "service quality" as being an important driver of customer loyalty. In addition to the points which have been raised, an organisation's Corporate Social Responsibility (CSR) initiatives have also been known to have a positive effect on customers as it helps reflect the core competencies of a company.

In a further attempt to understand what drives customer loyalty, service organisations have started to place a great degree of focus on Generation Y's use of social media since it is said to influence their brand loyalty and purchase behaviour. According to a study relating to the categorization of generations undertaken by Brosdahl and Carpenter (2011), (Bolton, Parasuraman, Hoefnagels, Migchels, kabadayi, Gruber, Loureiro and Solnet, 2013: 247), Generation Y, is referred to as all those born after 1981. A key characteristic of Generation Y, refers to those individuals who have grown up in the digital age, and had frequent exposure to technology (Bolton et al, 2013: 247).

In a study undertaken by Shukla, 2011 (Chuah et al, 2014: 533), relating to the growth of the mobile internet market in Malaysia, it was observed that the user group between the ages of 15 to 25 years termed Generation "Y", were difficult to retain. This segment

of the market was difficult to retain since they were resistant to traditional marketing efforts, and were more likely to switch their loyalty based on trendy and fashionable advertising in an instant (Chuah et al, 2014: 533). Generation Y'ers were more likely to demand customization in respect of product and service offerings, and are likely to be attracted to service providers which have appealing loyalty reward programmes (Chuah et al, 2014: 533).

Generation Y, (Gen Y) are known as the "millennium generation" of individuals born in the late 70's or early 80's, to the early 2000's, and are also referred to as the "digital generation" (Chuah et al, 2014: 534). This segment has become hugely lucrative in today's market due to its size and enormous spending power. They have the unique characteristic of being amongst the most technically literate and technologically savvy generation, (Chuah et al, 2014: 534) and profiled as requiring more customisation of products and services and more difficult to retain as customers. This segment of the market is driven by more appealing advertising and lucrative loyalty reward programmes, and are known to be a very fickle and brand disloyal user group. (Chuah et al, 2014: 534).

- *Customer Loyalty Programmes*

An important component of CRM has been the introduction of rewards programmes to foster a greater sense of customer loyalty. Such programmes incentivise a customer for their continued patronage and where customers are encouraged to make continuous purchases in exchange for the loyalty rewards (Tat Keh and Lee, 2006: 127).

There are many industries which have adopted the use of customer loyalty programmes. Some of the business sectors include service stations, supermarkets, airlines, banks etc. where rewards range from cash rebates through to redeemable gifts from banks. Some of the variables used to measure efficiency of the programme, include the frequency of customer visits, market share and customer satisfaction level experienced (Gomez, Arranz and Cillan, 2012: 493-494).

Customer Loyalty Programmes aim to enhance and strengthen the relational attitudes & behaviours of customers towards a firm or particular brand by means of offering a range of rewards to encourage a customer to support the business. Whilst there is on-

going research to determine the success of customer reward programmes, there have been notably reported positive outcomes such as increased profit, an increase in cross- sell, improved customer satisfaction, behavioural loyalty (Ha and Stoel, 2014: 495-496).

It is important that a loyalty programme be distinctive to the extent that it is easily distinguishable from other programmes in the marketplace. This would help customers in higher tiers feel more special, thereby increasing the importance around the membership (Ha and Stoel, 2014: 495-498).

A customer's perception of the relationship quality improves when enhanced with a loyalty programme as it aids with the development of a favourable attitude towards the organisation. When a loyalty programme is perceived as relevant to helping a customer achieve a personal goal, the organisation will be perceived as caring and the behavioural loyalty of a customer would improve (Ha and Stoel, 2014: 501)

- *Corporate Brand Image*

Corporate image helps one differentiate amongst the different companies. According to Howcroft (1991), (Bravo, Montaner and Pina, 2010: 1200). It is defined as the "expectations and impressions" which have been formed by customers and non-customers alike over a period of time, and relates to the image which is held of an organisation. A solid corporate image leads to customer loyalty, since it helps generate confidence and trust, and helps in the formation of a sustainable competitive advantage (Bravo et al, 2010: 1200).

A corporate personality is a key component of a corporate image and includes many additional dimensions which shape the perception of an organisations image. Important aspects such as social responsibility, trustworthiness, exclusiveness & innovation as per da Silva and Faridah (2006), (Bravo et al, 2010: 1203), which all have an effect on both customer satisfaction and loyalty (Bravo et al, 2010: 1203).

In the case of banks, a customer's perceived image will most likely be based on the service level encounter. Krishnan and Hartline (2001), (Al-Hawari, 2011: 148), argued that branding is of greater significance in the case of services than in tangible products. Customers are likely to use their perceived image of a company when deciding to use an organisation's product or service.

A strong corporate image which is built upon a sound reputation of reliability, trust, quality, competence and socially responsible initiatives, will be in an enviable position of differentiating itself from its competitors.

2.9 CONCLUSION

This chapter sought to provide the necessary theoretical framework and supporting literature to explain the concept of customer relationship management. The key themes of service quality, customer centricity and customer loyalty were discussed, along with other factors which have an impact on these areas. Further, factors affecting the perception of service quality, customer loyalty and customer centricity were also covered as they form an integral part of the study. The supporting literature is meant to serve as a foundation for CRM best practice, and to be compared against findings later on in the study.

Chapter 3 proceeds to a detailed explanation of the research methodology which has been used in this study.

CHAPTER: 3

RESEARCH METHODOLOGY OF THE STUDY

3.1 Introduction

An investigation or enquiry into any phenomenon of an idea in business or academia is to some degree seen as a daunting and unapproachable task. The task becomes unapproachable to those who have little or no understanding of where to begin and the procedure to follow. When students similarly think of research, they firstly view it as an intimidating task, it is only until they begin to unpack the procedure, do they really get to see that research is merely steps in a process towards finding an explanation of a result to the actual idea or problem that is in existence or has been identified.

In business, managers are continuously engaging themselves in the process of research through the unpacking of conditions and state of affairs at the workplace through the method of decision-making (Sekaran and Bougie, 2013: 2). Thus the goal of research is to investigate a problem by collecting information within a particular area of knowledge that will assist in finding a solution to the problem. (Taflinger, 2011)

This chapter will specifically provide a succinct and important discussion to the research approaches and practices used within the study in line with trying to accomplish the research objectives as outlined in chapter 1. The outline of the chapter will flow as follows:

- Research Design and Research Strategy
- Research Methodology
- Study Area/Site
- Target Population
- Sample Size and Sampling Strategy
- Research Instrument and Design of Research Instrument
- Reliability and Validity
- Statistics Tests Used
- Data Analysis

- Ethical Considerations

3.2 Research Design and Research Strategy

A research design of a study provides the central approach or blueprint through which the gathering, analysis and depth of data is obtained (Cooper and Schindler, 2003: 146). The design of research is an outline that specifically is targeted towards collecting and analysing data (Kothari, 2004: 14). As per Bryman and Bell, (2011: 45) there are five different types of research designs, namely: experimental; cross-sectional; longitudinal; case study and comparative. As per the research objectives set out, for the balance of this study, the positivist, descriptive research design will be used. A descriptive research study looks at evidently endeavouring to recognise the relationship that exists or can exist in the future between one or more variables in a study (Churchill, Brown and Suter, 2010: 25).

The positivism paradigm in research possess a philosophical and scientific method, thus it is not entirely a plain-spoken way of understanding this paradigm (Bryman and Bell, 15). This study has chosen the positivist, descriptive research approach, as the submission of the study lends itself to the idea centred around social reality and how further knowledge can be developed in the area of Customer Relationship Management (CRM) within the banking sector (Dash, 2005: 1).

3.3 Research Methodology

There are three key ways of conducting research, namely: (Welman et al, 2012: 6)

- Mixed Methods – makes use of both qualitative and quantitative research methods to comprehend a deeper, further understanding between variables in a study towards testing its' hypothesis
- Quantitative – makes use of statistical tests and descriptive statistics in analysing the key research objectives of the study and producing key findings
- Qualitative – rich in-depth detailed understanding of research problems in a particular context or industry.

The research method selected for this study is quantitative, as questionnaires will be used as a technique to collecting data in the research method chosen. Quantitative data denote singularities by the use of statistics in a methodical, expressive way (Zikmund, Babin, Carr and Griffin, 2013: 655).

3.4 Study Area/Site

Al-Riyami, indicated that a study area/site is all-encompassing setting and time of where the actual research takes place in terms of the targeted population. The choice of a study site must be well thought out and selected wisely with all reflections considered (Al-Riyami, 2008: 4). For this study the study site: Graduate School of Business – University of Kwa-Zulu Natal, at the Westville campus. The selected study location of UKZN has been chosen, largely because the Masters of Business Administration (MBA) class of 2016 is considered a group of intellectual individuals who are highly influential and who will provide a diverse perspective from different industries.

3.5 Target Population

The target population to be used comprised of students who are currently enrolled on the 2016 MBA programme, at UKZN.

Customer relationship management is at the heart of every marketing strategy and affects all companies within the service industry. The MBA students will provide a sound and diverse perspective, which will provide a deep and meaningful insight in achieving the objectives of the study. The second year group of MBA students were chosen more specifically since it was felt that they would have covered strategic marketing modules in their first year of study on the MBA programme and would be better positioned to critique and add substantial intellectual value to the study, with this core subject matter behind them.

The target population of 117 students, who are currently registered on the programme (made up of both the block and part time class), were also considered an ideal target population since it was considered to be feasible in a classroom/controlled

environment, who would also have an appreciation of the study which participants could easily relate to. Further, their diverse industry backgrounds and interaction with banks at different levels, would also help with a well-rounded opinion in helping to achieve the objectives of the study.

3.6 Sample Size and Sampling Strategy

The targeted population for this study will be two groups of second year MBA students:

- These are the students who are presently enrolled on UKZN's MBA programme for the 2016 academic year.
- The sample includes students who are in their second year of study, which is made up of both block and part time students, equating to a total population size of **117 students**. Of the 117 students, 72 students responded to the survey instrument (questionnaire).

The rudimentary view around sampling in research methodology is that the researcher is able to select some or all of the components of the population, if only a few components are chosen in a population, the researcher can still infer deductions about the complete population (Cooper and Schindler, 2003: 179). Nonprobability sampling is not as random in selection as probability sampling and thus the choice of convenience nonprobability sampling was made for this study (Cooper and Schindler, 2003: 183). The sample subjects were selected in a controlled lecture environment which was authorised by the Lecturer, for the researcher to go in and hand out the questionnaires to the targeted population.

3.7 Research Instrument and Data Collection

For the choice of this study, *questionnaires* will be used, which were self-administered by the researcher and collected immediately after the MBA respondents had completed the questionnaire. The questionnaire was chosen as the most feasible research instrument since it was a quicker, cheaper and more cost effective alternative to collect the necessary data required for the study. The questionnaire was personally

administered by the researcher, whereby an arrangement was made with lecturer, to attend both the block and part time lecture slots of MBA students, where learners were asked and given the option if they would like to participate in the study. The advantage of collecting the data in this manner ensured a high response rate since all students who were present, participated in the study. The researcher was also in a position to build a rapport with the respondents, and provide answers to questions which arose.

A total of 117 questionnaires were printed (in line with the targeted population size), with all the necessary consents attached. These included the informed consent which displayed the title of the study together with the relevant research objectives and the research protocol number. Respondents' attention was also drawn to the required consent which was required from all participants prior to completing the questionnaire.

The questionnaire was designed using a Likert scale, with 5 possible responses to choose from. These options included Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. In terms of length, the questions were short in nature, as this is preferable when drawing up the questionnaire, as it encouraged quick responses. There were a total of 25 questions and a further 5 biographical questions to aid with the data analysis. The questions were carefully designed and worded by the researcher, which linked back to the research objectives of the study, and were coded to align themselves with the specific research objectives and assist in making the analysis of data simpler.

3.8 Reliability and Validity

For this research, Statistical Package for the Social Sciences (SPSS) was used to interpret the test of Cronbach's Alpha, which gave the reliability score of the data collected.

Reliability is defined as how consistent is the measure for a concept (Sekaran and Bougie, 2011:157). Reliability has three prominent factors which are inter observer, internal reliability and stability. An instrument is confirmed reliable if it can be trusted to provide consistent and accurate measure of an unchanging value. Cronbach's Alpha was used to quantify the dependability of the statistics. When testing reliability

the results should be the same when one questionnaire is repeatedly applied to different samples (Sekaran and Bougie, 2011:161).

To further ensure that content of the questionnaire was valid, the overarching themes of customer centricity, service quality and drivers of customer loyalty were listed as key objectives of the study. These were then broken down into smaller dimensions and formulated into questions.

Validity centres on honesty and truthfulness that are drawn from the deductions of research conducted (Bryman & Bell, 2011: 43). The concept of content validity ensures that there are sufficient representative items which tap the idea (Sekaran and Bougie, 2014: 226). Validity focuses on the correctness of methods used in research instruments, this was applied to the questionnaire of the study effectively by maintaining confidentiality from the findings.

3.9 Statistics Tests Used

It is important to note that the following statistical tests have been used, which were deemed appropriate to be used in this study:

- **Descriptive statistics:** depicts the demographic profile of respondents in the form of tables and graphs.
- **ANOVA tests:** computes the differences between transactional channels and the key study variables of customer centricity, service quality and customer loyalty.
- **Binomial test:** used to test whether a significant proportion of the sample responded yes or no to which transactional channel they used.
- **Pearson's correlation:** calculates the strength and direction of the correlations between the major study variables: customer centricity and service quality; customer centricity and customer loyalty; service quality and customer loyalty; age and service quality; age and customer centricity; age and customer loyalty.
- **One sample t-test:** calculates the significant agreements/disagreements on the components of customer centricity, service quality and customer loyalty.

- Independent samples t-test: computes the differences between gender (male/female) and customer centricity, customer service quality, customer loyalty.

3.10 Data Analysis

All data which has been collected, are then collated and captured onto an excel spreadsheet for further analysis. The biographical data has helped provide a deeper and meaningful perspective, as responses are categorised by age, sex, and occupation providing a broader framework for the research. The raw data results are then converted into numerical results and populated graphs, to provide a more graphical presentation of the results. SPSS was used to run tests in analysing the data.

3.11 Ethical Considerations

In conducting the above study, the researcher ensured that all the necessary ethical considerations were adhered to whilst collecting the data and the relevant consents were obtained. These included the following:

- The signed informed consent of all respondents was obtained, prior to them completing the questionnaire.
- The informed consent of the researcher was also attached to the questionnaire which displayed the title of the study, the research objectives and the gatekeeper's approval in granting permission to conduct the study.
- Sound measures were taken in ensuring that all data remained confidential, with completed questionnaires and other raw data stored in a safe & secure location.
- The rights of all respondents were respected, with no individual being forced to participate in the study. Further, no harm was brought to any respondent, as participation in the study only involved the completion of the questionnaire.

3.12 Conclusion

In this chapter, the researcher recognised the importance of a suitably designed research strategy and approach as a blueprint to effectively undertake a study of this nature. A cogent argument was presented for the use of a quantitative method involving a self-administered questionnaire as the data collection instrument on a sample of 72 MBA students at UKZN. The methods to analyse the data was clearly described in the form of descriptive and various inferential statistics. Ethical considerations were clearly expressed and limitations of the study were truthfully revealed.

Chapter 4 will provide a detailed outline, presenting the analysis of the quantitative study covered in this dissertation, through the use of SPSS and graphical representations of discussions.

CHAPTER: 4

DATA ANALYSIS AND DISCUSSION OF RESULTS

4.1 Introduction

The following chapter presents the results of the survey which investigates the customer relationship management strategies of local banks from a customer perspective. The chapter entails a presentation and interpretation of the survey results in relation to the content covered in the literature review.

The data has been presented in both a tabular and graphical form, and has been grouped in accordance with the specific research objectives of customer centricity, service quality and customer loyalty. The discussion will be broken down by objective, with a brief analysis of the agreement scores for each related question, followed by a detailed discussion related to significant results of the study.

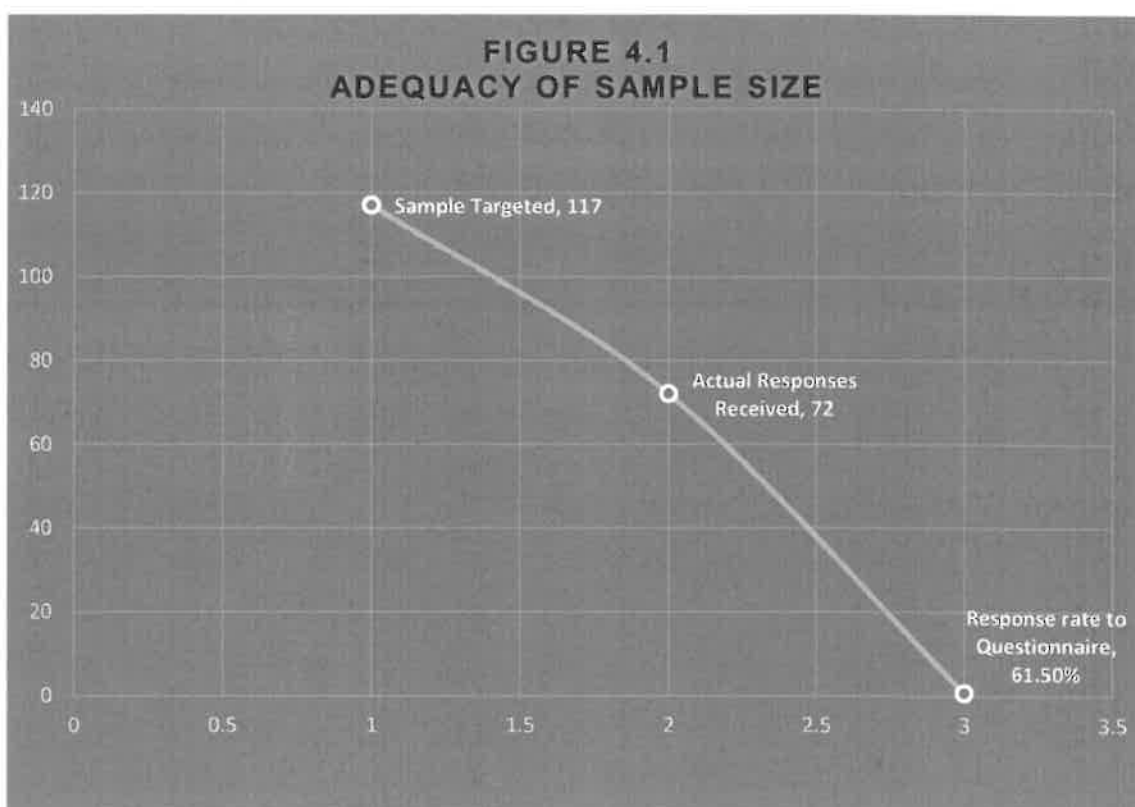
It is imperative to note that the following statistical tests (*as discussed in detail in Chapter 3*) have been used, which were deemed appropriate to be used for analysis purposes in this study:

- Descriptive statistics
- ANOVA
- Binomial test
- Pearson's correlation
- One sample t-test:
- Independent samples t-test

4.2 Sample Size

Sample Targeted	117
Actual Responses Received	72
Response rate to Questionnaire	61.5%

The total sample which was targeted was 117, who are second year MBA students at UKZN, made up of both block and part-time classes. The actual responses received were 72, which equated to an overall response rate of 61,5% as per figure 4.1 below:



Note on adequacy of sample size...

It needs to be noted, that for all Likert scale question analysis the required sample size for projection onto the population of 117 with margin of error of .03 and $\alpha=.05$ is 59, so the current sample is adequate.

4.3 Demographic Information of Respondents

Demographics

Table 4.1: Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	41	56.9	56.9	56.9
Female	31	43.1	43.1	100.0
Total	72	100.0	100.0	

The core demographic stats showed 56.9% were male and 43.1% were female respondents who participated in the survey. The higher percentage of male participants could be attributed to the greater quota of male students who are presently registered on the MBA programme at UKZN.

Table 4.2: Telephone/Cell

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	9	12.5	12.7	12.7
No	62	86.1	87.3	100.0
Total	71	98.6	100.0	
Missing System	1	1.4		
Total	72	100.0		

The above results show a notable disagreement of 87.3% of respondents, who don't use the telephone as a preferred means of transacting. This can be attributed to fact

that the majority of respondents have chosen the electronic banking channel in favour of other transactional channels. Refer to table 4.4

Table 4.3: ATM

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	13	18.1	18.3	18.3
No	58	80.6	81.7	100.0
Total	71	98.6	100.0	
Missing System	1	1.4		
Total	72	100.0		

A significant 81.7% of the respondents do not use the ATM as a transactional channel. This could be possibly attributed to the risks posed by using ATM's such as card skimming, high withdrawal charges and the general risks associated with handling cash.

Table 4.4: Online

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	60	83.3	84.5	84.5
No	11	15.3	15.5	100.0
Total	71	98.6	100.0	
Missing System	1	1.4		
Total	72	100.0		

The results of the above table show that a significant 84.5% of the respondents have chosen the online alternative as their preferred means of transacting. This could partly relate to the convenience associated with online banking. When one considers the

age of the respondents who are between 27-49 years old, the majority would fall into this category of Generation Y consumers, Generation Y, is referred to as all those born after 1981. A key characteristic of Generation Y, refers to those individuals who have grown up in the digital age, and had frequent exposure to technology. (Bolton et al, 2013: 247). Their lives are shaped by technology, and are therefore frequent users of technology

Table 4.5: Branch

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	10	13.9	14.1	14.1
No	61	84.7	85.9	100.0
Total	71	98.6	100.0	
Missing System	1	1.4		
Total	72	100.0		

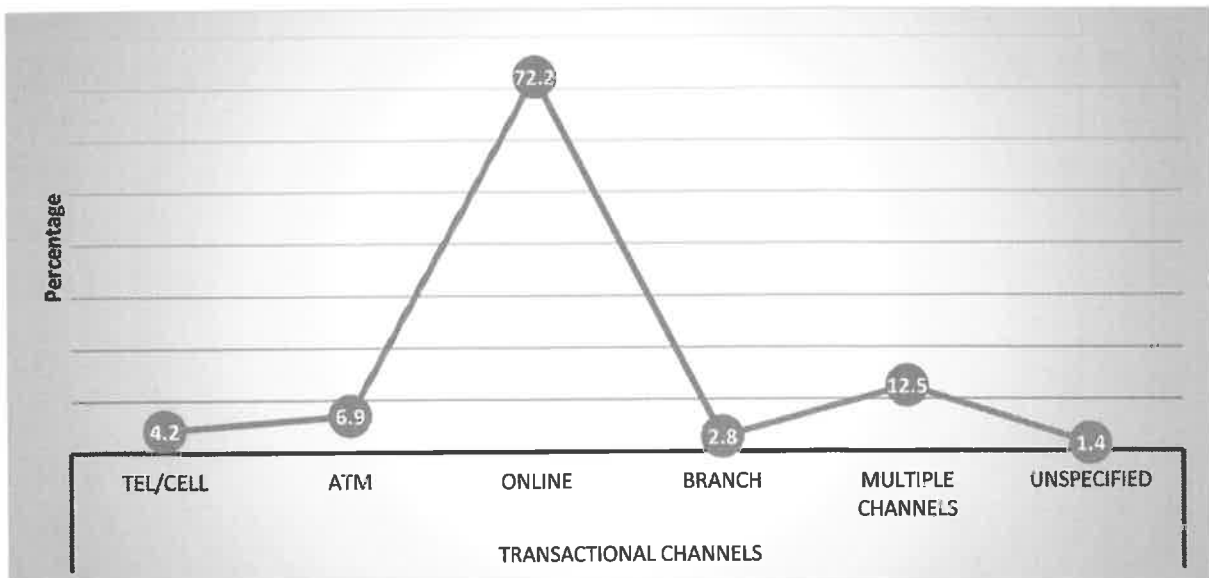
Table 4.5 shows that 85.9% of the respondents have indicated that the branch is not a preferred transactional channel, possibly due to the time taken to physically make a trip to the bank. Further, the inconvenience of having to wait in queues for a long while, is another reason why individuals do not like going to the bank. At the heart of the Servqual Model is the concept of responsiveness, which is a core dimension of service quality which relates to the speed with which a client's service request is attended to. Looking at the demographic spread of the respondents, most are professional people whose time is a precious commodity, hence the branch is not an appealing option.

Table 4.6: Transactional Channel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Tel/Cell	3	4.2	4.2	4.2
	ATM	5	6.9	7.0	11.3
	Online	52	72.2	73.2	84.5
	Branch	2	2.8	2.8	87.3
	Multiple channels	9	12.5	12.7	100.0
	Total	71	98.6	100.0	
Missing	System	1	1.4		
Total		72	100.0		

As per the results of the above table, the most preferred transactional channel is online banking, where 73.2% have chosen this channel. The popularity and convenience of online banking can be clearly be seen.

Figure 4.2 [Graphic Summary of Transactional Channels]



According to figure 4.2, 72.2% of respondents are using online platforms, as their preferred means of transacting. It would appear that most respondents have embraced

electronic banking channels, due to the convenience of transacting online. The choice of electronic banking channels can also be linked to the age of the respondent group, who would appear to be Generation Y consumers, who always opt for digital channels.

Table 4.7: Race

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	African	51	70.8	71.8	71.8
	Coloured	1	1.4	1.4	73.2
	Indian	16	22.2	22.5	95.8
	White	3	4.2	4.2	100.0
	Total	71	98.6	100.0	
Missing	System	1	1.4		
Total		72	100.0		

As per the above table, 71.8 % of the respondent group were African.

Test 4.1: Binomial Test

	Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)	
Tel/Cell	Group 1	No	62	.87	.50	.000 ^a
	Group 2	Yes	9	.13		
	Total		71	1.00		
ATM	Group 1	No	58	.82	.50	.000 ^a
	Group 2	Yes	13	.18		
	Total		71	1.00		
Online	Group 1	No	11	.15	.50	.000 ^a
	Group 2	Yes	60	.85		
	Total		71	1.00		
Branch	Group 1	Yes	10	.14	.50	.000 ^a
	Group 2	No	61	.86		
	Total		71	1.00		

a. Based on Z Approximation.

The binomial test has been applied to this question to test whether a significant proportion responded yes or no to which channel they used. The analysis shows that a significant proportion (85%) do transactions Online ($p < .0005$)

4.4 Descriptive Statistics

Test 4.2: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Age	72	27	49	35.12	5.405
Valid (listwise)	N 72				

Test 4.2 indicates the average age of respondents ranging between 27 and 49 years, highlighting that respondents are of a mature age. The age of respondents is an important statistic, as it plays an important role in influencing the way banks are perceived and the manner in which survey questions have been answered. The concept of the Generation Y is also relevant, as these individuals are influenced by technology and known as customers who are more difficult to retain.

Occupation of Respondents

Respondents would appear to be qualified professional people from different industry sectors (*refer to appendix 1*), who would be in the higher income bracket. This would result in banks categorising these clients as most valued due to their income levels, and placing them in a totally different segment such as private banking, where clients would enjoy a highly personalised relationship. This is vastly different from a standard retail banking relationship.

4.5 Presentation of the results by Objectives

Objective 1: *To determine how customer centric are the CRM strategies of local banks from the customer perspective*

Table 4.8: Customer Insights/feedback are always used in process improvement.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	3	4.2	4.3	4.3
Disagree	17	23.6	24.3	28.6
Neutral	34	47.2	48.6	77.1
Agree	15	20.8	21.4	98.6
Strongly agree	1	1.4	1.4	100.0
Total	70	97.2	100.0	
Missing System	2	2.8		
Total	72	100.0		

Table 4.8 indicates that 4.3% and 24.3% have disagreed that customer feedback is utilised in process improvements. An even larger proportion of 48.6% appear to have adopted a neutral view. It can therefore be deduced that a cumulative 77.1% of respondents, who represent the majority, have leaned towards the view that is not largely apparent that customer insights/feedback are used to improve bank processes. As per a study by Finnegan and Currie, it is important that redesigning core business processes involve customer feedback. The redesign of processes which builds on customer feedback, helps foster customer loyalty, and also plays an important role in process improvement. (Finnegan and Currie, 2010: 158). The above findings however, do not support the view of Finnegan and Currie.

Table 4.9: Banks are increasingly offering customized products and services, to meet specific client needs.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	3	4.2	4.2	4.2
Disagree	6	8.3	8.3	12.5
Neutral	13	18.1	18.1	30.6
Agree	37	51.4	51.4	81.9
Strongly agree	13	18.1	18.1	100.0
Total	72	100.0	100.0	

Table 4.9 does indicate that 51.4% of respondents agree and 18.1% of respondents strongly agree, that banks are providing customised solutions to meet client needs. This is an important statistic, since it reveals that banks are moving towards customisation which has numerous benefits for both the bank and its clients. Further research by Bettencourt and Gwinner (1996), also concluded that customers who received customized treatment in their service encounter, are likely to be more satisfied than those who receive a standard treatment. (Coelho and Henseler, 2012: 332).

In view of the above findings, it would suggest that banks have embraced customisation and will therefore be able to increase the satisfaction of clients.

Table 4.10: There are adequate customer feedback channels to voice your concerns.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	4	5.6	5.6	5.6
Disagree	16	22.2	22.2	27.8
Neutral	13	18.1	18.1	45.8
Agree	34	47.2	47.2	93.1
Strongly agree	5	6.9	6.9	100.0
Total	72	100.0	100.0	

According to Table 4.10, 47.2% and 6.9% of respondents are in agreement that there are adequate channels provided for customers to voice any of the concerns which they might have. In today's business environment, there are a variety of channels available through which companies interact with their customers. These include channels such as front line sales and service staff, call centres, websites, and various other marketing departments (Parvatiyar and Sheth, 2001: 18-19).

Table 4.11: My bank offers products and services which meet my specific needs.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	1	1.4	1.4	1.4
Disagree	12	16.7	16.7	18.1
Neutral	11	15.3	15.3	33.3
Agree	41	56.9	56.9	90.3
Strongly agree	7	9.7	9.7	100.0
Total	72	100.0	100.0	

As per table 4.11, 56.9% of respondents agree and a further 9.7 strongly agree that the general spread of products offered by banks, meet their needs. This again speaks to the theme of customisation where products and services are tailored to meet a client's need.

The above findings are further endorsed by the research finding of Coelho and Henseler who found that a greater level of customization helps reduce customer uncertainty and vulnerability thereby helping to build customer trust and inspiring customer confidence. (Coelho and Henseler, 2012: 333-334).

It has also been noted that 1.4% and a further 16.7% have said that banks do not meet their needs. The converse however could also apply, where these respondents have not satisfied the bank's lending criteria .For example, banks are highly regulated and governed by legislation such as the National Credit Act, The Consumer Protection Act etc, where requirements are laid down by the regulator. A request cannot be actioned if regulatory requirements have not been met.

Table 4.12: There is a greater personalised approach adopted by banks towards their clients:

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	3	4.2	4.2	4.2
Disagree	14	19.4	19.4	23.6
Neutral	19	26.4	26.4	50.0
Agree	34	47.2	47.2	97.2
Strongly agree	2	2.8	2.8	100.0
Total	72	100.0	100.0	

According to Table 4.12, there would appear to be at least 50% of the respondents who are in agreement that banks have started to adopt a personalised approach. This is encouraging since it is in keeping with the theme of customer centricity which emphasises personal relationships. The concept of relationship building is to help nurture and increase the profitability of customers through the building of collaborative relationships whilst management relates to adopting a customer based approach which places the customer at the centre of an organisation. (Tavana et al, 2013: 63-64).

Firms which have a stronger customer intimacy strategy in place are better equipped to understand customer needs and ensure that the CRM system and relational information processes are correctly implemented. This would further help in tailoring their business processes and creating a client centric model which satisfies the needs of the customer and ensuring that the customer is at the centre of the organisation and its processes.

Table 4.13: Banks have convenient operating hours.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	19	26.4	27.1	27.1
	Disagree	22	30.6	31.4	58.6
	Neutral	5	6.9	7.1	65.7
	Agree	18	25.0	25.7	91.4
	Strongly agree	6	8.3	8.6	100.0
	Total	70	97.2	100.0	
Missing	System	2	2.8		
Total		72	100.0		

Table 4.13 indicates that 27.1% strongly disagree and a further 31.4% of respondents feel that banks do not have convenient banking hours. This is an important statistic, as convenience is deemed an integral aspect of service quality, as perceived by a customer.

The convenient trading hours offered by banks to allow clients to conduct transactions in the shortest possible time, has proven to have a high service quality gap. In a study conducted on Service Quality Delivery and the related impact on Customer Satisfaction within the Malaysian Banking Sector by Munusamy, Chelliah and Mun, it was found that the main problem experienced by consumers was around rigid banking hours, which were deemed inconvenient. Banking hours were initially from 10:00 to 4:00, but were changed from 9.30 to 4.30 due to consumer demand. (Munusamy, Chelliah and Mun, 2010: 399).

Table 4.14: Bank processes are flexible and very customer focused.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	8	11.1	11.1	11.1
Disagree	22	30.6	30.6	41.7
Neutral	17	23.6	23.6	65.3
Agree	21	29.2	29.2	94.4
Strongly agree	4	5.6	5.6	100.0
Total	72	100.0	100.0	

Table 4.14 indicates that 11.1% and 30.6% are of the opinion that bank processes are not flexible and customer focused. A further 23.6% are still not convinced that processes are flexible and customer focused.

Table 4.15: Banking relationships are more people focused than product focused.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	9	12.5	12.5	12.5
Disagree	22	30.6	30.6	43.1
Neutral	22	30.6	30.6	73.6
Agree	14	19.4	19.4	93.1
Strongly agree	5	6.9	6.9	100.0
Total	72	100.0	100.0	

As per table 4.15, respondents are in disagreement regarding the above statement, since 30.6% don't agree banks are people focussed, whilst a further 12.5% strongly disagree. A sizeable proportion of 30.6% of respondents also chose to remain neutral. Marketing efforts could be focusing more on product than people issues, and general risk mitigation measures employed by banks, which could possibly be giving the impression that banks are more product focused than people focused.

Table 4.16: Banks maintain contact and communicate with their clients on a proactive basis.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	12	16.7	16.9	16.9
	Disagree	15	20.8	21.1	38.0
	Neutral	14	19.4	19.7	57.7
	Agree	27	37.5	38.0	95.8
	Strongly agree	3	4.2	4.2	100.0
	Total	71	98.6	100.0	
Missing	System	1	1.4		
Total		72	100.0		

A proportion of 38% and 4.2% of respondents are in agreement that banks communicate on a proactive basis. The majority are of the opinion that this is the case and that banks are proactive in their communication with clients.

With the introduction of enhanced digital technologies, the reach of banks have vastly improved. However, of equal importance is using these technologies in the correct manner and not inundating clients with irrelevant updates.

Whilst these technologies have assisted with personalisation of communication, companies need to ensure all the necessary legal and ethical requirements are met, and the necessary permission obtained from customers prior to engaging with electronic marketing campaigns. (Sinisalo et al, 2007: 773).

Objective 1: To determine how customer centric are the CRM strategies of local banks from the customer perspective

Test 4.3: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
4 Customer Insights/feedback are always used in process improvement.	70	2.91	.830	.099
11 Banks are increasingly offering customized products and services, to meet specific client needs.	72	3.71	.999	.118
15 There are adequate customer feedback channels to voice your concerns.	72	3.28	1.064	.125
16 My bank offers products and services which meet my specific needs.	72	3.57	.932	.110
17 There is a greater personalised approach adopted by banks towards their clients.	72	3.25	.946	.111
18 Banks have convenient operating hours.	70	2.57	1.357	.162
19 Bank processes are flexible and very customer focused.	72	2.88	1.125	.133
20 Banking relationships are more people focused than product focused.	72	2.78	1.116	.132
23 Banks maintain contact and communicate with their clients on a proactive basis.	71	2.92	1.204	.143

Test 4.4: One-Sample Test

	Test Value = 3					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
4 Customer Insights/feedback are always used in process improvement.	-0.864	69	.390	-.086	-.28	.11
11 Banks are increasingly offering customized products and services, to meet specific client needs.	6.016	71	.000	.708	.47	.94
15 There are adequate customer feedback channels to voice your concerns.	2.214	71	.030	.278	.03	.53
16 My bank offers products and services which meet my specific needs.	5.185	71	.000	.569	.35	.79
17 There is a greater personalised approach adopted by banks towards their clients.	2.243	71	.028	.250	.03	.47
18 Banks have convenient operating hours.	-2.642	69	.010	-.429	-.75	-.10
19 Bank processes are flexible and very customer focused.	-.943	71	.349	-.125	-.39	.14
20 Banking relationships are more people focused than product focused.	-1.689	71	.096	-.222	-.48	.04
23 Banks maintain contact and communicate with their clients on a proactive basis.	-.591	70	.556	-.085	-.37	.20

SIGNIFICANT AGREEMENTS/DISAGREEMENT

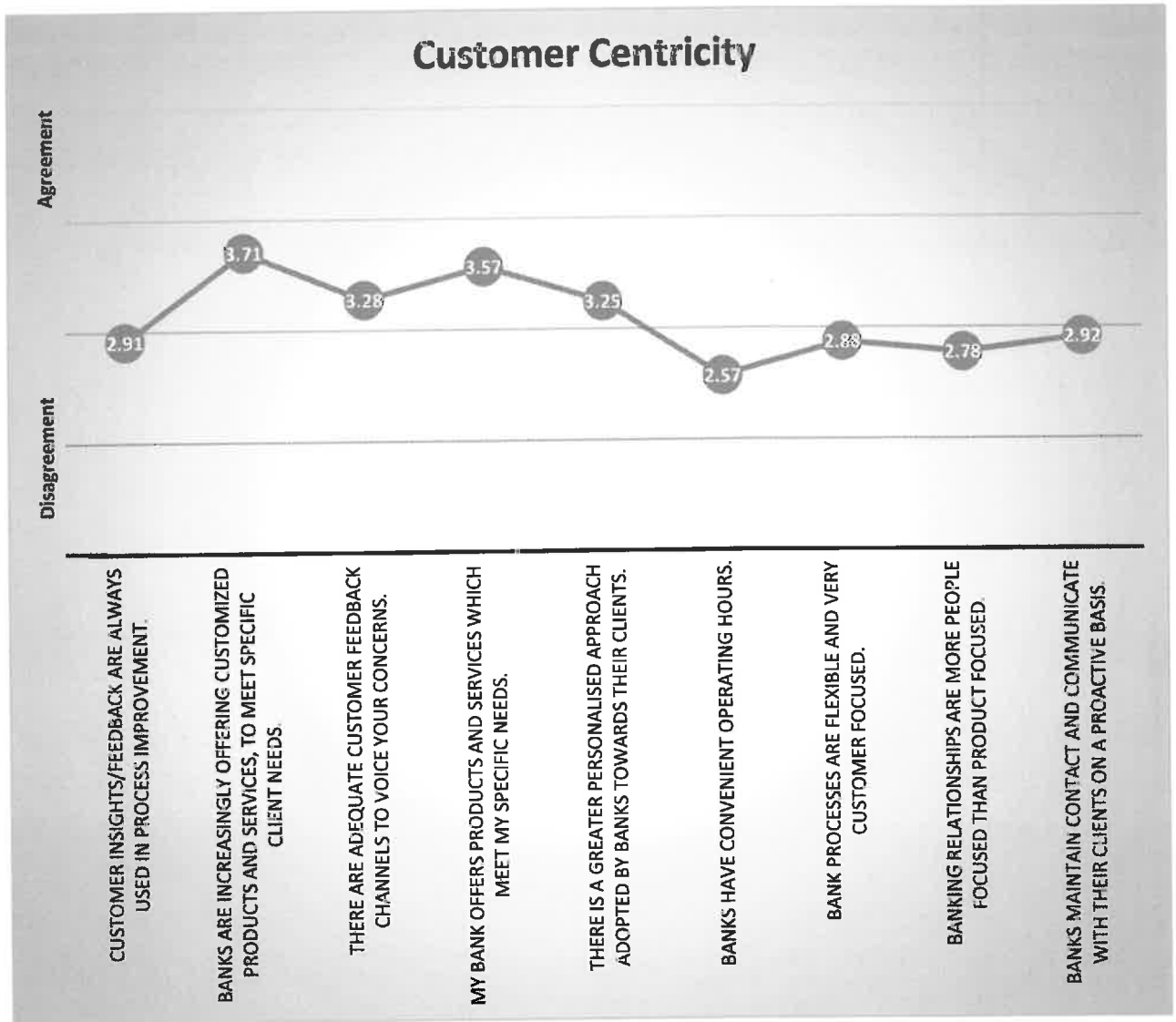
There is significant agreement that:

- Banks are increasingly offering customized products and services, to meet specific client needs (M=3.71, SD = .999), $t(71) = 6.016$, $p < .0005$;
- There are adequate customer feedback channels to voice your concerns (M=3.28, SD = 1.064), $t(71) = 2.214$, $p = .030$;
- My bank offers products and services which meet my specific needs (M=3.57, SD=0.932), $t(71) = 5.185$, $p < .0005$.
- There is also significant agreement that there is a greater personalised approach adopted by banks towards their clients (M=3.25, SD=.946), $t(71) = 2.243$, $p = .028$

There is significant disagreement that:

- Banks have convenient operating hours (M = 2.57, SD = 1.357), $t(69) = -2.642$, $p = .010$.

Figure 4.3: [Graphical Representation for Objective 1]



- **Objective 2:** To determine the general perceived levels of service quality amongst banks

Table 4.17: Mobile Banking Applications are user friendly and very secure.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	5	6.9	6.9	6.9
Disagree	4	5.6	5.6	12.5
Neutral	8	11.1	11.1	23.6
Agree	39	54.2	54.2	77.8
Strongly agree	16	22.2	22.2	100.0
Total	72	100.0	100.0	

The above results reflect a sense of agreement that mobile banking applications are user friendly and secure. A large percentage of 54.2% are in agreement that mobile applications are secure, with a further 22.2% also strongly agreeing that mobile technologies are safe and secure.

In line with the growing use of mobile technologies, there has also been the rapid rise in the threat of cybercrime, which could be the underlying reason as to why 6.9% strongly disagree, and a further 5.6 % disagree that mobile applications are safe and secure. Their perceptions have probably been influenced by current trends in the market.

Table 4.18: Service Requests are attended to quickly in a branch.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	8	11.1	11.1	11.1
Disagree	22	30.6	30.6	41.7
Neutral	15	20.8	20.8	62.5
Agree	26	36.1	36.1	98.6
Strongly agree	1	1.4	1.4	100.0
Total	72	100.0	100.0	

The results in the above table show that 11.1% strongly disagree and a further 30.6% disagree that service requests are attended to quickly in a branch. This could possibly be attributed to the delays which clients experience when waiting in line to be served. It is important to note that service quality is influenced by quick turnaround times.

The service quality dimension of responsiveness relates to the willingness to help customers by providing a fast and efficient service, as discussed in the SERVQUAL MODEL.

In a study conducted by Muyeed (2012), (Coetzee et al, 2013: 12), focusing on Retail Banks in South Africa which included feedback from both client respondent groups and bank respondent groups, the study found that promptness of service to be the most important driver of service quality. The client's perceptions of service quality were influenced by the speed by which decisions were made by the bank. (Coetzee et al, 2013: 12).

Table 4.19: The Complaint handling systems among banks are very efficient and effective.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	8	11.1	11.1	11.1
Disagree	20	27.8	27.8	38.9
Neutral	17	23.6	23.6	62.5
Agree	26	36.1	36.1	98.6
Strongly agree	1	1.4	1.4	100.0
Total	72	100.0	100.0	

As per table 4.19, 11.1% of respondents strongly disagree, whilst a further 27.8% are also in disagreement that complaints are handled efficiently and effectively, whilst 23.6 % have adopted a neutral stance .The overwhelming impression which has been created is that there appears to be a weakness in the area of query resolution. The ability to resolve queries speedily and provide customer with feedback is an important part of service quality.

Table 4.20: The perceived service quality among local banks are of a high standard.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	3	4.2	4.2	4.2
	Disagree	23	31.9	32.4	36.6
	Neutral	8	11.1	11.3	47.9
	Agree	33	45.8	46.5	94.4
	Strongly agree	4	5.6	5.6	100.0
	Total	71	98.6	100.0	
Missing	System	1	1.4		
Total		72	100.0		

As per table 4.20, there appears to be a general perception that service quality is of a high standard with 46.5% and 5.6% of respondents who concur with the statement. Nonetheless, there remains a proportion of respondents of 36.6%, who still believe that service quality is lacking and is not of a high standard

Table 4.21: Front line bank staff are knowledgeable and competent about the banking process and products.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	4	5.6	5.6	5.6
	Disagree	8	11.1	11.3	16.9
	Neutral	14	19.4	19.7	36.6
	Agree	41	56.9	57.7	94.4
	Strongly agree	4	5.6	5.6	100.0
	Total	71	98.6	100.0	
Missing	System	1	1.4		
Total		72	100.0		

As per table 4.21, the overwhelming majority of respondents (57.7% and 5.6%), agree that frontline staff are competent and knowledgeable.

This is an important component of service quality. The knowledge, skills, and behaviour of staff, will ensure clients are serviced in a warm, efficient and professional manner, thus inspiring confidence and assuring clients of their ability to carry out the service request (Kumar, Tat Kee and Manshor, 2009: 224).

Table 4.22: Banks are transparent in respect of bank fees and other service charges.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	22	30.6	31.0	31.0
Disagree	25	34.7	35.2	66.2
Neutral	9	12.5	12.7	78.9
Agree	13	18.1	18.3	97.2
Strongly agree	2	2.8	2.8	100.0
Total	71	98.6	100.0	
Missing System	1	1.4		
Total	72	100.0		

The results of table 4.22 reflect that a cumulative 66.2% of respondents don't agree that banks are transparent in respect of charges.

Assurance and trust play an important role in influencing a customer's perception of quality. In a research study entitled: "A value Based Approach to improve Customer Experience" by (Malviya & Varma, n.d.), within the telecommunication sector, the study showed a lack of transparency around billing issues on customer accounts, was a large source of customer complaints. Providing clearer visibility around this can significantly help to improve customer satisfaction and the perception of service quality (Malviya & Varma, n.d.: 06).

Further research conducted in a South African context, have also revealed that banks do not consistently reveal all their charges. As per a study done by the Micro Finance Regulatory Council (MFRC, 2003), the findings showed that customers were surprised by bank charges and did not appear to have an understanding of the individual transactional charges (Hawkins, 2004: 197).

Table 4.23: Service personnel display courtesy and empathy when attending to my requests.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	6	8.3	8.3	8.3
Disagree	9	12.5	12.5	20.8
Neutral	20	27.8	27.8	48.6
Agree	33	45.8	45.8	94.4
Strongly agree	4	5.6	5.6	100.0
Total	72	100.0	100.0	

As per fig 4.23, 45.8% of respondents agree that service personal display courtesy and empathy when attending to requests, with an additional 5.6% strongly agreeing with this statement. This would imply that the softer skills of front line staff would still need to be improved upon, since front line staff can set the tone for any customer experience.

The concept of Empathy: refers to the caring and individualized attention provided to a customer (Albarq, 2013: 702). The benefits of displaying empathy and a caring attitude towards a customer could help in building trust and loyalty.

Table 4.24: Effective CRM requires that multiple customer touch-points are properly aligned e.g. customer departments, call centres, etc., to ensure that service levels can be maintained. The different departments of local banks are properly aligned to service clients

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	8	11.1	11.1	11.1
Disagree	14	19.4	19.4	30.6
Neutral	17	23.6	23.6	54.2
Agree	30	41.7	41.7	95.8
Strongly agree	3	4.2	4.2	100.0
Total	72	100.0	100.0	

As per table 4.24, 41.7% of the respondents appear to agree that departments are properly aligned, with a further 4.2 % strongly agreeing that bank departments are properly aligned.

In view of the many channels being available through which customers interact with companies, it is of extreme importance to ensure all channels are properly integrated.

In today's business environment, there are a variety of channels available through which companies interact with their customers. These include channels such as front line sales and service staff, call centres, websites, and various other marketing departments. Customers often engage with personnel from cross functional departments, which therefore requires a higher degree of integration between the different departments in an organisation. It is therefore important that for effective CRM implementation to take place, there needs to be a frontline information system available which shares customer information across all interface units (Parvatiyar and Sheth, 2001: 18-19)

Table 4.25: The online service quality of local banks are both safe and secure.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	2	2.8	2.8	2.8
Disagree	12	16.7	16.7	19.4
Neutral	18	25.0	25.0	44.4
Agree	34	47.2	47.2	91.7
Strongly agree	6	8.3	8.3	100.0
Total	72	100.0	100.0	

As per the results of table 4.25, 47.2% agree that the online service quality is both safe and secure, whereas 8.3% strongly agree with the statement. A notable 16.7 % disagree with this statement.

Banks remain at the forefront in their attempts to fight cybercrime, by helping to create safe and secure online platforms for their clients, and through ongoing awareness programs. Whilst the online platforms of some banks may be more prone & vulnerable than others, the current perception is that the online service is generally safe and secure. The task of fighting cybercrime doesn't just rest with the banks, but with the individual users as well.

- **Objective 2:** To determine the general perceived levels of service quality amongst banks

Test 4.5: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
1 Mobile Banking Applications are user friendly and very secure.	72	3.79	1.074	.127
2 Service Requests are attended to quickly in a branch.	72	2.86	1.079	.127
3 The Complaint handling systems among banks are very efficient and effective.	72	2.89	1.069	.126
5 The perceived service quality among local banks are of a high standard.	71	3.17	1.082	.128
6 Front line bank staff are knowledgeable and competent about the banking process and products.	71	3.46	.969	.115
7 Banks are transparent in respect of bank fees and other service charges.	71	2.27	1.171	.139
21 Service personnel display courtesy and empathy when attending to my requests.	72	3.28	1.038	.122
24 Effective CRM requires that multiple customer touch-points are properly aligned e.g. customer departments, call centres, etc., to ensure that service levels can be maintained. The different departments of local banks are properly aligned to service cli	72	3.08	1.110	.131
25 The online service quality of local banks are both safe and secure.	72	3.42	.960	.113

Test 4.6: One-Sample Test

	Test Value = 3					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Diff.	Lower	Upper
1 Mobile Banking Applications are user friendly and very secure.	6.256	71	.000	.792	.54	1.04
2 Service Requests are attended to quickly in a branch.	-1.093	71	.278	-.139	-.39	.11
3 The Complaint handling systems among banks are very efficient and effective.	-.882	71	.381	-.111	-.36	.14
5 The perceived service quality among local banks are of a high standard.	1.316	70	.192	.169	-.09	.43
6 Front line bank staff are knowledgeable and competent about the banking process and products.	4.044	70	.000	.465	.24	.69
7 Banks are transparent in respect of bank fees and other service charges.	-5.272	70	.000	-.732	-1.01	-.46
21 Service personnel display courtesy and empathy when attending to my requests.	2.272	71	.026	.278	.03	.52
24 Effective CRM requires that multiple customer touch-points are properly aligned e.g. customer departments, call centers, etc., to ensure that service levels can be maintained. The different departments of local banks are properly aligned to service clients.	.637	71	.526	.083	-.18	.34
25 The online service quality of local banks are both safe and secure.	3.681	71	.000	.417	.19	.64

There appears to be significant agreement that:

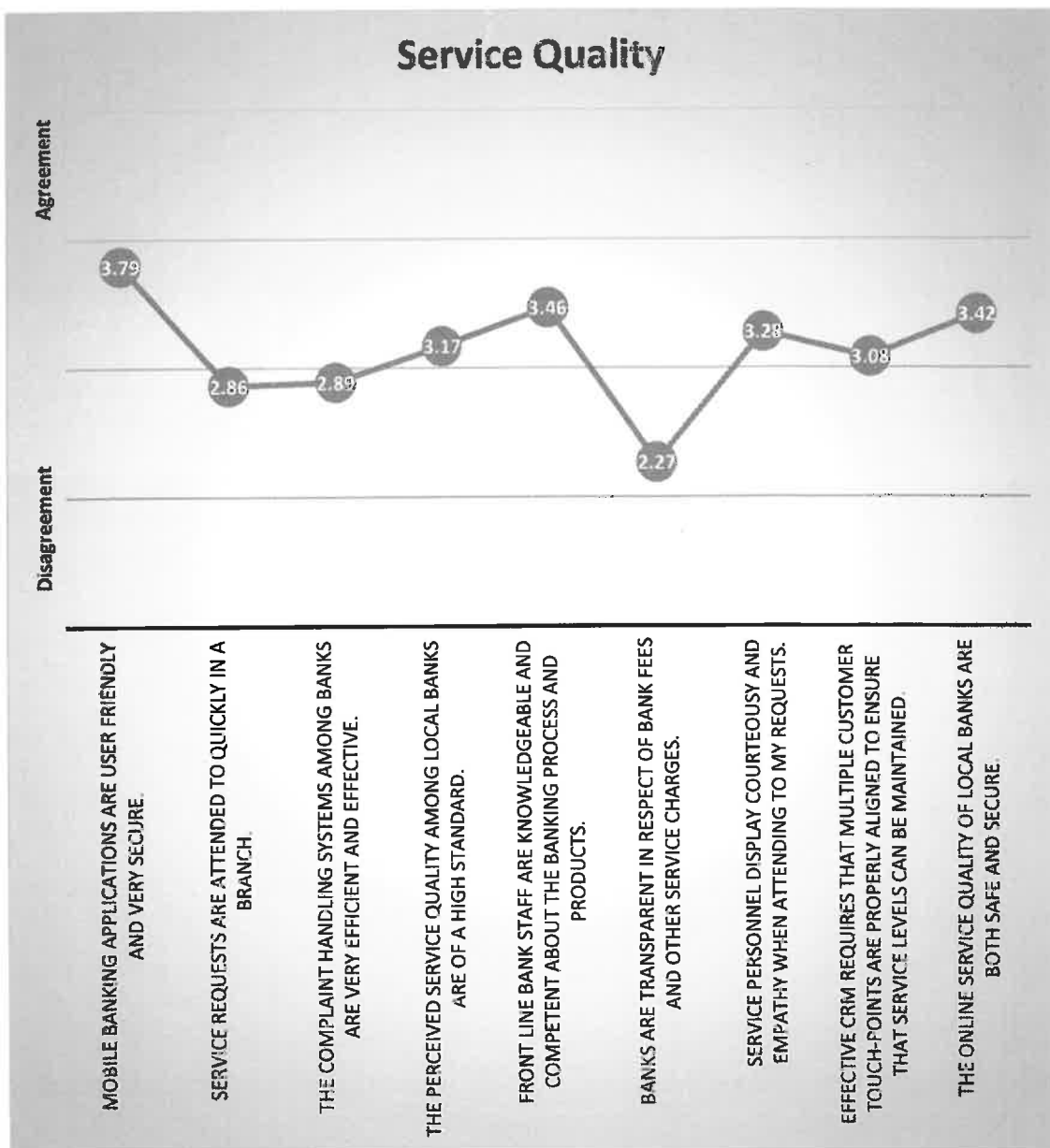
- Mobile Banking Applications are user friendly and very secure (M=3.79,SD=1.074), t(71)=6.256, p< .0005
- Front Line Bank Staff are knowledgeable and competent about the banking process and products(M=3.46, SD= .969),t(70)=4.044, p< .0005
- Service personnel display courtesy and empathy when attending to my requests(M=3.28,SD=1.038),t(71)=2.272, p= .026

- The online service quality of local banks are both safe and secure ($M=3.42, SD=.960, t(71)=3.681, p<.0005$)

There also appears to be significant disagreement that:

- Bank are transparent in respect of bank fees and other service charges($M=2.27, SD=1.171, t(70)=-5.272, p<.0005$)

Figure 4.4: [Graphical Representation for Objective 2]



- **Objective 3:** To determine the key drivers of customer loyalty

Table 4.26: The loyalty programs offered by banks, play an important role in building & strengthening customer relationships.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	8	11.1	11.3	11.3
	Disagree	15	20.8	21.1	32.4
	Neutral	13	18.1	18.3	50.7
	Agree	20	27.8	28.2	78.9
	Strongly agree	15	20.8	21.1	100.0
	Total	71	98.6	100.0	
Missing	System	1	1.4		
Total		72	100.0		

As per table 4.26, 11.3% of the respondents strongly disagree and 21.1% disagree that loyalty programs play a role in strengthening customer relationships among banks, whilst at least 49.3% are in agreement that loyalty programmes play an important role in strengthening customer relationships

An important component of CRM has been the introduction of rewards programmes to foster a greater sense of customer loyalty. Such programs incentivise a customer for their continued patronage and where customers are encouraged to make continuous purchases in exchange for the loyalty rewards. (Tat Keh and Lee, 2006: 127).

Table 4.27: Loyalty programmes offered by the different banks are easily distinguishable.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	6	8.3	8.3	8.3
Disagree	16	22.2	22.2	30.6
Neutral	18	25.0	25.0	55.6
Agree	31	43.1	43.1	98.6
Strongly agree	1	1.4	1.4	100.0
Total	72	100.0	100.0	

A notable 43.1 % of respondents have noted that the loyalty programmes between banks are easily distinguishable. This speaks to the fact that the strategies employed by banks can be easily identified, and that there are distinct differences between the loyalty programs.

It is important that a loyalty program be distinctive to the extent that it is easily distinguishable from other programs in the marketplace. This would help customers in higher tiers feel more special, thereby increasing the importance around the membership. (Ha and Stoel, 2014: 495-498).

Table 4.28: Technological advancements have made banking much simpler.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	2	2.8	2.8	2.8
Neutral	2	2.8	2.8	5.6
Agree	26	36.1	36.1	41.7
Strongly agree	42	58.3	58.3	100.0
Total	72	100.0	100.0	

As per table 4.28, 94.4% of respondents have agreed with the statement that technological advancements have made banking simpler.

Table 4.29: Service quality is the most important criteria used, when deciding whether to remain with a bank.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	1	1.4	1.4	1.4
Disagree	4	5.6	5.6	6.9
Neutral	3	4.2	4.2	11.1
Agree	32	44.4	44.4	55.6
Strongly agree	32	44.4	44.4	100.0
Total	72	100.0	100.0	

As per the results of table 4.29, 44.4% of the respondents, agree that service quality is the most important criteria used when deciding whether to remain with a bank, and

a further 44.4 % strongly agree. This is indeed a significant finding, and the importance of service quality is expanded below.

Parasuraman's Servqual Model provided a theoretical framework to help define the measure of service quality. Parasuraman defined service quality as the difference concerning a customer's hope of service and the observation of actual service rendered. (Shanka, 2012: 002). Service quality continues to be seen as the key to ensuring customer satisfaction and helping to promote customer loyalty. It remains an important area of focus to ensure that clients can be retained. Service providers need to pay attention to areas of weaknesses to ensure service quality perceptions can be improved upon, and new customers can be attracted by displaying high levels of service quality. (Mandhachitara and Poolthong, 2011: 124).

Table 4.30: I am not prepared to change my bank.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	12	16.7	16.7	16.7
Disagree	16	22.2	22.2	38.9
Neutral	9	12.5	12.5	51.4
Agree	23	31.9	31.9	83.3
Strongly agree	12	16.7	16.7	100.0
Total	72	100.0	100.0	

31.9 % of respondents appear to have strong relationship with their bank, and a further 16.7 have also displayed a strong sense of loyalty towards their bank.

The sense of loyalty could be put down to the ease with which the clients are able to transact and have their needs met which strengthens their loyalty and affiliation towards a particular bank.

Table 4.31: I have a strong relationship with my bank.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	3	4.2	4.2	4.2
Disagree	12	16.7	16.7	20.8
Neutral	19	26.4	26.4	47.2
Agree	25	34.7	34.7	81.9
Strongly agree	13	18.1	18.1	100.0
Total	72	100.0	100.0	

There is an indication that respondents generally share a strong relationship with their banks.

52.8% of respondents appear to have strong relationship with their banks, which could largely be attributed to the length of their banking relationship.

However, one of the possible reasons could revolve around the ease with which clients can change banks. More research would need to be done in this area.

Table 4:32: The marketing strategies of all banks are the same.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	4	5.6	5.6	5.6
Disagree	29	40.3	40.3	45.8
Neutral	15	20.8	20.8	66.7
Agree	20	27.8	27.8	94.4
Strongly agree	4	5.6	5.6	100.0
Total	72	100.0	100.0	

As per the results of table 4.32, there appears to be an ambivalent response. Respondents appear to be divided as to whether marketing strategies are clearly distinguishable.

- **Objective 3:** To determine the key drivers of customer loyalty

Test 4.7: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
8 The loyalty programs offered by banks, play an important role in building & strengthening customer relationships.	71	3.27	1.320	.157
9 Loyalty programmes offered by the different banks are easily distinguishable.	72	3.07	1.025	.121
10 Technological advancements have made banking much simpler.	72	4.47	.804	.095
12 Service quality is the most important criteria used, when deciding whether to remain with a bank.	72	4.25	.884	.104
13 I am not prepared to change my bank.	72	3.10	1.375	.162
14 I have a strong relationship with my bank.	72	3.46	1.100	.130
22 The marketing strategies of all banks are the same.	72	2.88	1.061	.125

Test 4.8: One-Sample Test

	Test Value = 3					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Diff.	Lower	Upper
8 The loyalty programs offered by banks, play an important role in building & strengthening customer relationships.	1.709	70	.092	.268	-.04	.58
9 Loyalty programmes offered by the different banks are easily distinguishable.	.575	71	.567	.069	-.17	.31
10 Technological advancements have made banking much simpler.	15.529	71	.000	1.472	1.28	1.66
12 Service quality is the most important criteria used, when deciding whether to remain with a bank.	11.997	71	.000	1.250	1.04	1.46
13 I am not prepared to change my bank.	.600	71	.551	.097	-.23	.42
14 I have a strong relationship with my bank.	3.536	71	.001	.458	.20	.72
22 The marketing strategies of all banks are the same.	-1.000	71	.321	-.125	-.37	.12

There appears to be significant agreement that:

- Technological advancements have made banking simpler (M=4.47 SD= .804) $t(71)=15.529; p < .0005$
- Service Quality is the most important criteria used, when deciding whether to remain with a bank (M=4.25 SD= .884) $t(71)=11.997; p < .0005$
- I have a strong relationship with my bank (M=3.46 SD= 1.100), $t(71)=3.536, p = .001$

Figure 4.5: [GRAPHICAL REPRESENTATION OF OBJECTIVE 3]



4.6 Reliability of the Study

The reliability of each construct was tested using Cronbach's alpha. An alpha value > .7 indicates a reliable measure.

Customer centricity q 4, 11, 15, 16, 17, 18, 19, 20, 23

Test 4.9: Reliability

Statistics

Cronbach's Alpha	N of Items
.814	9

Service Quality q 1 2 3 5 6 7 21 24 25

Test 4.10: Reliability

Statistics

Cronbach's Alpha	N of Items
.743	9

Customer Loyalty q8 9 10 12 13 14 22

Test 4.11: Reliability

Statistics

Cronbach's Alpha	N of Items
.696	2

- Although below .7 (just) this is an acceptable reliability score
- Service quality and customer centricity show good reliability.

The reliability of these items is low. So, I applied a factor analysis on them to look at the structure.

Table 4.33: Pattern Matrix^a

	Factor		
	1	2	3
8 The loyalty programs offered by banks, play an important role in building & strengthening customer relationships.		.727	
9 Loyalty programmes offered by the different banks are easily distinguishable.		.673	
10 Technological advancements have made banking much simpler.			.507
12 Service quality is the most important criteria used, when deciding whether to remain with a bank.			.689
13 I am not prepared to change my bank.	.640		
14 I have a strong relationship with my bank.	.841		
22 The marketing strategies of all banks are the same.			

Extraction Method: Principal Axis Factoring.

It is important to note that the Factor analysis was applied with a Promax rotation with Kaiser Normalisation. A single measure was thereafter used in determining the reliability of the construct as shown above:

4.7 Correlation Analysis

The single measures are:

CUSTOMER_CENTRICITY; SERVICE_QUALITY and CUSTOMER_LOYALTY

They all range from 1 to 5 in value with a higher value indicating more centricity, quality and loyalty.

One-sample t-test is applied to test for sig agreement/disagreement on the combined score for each.

Test 4.12: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
CUSTOMER_CENTRICITY	72	3.0929	.70593	.08319
SERVICE_QUALITY	72	3.1389	.60851	.07171
CUSTOMER_LOYALTY	72	3.2778	1.09058	.12853

Test 4.13: One-Sample Test

	Test Value = 3					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
CUSTOMER_CENTRICITY	1.117	71	.268	.09290	-.0730	.2588
SERVICE_QUALITY	1.937	71	.057	.13889	-.0041	.2819
CUSTOMER_LOYALTY	2.161	71	.034	.27778	.0215	.5341

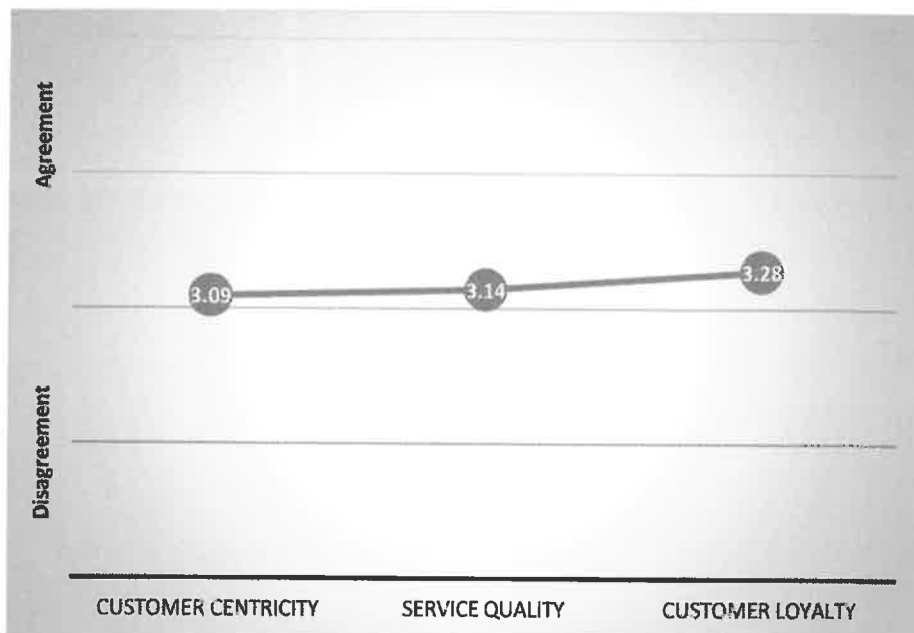
There is significant agreement that customer loyalty exists

- (M=3.2778 SD=1.09058); t (71)=2.161;p=.034

The other two show neither agreement nor disagreement (customer centricity and service quality):

Respondents appear to have adopted a neutral view towards customer centricity and service quality. The possible reason for this could possibly be put down to the lack of consistent service quality and the varying levels of customer centricity displayed by banks.

Figure 4.6 [GRAPHICAL REPRESENTATION OF CORRELATION BETWEEN 3 VARIABLES]



These single measures will now be tested for differences across demographic variables

Tests used will be

- independent samples t-test (gender)
- ANOVA (TC and race)
- Pearson's correlation (Age).

Test 4.14: Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
CUSTOMER_CENTRICITY	Male	41	3.1226	.65983	.10305
	Female	31	3.0536	.77206	.13867
SERVICE_QUALITY	Male	41	3.2141	.55410	.08654
	Female	31	3.0394	.67008	.12035
CUSTOMER_LOYALTY	Male	41	3.3415	1.11489	.17412
	Female	31	3.1935	1.06987	.19215

Independent t samples test- gender

There are no significant differences across gender

Test 4.15: Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum
						Lower Bound	Upper Bound	
CUSTOMER_CENTRICITY	Tel/Cell	3	2.2222	.61864	.35717	.6854	3.7590	1.67
	ATM	5	3.6500	.57049	.25513	2.9416	4.3584	2.89
	Online	52	3.0888	.70407	.09764	2.8928	3.2848	1.29
	Branch	2	2.9097	.75621	.53472	-3.8846	9.7040	2.38
	Multiple channels	9	3.1975	.63045	.21015	2.7129	3.6821	2.44
	Total	71	3.1005	.70800	.08402	2.9329	3.2680	1.29
SERVICE_QUALITY	Tel/Cell	3	2.8148	.35717	.20621	1.9275	3.7021	2.56
	ATM	5	3.3111	.55777	.24944	2.6185	4.0037	2.44
	Online	52	3.1581	.60353	.08369	2.9901	3.3261	1.56
	Branch	2	2.5556	1.25708	.88889	-8.7388	13.8500	1.67
	Multiple channels	9	3.2593	.58002	.19334	2.8134	3.7051	2.22
	Total	71	3.1502	.60512	.07181	3.0070	3.2935	1.56
CUSTOMER_LOYALTY	Tel/Cell	3	2.1667	1.25831	.72648	-.9591	5.2925	1.00
	ATM	5	4.0000	1.17260	.52440	2.5440	5.4560	2.00
	Online	52	3.1827	1.00014	.13869	2.9043	3.4611	1.00
	Branch	2	3.2500	2.47487	1.75000	-18.9859	25.4859	1.50
	Multiple channels	9	3.9444	.88192	.29397	3.2665	4.6223	2.50
	Total	71	3.2958	1.08752	.12906	3.0384	3.5532	1.00

No significant differences across transactional channels

Test 4.16: Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum
						Lower Bound	Upper Bound	
CUSTOMER_CENTRICITY	African	51	3.0998	.74427	.10422	2.8905	3.3092	1.29
	Coloured	1	2.0000					2.00
	Indian	16	3.1207	.58638	.14660	2.8082	3.4331	2.38
	White	3	3.2963	.73981	.42713	1.4585	5.1341	2.44
	Total	71	3.0973	.70994	.08425	2.9293	3.2654	1.29
SERVICE_QUALITY	African	51	3.1503	.61577	.08622	2.9771	3.3235	1.56
	Coloured	1	2.2222					2.22
	Indian	16	3.1319	.63144	.15786	2.7955	3.4684	1.67
	White	3	3.2963	.46259	.26708	2.1472	4.4454	2.78
	Total	71	3.1393	.61283	.07273	2.9942	3.2843	1.56
CUSTOMER_LOYALTY	African	51	3.3431	1.16829	.16359	3.0146	3.6717	1.00
	Coloured	1	1.5000					1.50
	Indian	16	3.0938	.75760	.18940	2.6901	3.4974	1.50
	White	3	3.6667	1.25831	.72648	.5409	6.7925	2.50
	Total	71	3.2746	1.09801	.13031	3.0148	3.5345	1.00

No significant differences across race

Test 4.17: Correlations

		Age	CUSTOMER_CENTRICITY	SERVICE_QUALITY	CUSTOMER_LOYALTY
Age	Pearson Correlation	1	.268*	.284*	.281*
	Sig. (2-tailed)		.023	.016	.017
	N	72	72	72	72
CUSTOMER_CENTRICITY	Pearson Correlation	.268*	1	.726**	.490**
	Sig. (2-tailed)	.023		.000	.000
	N	72	72	72	72
SERVICE_QUALITY	Pearson Correlation	.284*	.726**	1	.516**
	Sig. (2-tailed)	.016	.000		.000
	N	72	72	72	72
CUSTOMER_LOYALTY	Pearson Correlation	.281*	.490**	.516**	1
	Sig. (2-tailed)	.017	.000	.000	
	N	72	72	72	72

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

- There is a significant positive relationship between age and opinion on customer centricity of the Bank ($r=.268$, $p=.023$). Interpret as: greater age is associated with more agreement that the banks are customer centric.
- There is a significant positive relationship between age and opinion on service quality of the Bank ($r=.284$, $p=.016$). Interpret as: greater age is associated with more agreement that the service quality of banks are of a high standard
- There is a significant positive relationship between age and opinion on customer loyalty towards banks. ($r=.281$, $p=.017$) Interpret as : greater age is associated with a greater degree of loyalty towards banks. This could be attributed to the older generation having had a longer association with banks, and are therefore less inclined to change and display a greater degree of loyalty in the process.
- There are also significant positive relationships between the following variables:

Customer centricity and service quality($r=.726$; $p=.000$); Service Quality and Customer Loyalty ($r=.516$; $p=.000$); and also between Customer Loyalty and Customer Centricity ($r= .490$; $p=0.000$)

4.8 CONCLUSION

This chapter reported on the results and interpretation of the outcomes of the research study. Descriptive statistics were computed from SPSS to reflect the demographic profile of the respondents. This chapter further addressed the objectives which were set out by the use of various statistical tests as highlighted earlier.

Chapter 5 will look at the interpretations, conclusions, and recommendations of the study. The findings of the study and aspects of future research will be closely look at in the chapter which follows.

CHAPTER: 5

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter, a summary of the discussion behind the purpose and findings of the noteworthy study will be uncovered and a detailed recommendation will be made regarding some of the significant findings of the research. The study is set against the backdrop of an ever changing banking sector which is facing tough challenges in both in its' macro and micro environments. The changing economic environment, coupled with technological innovations and a rigid regulatory framework, has changed the face of banking in South Africa and the manner in which banks engage with their clients.

As a result of the significant technological innovations, the traditional customer relationship management practices of banks have also changed in line with changes in the marketplace. The digital age continues to significantly alter the way traditional banking relationships are managed, and continues to reshape numerous processes. The study probes the impact of these changes on customer relationship management with a particular focus on customer centricity, service quality and customer loyalty towards banks.

The chapter proceeds to summarise the outcomes from the research, the findings which emanated from the literature review and the key outcomes of the crucial research. Once all the findings have been listed, recommendations are then made after which the chapter is thereafter concluded.

5.2. Findings from the Study

The primary purpose of the study is to explore the different CRM practises employed by local banks. The study aimed to answer the following research questions:

- Are the CRM strategies of local banks customer centric from a customer perspective?
- What are the general perceived levels of service quality amongst banks?

- What are key drivers of customer loyalty?

5.2.1 Findings from the Literature Review

The existing literature attempts to broadly explain the concept of customer relationship management, along with the various practices which are involved in managing client relationships. The concept of Customer Relationship Management (CRM), highlights its strategic importance to the whole organisation, as it highlights the different strategies and the refining of business processes, to help improve business relationships with clients and achieve the long term goal of client retention and the profitable growth of the organisation. Companies have awoken to the urgent need for integrated customer knowledge to help build closer and more collaborative relationships with clients, and also to devise programmes which continually encourage clients to enhance their relationships with the company (Parvatiyar and Sheth, 2001: 1-2). Central to the theme of CRM, is customer centricity whereby all processes are built around the customer, to help serve customers in an effective and efficient manner. Couldwell (1998), stated that CRM is a combination of both business processes and technology which seeks to get a better understanding of a customer. A core theme of customer centricity has emerged which involves the on-going redesign of core business processes and involves on-going customer feedback with the ultimate goal being to develop product and services which meet the customer needs (Chen and Popovich, 2003: 682).

The perception of how a customer sees and experiences a product or service will ultimately influence their level of customer satisfaction. Meeting and exceeding client expectations remains the core objective of an organisation, which ultimately translates into a satisfied and happy customer, who will continue to support and contribute to the organisations' growth (Strickland, 2008: 1). Parasuraman's Servqual Model provided a theoretical framework to help define the measure of service quality as being the difference between a customer's expectation of service and the perception of actual service rendered (Shanka, 2012: 002).

Service quality has become an important focus area due to it being viewed as an important precursor to customer satisfaction, strengthening financial performance and

promoting customer loyalty (Coetzee, van Zyl and Tait, 2013: 5). An understanding of the factors which affect Service Quality, as detailed by the Servqual Model, is viewed as extremely important due to the role it plays in shaping the perception around service quality. Service quality has also been listed amongst the most important criteria when deciding whether to remain with a bank.

5.2.2 Findings from the Primary Research

The statistical analysis of data collected from the MBA group of respondents, revealed the following significant findings for each objective. In terms of each of the 3 objectives, the following significant findings were noted:

- *Objective 1 – Customer Centricity*

There is significant agreement that:

- Banks are increasingly offering customised products and services, to meet specific client needs
- There are adequate customer feedback channels to voice your concerns
- My bank offers products and services which meet my specific needs
- There is also significant agreement that there is a greater personalised approach adopted by banks towards their clients

There is significant disagreement that:

Banks have convenient operating hours

- *Objective 2 – Service Quality*

There appears to be significant agreement that:

- Mobile Banking Applications are user friendly and very secure
- Front Line Bank Staff are knowledgeable and competent about the banking process and products
- Service personnel display courtesy and empathy when attending to my requests
- The online service quality of local banks is both safe and secure

There also appears to be significant disagreement that:

- Banks are transparent with respect to bank fees and other service charges
 - *Objective 3 – Customer Loyalty*

There appears to be significant agreement that:

- Technological advancements have made banking simpler
- Service Quality is the most important criteria used, when deciding whether to remain with a bank
- I have a strong relationship with my bank

A one sample t-test was applied to test for the significant agreement/disagreement on the combined score for each:

There is significant agreement that customer loyalty exists, the other two tests conducted show neither agreement nor disagreement. Respondents appear to have adopted a neutral view towards customer centricity and service quality. The possible reason for this could possibly be put down to the lack of consistent service quality and the varying levels of customer centricity displayed by banks.

These single measures will now be tested for differences across demographic variables

Tests used will be independent samples t-test (gender) and ANOVA (Transactional Channel and Race) and Pearson's correlation (Age).

- Independent t samples test-gender (no sig differences)
- Anova: Transactional Channels, 3 objectives, no sig differences
- Anova: Race, 3 objectives, no sig differences

Using the Pearson's Correlation Test – there is a significant positive relationship between age and opinion on customer centricity of the Bank. Greater age is associated with more agreement that the banks are customer centric.

There is a significant positive relationship between age and opinion on service quality of the Bank. Greater age is associated with more agreement that the service quality of banks are of a high standard

There is a significant positive relationship between age and opinion on customer loyalty towards banks. Greater age is associated with a greater degree of loyalty

towards banks. This could be attributed to the older generation having had a longer association with banks, and are therefore less inclined to change and display a greater degree of loyalty in the process.

5.3 Conclusion from the Findings

The purpose of the study was to review the CRM Strategy of local banks, as seen through the eyes of the customer. The study sets out to explore the finer points of the CRM strategies currently employed by local banks, and to identify gaps in their strategies through the following research objectives:

- To determine how customer centric are the CRM strategies of local banks from a customer's perspective
- To determine the general perceived levels of service quality amongst banks
- To determine the key drivers of customer loyalty

5.4 Significant Findings Emerged from the Study

- Banks have started to recognise the importance and need for the customisation of their products and have started to build more personalised relationships with their clients, which is in line with the overarching theme of customer centricity.
- From a service quality perspective, mobile applications and online banking are deemed safe and secure; staff are perceived as being courteous and displaying empathy in their interaction with clients.
- It would also appear that clients have displayed a high level of loyalty towards their banks, and of great significance is that service quality appears to be the most important criteria when deciding whether to remain loyal to a bank
- There has also been a further significant correlation between Age and the opinions on customer centricity, service quality and customer loyalty. The finding points to the fact that the larger the age, the greater the level of agreement across all of the objectives.
- Further significant disagreements were also reported, whereby banks were perceived as having inconvenient trading hours and not being transparent with

regards to bank charges and fees. This is an important finding, as it speaks to convenience, assurance and trust, which were identified as key components of service quality.

It can therefore be concluded that the core CRM strategies of local banks are customer focused and client centric, with a satisfactory level of service quality and where there appears to be a strong level of loyalty towards ones' bank. Nonetheless, there remains the opportunity to further improve on the key dimensions of service quality and the overall customer relationship management framework.

5.5 Recommendations

Whilst it may appear that the objectives of the study may have been achieved, it is always advisable to have a flexible and agile mindset towards CRM, since the market and customer needs are always changing. The pace of change will continue to move at a rapid pace, and banks would need to do much more to retain and satisfy their customers. The following findings which have emerged from the study, would need to be reviewed and improved upon:

- ***Banks need to revisit their operating hours***

A key aspect of service quality and customer centricity is built around convenience to the customer. A significant finding of the study pointed towards inconvenient banking hours. More market research would need to be done to identify and understand peak banking periods, with a view to extending operating hours in line with market demands. This would allow customers additional time to visit the bank, especially during busy periods. Whilst the recently launched initiative of Sunday banking has been introduced in South Africa, not all banks have fully embraced this initiative.

- ***Banks are not transparent in respect of bank fees and other service charges***

In a tough economic climate, clients are becoming extremely price sensitive and cost conscious whereby all charges are being monitored. Respondents are of the view that banks are not transparent when charging fees, which can be a source of distrust and frustration for clients. A recommendation which could help would be for banks to categorise the different charges and to clearly summarise the breakdown of charges on customer statements. This would help foster a better understanding of how the

charges have been arrived at.

Further, pricing communication is generally only sent out at the start of each New Year by banks. A recommendation would be for banks to increase the frequency to bi-annually and to always ensure that an updated price and product matrix is readily available on the respective bank websites or social media channels.

- ***Customer insights to be used in process improvements***

Whilst the above has not been a significant finding, it is of the utmost importance that ongoing feedback is gathered during customer interactions relating to bank processes. Bank processes have a natural bias towards mitigating risk, which can sometimes result in a weighty process which frustrates clients. Ongoing customer insights during each client interaction will help refine processes and make them user friendly. Serious consideration would need to be given to this, as it appears to be lacking at this point.

- ***Raising consumer awareness regarding cybercrime***

The threat of cybercrime and the associated risks, needs to be tackled at every conceivable level. The ongoing threats of phishing and spam mail, present risks to confidential client information and a possible hacking of their electronic banking channels. It is highly recommended that consumer awareness is raised on an ongoing basis, and that the online securities of banks are revised and improved continuously, to possibly include biometrics. Raising consumer awareness through banking and media channels would help bolster the fight against cybercrime.

5.6 Recommendations for Future Research

Due to the current emerging trends within the banking sector, it would be quite interesting to have a deeper insight into the following:

- “The impact of increased compliance on CRM within the banking sector”.
- Further in view of the growing risk of cybercrime, it would also make for an interesting study in another topical area which is: ***To investigate the growing threat of cybercrime on digital channels within CRM and its impact on service quality within the banking sector.***
- A larger sample size, representative of a more diverse target population.

5.7 Conclusion

The concept of CRM has been discussed in great detail, whilst clearly highlighting its strategic importance to an organisation. It is apparent from the numerous theoretical frameworks which were covered in the Literature Review, that CRM cannot be seen as a one dimensional function, but rather as an enterprise wide integration of related business processes, people and technology, with the client being placed at the centre of the organisation.

The traditional approach of CRM has continued to evolve in recent times, due to the emergence of innovative technologies and a more demanding customer. The central theme of CRM has emerged to be that of customer centricity, where all the company activities revolve around the client. Knowing your customers has numerous benefits, since customer insights can play an important role in helping to customise the product and service offering of an organisation.

CRM approaches of local banks made for an interesting study, against the backdrop of significant regulatory changes and a tough trading environment. Banks have a front end service model which are at the forefront of technological innovations, and are often viewed as front runners in the service industry. The significant findings of the study showed that service quality is among the most important of all service attributes, and is the key to improving customer satisfaction and strengthening customer loyalty. The perception of the service quality of local banks was found to be good from a customer perspective, with customers displaying a significant level of loyalty towards their banks.

On the downside however, there continues to be concerns raised amongst inconvenient trading hours and the lack of transparency around bank charges. Both of these areas would need to be improved upon, as they strike at the heart of convenience and trust, which are two important dimensions of service quality. Whilst the overall objectives of the study appear to have been achieved, whereby we could reasonably conclude that the strategies of local bank appear to be customer centric with satisfied customers and delivering a decent level of service quality, the fortunes of local banks could quickly change. The volatile economic environment, increasing

regulatory pressures, the growing threat of cybercrime, along with the unpredictability of the Generation Y consumer, will continue to pose challenges for banks in the immediate future. Banks will continuously need to innovate and adapt to an ever changing financial landscape to remain sustainable in the future.

In the words of Charles Darwin, quote "***it is not the strongest of species that survive, nor the most intelligent, but the one most responsive to change***" (<http://quoteinvestigator.com>). This certainly holds true for banks as well. The ability to anticipate and adapt to changing market conditions, will ultimately hold the key to success.

LIST OF REFERENCES:

- Afsar, B., Rehman, Z.U., Qureshi, J.A. and Shahjehan, A. (2010). 'Determinants of customer loyalty in the banking sector: The case of Pakistan', *African Journal of Business Management*, 4(6): 1040-1047.
- Albarq, A.N. (2013). 'Applying a SERVQUAL Model to Measure the impact of Service Quality on Customer Loyalty amongst Local Saudi Banks in Riyadh', *American Journal of Industrial and Business Management*, 3: 700-707.
- Al-Hawari, M.A. (2011). 'Do Online Services Contribute to Establishing Brand Equity Within the Retail Banking Context?', *Journal of Relationship Marketing*, 10(145): 145-166.
- Al-Riyami, A. (2008) 'How to Prepare a Research Proposal', *OMAN Medical Journal*, 23(2): 1-8.
- Bahrami, M., Ghorbani, M. and Arabzad, S.M. (2012). 'Information Technology (IT) as an Improvement Tool for Customer Relationship Management (CRM)', *Procedia – Social and Behavioral Sciences*, 41: 59-64.
- Bravo, R., Montaner, T. and Pina, J.M. (2010). 'Corporate brand image in retail banking: development and validation of a scale', *The Service Industries Journal*, 30(8): 1199-1218.
- Bolton, R.N., Parasuraman, A. Hoefnagels, A., Migchels, N., Kabadayi, S., Gruber, T., Loureiro, Y.K. and Solnet, D. (2013). 'Understanding Generation Y and their use of social media: a review and research agenda', *Journal of Service Management*, 24(3): 245-267.
- Bryman, A. and Bell, E. (2011). *Business Research Methods*, 3rd Edition, New York: Oxford University Press.
- Chang, W., Park, J.E. and Chaib, S. (2010). 'How does CRM technology transform into organisational performance? A mediating role of marketing capability', *Journal of Business Research*, 63: 849-855.
- Chen, I.J. and Popovich, K. (2003). 'Understanding customer relationship management (CRM) People, process and technology', *Business Process Management Journal*, 9(5): 672-688.
- Chuah, H.W., Marimuthu, M. and Ramayah, T. (2014). 'The Effect of Perceived Value on the Loyalty of Generation Y Mobile Internet subscribers: A Proposed Conceptual Framework', *Procedia – Social and Behavioral Sciences*, 130: 532-541.
- Churchill, G.A. Jr, Brown, T.J., and Suter, T.A. (2010). *Basic Marketing Research*. 7th Edition. China: South-Western Cengage Learning.

Coelho, P.S. and Henseler, J. (2012). 'Creating customer loyalty through service customization', *European Journal of Marketing*, 46(3/4): 331-356.

Coetzee, J., van Zyl, H. and Tait, M. (2013). 'Perceptions of service quality by clients and contact-personnel in the South African retail banking sector', *Southern African Business Review*, 17(1): 1-22.

Cooper, D.R. and Schindler, P.S. (2003). *Business Research Methods*, 8th Edition, New York: McGraw-Hill/Irwin.

Dash, N.K. (2005). Module: Selection of the Research Paradigm and Methodology. [online]. New Delhi: Research Methods. Available from http://www.celt.mmu.ac.uk/researchmethods/Modules/Selection_of_methodology/index.php [accessed on 15 August 2016].

Finnegan, D.J. and Currie, W.L. (2010). 'A multi-layered approach to CRM implementation: An integration perspective', *European Management Journal*, 28: 153-167.

Frankenberger, K., Weiblen, T. and Gassman, O. (2013). 'Network configuration, customer centricity, and performance of open business models: A solution provider perspective', *Industrial Marketing Management*, 42: 671-682.

Ganguli, S. and Roy, S.K. (2011). 'Generic technology-based service quality dimensions in banking – Impact on customer satisfaction and loyalty', *International Journal of Bank Marketing*, 29(2): 168-189.

Gomez, B.G., Arranz, A.M.G. and Cillan, J.G. (2012). 'Drivers of customer likelihood to join grocery retail loyalty programs. An analysis of reward programs and loyalty cards', *Journal of Retailing and Consumer Services*, 19: 492-500.

Ha, S. and Stoel, L. (2014). 'Designing loyalty programs that matter to customers', *The Service Industries Journal*, 34(6): 495-514.

Harrigan, P., Soutar, G., Choudhury, M.M. and Lowe, M. (2015). 'Modelling CRM in a social media age', *Australasian Marketing Journal*, 23: 27-37.

Hawkins, P. (2004). 'South Africa's financial sector ten years on: performance since democracy', *Development Southern Africa*, 21(1): 179-204.

Hillebrand, B., Nijholt, J.J. and Nijssen, E.J. (2011). 'Exploring CRM effectiveness: an institutional theory perspective', *Journal of the Academy of Marketing Science*, 39(4): 592-608.

Janawade, V. (2011). 'Consumer perceptions of service quality of complex services: An application to airline alliances'. *Paul Cezanne University, France*, 1-11.

Jiang, H. and Zhang, Y. (2016). 'An investigation of service quality, customer satisfaction and loyalty in China's airline market', *Journal of Air Transport Management*, 57: 80-88.

Keh, H.T. and Lee, Y.H. (2006). 'Do reward programs build loyalty for services? The moderating effect of satisfaction on type and timing of rewards', *Journal of Retailing*, 82(2): 127-136.

Kothari, C.R. (2004) *Research Methodology: Methods and Techniques*, 2nd Edition, Delhi: New Age International (P) Limited, Publishers.

Kumar, A. and Dash, M.K. (2013). 'Constructing a Measurement in Service Quality for Indian Banks: Structural Equation Modeling Approach', *Journal of Internet Banking and Commerce*, 18(1): 1-13.

Kumar, M., Tat Kee, F. and Manshor, A.T. (2009). 'Determining the relative importance of critical factors in delivering service quality of banks – An application of dominance analysis in SERVQUAL model', *Managing Service Quality: An International Journal*, 19(2): 211-228.

Lenka, U., Suar, D. and Mohapatra, P.K.J. (2009). 'Service Quality, Customer Satisfaction, and Customer Loyalty in Indian Commercial Banks', *The Journal of Entrepreneurship*, 18(1): 47-64.

Mackay, M.M., Allen, J.A. and Landis, R.S. (2016). 'Investigating the incremental validity of employee engagement in the prediction of employee effectiveness: A meta-analytic path analysis'. *Human Resources Management Review*, 3(6): 1-13.

Malthouse, E.C., Haenlein, M., Skiera, B., Wege, E. and Zhang, M. (2013). 'Managing Customer Relationships in the Social Media Era: Introducing the Social CRM House', *Journal of Interactive Marketing*, 27: 270-280.

Malviya, R. and Varma, V. (n.d.). 'A Value Based Approach to Improve Customer Experience', *Wipro Council for Industry Research*, 1-13.

Mandhachitara, R. and Poolthong, Y. (2011). 'A model of customer loyalty and corporate social responsibility', *Journal of Services Marketing*, 25(2): 122-133.

Munusamy, J., Chelliah, S. and Mun, H.W. (2010). 'Service Quality Delivery and Its impact on Customer Satisfaction in the Banking Sector in Malaysia', *International Journal of Innovation, Management and Technology*, 1(4): 398-404.

Naik, K.C.N., Gantasala, S.B. and Prabhakar, G.V. (2010). 'Service Quality (Servqual) and it's Effect on Customer Satisfaction in Retailing', *European Journal of Social Sciences*, 16(2): 231-243.

Parvatiyar, A. and Sheth, J.N. (2001). 'Customer Relationship Management: Emerging Practice, Process and Discipline', *Journal of Economic and Social Research*, 3(2): 1-34.

Peltier, J.W., Zahay, D. and Lehmann, D.R. (2013). 'Organisational Learning and CRM Success: A Model for Linking Organisational Practices, Customer Data Quality, and Performance', *Journal of Interactive Marketing*, 27: 1-13.

Peppard, J. (2000). 'Customer Relationship Management (CRM) in Financial Services', *European Management Journal*, 18(3): 312-327.

Rababah, K., Mohd, H. and Ibrahim, H. (2011). 'Customer Relationship Management (CRM) Processes from Theory to Practice: The Pre-implementation Plan of CRM System', *International Journal of e-Education, e-Business, e-Management and e-Learning*, 1(1): 22-27.

Ravichandran, K., Mani, B.T., Kumar, S.A. and Prabhakaran, S. (2010). 'Influence of Service Quality on Customer Satisfaction – Application of Servqual Model', *International Journal of Business and Management*, 5(4): 117-124.

Richards, K.A. and Jones, E. (2008). 'Customer relationship management: Finding value drivers', *Industrial Marketing Management*, 37: 120-130.

Sekaran, U. & Bougie, R. (2014) *Research Methods for Business: A Skill Building Approach*, 6th ed., New York: John Wiley and Sons, Ltd.

Sen, A. and Sinha, A.P. (2011). 'IT alignment strategies for customer relationship management', *Decision Support Systems*, 51: 609-619.

Shanka, M.S. (2012). 'Bank Service Quality, Customer Satisfaction and Loyalty in Ethiopian Banking Sector', *Journal of Business Administration and Management Sciences Research*, 1(1): 001-009.

Sinisalo, J., Salo, J., Karjaluo, H. and Leppaniemi, M. (2007). 'Mobile customer relationship management: underlying issues and challenges', *Business Process Management Journal*, 13(6): 771-787.

Sivaraks, P., Krairit, D. and Tang, J.C.S. (2011). 'Effects of e-CRM on customer-bank relationship quality and outcomes: The case of Thailand', *Journal of High Technology Management Research*, 22: 141-157.

Strickland, L. (2008). 'Customer Satisfaction: Perception of Product and Service Quality'. *F.O.C.U.S. Resources*, 1-2.

Taflinger, R.F. (2011) *Introduction to Research* [online], available: <http://public.wsu.edu/~taflinge/research.html> [11 August 2016].

Tavana, A.F., Fili, S., Tohid, A., Vaghari, R. and Kakouie, S. (2013). 'Theoretical Models of Customer Relationship Management in Organisations', *International Journal of Business and Behavioral Sciences*, 3(11): 63-70.

Thuy, P.N. and Hau, L.N. (2010). 'Service personal values and customer loyalty A study of banking services in a transitional economy', *International Journal of Bank Marketing*, 28(6): 465-478.

Trainor, K.J, Andzulis, J.M., Rapp, A. and Agnihotri, R. (2014). 'Social media technology usage and customer relationship performance: A capabilities-based examination of social CRM', *Journal of Business Research*, 67: 1201-1208.

Triznova, M., Mat'ova, H., Dvoracek, J. and Sadek, S. (2015). 'Customer Relationship Management based on Employees and Corporate Culture', *Procedia – Economics and Finance*, 26: 953-959.

Vasanthakumari, H. and Rani, S.S. (n.d.). 'Customer Perception of Services Quality in the Retail Banking Sector', *European Journal of Business and Management*, 3(3): 299-306.

Verhoef, P.C. and Lemon, K.N. (2013). 'Successful customer value management: Key lessons and emerging trends', *European Management Journal*, 31: 1-15.

Welman, C., Kruger, F., and Mitchell, B. (2012) *Research Methodology*. 3rd Edition. Cape Town: Oxford University Press.

Winer, R.S. (2001). 'A Framework for Customer Relationship Management', *California Management Review*, 43(4): 89-105.

[www.http://quoteinvestigator.com/2014/05/04/adapt/](http://quoteinvestigator.com/2014/05/04/adapt/), date accessed: 20 November 2016

Zikmund, W.G., Babin, B.J., Carr, J.C. and Griffin, M. (2013). *Business Research Methods: International Edition*, 9th Edition, USA: Cengage Learning.

Zulkifli, Z. and Tahir, I.M. (2011). 'A conceptual framework for Customer Relationship Management (CRM) practices among banks from the customers perspective', *Elixir Marketing Management*, 34: 2447-2450.

APPENDIX 1

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	ACADEMIC OFFICER	1	1.4	1.4	1.4
	ACCOUNTANT	3	4.2	4.2	5.6
	AREA MGNR	1	1.4	1.4	6.9
	AUDITOR	1	1.4	1.4	8.3
	BUSINESS ANALYST	1	1.4	1.4	9.7
	BUSINESS SOLN	1	1.4	1.4	11.1
	CIVIL ENGINEER	1	1.4	1.4	12.5
	COMP CONSLT	1	1.4	1.4	13.9
	CONSULTANT	1	1.4	1.4	15.3
	DISABILITY CONSLT	1	1.4	1.4	16.7
	ENGINEER	10	13.9	13.9	30.6
	ENVIRO MNGR	1	1.4	1.4	31.9
	FIN MANAGER	2	2.8	2.8	34.7
	FIN OFFICER	1	1.4	1.4	36.1
	FINANCIAL CONTROLLER	1	1.4	1.4	37.5
	FINANCIAL PLANNER	1	1.4	1.4	38.9
	GENERAL MANAGER	1	1.4	1.4	40.3
	HEALTH SPECIALIST	1	1.4	1.4	41.7
	HOSPITAL MGNR	1	1.4	1.4	43.1
	HR PRACTIONER	1	1.4	1.4	44.4
	IMPROVEMENT ADVIS	1	1.4	1.4	45.8
	INVEST MANGR	1	1.4	1.4	47.2
	IT CONSULT	4	5.6	5.6	52.8
	LECTURER	1	1.4	1.4	54.2
	MANAGER	3	4.2	4.2	58.3

MIS ANALYST	1	1.4	1.4	59.7
NATURAL SCIENTIST	1	1.4	1.4	61.1
OPS MANAGER	1	1.4	1.4	62.5
PARALEGAL	1	1.4	1.4	63.9
PHARMACIST	2	2.8	2.8	66.7
PLANNER	1	1.4	1.4	68.1
PROJECT MGNR	1	1.4	1.4	69.4
PUBLIC SERVANT	1	1.4	1.4	70.8
QUANTITY SUR	2	2.8	2.8	73.6
RELATIONSHIP MGNR	1	1.4	1.4	75.0
RISK ANALYST	1	1.4	1.4	76.4
SELF EMPLOYED	2	2.8	2.8	79.2
SENIOR MGNR	2	2.8	2.8	81.9
SHEQ MGNR	2	2.8	2.8	84.7
SNR ADVISOR	1	1.4	1.4	86.1
SUPPLY PLANNER	1	1.4	1.4	87.5
TEACHER	1	1.4	1.4	88.9
TECHNICAL MANAGER	1	1.4	1.4	90.3
TECHNICIAN	4	5.6	5.6	95.8
TRAINER	1	1.4	1.4	97.2
TRAINING MANAGER	1	1.4	1.4	98.6
UNEMPLOYED	1	1.4	1.4	100.0
Total	72	100.0	100.0	

Informed Consent

**UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

Dear Respondent

**MBA Research Project
Researcher: Mr. D. Gurayah (0784591070)
Supervisor: Dr. Abdulla Kader (0829010225)
Research Office: Ms. P Ximba 031-2603587**

I, Dhesigan Gurayah, an MBA student at the Graduate School of Business and Leadership, of the University of Kwa-Zulu Natal, invite you to participate in a research project entitled:

"A STUDY OF THE CUSTOMER RELATIONSHIP MANAGEMENT (CRM) STRATEGY OF LOCAL BANKS FROM THE PERSPECTIVE OF MBA STUDENTS AT UKZN"

The aim of this study is to explore the different customer relationship management practices employed by local banks and to identify the gaps which exist in their CRM strategy through the following research objectives:

- To determine how customer centric are the CRM strategies of local banks from a customer's perspective.
- To determine the general perceived levels of service quality amongst banks
- To determine the key drivers of customer loyalty.

The banking sector is currently facing tough challenges in both its macro and micro environments. A changing legislative environment, compounded by a tough economic climate, has forced banks to rethink their strategies on all fronts. The sweeping challenges brought about by technological innovations and a changing business environment, has changed the way we do banking.

The change within the banking environment, brought about by the introduction of new technologies and a more demanding customer, has forced banks to review and improve on existing customer relationship management practices. The important themes of customer centricity and service quality are explored in greater detail, as they are at the heart of the CRM strategies employed by local banks. The above study aims to explore the customer relationship management strategies employed by local banks from a customer perspective, represented by the currently enrolled MBA students of UKZN. It is hoped that this study will highlight areas which can be further refined and improved upon by banks in their daily customer relationship management practices, in their quest to deliver high quality class service, retain their existing customers and grow market share.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey/focus group. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about 7 minutes to complete. I hope you will take the time to complete this survey.

Sincerely

Investigator's signature



Date _____

**UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

MBA Research Project

Researcher: Mr. D. Gurayah (0784591070)

Supervisor: Dr. Abdulla Kader (0829010225)

Research Office: Ms. P Ximba 031-2603587

CONSENT

I _____ (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT

DATE

Completion of this questionnaire will take approximately seven minutes of your time and can be completed by any MBA student who is enrolled for the current academic year.

Participation in this research is voluntary.

If there are any questions that you rather not answer, you may omit them.

If you would like to write additional comments on the questionnaire, please feel free to do.

All information that you will provide through your contribution in this study will be kept confidential.

Added to this, you will not be identified in any report or publication based on this research.

There are no known or anticipated risks to participation in this study.

Thank you in advance for your co-operation in my research.

Dhesigan Gurayah

078 459 1070

Research Title: A Study of the Customer Relationship Management Strategy (CRM) of local banks from the perspective of MBA Students at UKZN

Researcher: Dhesigan Gurayah (9255333)

Supervisor: Dr. A. Khader

Ethical Clearance Reference Number: HSS/1589/016M

**A STUDY OF THE CUSTOMER RELATIONSHIP MANAGEMENT STRATEGY (CRM)
OF LOCAL BANKS FROM THE PERSPECTIVE OF MBA STUDENTS AT UKZN**

Section A: Biographical Data

Demographics

1. Gender: _____
2. Age: _____
3. Occupation: _____
4. Transactional Channel (Tel, ATM, Online, Branch): _____
5. Race: _____

Section B: Questions related to the CRM Strategy of Local Banks

Questions 1-25 are based on a 5 (five) point Likert Scale of:
"Strongly Disagree", "Do Not Agree", "Neutral", "Agree", "Strongly Agree"

1. Mobile Banking Applications are user friendly and very secure.
 - Strongly Disagree
 - Do Not Agree
 - Neutral
 - Agree
 - Strongly Agree

2. Service Requests are attended to quickly in a branch.
 - Strongly Disagree
 - Do Not Agree
 - Neutral
 - Agree
 - Strongly Agree

3. The Complaint handling systems among banks are very efficient and effective.
 - Strongly Disagree
 - Do Not Agree
 - Neutral
 - Agree
 - Strongly Agree

4. **Customer Insights/feedback are always used in process improvement.**
 - Strongly Disagree
 - Do Not Agree
 - Neutral
 - Agree
 - Strongly Agree

5. **The perceived service quality among local banks are of a high standard.**
 - Strongly Disagree
 - Do Not Agree
 - Neutral
 - Agree
 - Strongly Agree

6. **Front line bank staff are knowledgeable and competent about the banking process and products.**
 - Strongly Disagree
 - Do Not Agree
 - Neutral
 - Agree
 - Strongly Agree

7. **Banks are transparent in respect of bank fees and other service charges.**
 - Strongly Disagree
 - Do Not Agree
 - Neutral
 - Agree
 - Strongly Agree

8. **The loyalty programmes offered by banks, play an important role in building & strengthening customer relationships.**
 - Strongly Disagree
 - Do Not Agree
 - Neutral

- Agree
- Strongly Agree

9. Loyalty programmes offered by the different banks are easily distinguishable.

- Strongly Disagree
- Do Not Agree
- Neutral
- Agree
- Strongly Agree

10. Technological advancements have made banking much simpler.

- Strongly Disagree
- Do Not Agree
- Neutral
- Agree
- Strongly Agree

11. Banks are increasingly offering customized products and services, to meet specific client needs.

- Strongly Disagree
- Do Not Agree
- Neutral
- Agree
- Strongly Agree

12. Service quality is the most important criteria used, when deciding whether to remain with a bank.

- Strongly Disagree
- Do Not Agree
- Neutral
- Agree
- Strongly Agree

13. I am not prepared to change my bank.

- Strongly Disagree

Research Title: A Study of the Customer Relationship Management Strategy (CRM) of local banks from the perspective of MBA Students at UKZN

Researcher: Dhesigan Gurayah (9255333)

Supervisor: Dr. A. Khader

Ethical Clearance Reference Number: HSS/1589/016M

- Do Not Agree
- Neutral
- Agree
- Strongly Agree

14. I have a strong relationship with my bank.

- Strongly Disagree
- Do Not Agree
- Neutral
- Agree
- Strongly Agree

15. There are adequate customer feedback channels to voice your concerns.

- Strongly Disagree
- Do Not Agree
- Neutral
- Agree
- Strongly Agree

16. My bank offers products and services which meet my specific needs.

- Strongly Disagree
- Do Not Agree
- Neutral
- Agree
- Strongly Agree

17. There is a greater personalised approach adopted by banks towards their clients.

- Strongly Disagree
- Do Not Agree
- Neutral
- Agree
- Strongly Agree

18. Banks have convenient operating hours.

- Strongly Disagree

Research Title: A Study of the Customer Relationship Management Strategy (CRM) of local banks from the perspective of MBA Students at UKZN

Researcher: Dhesigan Gurayah (9255333)

Supervisor: Dr. A. Khader

Ethical Clearance Reference Number: HSS/1589/016M

- Do Not Agree
- Neutral
- Agree
- Strongly Agree

19. Bank processes are flexible and very customer focused.

- Strongly Disagree
- Do Not Agree
- Neutral
- Agree
- Strongly Agree

20. Banking relationships are more people focused than product focused.

- Strongly Disagree
- Do Not Agree
- Neutral
- Agree
- Strongly Agree

21. Service personnel display courtesy and empathy when attending to my requests.

- Strongly Disagree
- Do Not Agree
- Neutral
- Agree
- Strongly Agree

22. The marketing strategies of all banks are the same.

- Strongly Disagree
- Do Not Agree
- Neutral
- Agree
- Strongly Agree

23. Banks maintain contact and communicate with their clients on a proactive basis.

- Strongly Disagree

Research Title: A Study of the Customer Relationship Management Strategy (CRM) of local banks from the perspective of MBA Students at UKZN

Researcher: Dhesigan Gurayah (9255333)

Supervisor: Dr. A. Khader

Ethical Clearance Reference Number: HSS/1589/016M

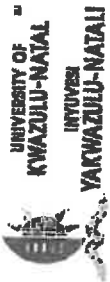
- Do Not Agree
- Neutral
- Agree
- Strongly Agree

24. Effective CRM requires that multiple customer touch-points are properly aligned e.g. customer departments, call centers, etc., to ensure that service levels can be maintained. The different departments of local banks are properly aligned to service clients.

- Strongly Disagree
- Do Not Agree
- Neutral
- Agree
- Strongly Agree

25. The online service quality of local banks are both safe and secure.

- Strongly Disagree
- Do Not Agree
- Neutral
- Agree
- Strongly Agree



6 September 2016

Mr Dhesigan Gurayah (SN 9255333)
Graduate School of Business & Leadership
College of Law & Management Studies
Westville Campus
UKZN

Email: dessie@ngedbank.co.za

Dear Mr. Gurayah

RE: PERMISSION TO CONDUCT RESEARCH

Gatekeeper's permission is hereby granted for you to conduct research at the University of KwaZulu-Natal (UKZN), towards your postgraduate studies, provided Ethical clearance has been obtained. We note the title of your research project is:

"A study of the Customer Relationship Management (CRM) strategy of local banks from the perspective of MBA students at UKZN".

It is noted that you will be constituting your sample by handing out questionnaires to students who are currently enrolled on the MBA programme from the College of Law and Management Studies on the Westville campus.

Please ensure that the following appears on your questionnaire/attached to your notice:

- Ethical clearance number;
- Research title and details of the research, the researcher and the supervisor;
- Consent form is attached to the notice/questionnaire and to be signed by user before he/she fills in questionnaire;
- gatekeepers approval by the Registrar.

You are not authorized to contact staff and students using 'Microsoft Outlook' address book.

Data collected must be treated with due confidentiality and anonymity.

Yours sincerely


MRS S MOKOBNA
REGISTRAR

Office of the Registrar
Postal Address: Private Bag 256001, Durban, South Africa
Telephone: +27 (0) 31 263 6005/2208 Facsimile: +27 (0) 31 260 7654/2204 Email: reg@ukzn.ac.za
Webster: +27 31 263 31 21

1910-2010
100 YEARS OF ACHIEVING EXCELLENCE
US Engaged Honored College Modern Schools Pedagogical World 21



28 September 2016

Mr Dheigan Gurayah (9255333)
Graduate School of Business & Leadership
Westville Campus

Dear Mr Gurayah,

Protocol reference number: HSS/1589/016M

Project title: A study of the Customer Relationship Management (CRM) strategy of local banks from the perspective of MBA students at UKZN

Full Approval – Expedited Application

In response to your application received on 23 September 2016, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted **FULL APPROVAL**.

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

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

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

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

Yours faithfully

Dr Shamila Naidoo (Deputy Chair)

/ms

Cc Supervisor: Dr Abdulla Kader
Cc Academic Leader Research: Dr Muhammad Hoque
Cc School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee

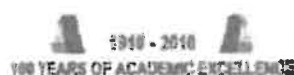
Dr Shereen Singh (Chair)

Westville Campus, Govan Mbeki Building

Postal Address: Private Bag X54001, Durban 4000

Telephone: +27 (0) 31 260 3587/8360/4587 Facsimile: +27 (0) 31 260 4600 Email: singhs@ukzn.ac.za / stovmann@ukzn.ac.za / mohunp@ukzn.ac.za

Website: www.ukzn.ac.za



MBA Dissertation Final

ORIGINALITY REPORT

% **7**

SIMILARITY INDEX

% **5**

INTERNET SOURCES

% **2**

PUBLICATIONS

% **4**

STUDENT PAPERS

PRIMARY SOURCES

1	apexjournal.org <i>Internet Source</i>	% 1
2	Submitted to University of Central England in Birmingham <i>Student Paper</i>	% 1
3	Submitted to HELP UNIVERSITY <i>Student Paper</i>	<% 1
4	ecommons.txstate.edu <i>Internet Source</i>	<% 1
5	Submitted to Laureate Higher Education Group <i>Student Paper</i>	<% 1
6	Submitted to University of Hull <i>Student Paper</i>	<% 1
7	Submitted to University of Witwatersrand <i>Student Paper</i>	<% 1
8	www.prr.hec.gov.pk <i>Internet Source</i>	<% 1
9	Business Process Management Journal, Volume 9, Issue 5 (2006-09-19) <i>Publication</i>	<% 1