Kwame Nkrumah University of Science and Technology, Kumasi

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THE EFFECTS OF CUSTOMER SERVICE STRATEGIES ON CORPORATE PERFORMANCE IN GHANAIAN BANKS: A CASE STUDY OF BARCLAYS BANK GHANA LIMITED (ASAFO BRANCH)

BY

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A thesis submitted to the Institute of Distance Learning, Kwame Nkrumah University of Science and Technology In partial fulfillment of the requirement for the degree of

EXECUTIVE MASTERS OF BUSINESS ADMINISTRATION

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DECLARATION

I hereby declare that this thesis is my own work for the award of Commonwealth Masters of Business Administration degree, and that to the best of my knowledge it is not a replication of any work, either published or unpublished. Due acknowledgement has been made to all references used in the text.

LYDIA ABOAGYE .……………….. …..…………

(PG3020209)

(Student) Signature Date

Certified by:

MR. S. KYEREMANTENG ..……………….. …………………

(Supervisor) Signature Date

Certified by:

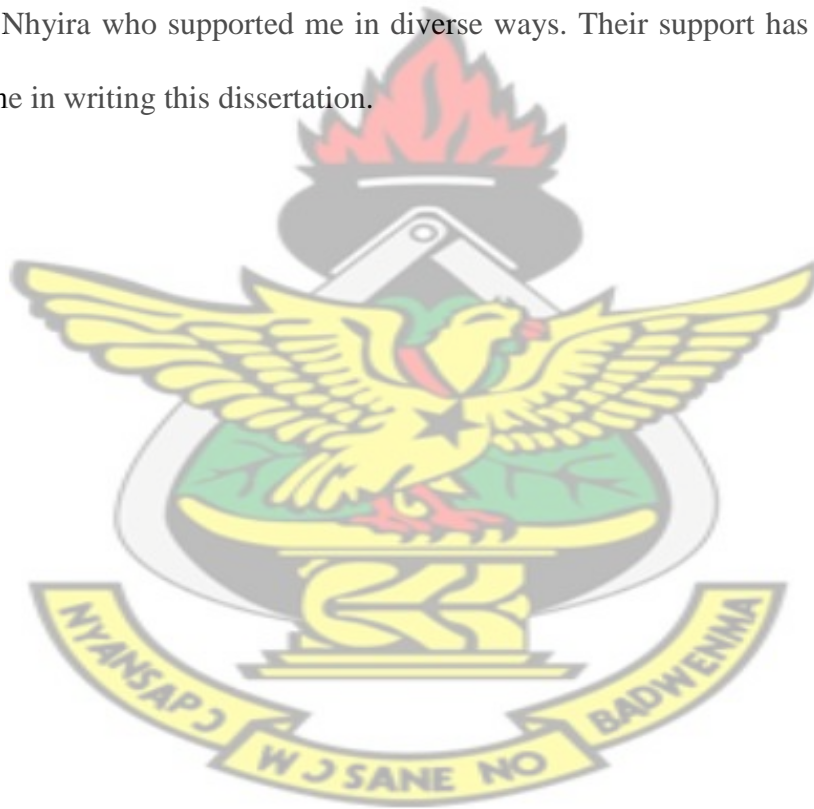PROF. I.K. DONTWI ………………….. ……………….

(Dean of IDL) Signature Date

DEDICATION

This dissertation is indeed dedicated to God Almighty who has made it possible for me to come this far and of course to my husband, Mr. Martin Aboagye and my children Regy, Vanessa and Nhyira who supported me in diverse ways. Their support has been a source of strength for me in writing this dissertation.

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I am grateful to God Almighty for His grace and mercy which has kept me from being consumed and from whom I have and continue to draw wisdom, strength, and inspiration and Jesus Christ the author and finisher of my faith.

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My profound gratitude goes to anyone who helped me in gathering and analyzing the data for this work.
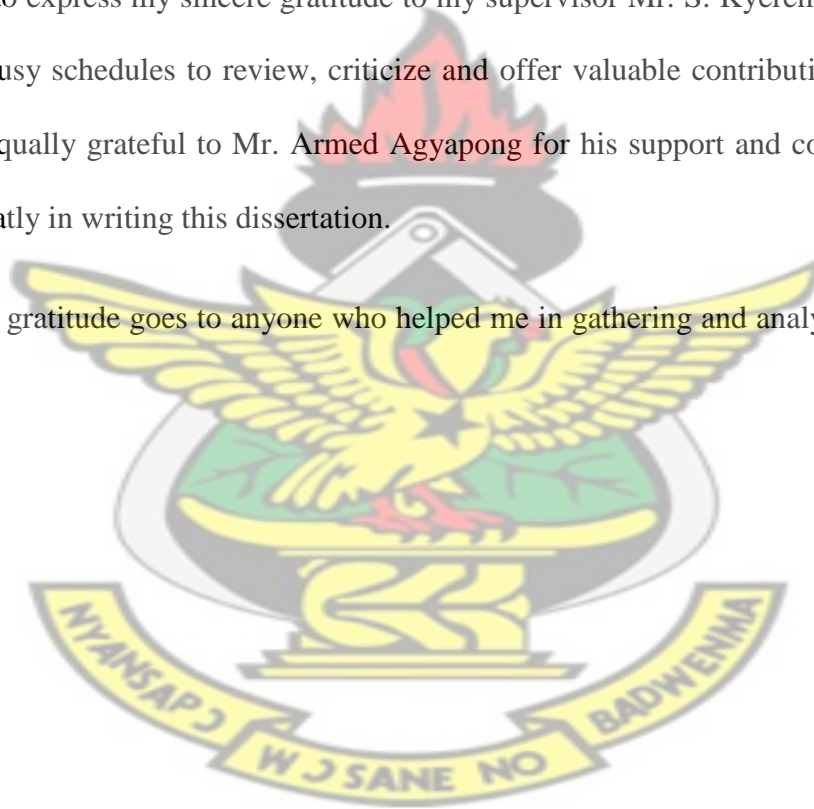
ABSTRACT

Globalization has come to stress the critical importance of customer service strategies such as customer satisfaction, product or service quality and consequently customer loyalty in winning consumer preferences and maintaining sustainable competitive advantages. Considering the growing importance of the services industry and of the increasing complexities and widespread of financial institutions, the need for a highly combative strategic approach needs not be overemphasized. The study, therefore, using BBG Asafo Kumasi Branch as a case, looked at the impact of customer service strategies on corporate performance in Ghanaian banks to ensure long term success and development of the banking sector. It aimed at assessing customer service strategies the bank pursued, from both the bank's and the customers' perspectives, with the view of enhancing the effectiveness of the bank's strategy. The study employed both quantitative and qualitative approaches, and also using both primary and secondary data collection techniques. Hundred participants were sampled from the population of 15, 015, using the convenient sampling method. The study identified complaints logging, customer acknowledgement, mystery shopping, and treating customers fairly as effective strategies used by the bank. It further showed that customers' perception of BBG customer service strategies is good. 85% of respondents appreciated the long business hours of the bank. Professionalism of service rendered to customers also showed strongly as an important strategy: 80% participants valued much the staff's level of professionalism. Almost half of respondents (44.7%) wanted the bank to open on Saturdays. However, it was strongly recommended that the company should put in place customer

satisfaction measurement (CSM) program, reduced the interest rates charged by the bank, reduce turnaround time, reward loyal customers, and open to the public on Saturdays.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Globalised competition has stressed the strategic importance of satisfaction, quality and consequently loyalty, being customer service strategies, in the battle for winning consumer preferences and maintaining sustainable competitive advantages. Services are gaining increasingly more importance in the competitive formula of both firms and countries. In the modern customer centric competitive arena, satisfaction, quality and loyalty prove to be key factors reciprocally interrelated in a causal and cyclical relationship. The higher the (perceived) customer service, the more satisfied and loyal the customers are.

In particular, financial institutions (i.e. banks) have realized the strategic importance of customer value and seemed to be continuously seeking innovative ways to enhance customer relationships through its various service strategies. In fact, as the offers of many financial services are very similar and slightly differentiable, loyal customers have a huge value, since they are likely to spend and buy more, spread positive word-of-mouth, resist competitors' offers, wait for a product to become available and recommend the service provider to other potential customers.

Financial services in Ghana have experienced several changes over the last decades with a growing attention to customer needs. Financial institutions (i.e. banks) realized the strategic importance of customer value and seem to be continuously seeking innovative ways to enhance customer relationships. The important role in the development of every economy by

the financial sector cannot be overlooked. Banks as a matter of fact inevitably play an important role in boosting the performance of businesses in the economy. Banks are the principal supplier of credit in Ghana. In spite of their role, banks could not have done all these without customers. In actual fact, no customer no business. This has therefore necessitated for the good treatment of customers to be able to sustain and play the above important roles.

Globally, every business looks for opportunities to stand out from the rest. Almost all the banks, through their customer service strategies, provide similar products and services. These products and services could be copied but the only way one could differentiate the business was by providing superior customer service. More so, it does not matter what systems or processes your business employs, unless you are able to make a profit all of it is worthless. Profit could only be generated through customers.

During the 1980s marketing research became aware of the potential of relationship marketing and shifted focus to the development and maintenance of long term marketing relationships. Therefore, the traditional product-oriented bank became more and more customer-oriented, focusing on protecting and retaining actual customers' loyalty as the main source of competitive advantage (Walsh and Lipinski, 2009).

1.2 Statement of the Problem

While there is existing research about customer service in the banking industry around the world, there are no clear conclusions as to the most important customer service dimensions and strategies for satisfying bank customers. As a result of the proliferation of banks,

customers of late are seen hopping from one bank to the other depending on the kind of services offered. The current mobility crisis has been due to poor service which eventually put customers off. The problems envisaged as a result of poor customer service are damage to corporate image, low profitability, lost of customers (both existing and potential), loss of competitive edge, high cost in attracting customers, bad mouthing and legal implications.

Numerous studies have shown that it cost businesses six times as much to attract a new customer as it would to keep an existing customer. On average 95% of customers who experienced no problems would remain loyal to the business. But what is of more concern is that a dissatisfied customer usually tells an average of nine other people about any bad experience or dissatisfaction. Eighty-five percent (85%) of customers with a complaint or problem, who were not satisfied with the way in which it was handled, would not deal with the same business or company again (Walsh and Lipinski, 2009). The study therefore, looks at the impact of customer service strategies on corporate performance in Ghanaian banks to ensure long term success and development of the banking sector. The study focuses specifically, on BBG (Asafo Branch).

1.3 Objectives of the study

Based on the background and the statement of problem of this study, the main objectives were:

1. To identify the customer service strategies being pursued at Barclays bank Asafo branch.

2. To assess the effectiveness of the customer service strategies being pursued.

3. To measure the customers perception of the customer strategies used at Asafo branch.

4. To measure the performance of Barclays Bank Asafo branch.

5. To identify the major complaints of customers at Barclays Bank.

1.4 Research Questions

Some of the major research questions to be answered by the study therefore would be:

1. What strategies are adopted by the bank to keep and maintaining customers?

2. How effective are the customer service strategies being pursued by Barclays Bank?

3. What perception do customers have on customer service strategies adopted by Barclays Bank?

4. What is the performance of the Asafo branch of Barclays Bank?

5. What are the major complaints of the customers of the Asafo branch of Barclays Bank?

1.5 Significance of the Study

The increasingly competitive environment prevailing in the global market and rapid advances in customer intelligence technologies have led retail banks to look for new business and marketing models for realizing intelligence-driven customer transactions and experiences. Nowadays great attention should be paid to all the bank-customer touch-points, aiming to optimize the interaction, towards affecting specific customer behaviour variables (satisfaction, loyalty, etc.). A study on customer service, therefore, is very important given the role the

financial sector is expected to play in the development of the Ghanaian economy towards attaining the middle income-status by 2015. The study would be significant to the following parties:

Management: It would help management of banks to put in place measures that addresses the problems relating to customers. It would also assist banks to identify other needs they could be used to meet customers' expectation, thereby ensuring sound, secured and profitable banking in Ghana. This would enhance banks' ability to play their intermediation role effectively and contribute to the growth of the economy. The findings in this study provide targeted information for bank managers and others workers to improve satisfaction levels of specific groups of the ethnically diverse customer population in Ghana.

Academia and the Public: The study would add to the body of knowledge that has been build on customer service and will serve as a base for academia and other people who want to conduct similar or further studies into the financial sector. This work, therefore, would add to the understanding of customer service at Barclays Bank and in particular the banking sector in general.

Policy Makers: It is expected that the study would serve as an input to policy formulation by the government and its regulatory and supervisory bodies such as Ministry of Finance and Bank of Ghana in formulating policies to facilitate, promote and develop the financial sector.

1.6 Scope of the Study

The study centered on the impact of customer service strategy on corporate performance. The study would focus on Barclays bank Ghana limited which currently has about 74 branches,7 agencies, 2 premier Suites and 10 premier life centers nationwide with their headquarters located in Accra. The bank has over 130 ATMs in operation in Ghana and the areas considered included the growth of customers, profitability, and reduction in customer complaints etc. The researcher focused more on Asafo branch in Kumasi Metropolis. This concentration of study would ensure easy access to information given the timing constraint.

1.7 Overview of Research Methodology

The study was both quantitative and qualitative. Data collection was both primary and secondary source of information. As part of secondary source of information, articles, journals, internet were the major sources. Primary source of information was gathered through structured interview and questionnaire from a sample size of 100 respondents taken out of the population using convenient sampling for 85 customers. All staff members (15) were also sampled. The reason for this was to be able to provide adequate discussion for the readers that will help them understand more about the issues and the different variables that are involved. In the primary research, customers will be surveyed.

A structured questionnaire was developed and it was used as the survey tool for the study and was distributed to the respondent through personal contact. On the other hand, existing findings on journals and existing knowledge on books was used as secondary research. Participation of the respondents was treated with utmost confidentiality. Data was analyzed

using the latest SPSS software. Data analysis was mainly quantitative; charts, frequencies, percentages and other statistical tools by using statistical package for social sciences (SPSS). However, qualitative analysis was used where applicable and appropriate.

1.8 Limitation of the Study

The researcher encountered some problems in this research work. Among the problems was the fact that the time span within which to complete this work was not enough to allow for the study of all the banks in Ghana hence the case study of Barclays Bank Ghana limited (Asafo Branch) in Kumasi Metropolis. Again, due to the banking secret codes and the sensitive nature of some banking information especially concerning clients, some respondents were reluctant to give the information required or gave wrong information. This could affect the authenticity of the findings. Due to the limited time, as stated above, which would limit the author to a case study of only one bank was concerned that the findings would not be true representative of the customer service situation in Ghana.

Finally as in many human situations the researcher foresaw that some unintentional human errors were not ruled out. Notwithstanding the above problems, the researcher assures all those who would read and used this piece of work that all efforts was made to eliminate or reduced to the barest minimum the problems above to ensure that findings was representative or near representative of customer service in Ghanaian banks.

1.9 Organization of the Study

The study comprised five (5) main chapters. Chapter one was devoted to the general introduction covering the background of the study, the statement of the problem, the objectives, significance, scope and how the research was organized. Chapter two was mainly concerned with the review of related literature on customer service strategies as well as its impact on corporate performance. Chapter three provided the methodology that was applied to achieve the research objectives including primary data and method of analysis. Chapter four covered the analysis and presentation of data. Chapter five finally, provided a summary of the presentation, conclusions, and recommendations.
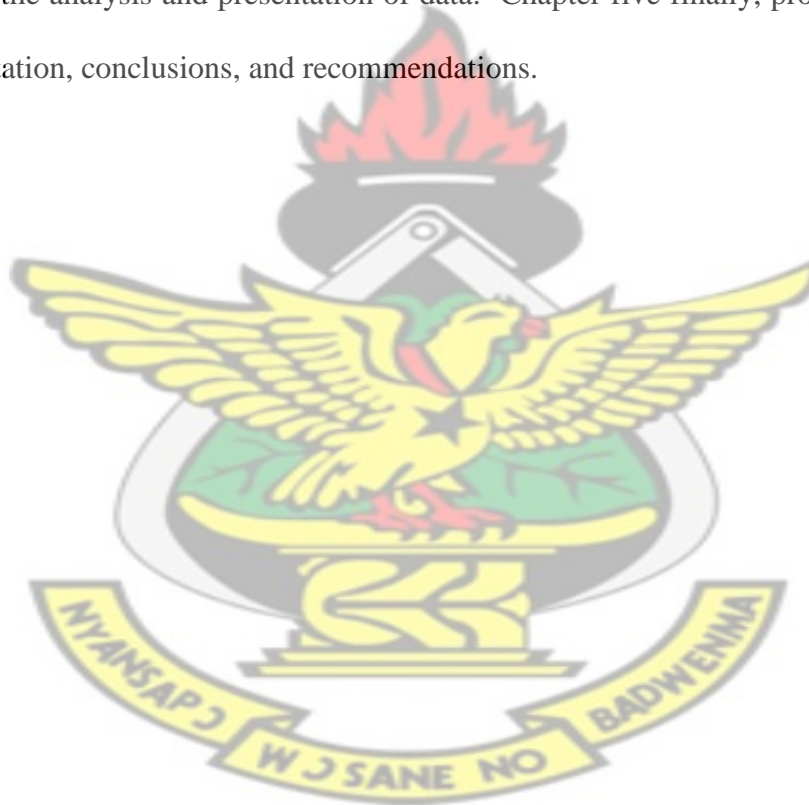
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Today's business environment is making creative strategy even more critical. Andreasson & Lanseng (2010), say that virtually every business author argues that the world is getting more complex, whether it's the new rules of the Internet economy; the "flattening" of global markets; the emergence of new world-scale competitors; or the fluidity of people, ideas, and capital. In this environment, constant strategic recreation may offer the only hope of long-term success.

In this chapter, the literature and models that are relevant and suitable for the current study are presented and explained. The chapter presents the theoretical framework which was applied and used to analyze collected data and information.

2.2 Service in corporate context

The generic clear-cut, complete and concise definition of the term 'service', according to Pilkington et al (2006), is a set of singular and perishable benefits delivered from the accountable service provider, mostly in close coactions with his service suppliers, generated by functions of technical systems and /or by distinct activities of individuals, respectively, commissioned according to the needs of his service consumers by the service customer from the accountable service provider, rendered individually to an authorized service consumer at his/her dedicated trigger, and finally, consumed and utilized by the triggering service consumer for executing his/her upcoming business or private activity. Pilkington et al (2006)

further explain that, a service is the intangible equivalent of an economic good. Service provision is often an economic activity where the buyer does not generally, except by exclusive contract, obtain exclusive ownership of the thing purchased. The benefits of such a service, if priced, are held to be self-evident in the buyer's willingness to pay for it. In terms of their generic key characteristics, services can be paraphrased, according to Pilkington et al as presented below:

Intangibility: Services are intangible and insubstantial; they cannot be touched, gripped, handled, looked at, smelled, tasted or heard. Thus, there is neither potential nor need for transport, storage or stocking of services. Furthermore, a service cannot be (re)sold or owned by somebody, neither can it be turned over from the service provider to the service consumer nor returned from the service consumer to the service provider.

Perishability: Services are perishable in two regards: (a) the service relevant resources, processes and systems are assigned for service delivery during a definite period in time. If the designated or scheduled service consumer does not request and consume the service during this period, the service cannot be performed for him.   (b) When the service has been completely rendered to the requesting service consumer, this particular service irreversibly vanishes as it has been consumed by the service consumer.

Inseparability: The service provider is indispensable for service delivery as he must promptly generate and render the service to the requesting service consumer. In many cases the service delivery is executed automatically but the service provider must preparatory assign

resources and systems and actively keep up appropriate service delivery readiness and capabilities (Pilkington et al 2006).

Simultaneity: As soon as the service consumer has requested the service (delivery), the particular service must be generated from scratch without any delay and friction and the service consumer instantaneously consumes the rendered benefits for executing his upcoming activity or task (petite, 1987).

Variability: Each service is unique. It is one-time generated, rendered and consumed and can never be exactly repeated at the point in time, location, circumstances, conditions, current configurations and/or assigned resources are different for the next delivery, even if the same service consumer requests the same service (Pilkington et al 2006).

Each of these characteristics is retractable per se and their inevitable coincidence complicates the consistent service conception and makes service delivery a challenge in each and every case (Pilkington et al 2006).

2.2.1 Service specification

Any service can be clearly, completely, consistently and concisely specified by means of the following 12 standard attributes which conform to the MECE (Mutually Exclusive, Collectively Exhaustive) principle (Pilkington et al 2006):

a) Service Consumer Benefits: describe the (set of) benefits which are triggerable, consumable and effectively utilizable for any authorized service consumer and which are rendered to him as soon as he triggers one service.

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b) Service-specific Functional Parameters: specify the functional parameters which are essential and unique to the respective service and which describe the most important dimension(s) of the services cape, the service output or the service outcome.

c) Service Delivery Point: describes the physical location and/or logical interface where the benefits of the service are triggered by and rendered to the authorized service consumer. At this point and/or interface, the preparedness for service delivery readiness can be assessed as well as the effective delivery of the service itself can be monitored and controlled.

d) Service Consumer Count: specifies the number of intended, clearly identified, explicitly named, definitely registered and authorized service consumers which shall be and/or are allowed and enabled to trigger and consume the commissioned service for executing and/or supporting their business tasks or private activities.

e) Service Delivering Readiness Times: specify the distinct agreed times of every day of the week when i) the described service consumer benefits are triggerable for the authorized service consumers at the defined service delivery point, and again, consumable and utilizable for the authorized service consumers at the respective agreed service level, ii) all the required service contributions are aggregated to the triggered service, iii) the specified service benefits are comprehensively rendered to any authorized triggering service consumer without any delay or friction. (Pilkington et al 2006):

f) Service Support Times: specify the determined and agreed times of every day of the week when the triggering and consumption of commissioned services is supported by the service desk team for all identified, registered and authorized service consumers within the service customer's organizational unit or area.

g) Service Support Languages: specifies the national languages which are spoken by the service desk team(s) to the service consumers calling them.

h) Service Fulfillment Target: specifies the service provider's promise of effectively and seamlessly delivering the specified benefits to any authorized service consumer triggering a service within the specified service times. It is expressed as the promised minimum ratio of the counts of successful individual service deliveries related to the counts of triggered service deliveries. The effective service fulfillment ratio can be measured and calculated per single service consumer or per service consumer group and may be referred to different time periods (workday, calendar week, work month, etc.)

i) Service Impairment Duration per Incident: specifies the allowable maximum elapsing time between: 1) the first occurrence of a service impairment, i.e. service quality degradation, service delivery disruption or service denial, whilst the service consumer consumes and utilizes the requested service, 2) the full resumption and complete execution of the service delivery to the content of the affected service consumer.

j) Service Delivering Duration: specifies the promised and agreed maximum period of time for effectively rendering all specified service consumer benefits to the requesting service consumer at his currently chosen service delivery point.

k) Service Delivery Unit: specifies the basic portion for rendering the defined service consumer benefits. The service delivery unit is the reference and mapping object for the Service Delivering Price, for all service costs as well as for charging and billing the consumed service volume to the service customer who has commissioned the service delivery.

l) Service Delivering Price: specifies the amount of money the service customer has to pay for the distinct service volumes his authorized service consumers have consumed.

2.2.2 Service Delivery

In the words of Kirkwood (2009) the delivery of a service typically involves six factors: The accountable service provider and his service suppliers (e.g. the people), equipment used to provide the service (e.g. vehicles, cash registers, technical systems, computer systems), the physical facilities (e.g. buildings, parking, waiting rooms),the requesting service consumer, other customers at the service delivery location and customer contact The 'service encounter' is defined as all activities involved in the service delivery process. Piercy (1990) says that some service managers use the term 'moment of truth' to indicate that defining point in a specific service encounter where interactions are most intense.

As Pilkington et al (2006) suggest, in some service industries, especially health care, dispute resolution, and social services, a popular concept is the idea of the caseload, which refers to

the total number of patients, clients, litigants, or claimants that a given employee is presently responsible for. On a daily basis, in all those fields, employees must balance the needs of any individual case against the needs of all other current cases as well as their own personal needs.

2.2.3 The Evidence of Service

Zeithaml et al (2009) suggests that because service is intangible, customers are searching for evidence of service in every interaction they have with an organization. Three major categories of evidence as experienced by the customer are people, process and physical evidence. These categories, depicted in the diagram below, together represent the service and provide the evidence that makes the offering tangible.

Expanded Ps

people

process

physical evidence
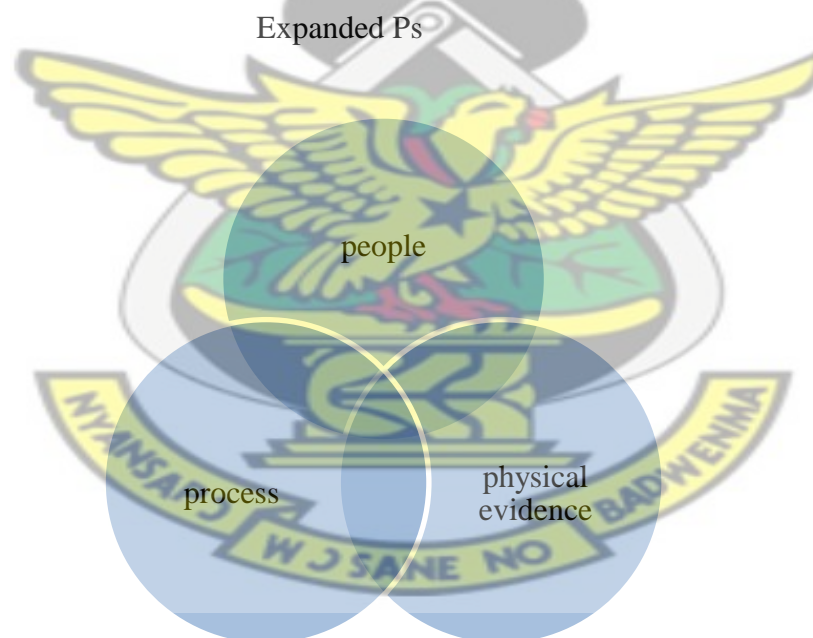
Fig 2.1   Source-Zeithaml et al (2009) pp 129

2.2.4 Moment of Truth or Service Encounter

According to Carlzon (1987) cited in Barclays customer toolkit, a moment of truth is a contact a customer has with a company, no matter how remote, that provides an opportunity to form an impression of the company. Anytime one has contact with a client the service is being evaluated or judged. Many positive actions can be destroyed by one negative act.

2.2.5 Types of Service Encounter

According to Zeithaml et al (2009), service encounter occurs every time a customer interacts with the service organization. There are three general types of service encounters. They are remote encounters, phone encounters and face –to-face encounters. A customer may experience any of these types of encounters or a combination of all the three in his or her interactions with a service firm. Remote encounter, as Zeithaml et al (2009) explains, can occur without any direct human contact such as when a customer interacts with a bank through ATM system, or communicate information to customers by mail. Although there is no direct human contact in these remote encounters, each represents an opportunity for the firm to reinforce or establish quality perceptions in the customer.

Zeithaml et al (2009 further describe a phone encounter as where firm relies on telephone to some extent for customer service, general inquiry or order-taking functions. The judgment of quality is different from remote because there is greater potential variability in the interaction. Tone of voice, employee knowledge, and the effectiveness in handling customer issues become important criteria for judging quality in these encounters. A third type, according to Zeithaml et al (2009) is the one that occurs between an employee and a customer in direct

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contact (face-to-face encounter). It can be between business customer and salespeople, delivery personnel. In this encounter both verbal and non verbal behaviors are important such as employee dress and other symbols of service.

2.2.6 Satisfaction versus service quality

Satisfaction is generally viewed as a broader concept whereas service quality focuses specifically

on dimensions of service. Perceived service quality is a component of customer satisfaction. Satisfaction is influenced by perception of service quality, product quality and price as well as situational factors and personal factors. Service quality is a focused evaluation that reflects the customer's perception of reliability, assurance, responsiveness, empathy and tangible. Customer satisfaction is determined by product and service features, consumer emotions, perceptions of product and service quality, and price (Zeithaml et al 2009).

Service Quality Dimension

According to Zeithaml et al (2009), research suggests that customers do not perceive quality in a one- dimensional way but rather judge quality based on intangible factors. The dimensions of service quality have been identified through the pioneering research of Para parasuraman. Five specific dimension of service quality that applies across a variety of service context are.

1. **Reliability**: ability to perform the promised service dependable and accurately.

2. **Responsiveness**: willingness to help customers and provide prompt service.

3. **Assurance**: employee knowledge and courtesy and their ability to inspire trust and confidence.

4. **Empathy**: caring, individualized attention given to customers..

5. **Tangibles**: appearance of physical facilities, equipment, personnel, and written materials.

2.3 The Concept of Customer Service in Industry

Whether through experience or good business sense, most companies, including banks, have become well versed in the correlation between service and returns. Happy customers spend more and are loyal. But this simplistic equation overshadows a deeper problem caused by bad customer service (Peattie and Peattie, 1995).

Walsh and Lipinski (2009), argue that customer service operations within large businesses are targeted with increasing customer revenues through cross- and up-selling, and enhancing loyalty by delivering a premium customer experience. Walsh and Lipinski explain that these operations are typically measured on the quality of their service delivery using metrics such as average call waiting times, query handling and resolution, sales conversion rates, etc. They add that a well performing customer service operation is judged by its ability to meet or exceed service level targets. These metrics, however, skew a company's understanding of its customer relationships.

2.4 Customer Service in the Banking Environment

Customer service is the primary end of any bank. A customer always wants something and expects that the bank should come up to the level to fulfill those needs. Albrecht, cited in Kirkwood (2009), describes customer service as an equation expressed below:

Service Equation:

$$Quality = Results - Expectations$$

Source: Kirkwood (2009)

To deliver positive quality, a business must come up with a result beyond their customers' expectations. Although the mechanics of a business operation (e.g. quality systems, pricing policies) can often be similar between businesses in the same industry, it is the 'people part' – the relationship with the individual customer – where the business gains an advantage over a competitor. Albrecht suggests that businesses today operate in a market-driven, customer-oriented era. To survive, businesses have to be flexible, adaptable and above all provide superior service. Albrecht in Kirkwood (2009) further suggests that research has shown that organizational subunits where employee perceptions are favourable enjoy superior business performance. The service profit chain model of business performance (Heskett, Sasser, & Schlesinger, 1997) has identified customer satisfaction as a critical intervening variable in this relationship.

2.5 The service profit chain

Heskett, et al (1997) have suggested that as customers become more mature in their expectations, organizations at all levels are shifting focus to becoming more customer-centric. The customer experience and quality of interaction has become the order of the day and organizations have had to look within to realign its customer processes and re-think its service delivery strategies, structures and methods to be more effective. Kirkwood (2009) believes that one plausible account of the link between the employee's work experiences and financial performance holds that, in the service sector, customer satisfaction is a critical intervening variable. Management theorists call this view of organizational performance the service profit chain (Heskett et al., 1997 in Ssebunnya Henry Abid Naeem, 2010).

Stated simply, the service profit chain asserts that satisfied and motivated employees produce satisfied customers and satisfied customers tend to patronize more, increasing the revenue and profits of the organization. Heskett et al. (1997) in Kirkwood , for example, define the service profit chain as 'involving direct and strong relationships between profit; growth; customer loyalty; customer satisfaction; the value of goods and services delivered to customers; and employee capability, satisfaction, loyalty and productivity.' Heskett et al (1997) recommend the service profit chain as a framework for constructing a strategic organizational vision, and suggest that, provided service profit chain concepts are carefully interpreted and adapted to an organization's specific situation, they are capable of delivering 'remarkable results'.

2.6 Service Quality in the Banking Environment

Service quality is about meeting customer needs satisfactorily by matching to his expectations. Service quality in banking implies consistently anticipating and satisfying the needs and expectations of customers (Howcrof 1991). The importance of service quality in Banks has been emphasized in many studies and perceived quality advantage leads them to higher profit (Raddon 1987; Buzzell & Gale 1987 in Ssebunnya Henry Abid Naeem). Parasuraman and Berry (1991) cited in Ssebunnya Henry Abid Naeem hold the view that high quality service gives credibility to field sales force. Heskett et al. (1990) observed that the longer a company keeps a customer, the more money it stands to make.

Adrian (1995) contends that there is enough evidence that demonstrates the strategic benefits of quality in contributing to profit, market share and returns on investment; and lowering cost and improving productivity. This position is shared by Bateson (1995), Berry et al (1989), Garvin (1983); and Kotler (2003). Maximizing customer satisfaction through quality customer service has been described as the 'ultimate weapon' (Davidow & Uttal (1989). According to Heskett et al (1990), by composing and orchestrating the appropriate level of resources, skill, ingenuity, and experience for effecting specific benefits for service consumers, service providers participate in an economy without the restrictions of carrying stock (inventory) or the need to concern themselves with bulky raw materials. On the other hand, their investment in expertise does require consistent service marketing and upgrading in the face of competition which has equally few physical restrictions.

2.7 Customer Relationship

Heskett et al (1990) argue that businesses cannot maximize asset productivity (for instance, the value of customer relationships) over the customer lifecycle. At best, potential process synergies and internal collaborative opportunities to enhance customer value slip by. At worst, companies risk damaging relationships resulting in unfulfilled revenue opportunities and higher churn. Companies have ended up putting the cart before the horse – business-driven customer relationships rather than customer-driven business.

2.8 Customer service strategy

As suggested by Kotler (2003), growth is the fundamental strategic challenge for business leaders. Creativity is essential for sustained growth. Effective execution of existing strategies can bring increased revenue and profits, but the most successful strategies are often the most creative, delivering growth by developing new ones.

Many organizations are faced with significant challenges in the area of customer service and service delivery, both internally and externally. The constant change in demographics coupled with high customer expectations is making organizations rethink its customer service strategies. Kotler (2003) again says that strategies and tactics that worked in the past are less effective and require more effort to execute. In an era where service has become a defining factor for customers, organizations of all types struggle to find the unique balance between delivery of a service, the cost of the delivery and customer expectations.

A winning customer service strategy, according to Julie Mohr (2008) includes six steps:

- **Solicit**: Solicit customer complaints and feedback.

- **Resolve**: Resolve customer complaints on first contact.

- **Track**: Track, trend and proactively eliminate customer complaints using the problem management system.

- **Survey**: Survey customers on a regular basis.

- **Train**: Train employees, based upon complaints, survey results and performance metrics, to increase quality of customer service and improve complaint resolution.

- **Market**: Market the winning customer service strategy to help desk employees and customers to establish expectation.

Customer service strategy cycle

market   solicit

train   resolve

survey   track

Source: Julie Mohr (2008)

VeriSign (2009) proposes six customer strategies. These are discussed below

Strategy 1: Stay in Touch

This strategy suggests that you let your customers know you value their business by reaching out to them. This may involve using newsletters, postcards, individual letters, or e-mails to deliver news about products, special promotions, and store events. Focus all communications on letting customers know that you can solve their problems and meet their needs (VeriSign 2009).

Strategy 2: Make Great Service a Priority

Excellent customer service requires training your staff and constantly reinforcing the message that customers come first. Start with the little things, such as a standard way of politely greeting people on the phone or asking that sales staff courteously greet anyone who enters the store (VeriSign 2009).

Strategy 3: Store Collective Wisdom

One of the most important customer strategies is to set up a system for responding to customer inquiries or complaints. The last thing you want is for your employees to provide inaccurate information to your customers. Neither should they fail to provide a solution to a problem or quote policies that may not accurately address the situation (VeriSign 2009).

Strategy 4: Empower Your Staff

In some cases, where there is no policy -- and occasionally in cases where the policy needs to be flexed -- you need to empower certain people to make decisions, use good judgment, and

bend the rules. Ask them to document these special cases; you can provide a pad of paper forms, let them enter information into the computer, or simply leave you a voice mail. Depending on the size of your operation, you may want to designate one person per shift as chief problem-solver (VeriSign 2009).

Strategy 5: Know Your Customers

Institute a formal way of tracking your customer interactions to help you identify your best customers, as well as those who may not have frequented your business in a while. You can also see if someone has needed repairs or is due for servicing on a product (VeriSign 2009).

Strategy 6: Manage Customer Relationships

Once you have some history on your customers, whether from written notes or via a database, you can identify your best customers and reward them. Perhaps you'll offer a special discount to frequent customers or make a follow-up call to those who have needed recent repair work. This involves using the information you've gathered about your customers to make customer service a science. Give them a quality experience and complete satisfaction, and they'll keep coming back for more (VeriSign 2009).

2.9 Customer satisfaction and financial performance

The second crucial element of the service profit chain is the link between customer satisfaction and financial performance. Management theorists and chief executives have often argued that superior business performance depends critically on satisfying the customer (e.g. Heskett et al., 1997; Peters & Waterman, 1982; Watson, 1963). In support of this view, consumer researchers have established that customers who are satisfied with a supplier report

stronger intentions to purchase from that supplier than do dissatisfied customers (e.g. Anderson & Sullivan, 1993; Mittal, Kumar, & Tsiros, 1999; Zeithaml, Berry, & Parasuraman, 1996). However, as noted by Verhoef, Franses, and Hoekstra (2001), the link between customer satisfaction and actual, as opposed to intended, purchase behaviour is less well established.

At the business unit level of analysis, relationships between customer satisfaction levels and financial performance have been reported by both consumer and organizational researchers. Correlations between customer satisfaction and financial performance have been noted in the restaurant sector by Bernhardt, Donthu and Garry A. Gelade and Stephen Young Kennett (2000), and in the retail sector by Rucci et al. (1998).

In the banking sector, Loveman (1998) found that higher customer satisfaction leads to increased cross-selling at the branch level, and Ittner and Larcker (1998) found customer satisfaction was a leading indicator of revenue, and growth in the customer base, in bank branches. Overall, and despite some negative findings, these results support the general conception of a link between customer satisfaction and financial performance.

2.10 Customer Retention

2.10.1Customer lifetime value: Thompson & Martin (2005) explain that every interaction with a customer should be done on the basis that their value to you is the total of all the purchases they will ever make, not that one sale. As an example, they state that most valuable customers are probably not those who make the biggest purchases; they are the ones who come back again and again. This way of thinking, according to him, enables firms to consider

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marketing approaches that don't require firms to make back the cost of acquiring a customer in a single sale.

2.10.2 The cost of acquisition: According to Porter, it has been demonstrated that it is up to 20 times more expensive to acquire a new customer than it is to keep an existing one. De Wit & Meyer (2004) say that a traditional sales approach can be likened to pouring new customers into a bucket with a hole in the bottom – the weaker your levels of customer retention the larger the hole.

2.11 Customer Commitment and Loyalty

Andreasson & Lanseng (2010) describe loyalty as a historical word, rooted in feudal times when allegiance to the sovereign was fundamental to the success, perhaps even the survival of the state. The Oxford Dictionary's definition of the word 'loyal' is: True or faithful (to duty, love or obligation); steadfast in allegiance, devoted to the legitimate sovereign or government of one's country."

Kirkwood (2009) describes customer loyalty as a phrase that can be used to embrace a range of customer attitudes and behaviours. According to him, on most of the Leadership Factors surveys, customer loyalty is measured in two ways: loyalty behaviour is gauged by a measure of retention, or intention to buy again; loyalty attitudes are termed commitment. Committed customers have been shown to demonstrate a number of beneficial behaviours. Kirkwood for example states that committed customers tend to:

- Come to you. One of the key benefits of establishing a good level of customer loyalty is that you don't have to sell to them; they will come to you when they need a product or service, and they may even come on spec to see if you have new products.

- Buy more often. Loyal customers come back more and more often, since they enjoy the service they receive from you. If customers find themselves forced to use you against their will they will come as little as possible.

- Try new products. If customers are happy with what they've bought from you before, they will be more willing to try new products. Perhaps they will even trust you to suggest products suitable for them.

- Recommend you. Loyal customers can become your most effective marketing tool (far more trustworthy than salesmen in the eyes of other customers) and they're free.

- Buy only from you. A strong relationship of trust can mean that customers will prefer you even if it is more difficult or more costly to use you than a competitor.

- Look only at you. Customers at this stage trust you to provide a good product/service at a reasonable cost, and will not go to the trouble of shopping around before buying. The key to these is the establishment of trust based on good service, reputation and image.

Kouznetsov et al (2010) say that different markets show very different customer loyalty profiles. They contend that, for example, in some manufacturing sectors customers may have very little choice over which supplier to use. This, according to him, can lead to complacency and the feeling that customer loyalty is irrelevant since they have no option but to come back. Such reasoning, Bennett & Smith (2002) say, is flawed on two counts: a) Customer loyalty

goes beyond mere retention to a range of attitudes and behaviours, something which will be covered in more detail later. b) Customers do come back when they have no other choice, but they will be vulnerable if any competitor arrives on the scene.

Bennett & Smith (2002) argue that companies that are in a virtual monopoly situation can be vulnerable to this way of thinking. The difference between markets is due to a combination of factors; the amount of competition, the sophistication of the customers and the perceived switching barriers. He further argues that if all competitors were equally easy to use then we would expect an almost perfect correlation between customer satisfaction and loyalty. Bennett & Smith (2002) suggest that customer loyalty is driven by a combination of

customer perceptions such as satisfaction, image and perceived value, and is further

subject to something called loyalty personality.

2.11.1 Loyalty Personality

Krake (2005) suggest that loyalty personality refers to innate differences in the way customers form their opinions. Commonly these differences can be predicted by a number of geo-demographic factors, such as age, gender, occupation and location.

2.11.2 Common Loyalty Personality Divisions

Krake (2005) present the following as common loyalty personality divisions:

a) **Innovators/risk averse:** Some people will always be on the lookout for the latest product or trend, and will tend to try something just because it's new.

b) **Level of involvement**: Some markets exhibit 'high involvement' than others, reflecting the importance to customers of making the right purchasing decision. Beyond market-wide trends, however, the most significant difference is in how involved your customers feel with you.

c) **Perception of switching barriers**: Switching barriers are the perceived obstacles to changing supplier.

2.11.3 Types of loyalty

Reijonen et al (2010) identify five main types of loyalty. Most bear little relation to the true meaning of the word loyalty, involving very little allegiance, devotion or duty.

a) Monopoly loyalty: Monopoly loyalty is an extreme example, but does illustrate the point. Where customers have little or no choice, their 'loyalty' is far from devoted. It is often resentful.

b) Cost of change loyalty: Other suppliers are notionally in a competitive situation. Their customers could use alternative suppliers –in theory. In some situations, however, the cost, difficulty or hassle factor involved in changing suppliers is so great that customers will do it only as a last resort. Research shows that they will live with much lower than normal levels of satisfaction before they switch suppliers. But this reluctance to change suppliers cannot be described as 'loyalty'. It certainly involves little allegiance, duty or devotion.

c) Incentivized loyalty: Incentivized loyalty has possibly been the most over hyped marketing strategy in recent years. It may have some effect on customers who are not spending their own money.

d) Habitual loyalty: Habitual loyalty may be the most common form of repeat business. As time becomes an increasingly scarce commodity for many consumers, familiar routines that can be quickly accomplished with minimal thought become part of the lifestyle.

e) Committed loyalty: The degree of customer commitment can be used in customer satisfaction measurement to segment the customer base and identify those customer groupings that are most at risk of defection. Often, customer loyalty segments will have different needs and priorities, they will certainly have different perceptions of the performance of your organization and, consequently, you will often need to define distinct strategies for different loyalty segments.

2.12 Customer value

Krake (2005) point out that the cost of customer acquisition intensifies through greater competition, the need to maximize the value of existing customer relationships is becoming an absolute business imperative. This has driven the development of the concept of Customer Value, enabling CFOs to understand and act on what has historically been a management intangible.

Porter (1980) points out that customer value can best be described as an asset based on the quality of the customer relationship, as experienced from both sides of the coin. Expressed in financial terms, it is a function of cash flow, profitability and customer service status. By implementing effective Customer Value Management, businesses can create a virtuous cycle where the company invests in its customers and its customers invest in it. By doing so, a

company will be able to maximize the value of its 'customer assets' and customers benefit from a positive, responsive organization that is focused around them and their needs.

Krake (2005) say that in addressing the three core denominators of customer value, cash (Cash flow and payments), cost (administration and support) and service (sales & retention) in a fully integrated way, Customer Value Management requires:

- Optimizing cash flow to support value generation across the enterprise.
- Reducing the impact of bad debt and write-offs through enhanced credit risk management.
- Minimizing the cost (and complexity) of managing and supporting customer relationships (including reducing interest cost charges).
- Reducing churn and minimizing the cost of having to acquire replacement customers.
- Enhancing cross- and up-sell opportunities.
- Extending customer relationships to sustain revenue contribution.

2.13 Customer Engagement

With greater access to information, more sensitivity to price, and less sensitivity to advertising, today's customers are harder to win and keep. According to Kirkwood (2009) the key to acquiring and retaining customers in this environment is to engage them — to participate in an ongoing, two-way conversation with customers that creates:

A deep emotional connection with the brand: Engaged customers have strong positive feelings about a brand ranging from high brand affinity to passionate zeal.

High levels of active participation: Engaged customers don't just feel strongly about a brand, they act on those feelings. These individuals proactively visit stores or Web sites to check out what's new, talk about the brand with family, friends, and colleagues, visit online forums to get advice from professional peers, provide feedback that makes products and services better, and contribute content that helps other people buy, try, or use the company's products more effectively. A long-term relationship: Engaged customers interact with their favorite or most useful brands regularly. And with each positive interaction, their affinity for the brand is strengthened, making them more likely to return, repurchase, or extend a contract.

2.14 Creating Strategic Flexibility

Strategists have long argued for strategic purity (i.e., focused, distinctive strategy) and commitment (i.e., clear alignment of all resources and capabilities with that strategy), citing research and examples showing that the highest returns are correlated with focus and commitment. Kirkwood suggests that the choices underlying a focused, committed strategy must often address a future that involves unpredictable changes in consumer response, market dynamics, and development paths. "Middle-of-the road" strategies offer more resilience, "but at the cost of being able to generate significant returns," It is impossible to build sufficient adaptability at the business level, even if competitors' responses might be parried.

2.15 The Impact of Good Customer Service

According to Long (n.d) contribution of good customer service cannot be overlooked in every successful business .The results are envisaged below.

Profits: Good customer service departments understand the relationship between the way they greet, treat and handle customers and the bottom line. Efficient customer service departments

seek to solve problems as they occur, and, if possible, prevent them in the first place. For instance, when processing an order for products or services, good customer service departments will ask necessary questions to ensure the customer is ordering the correct item or service, and will verify the data before ending the call or contact to verify accuracy. This can reduce the drain on company resources and increase customer satisfaction by reducing the number of returns, complaints and problems that crop up because of poor handling. In addition, properly trained representatives can effectively cross-sell additional products or services while processing customer orders, thereby increasing sales.

Loyalty: Treating customers with respect, greeting them with enthusiasm and going above and beyond to resolve any problems and issues can keep customers coming back. When companies seek to resolve problems and issues in a quick, pleasant and efficient manner, customers remain confident in the company and continue the business relationship. In addition, happy customers help spread positive word-of-mouth, resulting in an additional avenue for marketing and advertising for your company.

Internal Benefits: Good customer service provides exceptional customer service to external and internal customers. Internal customers, including marketing and product development, depend on the data collected from customer service contacts to improve existing products and services. This data can include information related to safety issues, production problems and poor performance. The internal benefits of good customer service also stretch beyond current products and services. Good customer service departments capitalize on the ideas customers provide for suggested products and services, leading to opportunities for new innovations and revenue streams.

2.16 Corporate Performance

Atemnkeng et al (2000) suggest that corporate performance is the primary concern of management, investors and economic planners. This concern, according to them stems from the idea that the impact of performance of profit maximizing corporations on their profitability and hence, their survival will have great impact on the country's economic growth. They claim that good management decision would be made in favour of factors that highly improve a firm's performance. Abdula (1994) proposes that, a study of the determinants of corporate performance would help management, investors and governments to plan for unpleasant events.

2.16.1 Performance Indicators

Pilkington et al (2006) describe a Performance Indicator or Key Performance Indicator (KPI) as an industry jargon term for a type of measure of performance that is commonly used by an organization to evaluate its success or the success of a particular activity in which it is engaged. The Pilkington et al (2006) explains that sometimes success is defined in terms of making progress toward strategic goals, but often, success is simply the repeated achievement of some level of operational goal (zero defects, 10/10 customer satisfaction etc.). It further stresses that, choosing the right KPIs is reliant upon having a good understanding of what is important to the organization. According to the Pilkington et al (2006) a very common method for choosing KPIs is to apply a management framework such as the balanced scorecard.

2.16. 2Categorization of indicators

Key Performance Indicators define a set of values used to measure against. These raw sets of values, which are fed to systems in charge of summarizing the information, are called indicators. Indicators identifiable as possible candidates for KPIs can be summarized into the following sub-categories: Quantitative indicators which can be presented as a number, Practical indicators that interface with existing company processes, Directional indicators specifying whether an organization is getting better or not, Actionable indicators are sufficiently in an organization's control to effect change and Financial indicators used in performance measurement and when looking at an operating index (Pilkington et al, 2006)

2.16.3 Identifying Indicators of Organization

The key stages in identifying KPIs, according to Pilkington et al (2006) are: having a pre-defined

business process (BP), having requirements for the BPs, having a quantitative/qualitative measurement of the results and comparison with set goals, and investigating variances and tweaking processes or resources to achieve short-term goals.

2.17 Customer Complaints

According to Mealy (2007) no matter how hard a firm tries, things are bound to go wrong once in a while. No matter the reason for the complaint, the important thing is to try and please the customer and send them home knowing that, yes there was a problem, but it is not typical of your establishment. Let them know that you, the owner, value their comments and their business. How you handle customer complaints determined the customer commitment to

company. Here are some tips to help you field your next complaint and send your customer home with a smile. Mealy (2007) suggested the following as effective ways of managing customer complaints:

1. Listen Intently**:** Listen to the customer, and do not interrupt them. They need to tell their story and feel that they have been heard.

2. Thank Them: Thank the customer for bringing the problem to your attention. You can't resolve something you aren't completely aware of, or may be making faulty assumptions about.

3. Apologize**:** Sincerely convey to the customer your apology for the way the situation has made them feel. This is not the time for preachy reasons, justifications or excuses; you must apologize.

4. Seek the Best Solution: Determine what the customer is seeking as a solution. Ask them; often they'll surprise you for asking for less than you initially thought you'd have to give—especially when they perceive your apology and intention is genuinely sincere.

5. Reach Agreement: Seek to agree on the solution that will resolve the situation to their satisfaction. Your best intentions can miss the mark completely if you still fail to deliver what the customer wants.

6. Take Quick Action: Act on the solution with a sense of urgency. Customers will often respond more positively to your focus on helping them immediately versus than on the solution itself.

7. Follow-up: Follow-up to ensure the customer is completely satisfied, especially when you have had to enlist the help of others for the solution delivery. Everything up to this point will be for naught if the customer feels that "out of sight is out of mind."

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

Kumar (2008) suggested that the research methodology is a way to systematically solve the researcher's problem. It is a science that deals with the study of the various steps that are generally adopted by the researcher in studying his research problems along with the logic behind them.

This chapter presents the selected approaches and the information collection procedure in order to answer/justify the purpose. Several theoretical concepts are discussed in methodological terms, followed by a description of the method used throughout the empirical study. The chapter involves sources of data, sampling frame, and data collection methods.

3.2 Research Strategy

The research employs two approaches; qualitative and quantitative method. According to Teddlie et. al (2003), these methods can only be useful if they provide better opportunities for the researcher to answer her questions. Bryman & Bell (2007), describe research strategy as the term used to refer to the general orientation to the conduct of social research.

Halvorson (1992) says that the qualitative method involves the gathering of a lot of information from few examination units through interviews and observations, while the quantitative method entails that the researcher collects little information from many investigation units through, for instance questionnaires. According to Halverson (1992), the quantitative method is an interactive process whereby evidence is evaluated, theories and

hypothesis are refined, technical advances are made. Quantitative research is objective, measurable, reports statistical analysis. It is often regarded as a scientific method of research.

3.3 Research Design

In this thesis, the researcher employs the case study as her research design. As described by Bryman & Bell (2007) the case study assists the researcher in making a detailed examination of the research topic. The researcher employed questionnaire and interview as part of data collection.

3.4 Population and Sampling of the Study

Population actually refers to the totality of individuals, from which a sample is drawn. The population of the study consists of staff of 15 staff and about 15000 customers of Barclays Bank (Asafo branch) in the southern cluster of Kumasi metropolis. The total population for this study is 15015.

3.4.1 Sample and sample technique:

Sampling constitutes a key step in the research process in social survey research. According to Emory (1980) one factor which determines the sample size of a given population is the size of a given population variance. The sample size of 100 respondents, comprising 15 staff and 85 clients was taken out of the population. Due to time and budgetary constraints, convenient sampling was used for the customers and all the 15 staff was also taken.

3.5 Data collection

3.5.1 Source of Data

The study is an investigative and diagnostic one. It, therefore, employed primary source of information as well as secondary source of information. Robson (2002) argues that collecting data is about using the selected methods of investigation and doing it properly means using these methods in a systematic and professional fashion.

3.5.2 Primary source of information

Primary source of information was collected from the respondents mostly, banking representatives and the customers of the bank. Ghauri & Gronhaug (2002) define primary data as original data collected by the researcher for the research problem at hand. In this thesis, the author collected primary source of information through questionnaires which were sent to the targeted population in order to follow up on certain key issues. Structured questionnaire was adopted. The questionnaire was made up of both open and close-ended questions, exploring the impact of customer strategies on corporate performance of the sampled bank. Structured interview guide was also prepared to elicit opinion from the branch manager on vital questions to enrich the discussions on the data from respondents.

3.5.3 Secondary source of information

The major source of the secondary source of information was from articles, journals, internet, handouts and books. According to Ghauri & Gronhaug (2002), secondary data refers to information collected by others for purposes which can be different from ours.

3.5.4 Data Collection Instrument

Questionnaire

The questionnaire was developed, based on the objectives of the study. The researcher personally administered the questionnaire to the bankers at their bank premise at Asafo in Kumasi as well as the existing customers of the bank. The respondents included the customer advisors, officer/managers, operation staff, customers with all kinds of products and services in the bank. These people were assumed to have a good understanding of the purpose of the study and measures being solicited. Secondly, it was meant to draw the attention of people who take decisions on behalf of their institutions, to issues raised in the management of customer service.

3.5.5 The interview method

The questionnaire was supplemented by personal interview to elicit the primary source of information. The interview method was adopted to find out some of the information that the questionnaire was unable to collect and also to fine-tune some of the information collected from respondents in the questionnaire; they were also meant to give further clarifications to issues raised in the questionnaire.

3.5.6 Data Analysis and Presentation

Robson, (2002) suggests that the process and products of analysis provide the bases for interpretation and while in the middle of analyzing data ideas for interpretation arise. The raw data collected was edited to detect and correct errors and omissions to ensure consistency and validity. Statistical Package for Social Scientists (SPSS) was used to analyze the data after

coding and captured and presented in the form of descriptive statistics in frequency distribution to summarize the information.

3.6. Organizational profile

3.6.1 Overview of Barclays bank.

Barclays has operated in Ghana for ninety four years. It is a wholly owned subsidiary of Barclays Bank PLC. Its vision is to become the best bank in Ghana, making lives much easier for its customers, employees and other stakeholders. The bank's mission is to be one of the most admired financial services organizations in the world, recognized as an innovative, customer-focused company that delivers superb products and services, ensures excellent careers for our people and contributes positively to the communities in which we live and work. The first Barclays branch in Ghana was commissioned on 14th February 1917. Its mother company in the UK, Barclays PLC, is quoted on the London, New York and Tokyo Stock Exchanges. Barclays Bank of Ghana Limited has an expansive retail and commercial banking network in the country with about 74 branches, 7 agencies and over 130 ATMs currently in all regional capitals and major towns. It also has about 10 premier life centers and 2 premier Suites.

3.6.2Products and Services

Barclays offers a wide range of innovative commercial, Retail and Treasury products and services. Its products and services are targeted particularly at the business and corporate organizations, as well as retail customers. It also offers local business banking product and services for Small Medium Enterprises and indigenous businesses. In June 2009, Barclays

launched its Bancassurance proposition in partnership with Enterprise Life Assurance Company Limited (ELAC) to enhance our product range with insurance product such as Family Funeral Plan and Education Plan for the convenience of its customers. The Bank's Premier Banking offers tailor made solutions and one-on-one banking to its high net worth. The Premier proposition amongst others offers; dedicated banking suites, financial planning, lifestyle alliances, global access to Premier lounges (airport) etc. In addition Premier Life, a new service proposition to replace Prestige Banking has been introduced. It is targeted at customers who require convenient banking, quick and efficient service as well as a level of privacy and recognition. The Barclays Offshore Banking Unit, the first of its kind in Ghana and indeed Africa South of the Sahara, continues to offer world class banking service to non-resident private clients and corporate. Industries financed by Barclays include cocoa, the backbone of the country's economy; timber; gold as well as business in the manufacturing sector and commerce.
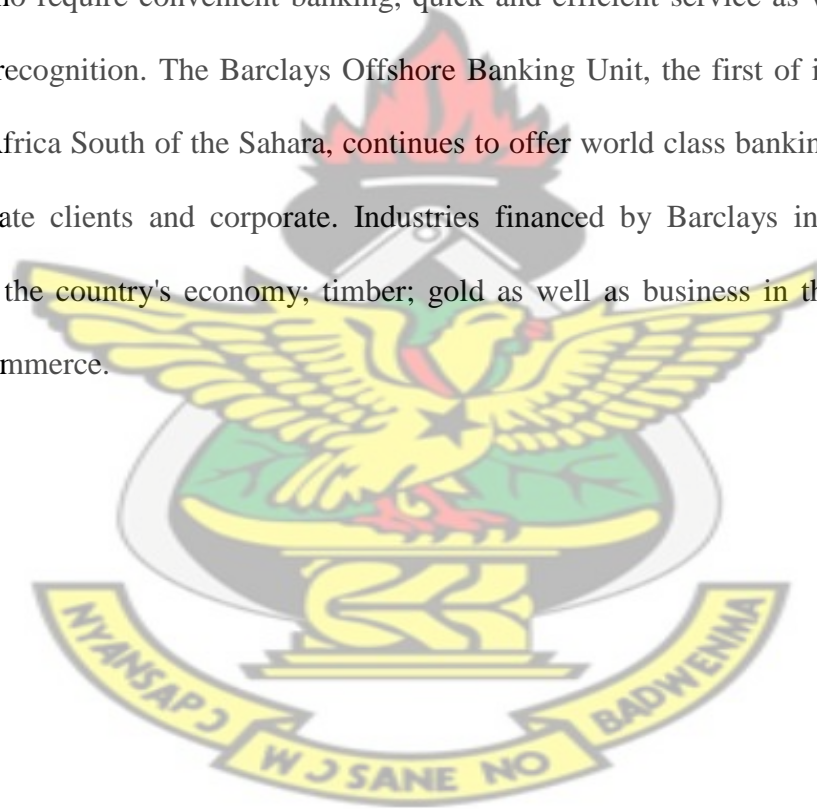
Some Products and Services	
▪ Prestige Banking	▪ Business Club
▪ Barclays Cash Passport	▪ Community Account
▪ Home Loan	▪ Telephone Banking
▪ Barclayloan	▪ Corporate Current Account
▪ Instant Savings	▪ Barclays Customers Foreign Currency Account (CFC Account)
▪ High Rate Savings	
▪ High Interest Bonus Savings	▪ Barclays Foreign Exchange Account (Forex Account)
▪ Fixed Term Deposit	
▪ Bank Account	▪ Call Deposit
▪ Current Account	▪ Overdraft
▪ Student Account	▪ Ordinary Loan
▪ Business Solution Current Account	▪ Deferred Debit Card
	▪ All in one current account
▪ Business Solution Savings Account	
▪ Documentary Letters of Credit	
▪ Barclay Integrator	

Fig 1   source: www.ghanabankingguide.com

3.6.3 The Barclays Brand

One of the greatest strengths of the bank is its brand. Built over many years of hard work and dedication, the Barclays brand today has come to represent trusted and reliable financial services. The depths of appreciation that Barclays has for the financial market is what distinguishes the Barclays brand from the others. Indeed Barclays is "fluent in finance". The size of Barclays Bank comes with a strong capital base which is often leveraged to the advantage of the bank's clients and customers. As one satisfied corporate client remarked, "You don't just transact business with Barclays Ghana, you have the entire resources and expertise of the whole Barclays Group at your disposal."

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Barclays' five guiding principles are key to the way the business operates:

- **Winning together** – achieving collective and individual success

- **Best people** – developing talented colleagues to reach their full potential, to ensure Barclays retains a leading position in the global financial services industry

- **Customer and client focus** – understanding customers and serving them brilliantly

- **Pioneering** – driving new ideas, adding diverse skills and improving operational excellence

- **Trusted** – acting with the highest integrity to retain the trust of customers, external stakeholders and colleagues (Source: www.ghanabankingguide.com).

3.6.4 Asafo Branch

Barclays Bank Asafo Branch is one of the numerous branches of Barclays Bank Ghana Ltd. The branch is found in a suburb called Asafo in Kumasi metropolis. The branch has its own manager and wholly operates as a bank and the business hours start from 8.30am to 4.30pm each day during week days. It has staff strength of 15 employees and about 15000 customers.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

4.0 Introduction

This chapter presents the findings of the empirical study. The chapter analyses the empirical data and connects the results to our theoretical framework. The analysis follows the same flow as our theoretical framework.

4.1. Sample and Response Rate

One hundred questionnaires were sent to the total respondents which comprise 15 staff and 85 clients. Of the one hundred (100) distributed questionnaires, one hundred were returned, implying a 100% response rate

4.1.1 Descriptive Characteristics

The responses to the questionnaire are organized in tables and charts. We then provide information related to the research questions under the sub heading of major findings, and then some extended results of the study is also presented.

4.1.2 Respondents' Characteristics

The percentage distribution of respondents used in the study is indicated below. Respondents' characteristics include age of respondents, qualification of respondents, number of years spent with the bank, and account type

4.1.3 Numbers of Years with Bank

As the study gathered, twenty percent (20%) of the staff had been with the bank from between

1-5 years. Again, eighty percent (80%) of them had been with the bank for a minimum of ten (10) years.

Fig 4.1
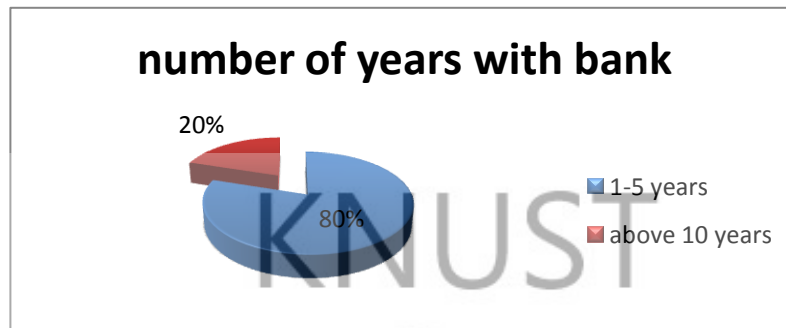
Source: field data (2011)

4.1.4 Qualification of Respondents

The study sought to identify the level of qualification of respondents (staff). It was identified that sixty percent (60%) of respondents were first degree holders. Again, forty percent (40%) had attained their second degree.

Fig 4.2
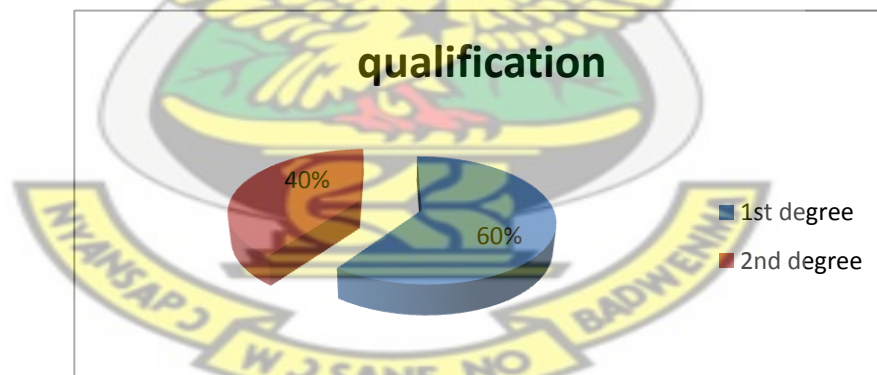
Source: field data (2011)

4.1.5 Age of Respondents

The age distribution of respondents (customers) is indicated in fig 4.3. As the figure indicates, 7% were between the ages of 18 - 20, 44.7% were between the ages of 21-30, 27% were

between the ages 31-40, and whiles 15% were above the age 40. The analysis shows that majority of the respondents are aged between 21-30 years.

Fig 4.3
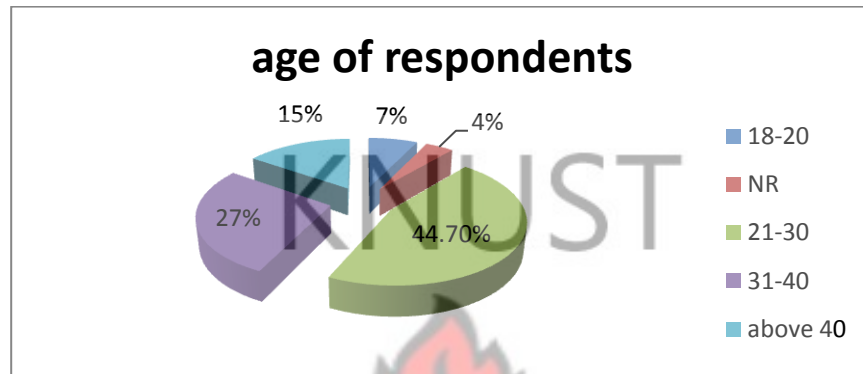
Source: field data (2011)

4.1.6 Account Type

The study sought to find out the account type of customers with the bank. It was identified that fifty four percent (54%) of customers had savings account with the bank, twenty four percent (24%) had current account, eight point two percent (8.2%) had business account, while eight percent (8%) had student account. It was further identified that sixty four point seven percent (64.7%) indicated that they had accounts with other banks whiles thirty five point three percent (35.3%) indicated that they had no account with any other bank (see fig 4.4 and table 4.1 below).

Fig 4.4

account type

- savings 54%
- current 24%
- business account 8.20%
- student 8%
- 6%
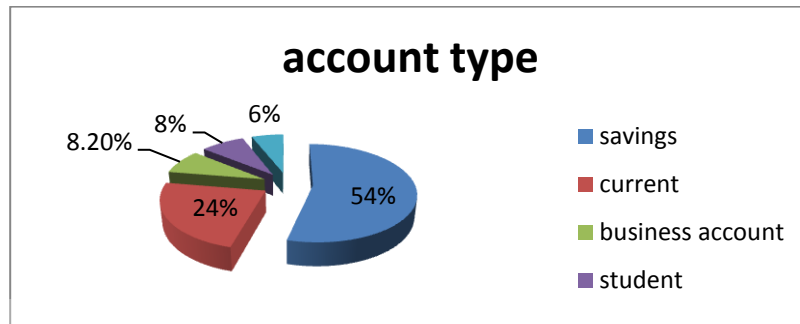
Table 4.1:   **Account with other banks.**

Accounts		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	55	64.7	64.7	64.7
	No	30	35.3	35.3	100.0
	Total	85	100.0	100.0	

The study further sought to identify how long customers had been with the bank. It was established that 4.7% of respondents were new customers, 20% had been with the bank for between one month and one year, 61% had been with the bank for between one year and five years, whiles 14 percent had been with the bank for more than five years (see table 4.2 below). The analysis is an indication that majority of the customers have been with the bank for between one years and five years.

Table 4.2:   **Time with Barclays bank**

Years		Frequency	Percent	Valid Percent
Valid	New customer	4	4.7	4.7
	1 month- 1 year	17	20.0	20.0
	1year-5years	52	61.2	61.2
	5years and above	12	14.1	14.1
	Total	85	100.0	100.0

Source: field data (2011)

Further, 45% of customers used as respondents indicated that they had chosen the bank because of ease of accessibility, 42.4% also mentioned the banks good customer service, 8% mentioned the bank's wide range of products while7% indicated the lower interest rate. (see fig. 4.5 below)

Fig 4.5
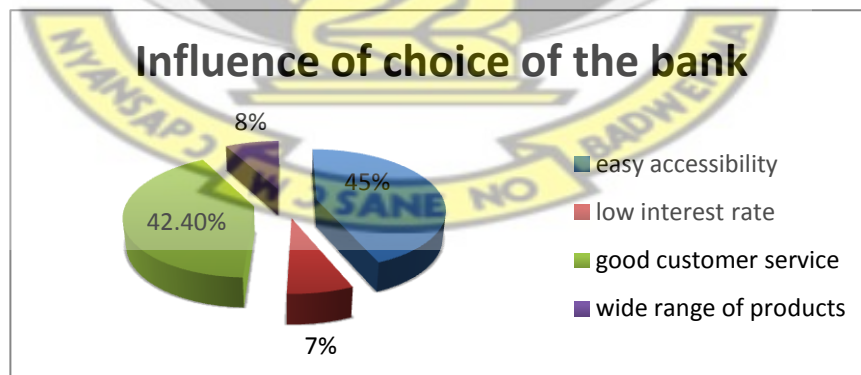
Source: field data (2011)

4.2 Barclays' Customer Service Strategies

It study sought to establish what constitute their customer service strategies. This was intended to clearly identify, in terms of policy direction, how these policies reflect on their day-to-day service delivery to clients. It was revealed that the company has established customer service strategies as evidenced by the response rate (see table 4.3)

Table 4.3:   **Customer service policies**

Does the bank have customer service policies?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	15	100.0	100.0	100.0

Source: field data (2011

These strategies were identified as complaints logging, customer acknowledgement, mystery shopping, and treating customers fairly. Each of these strategies was designed to have the maximum impact on customer loyalty and retention. Further, as the study found, these policies and strategies are reviewed by heads of departments and service centers as desired, on monthly, quarterly, half yearly and yearly bases.

This is consistent with Kirkwood's (2009) position that strategies must be reviewed to suit the increasing complexity of the customer. On the bases of the review, where necessary, policies are redefined. Customers are also sometimes contacted to effectively address difficulties.

4.2.1 Communication of customer policies to staff

To achieve the desired impact on clients, the customer policies or strategies need to be communicated effectively to staff, which obviously is in direct contact with clients. The study therefore sought to determine how these policies and strategies are communicated to staff for

effective implementation. It was established through responses that the following constitute the means through which service policies are communicated to staff: training programmes, circulars, and meetings (see table 4.4)

Table 4.4: **Communication of Customer Service Policies to Staff**

	Communication	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Training programs	1	6.7	6.7	6.7
	Circulars	1	6.7	6.7	13.3
	Meetings	2	13.3	13.3	26.7
	All of the above	11	73.3	73.3	100.0
	Total	15	100.0	100.0	

Source: field data (2011)

4.2.2 Response from the Interview Conducted With the Manager

The bank has minimum standards in measuring customer service in all its outlets and this goes along with policies that ensure customers are treated fairly. Complaints management is one of the tools used in assessing the service quality in the branch. Regularly, mystery shopping, through branch visits and by phone, is also used in measuring how well the branch is doing in terms of quality customer service delivery. Management 7 is another tool used on daily basis by the branch to assess service level so as to improve on areas that require attention. The strategies are well noted by all staff.

The strategies are yielding positive results Improvement in turnaround time for the provision of cheque books, loans processing and general attitude of staff towards customers, realizing that the customer is the reason for our existence. Deposit grew from 4billion in 2009 to 6billion in 2010 representing 50% increase. Profits also grew from GH¢439,000 in 2009 to about GH¢ 549000 as at close of 2010 representing 20% increase. Customer service is greatly linked to sales and, a satisfied customer becomes loyal and an advocate. Loyal customers are wishing to increase their share of business with us.

4.3 Effectiveness of customer service strategies

Through the responses of staff, the customer service strategies are effective and are making the desired impact. This is evidenced in the responses depicted in table 4. 5 which show 73.3% believing that the bank's customer service strategies are effective, whiles 20% saw it as very effective. . This will impact positively on the commitment level of customers. Kirkwood (2009) has stated that committed customers have been shown to demonstrate a number of beneficial behaviours such as buying more, recommending you, trying other products, among others.

Table 4.5:   **Effectiveness of customer service strategy being implemented**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very effective	3	20.0	20.0	20.0
	Effective	11	73.3	73.3	93.3
	Ineffective	1	6.7	6.7	100.0
	Total	15	100.0	100.0	

Source: field data (2011)

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4.3.1 Effectiveness of the mode of communication of customer policies to staff

The mode of communicating the service strategies to the staff is very necessary. This is because, as Piercy (1990) suggests, the ability of the staff to comprehend these customer service policy directions will reflect in their own ability to translate it into effective customer service. The study therefore sought to find out how effective the staff perceived the mode of communication of these service policies to them. Staff found the mode of communication of customer service policies effective (see table 4.6 below).

Table 4.6: **Effectiveness of the mode of communication of customer policies to staff**

	Mode of communication	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very effective	7	46.7	46.7	46.7
	Effective	7	46.7	46.7	93.3
	Ineffective	1	6.7	6.7	100.0
	Total	15	100.0	100.0	

Source: field data (2011)

This was corroborated by the customers who also considered the service experience with the bank to be satisfactory (see table 4.7).

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Table 4.7: Rating of customer service experience in Barclays Bank Asafo branch.

	Rating	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly satisfied	21	24.7	25.3	25.3
	Satisfactory	57	67.1	68.7	94.0
	Dissatisfied	3	3.5	3.6	97.6
	Poor	4	4.7	2.4	100.0
	Total	85	100.0	100.0	

Source: field data (2011)

Also, customers considered it relatively easy doing business with the bank (see table 4.8). This suggests an improving customer satisfaction. The general believe, according to Lanseng et al (2010) is that for almost every organization improving customer satisfaction will improve customer loyalty, which will in turn improve profit.

Table 4.8:

Rating Barclays bank in terms of the ease of doing business

Doing business		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very easy	27	31.8	32.1	32.1
	Quite easy	49	57.6	58.3	90.5
	Difficult	8	9.4	9.5	100.0
	Total	84	98.8	100.0	
Missing	NR	1	1.2		
Total		85	100.0		

Source: field data (2011)

4.4 Customers Perception of Barclays' Customer Service Strategies

The study again assessed customers' perception of Barclays' customer service strategies. This was to aid our assessment of the effectiveness of the company's strategies in respect of customer satisfaction. The study found that customers generally found the service strategies used by the bank to be good (see table 4.9). This underscores the bank's customer service delivery efforts.

Table 4.9:

Perception of the strategies used by the Asafo Branch.

	Perception	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very good	24	28.2	29.6	29.6
	Good	55	64.7	67.9	97.5
	Poor	1	1.2	1.2	98.8
	Very poor	1	1.2	1.2	100.0
	Total	85	100.0	100.0	

Source: field data (2011)

Other strategies had to do with the general environment of the bank. In this category were: the state of the art banking hall, convenience of bank's location, pricing competitiveness, choice of products and services, long business hours, provision of souvenirs and staff professionalism. The various level of appreciation and recognition of these other strategies are depicted in the various diagrams below. As shown on the chart, approximately 81% appreciated the state of the art of the banking hall (see fig 4.6). This suggests that nature of

the banking hall leaves a strong impression on customers; as such it should be treated as an important strategy of the bank.

Fig 4.6

state of the art banking hall

- strongly agree — 40%
- agree — 41%
- neutral — 12%
- disagree — 7.00%
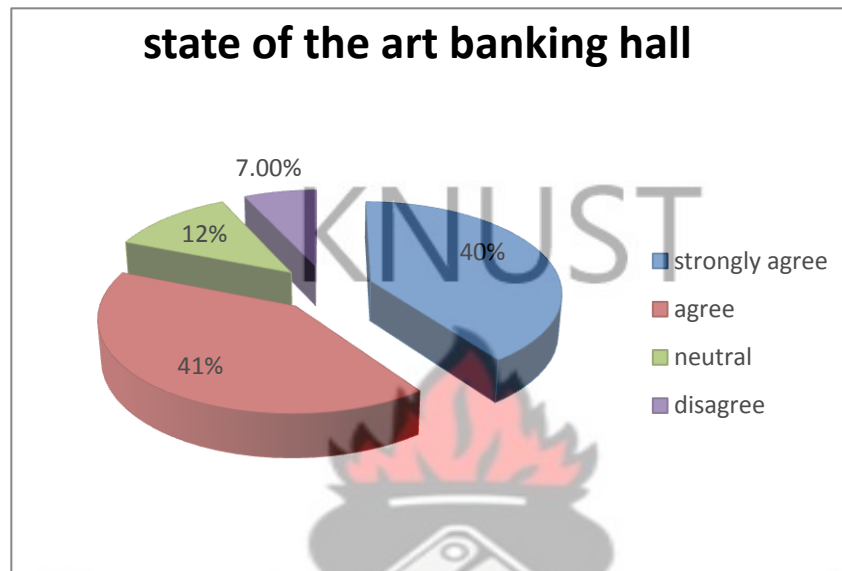
Source: field data (2011)

Again, as depicted on the chart, approximately 90% appreciated the convenient location of the bank (see fig 4.7). This suggests that the location of the bank is very important. Its convenience should therefore be considered as an important strategy of the bank.

Fig 4.7

location of the bank is convenient

- strongly agree — 52%
- agree — 38%
- neutral — 6%
- disagree — 4.00%
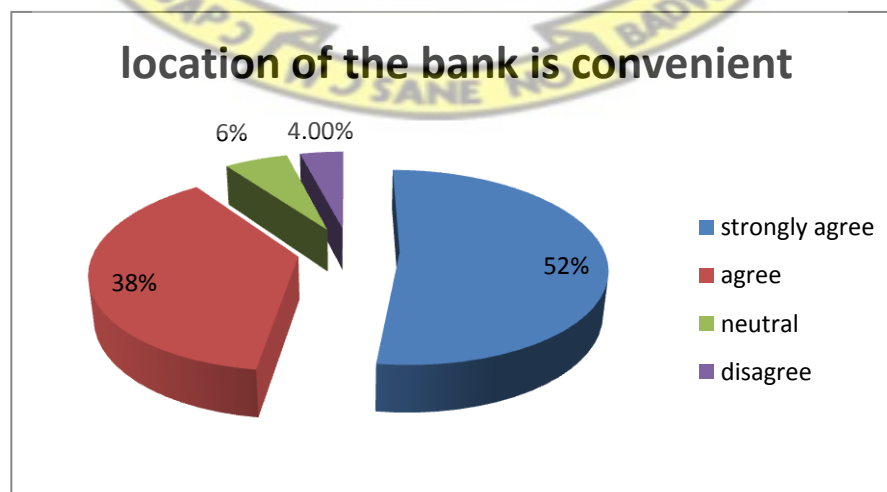
Also, as shown on the chart, approximately 60% saw BBG's pricing as competitive (see fig 4.8). This indicates some room for improvement, because pricing plays an important role in customer retention as suggested by Kirkwood (2009).

Fig 4.8

BBG's pricing is competitive

- 10.00%
- 20% strongly agree
- 30% agree
- 40% neutral
- disagree

Source: field data (2011)

Fig 4.9

have choice of products and services

- 7.00%
- 14%
- 46% strongly agree
- 33% agree
- neutral
- disagree
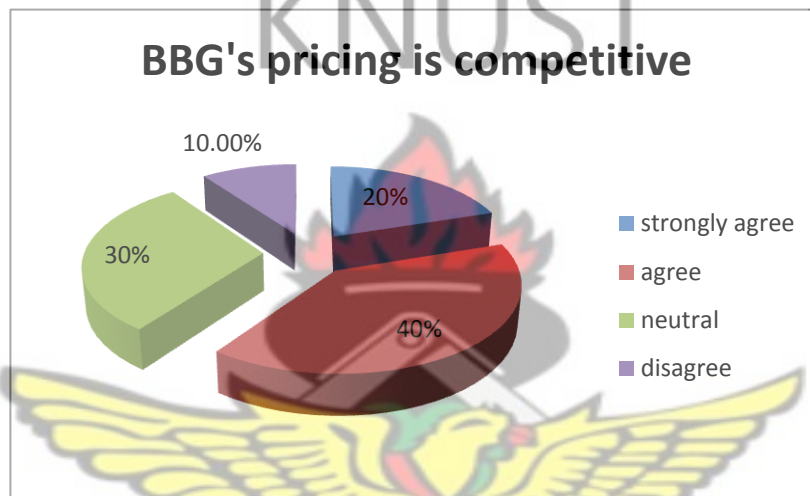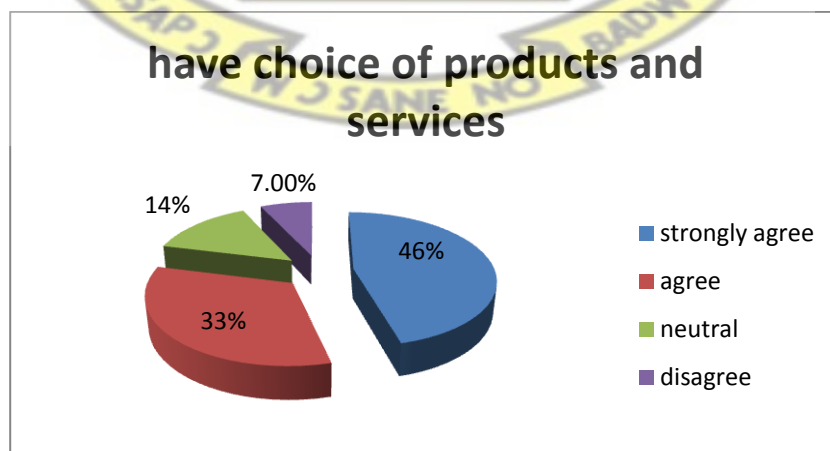
Customers again indicated that they have choice of products and services (see fig 4.9). This implies that BBG's array of products and services serve the customer needs and due consideration and emphasis must be focused in that regard.

Fig 4.10

have long business hours

- strongly agree 32%
- agree 53%
- neutral 11%
- disagree 4.00%

Again, as depicted on the chart, approximately 85% appreciated the long business hours of the bank (see fig 4.10). This suggests that the business hours of the bank is an important strategy that should be maintained or even improved to include weekends.

Fig 4.11

often provide souvenirs

- strongly agree 25%
- agree 45%
- neutral 20%
- disagree 10.00%
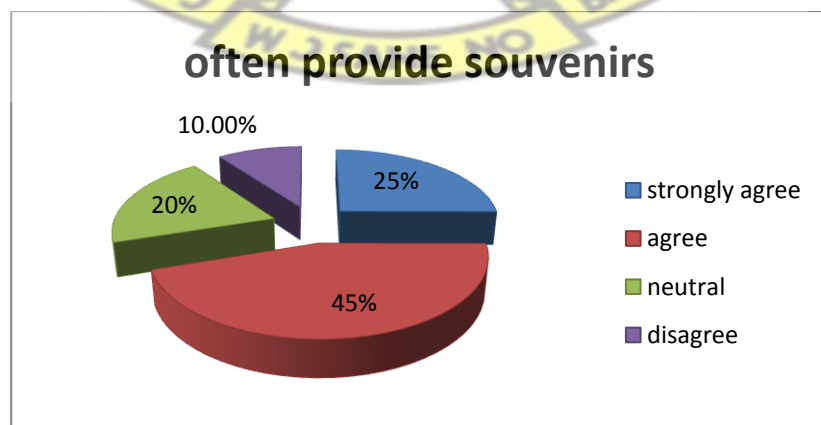
A souvenir, often provided to some customers is another strategy that should be pursued further. This is because as shown on the chart, approximately 68% liked that service (see fig 4.11).

Fig 4.12
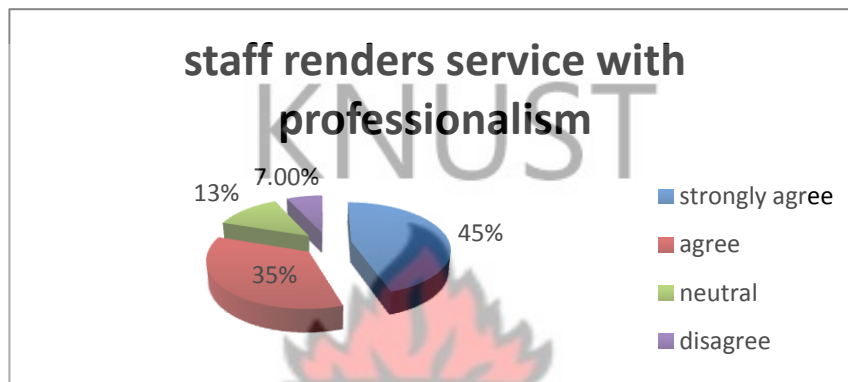
Finally, the professionalism of service rendered to customers by staff also showed strongly as an important strategy. This is considering the approximately 80% of customers used in the study who acknowledged the staff's level of professionalism (see fig 4.12). The fact that the remaining 20% were not impressed is an indication that there is still room for improvement.

4.5 Effect of BBG's Customer Service Strategies on Corporate Performance

The study identified some benefits associated with the banks customer service strategies (see table 4.10). The bank has derived most of these benefits out of creativity. It sees creativity as essential for sustained growth. This is consistent with Kotler's (2002) position that effective execution of existing strategies can bring increased revenue and profits, but the most successful strategies are often the most creative, delivering growth by developing new ones.

Table 4.10: **Benefits of good customer service.**

	Benefits	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Good corporate image	1	6.7	6.7	6.7
	Positive mouthing	1	6.7	6.7	13.3
	Increase in profit	1	6.7	6.7	20.0
	High customer retention	2	13.3	13.3	33.3
	All of the above	10	66.7	66.7	100.0
	Total	15	100.0	100.0	

Source: field data (2011)

The study further identified the following as effects or benefits the bank has derived as a result of its customer service strategies:

Customer Satisfaction: Customers have been largely satisfied as indicated by fig 4.7. Customer satisfaction is determined by product and service features, consumer emotions, perceptions of product and service quality, and price as alluded to by Kirkwood (2009). Theses product and service features were described as being satisfactory.

Profits: The staff understands the relationship between the way they greet, treat and handle customers and the bottom line. This has reduced the drain on company resources and increased customer satisfaction by reducing the number of returns, complaints and problems that crop up because of poor handling. This has impacted positively on profit. Profits also

grew from GH¢439,000 in 2009 to about GH¢ 549000 as at close of 2010 representing 20% increase from direct interview with the manager.

Loyalty: Because of their professionalism, customers remain confident in the company and continue the business relationship. In addition, happy customers help spread positive word-of-mouth, resulting in an additional avenue for marketing and advertising for the company.

Internal Benefits: Customer service provides exceptional customer service to external and internal customers. Internal customers, including marketing and product development, depend on the data collected from customer service contacts to improve existing products and services. This data can include information related to safety issues, production problems and poor performance. The internal benefits to the company stretch beyond current products and services. Good customer service departments capitalize on the ideas customers provide for suggested products and services, leading to opportunities for new innovations and revenue streams.

The study sought to find out again if at all the Barclays Bank Asafo branch is able to recruit new customers with the strategies in place. Based on the response from the staff 40% said the branch is able to recruit 1-50 customers within a month. 13.3% also said they are able to recruit 50-100 customers within a month as a branch (see table 4.11). This is to say that Barclays Bank still a choice for many customers irrespective of proliferation of new banks in the banking sector. From the interview conducted with the manager deposit grew from 4billion in 2009 to 6billion in 2010 representing 50% increase.

Table 4.11: Recruitment of customers in a month with customer service strategies in place.

Customers		Frequency	Percent	Valid Percent
Valid	1-50	6	40.0	60.0
	50-100	2	13.3	20.0
	100-150	1	6.7	10.0
	150 and above	1	6.7	10.0
	Total	10	66.7	100.0
Missing	NR	5	33.3	
Total		15	100.0	

Source: field data (2011)

4.6 Customer complaints

According to the response from staff, the bank has in place systems that track customer complaints. This came to the fore in the course of the study (see table 4.12) These complaints from customers are usually communicated or registered in writing, through telephone calls, and personal contact with bank staff. These appear to be part of the system put in place to get customer to communicate their concerns to management.

Table 4.12:   **Systems in place to track complaints logged.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	15	100.0	100.0	100.0

Source: field data (2011)

KNUST

Customer complaints were however seen to be on the decline (see table4.13). This lays

credence to an improving customer service in the company.

Table 4.13:   **Measurement of   customer complaints.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Ascendency	3	20.0	20.0	20.0
	Reduced	12	80.0	80.0	100.0
	Total	15	100.0	100.0	

Source: field data (2011)

4.6.1 Effectiveness of the Customer Complaints system

The study gathered that the staff saw the customer complaints system to be effective

(see table 4.14). The effectiveness of the company's customer complaints system is very

relevant in the total customer service delivery system. Effectively, if customers have the

means to channel their complaints, they could have them addressed. Addressing customer

complaints is an important step in achieving customer satisfaction, and ultimately, customer

loyalty. However, the company may have to put in place a customer satisfaction measurement (CSM) programme as suggested by Kirkwood (2009). This will enable the bank to actively identify specific problem areas based on statistically sound information and correct them. It will also enable the company to prioritise improvement based on an understanding of what the 'key drivers' of satisfaction are, the areas that will have the greatest impact in improving customers' overall perception of the bank.

Table 4.14:   **Effectiveness of the complaint system.**

	System	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very effective	8	53.3	53.3	53.3
	Effective	6	40.0	40.0	93.3
	Ineffective	1	6.7	6.7	100.0
	Total	15	100.0	100.0	

Source: field data (2011)

Specifically, customers were not impressed with the turnaround time (see table 4.15). Customers pointed this out as an expectation which is not adequately met. It is in contradiction of an indication of Service quality, which according to Howcrof (1991) is about meeting customer needs satisfactorily by matching to his expectations. As indicated below majority of customers spend more than 5 minutes in the banking hall which is against the SLA time of 5minute to be spent in the banking halls. This actually confirmed that turnaround time in the banking hall should be seriously looked at.

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Table 4.15   **Time to complete a transaction.**

	Transactions	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5 minutes	12	14.1	15.2	15.2
	Less than 10 minutes	29	34.1	36.7	51.9
	Less than 20 minutes	44	44.7	48.1	100.0
	Total	85	100.0	100.0	

Source: field data (2011)

4.6.2 Customer loyalty

Levels of satisfaction and loyalty were generally high. This has resulted from a focused improvement on the drivers of satisfaction and loyalty. For example, customer complaints handling has impacted positively on customer retention (see table 4.16)

Table 4.16   **Impact of Complaint Handling On Customer Retention.**

	Impact	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Reduction in customer turnover	10	66.7	71.4	71.4
	Increase accessibility of customers to management	3	20.0	21.4	92.9
	Other	2	13.33	7.2	100.0
	Total	15	93.3	100.0	

Source: field data (2011)

4.6.3 Rate of Customer Turnover

This item was aimed at determining the rate of customer turnover. Thompson & Martin (2005) have demonstrated that it is up to 20 times more expensive to acquire a new customer than it is to keep an existing one. The purpose was therefore to help establish the effectiveness of the organization's customer service strategies on clients' retention. It was found that 29.4% of customers indicated that they had plans of leaving the bank (see table 4.17). This was in response to the question posed to customers as to whether they had any intention of leaving the bank in spite of the existence of the above mentioned customer service policy and strategies.

Table 4.17   **Plans of leaving the bank.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	25	29.4	29.4	29.4
	No	60	70.6	70.6	100.0
	Total	85	100.0	100.0	

Source: field data (2011)

4.6.4 Reasons for customers leaving the bank

Several reasons for customers leaving the bank were identified (see table 4.18). It was evidenced however that one of the major reasons for customers leaving the banks is the bank's high interest rate. Currently however, upon the revision of the Bank of Ghana's monetary policy rate downwards (13%), the bank currently charges the lowest interest rate of eighteen percent (18%). This may impact positively on the bank's customer base. This is in the light of the finding that the bank's high interest rate was one of the reasons clients would leave the bank.

Table 4.18:   **Possible reasons for customers leaving the bank.**

	Reasons	Frequency	Percent	Valid Percent	Cumulative Percent
Valid		1	6.7	7.1	7.1
	High interest rate charge	4	26.7	28.6	35.7
	Poor technical service	4	26.7	28.6	64.3
	Poor customer service	2	13.3	14.3	78.6
	Other	3	20.0	21.4	100.0
	Total	15	100.0	100.0	

Source: field data (2011)

In determining what customers want the bank to do in order to meet their needs various demands were registered, (see table 4.19). It was clearly identified that, 44.7% of the customers want the bank to open on Saturdays, 17.6% also said the bank should reward loyal customers more often, 14.3% of the response want the bank to provide more chairs for waiting customers, and 11.8% want the bank to deploy more staff at peak hours while 10.6% represent other various needs. The analysis shows that majority of the customers want the bank to do business on Saturdays followed by rewarding loyal customers more often.

Table 4.19:

Meeting customers need by the bank.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Provide more chairs for waiting customers	12	14.1	14.3	14.3
	Extend bank working hours to Saturday	38	44.7	45.2	59.5
	Deploy more staff at peak hours	10	11.8	11.9	71.4
	Reward loyal customers more often	15	17.6	17.9	89.3
	Other	9	10.6	10.7	100.0
	Total	84	98.8	100.0	
Missing	NR	1	1.2		
Total		85	100.0		

Source: field data (2011)
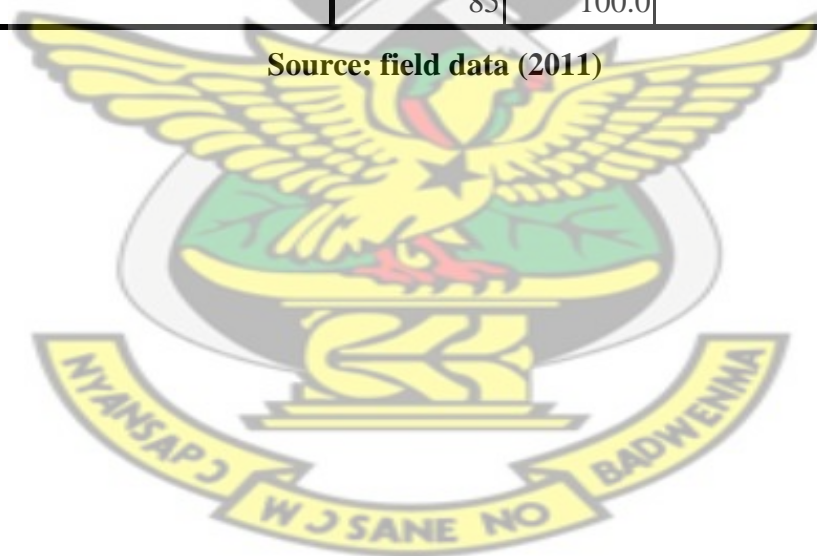
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Other (specify)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	79	92.9	92.9	92.9
Do extension on the room provide more chairs	1	1.2	1.2	94.1
Embark on decentralization to the regional offices	1	1.2	1.2	95.3
Offer the fastest customer service to avoid long queue at the banking hall & time wasting	1	1.2	1.2	96.5
To easily provide ATM cards to customers who misplace their cards.	1	1.2	1.2	97.6
To enhance your loan facilities	1	1.2	1.2	98.8
To reduce high interest rates	1	1.2	1.2	100.0
Total	85	100.0	100.0	

Source: field data (2011)

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter, which is the final chapter of the study, provides a summary of the presentation, highlighting findings to our objectives such as customer service strategies being pursued at Barclays bank Asafo branch conclusions, customers' perception of the customer strategies used at Asafo branch, major complaints of customers at Barclays Bank, and effectiveness of the customer service strategies being pursued. The chapter also presents the conclusion and recommendations to the study.

5.2 Summary of findings

5.2.1 Barclays' Customer Service Strategies

The study revealed that BBG (Asafo) has its established customer service strategies as evidenced by the response rate. These strategies were identified as complaints logging, customer acknowledgement, mystery shopping, and treating customers fairly. Each of these strategies was designed to have the maximum impact on customer loyalty and retention. Further, as the study found, these policies and strategies are reviewed by heads of departments

and service centers as desired, on monthly, quarterly, half yearly and yearly bases. Other strategies had to do with the general environment of the bank. In this category were: the state of the art banking hall, convenience of bank's location, pricing competitiveness, choice of products and services, long business hours, provision of souvenirs and staff professionalism. The various levels of appreciation and recognition of these other strategies are depicted in the various diagrams shown earlier.

5.2.2 Effectiveness of customer service strategies

The company believes that its customer service strategies are effective and are making the desired impact. This is evidenced in the responses which show 73.3% believing that the bank's customer service strategies are effective, whiles 20% saw it as very effective. This was corroborated by the customers who also considered the service experience with the bank to be satisfactory. The study established through responses that the following constitute the means through which service policies are communicated to staff: training programmes, circulars, and meetings. The study again sought to find out how effective the staff perceived the mode of communication of these service policies to them. It was established that the staff found the mode of communication of customer service policies as very effective.

5.2.3 Customers Perception of Barclays' Customer Service Strategies

The study again assessed customers' perception of Barclays' customer service strategies. It was found that customers generally found the service strategies used by the bank to be good. This underscores the bank's customer service delivery efforts.

5.2.4 Measurement of Performance

5.2.4.1 Customer loyalty

Levels of satisfaction and loyalty were generally high. This has resulted from a focused improvement on the drivers of satisfaction and loyalty.

5. 2.4.2 Rate of Customer Turnover

It was found out that customers have plans of leaving the bank, this is in spite of the existence of the above mentioned customer service policy and strategies (see table 4.17). Several reasons for customers leaving the bank were identified. It was evidenced that one of the major reasons for customers leaving the banks is the bank's high interest rate. Asked whether current customers had any intention of leaving the bank, 29.4% of customers indicated that they had plans of leaving the bank. This was in response to the question posed to customers as to whether they had any intention of leaving the bank. Though the company believes its customer service strategies are effective and are making the desired impact. This is evidenced in the responses that showed 90% agreeing to this assertion. This will impact positively on the commitment level of customers.

5. 2.4.3 Effect of BBG's Customer Service Strategies on Corporate Performance

The study identified some benefits associated with the bank's customer service strategies which include: increased in profit, and high customer retention, as a result of customer satisfaction. The bank has derived most of these benefits out of creativity. It sees creativity as essential for sustained growth.

5. 2.5 Major complaints

The bank has in place systems that track customer complaints. This came to the fore in the course of the study .These complaints from customers are usually communicated or registered in writing, through telephone calls, and personal contact with bank staff. These appear to be part of the system put in place to get customer to communicate their concerns to management. The study gathered that the staff saw the customer complaints system to be effective. The effectiveness of the company's customer complaints system is very relevant in the total customer service delivery system.

5.3 Conclusion

Today, banking sector is seen as a catalyst in economic growth of a country and, lot is expected from the banking fraternity. The recognition of banking, as a tool for all inclusive growth by economists, financial planners, reformist etc has made it an important sector in the Government's planning of economic growth. Competition has emphasized the importance of satisfaction, quality and consequently loyalty, being customer service strategies, in the battle for winning consumer preferences and maintaining sustainable competitive advantages, especially in the banking sector. Services are gaining increasingly more importance in the competitive formula of both firms and countries. Satisfaction, quality and loyalty have proven to be key factors in any firm's development or growth. It is important therefore that critical attention is given to customer service as an important strategy at ensuring growth.

5.4 Recommendations

BBG is playing a major role in Ghana's financial industry. This study tried to assess the bank's customer service strategy to ascertain its effect on customer turnover and corporate performance. Based on the analysis and findings of the research the following recommendations are made:

5.4.1 Customer Satisfaction Measurement (CSM)

Generally, BBG has done appreciably well as shown in the findings. However, the company may have to put in place a customer satisfaction measurement (CSM) programme as suggested by Kirkwood (2009). This will enable the bank to actively identify specific problem areas based on statistically sound information and correct them. It will also enable the company to prioritize improvement based on an understanding of what the 'key drivers' of satisfaction are, the areas that will have the greatest impact in improving customers' overall perception of the bank.

5.4.2 Interest Rate

Again, because the rate of interest was raised as a reason why a customer would leave the bank, the bank has to consider its interest rates going forward.

5.4.3 Turnaround Time

As revealed, customers were not impressed with the turnaround time. Customers pointed this out as their expectations were not met as majority of them spent not less than 10 minutes to make transaction at the banking hall. The bank therefore must ensure to minimize the precious time of the customers spent to transact business.

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5.4.4 Weekend Banking

As majority of the customers want the bank to do business on weekends based on the response in table 4.19 above, it is recommended that the considers weekend banking again as was done some years back for all the standard branches.

5.4.5 Reward Loyal Customers

Finally, loyal customer should be rewarded more often as this was revealed to meet the need of customers who are the life blood of business. The management should reconsider their policies in order to reward loyal customers.

5.5 Areas of further Research

In order to promote the growth of the banking sector in Ghana in the face of the recent global financial crisis, there is the need for further research to be carried out in the area of managing credit risk.
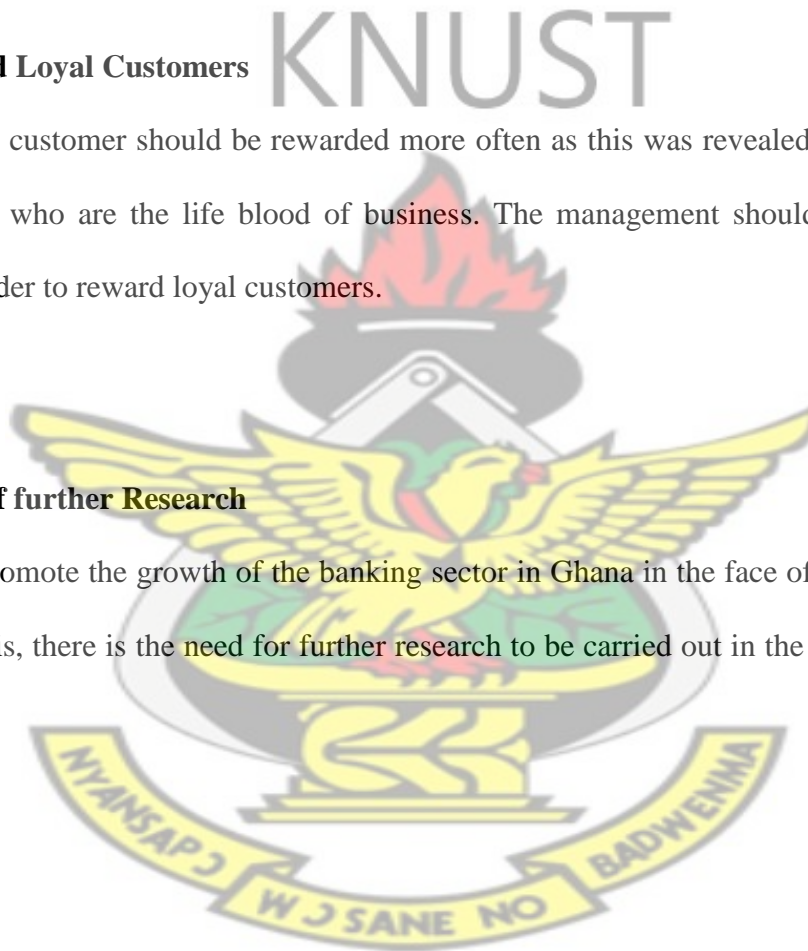
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Unpublished Work

Fundamentals of Service: Barclays Handout Customer Toolkit

APPENDICES

APPENDIX 1

QUESTIONNAIRE FOR STAFF

This questionnaire is designed to gather information on the effects of customer service strategies on corporate performance in Ghanaian Banks but specifically on Barclays Bank Ghana Ltd. Your contribution towards completion of this questionnaire is highly appreciated. Information provided will be used only for academic purposes and given the utmost confidentiality needed.

Part One: Background Data

Profile of Respondent:

1. Number of years with the bank.

1-5 years [ ]   6-10years [ ]   above 10 years [ ]

2. Qualification

1ˢᵗ Degree [ ]   2ⁿᵈ degree [ ]   HND [ ]   other(specify) …………….....

3. Current position in organization………………………………………………………

Customer service strategies

4. Does the bank have customer service policies?   Yes [ ]   No [ ]

5. Mention the strategies put in place…………………………………………

…………………………………………………………………………………

6. How are these policies communicated to staff?   Training programs [ ] circulars [ ]

memos [ ]   meetings [ ] All of the above [ ]

7. How effective is the mode of communication of customer policies to staff?

Very effective [ ]   effective [ ]   ineffective [ ]

 8. How are the policies reviewed? Monthly [ ]   quarterly [ ]   half yearly [ ]

yearly [ ]   other [ ] specify……………………………………………………..

9. In your opinion, how effective is the customer service strategy being implemented by

Barclays bank?

Very effective [ ]   effective [ ]   ineffective [ ]

10. How would you rate the customer service strategies employed by Barclays bank.

A. good [ ] B .average [ ] C. below average [ ] D. poor [ ]

11. How is the bank's products differentiated from other banks?

…………………………………………………………………………………

 Customers' complaints

12. Does the bank have a system (s) to log customer complaints?

Yes [ ]   No [ ]

13. Through what means do customers register their complaints more often? In writing [ ]

Internet [ ]   telephone calls [ ]   personal contact with bank staff [ ]

14. Does the bank have systems in place to track complaints logged?

Yes [ ]   No [ ]

15. How effective is the system?

Very effective [ ]   effective [ ]   ineffective [ ]

16. What is the impact of complaint handling on customer retention?

Reduction in customer turnover [ ]

 Increase accessibility of customers to management [ ]

Other (specify)……………………………………………….

17. How many customers have left the bank in spite of pursued customer service strategies

within a month?   1-50 [ ]   50-100 [ ]   above 100 [ ]

18. What in your estimation are the possible reasons for customers leaving the bank?

A. high interest rate charge [ ]   B. poor technical service [ ]

C. poor customer service [ ]   D. other (specify)

19. With respect to customer service strategies in place, in your own opinion are customer

complaints on…. Ascendency [ ]   reduced [ ]

20. Are the complaints periodically reviewed? Yes [ ]   No [ ]

If yes, what is the frequency of review?   Daily [ ]

Monthly [ ]   quarterly [ ]   half yearly [ ] yearly [ ]

21. Who does the review?

A. Heads of dept [ ]   B. service centre [ ]   C. Top management [ ]

Other specify…………………………………………

22. What actions are taken after reviewed? Redefining policies [ ]   contacting customers [

]   All of the above [ ]   other specify……………..

Effects of customer service strategies

23. With customer service strategies, how many customers are you able to recruit in a

month?

A. 1-50[ ]   B. 50-100[ ]   C.100-150[ ]   D. 150 and above [ ]

24. What benefits does the bank stand to gain with good customer service?

A. Good corporate image [ ] B. Positive mouthing [ ]   C. Increase in profit [ ]

D. High customer retention [ ]   E. increase market share [ ]   E. all of the above [ ]

25. Suggest how best to improve customer service at Barclays bank.

……………………………………………………………………………………

QUESTIONNAIRE FOR CUSTOMERS

This questionnaire is designed to gather information on the effects of customer service strategies on corporate performance in Ghanaian Banks but specifically on Barclays Bank Ghana Ltd. Your contribution towards completion of this questionnaire is highly appreciated. Information provided will be used only for academic purposes and given the utmost confidentiality needed.

Age………………………..   Occupation………………….

18-20 years [ ]   21-30 years [ ]   31-40 years [ ]   above 40 years

Account type: savings [ ]   Current [ ]   Business account [ ]   Student account []

1. Do you have an account with another bank apart from Barclays bank?

   Yes [ ]   No [ ]

2. For how long have you been with Barclays bank?

A. New customer[ ]B. 1 month-1year[ ]C. 1year- 5years[ ]   D. 5years and above[ ]

3. What influence your choice of bank?

A. easily accessibility [ ]   B. low interest rate [ ]   C. good customer service [ ]

D. wide range of products [ ]   On-line service delivery [ ]

4. Please tick the appropriate box. These strategies are strongly pursued by Barclays Asafo branch.

Strategies	Strongly agree	Agree	neutral	disagree	Strongly disagree
BBG has state of the art banking hall					
Location of the business is convenient					
BBG pricing is competitive					
Have choice of products and services					
Have long business hours					
Often provide souvenirs					
Staff renders service with professionalism					

5. What is your perception of the strategies used by the Asafo branch?

Very good [ ]   good [ ]   poor [ ]   very poor [ ]

6. Do you have plans of leaving the bank?   Yes [ ]   No [ ]

7. If yes, what is your reason for wanting to leave Barclays?

A. poor service [ ]   B. higher charges [ ]   C. lack of innovation [ ]

D. Other (specify)

8. How long does it take you to complete a transaction?

Less than 5 minutes [ ] less than 10 minutes [ ]   less than 20 minutes [ ]

9. Which of the following do you enjoy most with Barclays?

A.   Charging lower rates on products offered. [ ]

B.   Offer good customer service[ ]

C.   Providing variety of products[ ]

D.   Easily accessibility of product and service[ ]

E.   Good corporate image

F.   All of the above[ ]

10. How would you rate the customer service experience in Barclays bank Asafo branch?

A. highly satisfied   B. satisfactory   C. dissatisfied   D. poor

11. How would you rate Barclays bank in terms of the ease of doing business?

Very easy [ ]   quite easy [ ]   difficult [ ]   very cumbersome [ ]

12. Would you recommend Barclays bank to a colleague/friend?

Yes [ ]   No [ ]

        a.   If yes, for what reason…………………………………………………
        b.   If no, for what reason……………………………………….................

13. What would you like the bank to do in order to meet your need?

Provide more chairs for waiting customers [ ]

Extend bank working hours to Saturday [ ]

Deploy more staff at peak hours [ ]

Reward loyal customers more often [ ]

Other, please specify.

14. What would you like Barclays bank to do differently?

………………………………………………………………………………………………

THANK YOU

Appendix 3

INTERVIEW GUIDE FOR MANAGEMENT

This guide is designed to gather information on the effects of customer service strategies on corporate performance in Ghanaian Banks but specifically on Barclays Bank Ghana Ltd (Asafo branch). Your contribution towards completion of this interview guide is highly appreciated. Information provided would be used only for academic purposes and given the utmost confidentiality needed

1. What are the strategies in place for good customer service?

……………………………………………………………………………………………..

2. Are these strategies well noted by all staff?

3. Are strategies yielding positive results?

4. What are the areas of positive results?

5. What are the effects of customer service strategies on the following over last 2yrs?

Market share…………………………………………………………………………………

Profitability…………………………………………………………………………………..

Customers' complaints………………………………………………………………………

6. What is the relationship between customer service strategies and the performance of the branch?

THANK YOU