UNIVERSITY OF CAPE COAST

CUSTOMER CARE MANAGEMENT AT NATIONAL INVESTMENT

BANK, OSU BRANCH.

BY

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DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this University or elsewhere.

Daniel Nii Otoo Ankrah

Signature: ……………………… Date:…………….

Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Mr. Patrick Kwashie Akorsu

Signature: ………………………… Date: ………………….

ABSTRACT

Customer care management is a strategy many financial institutions have adopted to improve and retain its customer base. The banking sector is no exception to this. The present study was carried out in National Investment Bank, Osu branch, with the objective of exploring the effectiveness of customer care management and some of the issues that underpin customer satisfaction whiles paying attention to customer loyalty.

Quantitative and Qualitative data analysis were employed in this research. Data gathering tools included questionnaires/interviews. The interview questions were the same as that of the questionnaires with the only difference being that the interview was conducted in various languages based on the participant's preference. The research revealed that customers' demand and expectations have become varied and complex in recent times compared to the past. As a result of this National Investment Bank still has to deal with issues concerning customer care. Recommendations were made to management of the bank and staff in ensuring effective customer care management so that prompt measures are taken to ensure proper way of managing customer care in their various branches.

ACKNOWLEGDEMENTS

DEDICATION

To my sweetheart Ruby A. Teye-Doryumu.

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CHAPTER ONE

INTRODUCTION

Background to the Study

Organisations, both private and public, in today's dynamic marketplace and market space are increasingly leaving antiquated marketing philosophies and strategies to the adoption of more customer-driven initiatives that seek to understand, attract, retain and build intimate long term relationship with profitable customers (Kotler, 2006). This paradigm shift has undauntedly led to the growing interest in customer care management initiatives that aim at ensuring customer identification and interactions, customization and personalization that unreservedly lead to customer satisfaction, retention and profitability, among other things (Thompson, 2004).

Organisations are therefore increasingly being more customer- centric and are much interested not just in acquiring new customers, but more importantly, retaining existing customers. This is perhaps because it cost more to attract new customers than to retain existing ones. It is believed that the average business spends six (6) times to attract new customers than to retain old customers. Again it is more profitable retaining an old customer who is more likely to re-purchase or re-use a company's product or service and recommend them to others. Customer care is, therefore, basically a product of customer loyalty and value which in turn is a function of the level of customer satisfaction or dissatisfaction (Reichheld, 1996).

Customer care is the provision of service to customers before, during and after the purchase of a product or service. According to Turban and

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Cheung (2002), "Customer care is a series of activities designed to enhance the level of customer satisfaction – that is, the feeling that a product or service has met the customers' expectation". Customer care is an intangible asset that benefits the whole organization, customers and employee themselves consequently building a good customer relation each other should be the top most priority of every organization. This will help the organization to win new customers and help maintain the existing ones. Looking after a customer requires special attitude, skills, knowledge and patience. Organisations should therefore provide services that go beyond the expectation of its customers which makes them feel unique from others.

Customer care is the responsibility of every employee within an organization. Employees must develop trust and become loyal to its customers and treat them as if they are the only persons they are dealing with. Customers help raise the image or reputation of every organization and also increase the organization's profit. The foregoing explanation seems to suggest that there is a great task to be accomplished to ensure that customers receive the best type of service: otherwise organizations stand the chance of losing them. It was submitted by Clutterbuck (1998) that, customer care is the fundamental approach to the standard of service quality. It covers every aspect of a company's operations: from the design of a product or service to how it is packaged, delivered and serviced. In all aspect of banking, customers are the most inevitable factor that cannot be toyed with. Customers who come to deposit their monies or those who come to look for credits are all equally essential and their handling should be one of the foremost training that every bank employee should be made to undergo.

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Statement of the Problem

In today's volatile economy, providing excellent customer care can be the critical difference between a company's success and failure. Customers today are better educated than ever before. They are increasingly careful about purchases, the cedis they spend and they want value for their money. Griffiths (2002) state that customer's want good service and are willing to pay for it. The level of courtesy and assistance required from a customer care representative has increased dramatically over the past decade as a result of the customer's upgraded "acceptable" service standards; more skills are required, such as telephone courtesy and assistance, effective telemarketing skills, customer retention, problem-solving capabilities, maintaining customer satisfaction, and effective use of available technology. As a result, organisations in various industries are induced to provide distinguished customer care in order to remain competitive. Therefore the learning of customer care management has become of strategic importance (Griffiths, 2002).

Therefore the integration of value adding strategies coupled with an understanding of the external environment creates a catalyst in fulfilling customer needs. The success to ultimate customer satisfaction and retention is becoming a terrain in which employees, customers and management all emerge as winners. The study will harness on the importance of customer care management as a valuable asset in achieving strategic superiority. The aim is re-establishing the meaning of customer care management in National

Investment Bank, Osu Branch and the effect this has on existing and potential customers.

Objective of the Study

The main objective of the study is to properly situate the importance of customer care management as one of the strategic tools that can help many financial service institutions to always stay ahead of the rest.

The specific objectives of the study is:

i. To examine the nature of customer care practices in National Investment Bank, Osu Branch.

ii. To find out whether customers are satisfied with the product available in National Investment Bank, Osu Branch.

iii. How effective is Customer Care Management at National Investment Bank, Osu Branch.

Research Questions

i. What is the nature of customer service practices in the banking industry of Ghana?

ii. What is the nature of customer attitude to National Investment Banks' services.

iii. What is the switching intention among customers of National Investment Bank, Osu Branch.

iv. Are customers satisfied with products available in National Investment Bank, Osu Branch.

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Significance of the Study

The study is immensely significant in diverse ways to business/marketing practitioners, policy makers and stakeholders. To the management of National Investment Bank, Osu Branch, the findings and results that will be reported in this study will provide a more reliable scientific measure and perspective for describing and evaluating the levels of their customers satisfaction with the services they deliver. It will also serve as an invaluable source of information that brings to lime light the switching intentions of their respective customers. It will essentially uncover dimensions of quality that customers consider as important as well as customers' intention to switch to other competitor. This will provide empirical support for management strategic decision in several critical areas of their operation, and above all, provide justifiably valid and reliable guide to designing workable customer care delivery improvement strategies for creating and delivering customer value, achieving customer satisfaction and loyalty, building long-term mutually beneficial relationship with profitable customers and achieve sustainable business growth in Ghana.

Limitations of the study

The main constraints encountered in conducting the research were as follows:

Financial constraint: the funds available to the researcher in conducting the research were not enough and this made it difficult for the researcher to cover

the desired size of population. Time was also another factor that the researcher faced and this prevented the researcher from achieving the best of the desired outcome. The time allocated for the research was inadequate since the researcher would have to combine work schedules and gathering of information for the research.

Another constraint faced was the lack of maximum cooperation from the customers of the case study organization. That is their unwillingness and reluctance to release information needed to complete the research. The study is focused on only customers of National Investment, Osu Branch. Again only customers who patronize the services of National Investment Bank, Osu Branch were used in the study. Customers' in this study is limited to only individual and not institutions who are also customers of significance in considering overall customer satisfaction with service delivery. Furthermore, this study did not attempt to measure and analyse customer satisfaction with specific service delivered by each of the National Investment Bank Branches in Ghana. Finally the sample for this study is delimited to a sizeable 50 respondents.

Organisation of the study

The rest of study is organized as follows: chapter 2 deals with the relevant literature review on the research topic. Chapter 3 discusses the methodology of the study. Chapter 4 analyses the data and discusses the findings. The last chapter concludes the study and suggests recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Introduction

The chapter reviews existing literature on customer care in the banking industry of Ghana. This chapter takes a look at the various variables that may influence important customer care amid fierce competition from the perspective of some writers and researchers. It starts with definition of bank customer through to the importance and nature of the customer care practices, Customer relationship management in financial institution, Managing customer complaints and, Customer Satisfaction and its practical implications for the study.

Who is a Customer as per Bank Definition?

For a bank, any person who is utilizing one or more of the services provided by the bank is a customer. In other words, a customer is a person through whom the bank gets an opportunity to make an earning in return to the service they can provide the person with. For example, an individual who has a current account with a bank or an individual who has a mortgage or a loan with the bank or an individual who has a fixed deposit with the bank are all customers of the bank. Technically, a banks' customer is defined as anybody who has a financial relationship with the bank. The number of transactions or the length of time the account has been in operation is immaterial.

Also a person to whom the bank provides financial services without including a bank account is also deemed as a customer as regards to the duty

of care owed by the bank regarding those services. In the case Woods v Martins bank limited (1959) demonstrates that the customer relationship is established as soon as any business relationship is formed. In Ghana, the banking law 1989 (PNDC Law 225) states among all other things that "No statue in Ghana has defined the term bank customer. So banks in Ghana as well as the judiciary have adopted the definition in the English Law". The term bank customer has two meaning.

One of these definition states that a person who has an account with a bank is a bank customer. In the case of Great Western Railway Company Limited v London and County Banking Company Limited (1901) Act414, a bank over a period of time, cashed cheques for a person who did not have an account with the bank. The English court of appeal held that once the plaintiff did not have a bank account with the bank, he was not a bank customer. The second definition states that a person who has no bank account but whom the bank offers specific financial services is a bank customer because the bank owes the person a duty of care or a contractual duty in respect of the services provided of which it may be selling to or buying from the person a foreign currency, travelers cheques or even cashing cheques for him or making a banker's draft for him.

In the case of Woods v Martins bank limited (1959) where a bank official gave a non-account holder an inaccurate investment advice, upon which the customer relied and in the process lost heavily in his investment drive, the court held that the non-account holder is a customer of the bank.

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In the nutshell, a bank customer is anybody who has a general or specific contractual relationship with a bank. The general contract emerges when an account is opened at the bank whereas the specific contract is made whenever a financial service is rendered to a customer or a non-customer.

According to the South African Concise Oxford Dictionary (1999) a customer is a person who buys from a shop or a business. The plans and objectives based on the retention, acquisition, penetration and efficiency findings of the analysis and the needs of the customer groups, which drive activity throughout the customer life cycle-from prospect, through new customer and on into mature customer is very key for the success of every organisation. This will involve the day-to-day working practices of the marketing, sales and service support functions within the following key areas:

i. Targeting of acquisition in retention activity;

ii. Handling of enquiries;

iii. Support for new and upgrading customers;

iv. Getting to know customers and how they want to be managed;

v. Account management (service, billing, technical support, field, third-party telephone);

vi. Identifying and managing dissatisfaction;

vii. Winning back lost customers. (Foss & Stone, 2002)

How does a Person Become a Bank Customer?

A person becomes a bank customer if he or she goes to the banking hall and request for the opening of a bank account with the relevant documents such as identification card, four recent passport size photograph for some

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banks, utility bill and a letter of consent in the case of using a utility bill that does not bear your name needed by the bank. If the documents are appropriate, he is given an account opening form to fill, after completing the filling of the forms, the prospective customer offers either cash or cheques as the initial deposit for the operation of the account. Once the bank accepts the application form and the cash or cheques as his initial deposit, the person becomes a customer of that bank. The account can be in the form of savings account, current account, fixed deposit account and many others.

Savings account is an account opened for a customer to deposit and withdraw funds with restrictions on when to withdraw the funds. Savings account earns interest based on the amount balance in your account. Savings account is a source of revenue for banks since they can lend some of the funds out to borrowers at a profit.

Current account is an account which allows depositing and withdrawing of funds at any time without restriction on when to withdraw. Current account does not earn any interest. Banks earn their profit on current account through Commission on turnover.

Fixed Deposit account is an account which allows deposit of money for a very long period of time and withdrawn only after the expiry of the said date. Fixed deposit earns higher interest depending on the duration the funds will be left in the account. The longer the duration, the higher the interest earned and vice versa.

Defining Customers

The term 'customer' is commonly used to refer to end-users of a product. 'Is a generic term referring to anybody who receives a service or product from some other person or group of people' (Haynes and Dredge, 1998).Broadly, there are internal and external customers, where internal customers refers to the staff or employees and external customers refers to the stakeholders of an organisation. Within the external group, there are several customer categories: clients, compliers, consumers and constituents. It is important to identify the types of customer survey when reporting customer satisfaction result. In this study, the customers of concern are the individual consumers/users who receives services from the National Investment Bank, Osu Branch.

What is Customer Care?

Customer care is an organisation's ability to supply their customer's wants and needs (Haynes and Dredge, 1998). Some authors view customer service as all activities, which bind a corporation and its customers together to further a sales relationship. Other authors view customer service as a package of measurable activities that provide utility to customers or optimum levels of service. Kotler and Armstrong (2003) referred to customer service as "a total of all the product, service, personnel and image values that a buyer receives from a marketing offer". Other customer service activities include delivery, alterations, repairs, grants, credits, return privileges, gift wrappings etc.

Customer care is the provision of service to customers before, during and after a purchase. According to Turban and Cheung (2002), "Customer service is a series of activities designed to enhance the level of customer

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satisfaction – that is, the feeling that a product or service has met the customer expectation. Its importance varies by products, industry and customer.

Retail stores often have a desk or counter devoted to dealing with returns, exchanges and complaints, or will perform related functions at the point of sale; the perceived success of such interactions being dependent on employees "who can adjust themselves to the personality of the guest" (Appleton Greene, 2014). From the point of view of an overall sales process engineering effort, customer service plays an important role in an organization's ability to generate income and revenue. From that perspective, customer service should be included as part of an overall approach to systematic improvement. A customer service experience can change the entire perception a customer has of the organisation.

Importance of Customer Care

Service quality has been viewed as a significant issue in the banking industry by Stafford (1994). Since banking services are generally characterized with undifferentiated products, it becomes imperative for banks to strive for improved service quality if they want to distinguish themselves from the competition. Positive relationship between high levels of service quality and improved financial performance has been established by Roth and van der Velde (1991) and Bennet (1992). Similarly, Bowen and Hedges (1993) documented that improvement in quality of service is related to expansion of market share. In the current marketing literature, much attention on the issue of service quality as related to customers' attitudes towards services is focused on the relationship between customer expectations of a

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service and the perceptions of the quality of provision. This relationship known as perceived service quality was first introduced by Gronroos (1982). Gronroos suggested that the perceived quality of a given service is the result of an evaluation process since consumer makes comparison between the services they expect with   perceptions of the services they receive. Hence, he concluded that the quality of service is dependent on two variables: expected service and perceived service. Berry and Parasuraman (1991) considered that a customer's assessment of overall service quality depends on the gap between the expected and perceived service. Thus, the key to managing perceived service quality is to minimize this gap. Zeithml (2003) defined perceived service quality as the customers' assessment of the overall excellence of the service.

Cina (1990) posited that for a smooth implementation of customer care programmes, specific conditions must be set, done and fulfilled. These are: total staff involvement, support from top management, outlining customer requirements and obligations, adherence to set down principles and modes of measuring the set goals.

i. Total Involvement Of Staff: The entire staff in the organization must be committed to the programme. The management needs to adopt an internal marketing approach and sell the benefits of such a programme to staff to motivate them to give off their best towards the successful implementation of the programme.

ii. Support from Top Management: Top management must be committed and support the customer care programme by ensuring its effective implementation. Management must also encourage and support training through study leaves and excuse duty to supplement the internal training being offered.

iii. Outlining Customer Requirements and Obligations: Customers differ in the sort of products or services they choose to satisfy their needs and want.

iv. Customer Orientation: A relationship of trust must be built between the customers and suppliers for the quality that exists.

v. Adherence to Set Done Procedures: Procedures need to be strictly adhered to and administered through all management technique and monitored.

vi. Measurement: It is important to measure the service quality, since it is the only way of revealing how successful or unsuccessful the customer care programme has been.

There is also the need to ensure total quality management of customer care. This calls for combining the satisfaction of customer needs with the achievement of company objectives, thus making it possible for organizational objectives to be met through strategic operations that go to satisfy customer needs. From the available literature, one sees a clear picture of customer service as a fundamental motivating factor behind the success of most financial institutions. At the same time, it appears those who treated customer service lightly many not reap the full benefits. The current study is thus, well

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positioned to examine the extent to which the scenarios painted in the available literature are supported within the context of National Investment Bank, Osu Branch in Ghana.

As Cina (1990) rightly put it; for a smooth implementation of customer care programmes, specific conditions must be set, done and fulfilled. These are: total staff involvement, support from top management, outlining customer requirements and obligations, adherence to set down principles and modes of measuring the set goals. Think about it. In furtherance to these assertions, Cina (1990) asked questions such as; When was the last time you didn't have to wait forever in line because the cashier was busy talking to her friend or making so many mistakes that she had to re-ring the same purchase two or three times? : When was the last time you were able to return merchandise without having to sign over your first born? : When was the last time you were able to reach a real person on the phone when you called a company with a complaint or even just a simple question?

The truth is the American buyer is absolutely starved for customer care. So what constitutes good customer care? The answer is not that difficult. Here are some basic starting points for every business to use in refining and improving customer service. Remember that every customer base is both internal and external. As a business owner you must realize that you have a direct impact on the service that your customers receive; even if you do not directly deal with those customers yourself. Employees are your internal customers. They will impact your company's external customers; the people that purchase your goods or services. If you, as an employer treat your employees poorly it is more than likely they will pass that treatment on to the

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customer. However, if you treat them fairly, with courtesy and tact that is how they will probably treat customers.

Customer Care Management

One of the difficult questions facing all organisations interested in improving their customer management is: "I have decided what customer management strategy to put in place. I have decided which model(s) of customer management to use. I have bought my systems. I have decided on my implementation programme. Now, where on earth do I get the people to manage it all?" (Foss and Stone, 2002). This is the wrong question. Leaving the people area until last is not a good idea. Indeed, companies that succeed in implementing new approaches to customer management tend to appoint much of the team first, and leave the team to develop plans. This follows the excellent principle of not expecting people to implement plans that they had no hand in shaping. Of course, it is not possible to appoint a complete team before deciding what to do, as the decisions about what to do, and where and when to do it, affect decisions about the nature and size of the customer management team.

Indeed, it is this, "chicken and egg" interdependence between appointing the team and developing and implementing a customer management plan that causes such stress in many organisations trying to improve their customer management (Foss and Stone, 2002). Customer management research suggests a very high correlation between having the right people and people programme in place, with achieving results for your customers and company. It is perhaps not surprising that some successful

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managers extol the mantra "the customer comes second", meaning that where there is internal focus on employees they in turn will be able to understand customer needs and manage relationships effectively (Foss & Stone, 2002).

Economically, building employee loyalty makes as much sense as building customer loyalty. An employer with a high turnover of staff will find that recruiting new people and training them is expensive, just as recruiting new prospects and converting them to customers is expensive. They are different sums of money, but both significant. In the same way that it is foolish to fail to build loyalty with a customer once an investment to win them is made, so it is also a waste of money to lose good employees once they have been recruited and trained. The development of employee loyalty is fundamental to the success of becoming customer-driven and delivering a sound corporate promise (Frazer-Robinson & Frazer-Robinson, 1999).

Employee value leads to the satisfaction, loyalty, and productivity that produce customer value, satisfaction, loyalty, trust and commitment. Satisfied, loyal, trusting, and committed customers are the primary driver of company growth and profitability, important determinants of investor value. Finally, the fruits of growth and profitability are reinvested in value for partners (suppliers, communities, and others) employees, customers, and investors (Heskett, Sasser & Schlesinger, 2003).

Customer Care Strategies

Haynes and Dredge (1998), argue that customer service management strategies entail:

Motivating staff to approach work positively as attitudes are very important in the customer service mixes. The manager needs to build up value of the jobs service employees do. Praise good work and give employees credit for their success. Taking special care to value the work that part-time employees do and include them in the team. Organising efficient systems to deliver effective and consistent customer service at all times. Championing customer service within the organisation to ensure that sufficient resources are allocated to this important function. This can mean building a good business case to justify additional expenditure to ensure customer loyalty. Promoting high standards of service by setting clear, measurable performance targets for employees.

Customer service can be measured in a number of ways, such as comparing service levels against a norm, measure perceptions such as importance and satisfaction or measure utility. According to Griffiths (2002), organisations in order to achieve creative customer service management focus should include: Anticipating customer's needs; Anticipating supplier's strategies; Helping suppliers or customers respond to the changing regulatory environment; Classifying customers according to customer service needs and providing different levels of service to them based on these needs; Providing more management service to smaller customers.

Customer Relationship Management in Financial Institutions

Today's financial institutions are undergoing tremendous revolutions in its scope of work due mainly to competition and products diversification among the actors in the industry (Oduro-Senyah et al., 2009). Financial institutions are restructuring to fund only those core competencies that are key

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to their profitability and long-term survival. Managing relationships with their customers especially with employees, channel partners, and strategic alliance partners is critical to the firm's long-term success (BeckettCamarata, Camarata, & Barker, 1998). Customer relationship management based on social exchange and equity significantly assists the firm in developing collaborative, cooperative, and profitable long-term relationships (Beckett-Camarata et al., 1998).

CRM from financial institutions perspective is a sound strategy to identify the bank's most profitable customers and prospects, and devotes time and attention to expanding account relationships with those customers through individualized marketing, repricing, discretionary decision making, and customized service-all delivered through the various sales channels that the bank uses (Semih & Ibrahim, n.d.). The ability to identify profitable customers and then customize marketing on the basis of customer value has enabled many banks to punch above their weight in today's competitive environment (Beckett-Camarata et al., 1998). However, the author goes on to say that the enthusiasm generated around CRM and a select concentration of relationship winners is in stark contrast to the nay saying by many business commentators.

According to a recent study, personal and retail banking in the United Kingdom is a comic story as banks continue to offer sub-standard service despite the huge investment in CRM technology (Beckett-Camarata et al., 1998). Over a quarter of these banks (28 per cent) failed to respond to simple customer queries and more than 60 per cent of respondents felt that banks could do much more to improve customer service standards. Far from improving profits and cementing relationships, many firms across a wide

range of industry sectors (that includes banks) have found themselves in the worst case scenario; where their CRM systems wind up alienating long-term customers and employees.

Managing Customers Complaints

Complaints handling is not a substitute for abdicating the responsibility for managing quality and achieving customer satisfaction. Indeed, the former and the latter are nothing but synonymous expressions and quite compatible concepts. The author argues the principle, demonstrates the points through best practice application, and produces a road map and an audit tool for developing a culture, which is not averse to handling complaints (Zairi, 2000). Note the fact that dissatisfied customers may not complain to the service provider, but will tell a number of people about the bad service they have received (Eccles & Durand, 1998).

However companies should always look at factors related to the development of a service recovery system to ensure that dissatisfied customers are dealt with effectively so as to ensure they receive appropriate levels of service and to maximize customer retention. Companies should consider factors such as the reasons for customer complaints, reciprocity and complaint handling and ways to instill a service recovery strategy (Eccles & Durand, 1998). There is much empirical evidence showing that the satisfaction of complainants with a company's response has enormous impact on the customers' future behavior. Therefore, it becomes necessary to fully understand the construct of complaint satisfaction.

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Moreover, recent research provides deep insights into the determinants and consequences of complaint satisfaction (Stauss, 2002). The author looked at it from conceptual basis and identified that two dimensions of complaint satisfaction are differentiated which are outcome complaint satisfaction and process complaint satisfaction. The results of an empirical study demonstrate the effects of both dimensions on overall complaint satisfaction, relationship satisfaction and repurchase intention. Additionally, factor analysis leads to the identification of cold fact complaint satisfaction and warm act complaint satisfaction as factors that can be interpreted as satisfaction dimensions. Obviously, complainants differentiate between those quality attributes that can be evaluated on the basis of objective facts on the one hand, and those that lead to more emotional reactions (Stauss, 2002).

In the financial circles especially in Utah, USA, banks or credit unions had being found of not doing a good job of surveying customer needs or retaining customers. Similar studies also revealed that customers had stopped using a financial service provider because of poor service performance. The vast majority of that group reported that their decision was made because a bank failed to provide adequate service (Allred & Addams, 2000). No matter how good you are, when selling either a service or a product, you are bound to get hit with some complaints. Managing customer complaints intelligently, efficiently, promptly, and pleasantly can turn a possible catastrophe into a solidly loyal customer. Here are a few tips to help you do that (7-tips-for-managing-customer-complaints):

Firstly, never take it personally when a customer yells at you for something you both know is not your fault. He is frustrated, disappointed, and angry. If

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you don't take it personally, you can control your own attitude, and that will ease the situation.

Secondly, don't ignore complaints, even when they are indirect and non-confrontational. When there is basis to them, it shows you a flaw in your business, shipping, or product that you may have been unaware of. When this is the case, acknowledge such to your customer.

Thirdly, keep track of complaints and review them on a regular basis. A standard form is a good idea, and everything that happens, including follow-up should be written down and dated.

Moreover, deal the same way with phone complaints, emails, letters, and face-to-face confrontations. They are all important clues to how your business is doing.

Furthermore, if a customer receives a product that is not working, you will make him much happier if he can bring it right to you and exchange it. If a new one has to be ordered, then place the order immediately, and don't wait for him to ship it back. You will have made a friend when he gets it back just days after he has returned it!

Always try to offer something to a dissatisfied customer (if there is any basis to his complaint). Refunds, a discount on a different model, getting it fixed, or replacing it, will renew his trust in your business.

Lastly, when nothing you do calms your customer, ask him what he would do in your shoes. Does he have a better solution? Then explain why that would/would not be feasible, or modify it to a point where both you and he

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feel it is fair. Thanking him for his input will make him feel important and you will win kudos.

Always remember that you don't have a business if you cannot keep your customers. They may not always be right, but they are always entitled to courteous treatment, whether asking a question, making or returning something, or dealing with a complaint.

Implementing customer management

According to Foss and Stone (2002) delivery of customer management is depicted in the Figure 2 of the next page; this is the customer management activity model. Plans and objectives, based on the retention, acquisition, penetration and efficiency findings of the analysis, and the needs of the customer groups, drive activity throughout the customer life cycle from prospect, through new customer and onto mature customer. This will involve the day-to-day working practices of the marketing, sales and service support functions within the following key areas: Targeting of acquisition and retention activity; Handling of enquiries; Support for new and upgrading customers; Getting to know customers and how they want to be managed; Account management (service, billing, technical support, field, third party telephone); Identifying and managing dissatisfaction; Winning back lost customers.
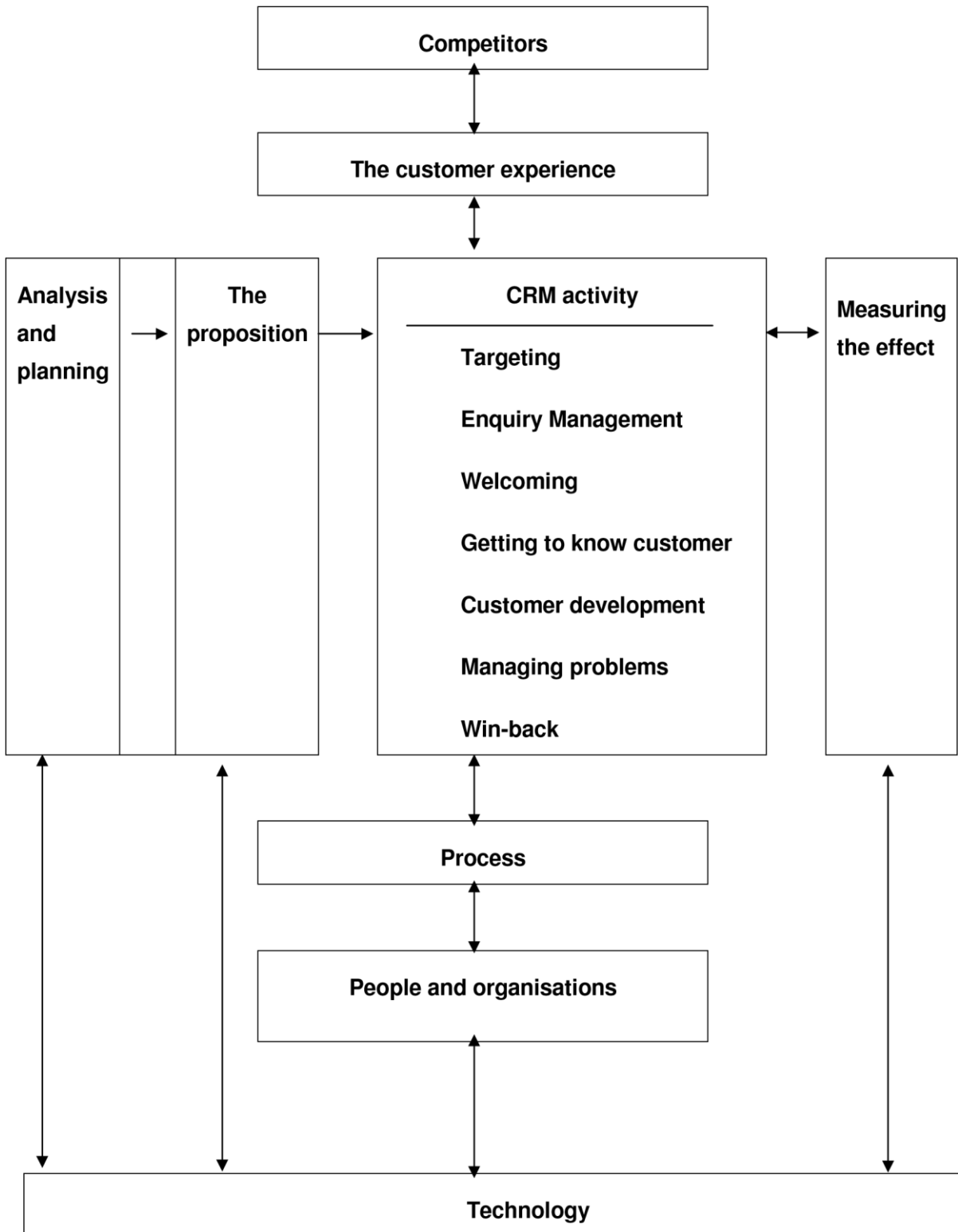
Figure (1): Model of Customer Management, Source: Foss & Stone 2002

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Large organisations have to make some difficult changes to the traditional structures and ways of working in order to achieve what they want to in customer management. This is made difficult because organisations have been sliced into departments or areas of competence, which directly impede a positive experience for customers - this has to be changed. Core measures and reward systems tend to promote customer acquisition activity and distract from sustained relationship building with the customer base - these have to be changed. Senior leadership is critical to the drive and continuity of the strategy. All those involved have to see how they have an impact on successful delivery of customer management - and should be rewarded accordingly (Foss & Stone, 2002).

Partners will necessary play a key role; as such they need to be managed and measured in line with the strategy. How is all this to be achieved? According to Foss and Stone (2002) research shows that just a few critical factors explain why customer management programmes succeed or fail: Restructuring current teams to create the right environment can be extremely difficult: old frames of reference constantly creep in. For an established company, a team that understands the history of the pockets of people really makes a difference to customers and this should drive the change; Strong programme management is absolutely critical. Many Customer Relationship Management programmes have been rebadged as project management or IT programme management to enable this. This is business programme management and requires senior business management responsibility, with a strong HR component. If this fails, companies end up

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with great project plans, strong processes and systems but the people leave or are disenfranchised;

The management role needs to change. New metrics and competencies are required. Many managers find it hard to adjust, and benefit from sharing their experiences with their peers in other parts of the company and in other companies; keeping people is probably the most difficult thing once the organisation has developed them. There seems to be a seventy to eighty percent loss rate of senior programme managers in this area for two years (Foss & Stone, 2002). There is enormous demand for them; Customer Relationship Management cannot be owned by the IT or Marketing departments alone. Companies in the United States, the Netherlands, Scandinavia, Australia and South Africa have realised this and the realisation is now spreading to the rest of the developed world. So good Customer Relationship Management programme managers are getting even harder to find as the competition for them is becoming more international.

There is a need for more focus on working with partners to provide sound Customer Relationship Management propositions and to implement Customer Relationship Management. This should take into account the culture of the organisation and the fit of people working together. Exchanging staff with suppliers and other business partners can advance programmes greatly (Foss & Stone, 2002);

According to Foss and Stone (2002) Knowledge Management is at the heart of Customer Relationship Management. People developing and sharing knowledge about customers, how they behave, how they react to the company's proportion, what works and what does not - these are all critical

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elements of a customer management programme, and require the appropriate infrastructure measures and technology to support them;

Foss and Stone (2002) also state that it is important to link pay and reward to Customer Relationship Management where possible. For example, if a data model has been built to support, retention activity and the retention activity based on the model works well, has the database team been rewarded for the success? It is important to define certain key roles and accountabilities in the Customer Relationship Management programme and how they need to change, keep them under review, although this is hard at the beginning of the programme. Key responsibilities that must be allocated include those for customer acquisition, retention, development and for the cost-effectiveness of customer management; Building teams around customer groups is a good way to motivate people. One company built a center team around acquisition sales and service for regions of the customer base and watched the conversion rates soar by twelve percent (Foss & Stone, 2002)

Achievement/recognition is often the area that has the greatest impact. It is not all about money. The best example of this is an organisation that gains key customer input on individuals' performance and creates monthly, quarterly and annual communications around these. Based on this feedback, individuals and teams are provided with additional development roles; the emotional aspect of the Customer Relationship Management programme should not be forgotten. The ideal (though difficult) objective is to change feelings in the hearts of customers and staff. There is a fine line between motivation and emotion. If you can create more positive customer emotions, and the impact of this emotional change is demonstrated to staff, this can have

a really positive effect on how staff think and work. It can also reduce some of the stress and conflict that Customer Relationship Management programmes can lead to conflict with other policy areas is not resolved (Foss & Stone, 2002).

Being part of something that is difficult in the marketplace and recognised as being successful also promotes a buzz. When a company succeeds in creating this kind of emotion, it is immediately obvious in the tone and content of e-mails from customers, for example. It is just as important to recognise that negative customer emotions can have a serious effect on customer-facing staff. For this reason some companies create "mentoring" networks for those dealing with very difficult complaints or claims processes (Foss & Stone, 2002).

Customer Satisfaction

Customer satisfaction is defined as a customer's overall evaluating of the performance of an offering to date (Johnson & Gustafsson., 2000) and is seen as the key to a company's success and long-term competitiveness (Hennig-Thurau & Klee, 1997). The satisfaction also serves as a judgment that a product or service features, or the product or service itself, provides a pleasurable level of consumption related fulfillment (Oliver, 1997). In less technical terms (Zeithml & Bitner, 2003) translated this definition to mean that satisfaction is the customer's evaluation of a product or service in terms of whether that product or service has met their needs and expectations. Failure to meet the needs and expectations is assumed to result in dissatisfaction with the product or service.

This overall satisfaction has strongly impact positively on customers'
loyalty intentions across a wide range of product and service categories. As an
overall estimation that is built up over time, satisfaction typically mediates the
effects of product quality, service quality and price or payment equity on
loyalty (Johnson & Gustafsson, 2000). It also contains a significant effective
component, which is created through repeated product or service usage
(Johnson & Gustafsson, 2000). In a service context, overall satisfaction is
similar to overall evaluations of service quality. In the context of relationship
marketing, customer satisfaction is often viewed as a central determinant of
customer retention. However, the few empirical investigations in this area
indicate that a direct relationship between these constructs is weak or even
nonexistent (Hennig-Thurau & Klee, 1997).

In contrast, Riggall (1980) confirmed that the convenience factor is the
most important for bank customers, followed by friend's suggestions and low
service charges. Lewis (1991) indicated that convenience and recommendation
by friends and family were the most decisive bank selection criteria. In the
face of high levels of competition among the various banks necessitate
adoption of different customer service techniques to satisfy and retain the
customer (Oyeniyi Ampersand & Abiodun 2008). Clearly, the effectiveness of
the level of customer service will enhance customer retention; reduce
switching between and among service providers and serve as the edge over
other competitors.

In the past customer retention strategy was just one weapon to use
against competitors and was downplayed because marketing professionals
focused primarily on attracting new customers. However, firms that continue

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to acquire new customers but are unable to retain them are unlikely to see positive results and customer retention has become essential to survival. Indeed, the relationship between the customers and the banks seems to be built around two different types of factors: social bonds, namely relational components that result in direct relationships, and structural bonds, namely structural components which provide knowledge about the parties involved.

In banks, the customers ask themselves about the level of the services and decide about the lack of importance given to them and decide about repurchase behavior after using the services. The level of satisfaction is always high when the customer gives minimum price and gets maximum of usage and profit (Jamal and Kamal, 2004). Dissatisfaction usually occurs when the pricing issues are not suiting the needs of the customers. In banking industry also, the interest rates on loans and charges on the usage of online services such as ATM machines and the processing fee is a major bone of contention between the bank and its customers. If the customer thinks that the charges are more than the needs he churns. The customer initially tries to compromise with the bank but at a certain point he decides to defect. Nowadays, it has become too easy to open an account in any other bank so the switching cost is also minimal. These all factors help customers to switch from the current bank.

Bowen and Chen (2001) pointed out that a small increase of customer satisfaction leads customer loyalty dramatically. The current study finds that customer satisfaction has a large positive correlation with customer loyalty in the retail banking sector in Bangladesh. (Kandampully and Suhartanto 2000) supported this relationship. The strong positive correlation of customer

satisfaction and customer loyalty means that the bank customers will recommend the bank to other people. As a consequence, the banks can be assured of a loyal and stable customer base, thereby reducing the cost.

Financial services in Italy 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. 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. Traditional financial services providers have to work even harder to retain customers that they once took for granted. This is because customers have more choice and more control, long lasting and strong relationships with them are critical to achieve and maintain competitive advantages and, as a consequence, earnings. However, due to the similarity of the offers of many financial services, 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.

Furthermore, 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

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great attention is paid to all the bank-customer touch-points, aiming to optimize the interaction, towards affecting specific customer behaviour variables (satisfaction, loyalty, etc.).

Conclusion

Customers have been the indispensable factor to the success of every organization, but the question is, has the relationship between service providers and their customers been that harmonious as it should be? Effective management of customers serves as a platform in realizing the mission of customer satisfaction and loyalty in any organization that is customer focused. Service providers cannot be perfect in their dealings with their customers, but must not take undue advantage of their customers simply because they see them to be ignorant. This is because customers turn to become uncomfortable and invariably disloyal when they realize they have been taken advantage of. Customer's demands and expectations have become varied and complex in recent times therefore it is necessary for service providers to go the extra mile in meeting the needs of their customers and relate to them in a cordial manner.

Customer care management is all about making the customer the focus of all your operations and your ability to satisfactorily meet and exceed your customers' needs and expectations.

CHAPTER 3

METHODOLOGY

Introduction

The third chapter of the study deals with the methods and procedures used in collecting data for the study. This chapter includes such sections as research design, population, sample and sampling procedures, data collection techniques, instrument(s) used and data analysis. In an attempt to have a better understanding of the effectiveness of customer care management in commercial banks especially National Investment Bank, a survey was conducted, to obtain information   from management, staff and customers of the bank. This chapter shows how the data for the research was collected, taking into consideration the values as well as the methods used that serves as the rationale behind the research, the standard used in interpreting the data, and how conclusions were arrived at. Questionnaires were employed in the process of gathering the information needed for the research work.

Research Design

Leedy (2003) defines research as the systematic process of collecting and analysing information (data) in order to increase our understanding of the phenomenon about which we are concerned or interested. The point of interest for this study has been addressed in the form of a problem statement as follows:

The main objective of the study is to properly situate the importance of customer care management as one of the strategic tools that can help many financial service institutions to always stay ahead of the rest.

Four questions were identified to assist with the solution to the main problem, namely

i. What is the nature of customer service practices in the banking industry of Ghana?

ii. What is the nature of customer attitude to National Investment Banks' services?

iii. What is the switching intention among customers of National Investment Bank, Osu Branch.

iv. Are customers satisfied with products available in National Investment Bank, Osu Branch.

The methodology used in solving the main problem and sub-problems is as follows:

• In chapter two the literature study conducted indicates what organisations do to manage customer service in order to meet customer demands and the nature of customers in general. This chapter elaborates on the realities that exist between the increasing customer expectation and what organisations are doing to keep abreast with meeting such expectation and stay competitive.

In order to solve the rest of the sub-problem a questionnaire based on chapter two has been compiled. The questionnaire is an internal evaluation by

Staff and customers of the Bank on customer satisfaction based on existing tools or internal strategies.

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There are several types of research design namely; *Exploratory*, *Descriptive* and *Causal*but for the purpose of this study, descriptive design was used. Descriptive research is undertaken to describe answers to questions of who, what, where, when, and how. It is desirable when a researcher wish to project a study's findings to a larger population, if the study's sample is representative.

Population

The intended population was staff and customers of the bank in order to obtain a fair distribution and representation of the sample ultimately obtained. The population size is customers of National Investment Bank, Osu Branch.

Sample and Sampling procedure

Random sampling was used in this research in the selection of respondents. Such methods are often used for speed and convenience since they do not require a sampling frame. Forty respondents out of the whole customer base of the bank and a ten personnel of the National Investment Bank, Osu branch were the source of data collection. Forty questionnaires were retrieved. Sample size of fifty (50) (ten internal customers-staff and 40 external customers-customers) determination were guided by cost and time consideration. The population size of the customers of the bank was about 200 and that of the staff was about 50. Random sampling was used to select 40 respondents from the customer base while 10 respondents were selected from the staff population.

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Instrument(s)

Leedy (2003) suggests that the researcher should ascertain that every question in a questionnaire is essential to address the research problem. Each question therefore has been documented to address the information obtained from the literature study in chapter 2. The questions were constructed using the guidelines indicated in Leedy (2003) such as clarity, non-ambiguity, checking for unwarranted assumptions and consistency.

The respondents were given instructions, which communicated clearly how they were expected to respond. The questionnaire was made up of closed questions that required the respondent to select an option they concurred with and a few open ended questions. A draft questionnaire was tested in a pilot study on small number of customers. This helped the to revise questionnaires and interview questions so as to get reliable data rather than responses participants think researcher wants to hear. The questionnaire was accepted.

Validity and Reliability

Churchill and Brown (2004) have research postulate in their book that describes the meaning of validity and reliability as "Any scales or other measurement instrument that accurately measure what it was intended to measure is said to have validity". Validity refers to correctness whereas reliability insists on consistency.

The data for this dissertation should therefore be valid and reliable. Because of this, reliable data have been sorted from both primary and secondary data source.

Data Collection Procedure

Two types of data was collected for the study – primary and secondary data. In the collection of primary data, a semi-structured questionnaire was used to collect information from the respondents. This was done by the researcher within a week period. Between the hours of 9am to 4pm from Monday to Friday, Questionnaires were administered randomly to customers of the Bank. Out of the intended 40 respondents targeted, only 30 respondents really showed interest in the survey as at the end of the one week devoted for the survey. Secondary data was obtained through extensive review of written documents, which included but not limited to articles in newspapers, textbooks, articles on the internet and publications. The main data was collected step by step from both the staff of the bank and the customers three weeks of administering to them.

Secondary Data

These are data which have already been collected by some other agency and which have already been processed and used to satisfy its own need but it is being used by another under reference for an entirely different reason. Brochures, business magazine, journals, internet, newspapers, relevant articles and other long essays, which cover the area of study, were used. This can also be said to be information gathered for the purposes other than the completion of a research project and also used to gain mutual insight into the research problem. Secondary data source is a term used in a number of disciplines to describe sources materials that is close to the person, information, period or idea being studied.

Primary Data

Primary data is freshly collected data otherwise known as raw data.

Data Analysis

Quantitative methods of data analysis were employed in this study. Data mainly from the self-report questionnaire were analyzed quantitatively. Excel worksheet was used to analyze the data to obtain descriptive statistics mainly in the form of frequencies and percentages while data collected from open ended questionnaire were coded and analyzed.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter presents an analysis of the data collected from the field. The field survey was represented by the use of tables and the discussions also presented in both quantitative and descriptive manner, hence showing the true findings of the research.

The survey was on fifty (50) respondents with the use of a random sampling method for selecting the bank staff and customers of National Investment Bank, Osu branch. Forty (40) questionnaires were administered to customers whiles the remaining ten out of the fifty aforementioned was also answered by the bank employees.

Table 1: *Questionnaires Administered*

Questionnaires	Frequency	Percentage (%)
Respondents	40	80
Non-Respondents	10	20
Total	**50**	**100**

Source: Field Survey, 2014.

From table 1, Fifty questionnaires were administered. Forty questionnaires were retrieved representing 80% which constituted both the bank staff and the customers. Thirty respondents from the customers and ten respondents from the bank staff.

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Analysis of Customers Response

Table 2: *Gender of Respondents*

Gender	Frequency	Percentage (%)
Male	9	30
Female	21	70
Total	**30**	**100**

Source: Field Survey, 2014.

Gender was included because it was the assumption of the researcher that there should be a balance between both sexes who patronize the products of National Investment Bank, Osu Branch. According to the survey, two-thirds (70%) of respondents are females while the males make up 30%. This result shows a high percentage of females patronizing the products of National Investment Bank, Osu Branch. Again, one important implication of this large number of females is that the perception and taste of the female may be different from that of the male. Therefore in designing products for customers, National Investment Bank, Osu Branch should distinguish between what is the desire of this large number of females in comparison to the male.

Table 3: *Age of Respondents*

Age Category	Frequency	Percentage (%)
18 -25 Years	9	30
26 – 35 Years	15	50
36 – 45 Years	4	13
46 And Above Years	2	7
Total	30	100

Source: Field Survey, 2014.

Table 3 represents the age category of the customers of National Investment Bank. Fifteen of the respondents representing 50% were within the ages of 26 – 35. Nine of the respondents representing 30% were also within the age of 18 – 25 which comprised of students both in the secondary and tertiary level. Four and 2 representing 13% and 7% were also within 36 – 45 and 46 and above respectively. The study also show the modal age of customers of the bank to be between twenty six to thirty five years. Clearly, National Investment Bank, Osu Branch has a significant number of its customers being in their youthful stage therefore there is the need to protect this niche for future prospects of the bank.

Table 4: *Educational level of the respondents*

Educational Level	Frequency	Percentage (%)
Secondary	3	10
Tertiary	18	60
Above Tertiary	9	30
Total	30	100

Source: Field Survey, 2014.

The questionnaires retrieved from the respondents showed these result presented in table 4, in terms of their educational level. Eighteen out of the 30 respondents representing 60% were those in the tertiary level followed by those above tertiary level and secondary level recorded as 9 and 3 out of the total respondents also representing 30% and 10% respectively.This indicate that almost all the customers of the bank are educated and will be more sophisticated in their dealings with the bank.

Table 5: *Status of Respondents*

Status	Frequency	Percentage (%)
Student	9	30
Employed	18	60
Unemployed	3	10
Pensioner	0	0
Total	30	100

Source: Field Survey, 2014.

Table 5 depicts the status of the respondents. Large proportion of the total respondents were categorized in the employed group with a total of 18 out of 30 respondents representing 60%,followed by the students, unemployed and the pensioners which recorded 9 ,3 and 0 representing 30%,10% and 0 respectively. This indicates that most of the customers are employed.

Table 6: *Time spent at your branch*

Respondent	Frequency	Percentage (%)
Less Than 30 minutes	15	50
30 mins – 1hour	9	30
Over An Hour	6	20
Total	30	100

Source: Field Survey, 2014.

The study explore further to find out the number of minutes customers spend whenever they enter the banking halls of National Investment Bank, Osu Branch. The results shows that on the average 50% of respondents spend less than 30 minutes in transacting their businesses while 30% of respondents spend 30 minutes – 1 hour before getting served in the banking hall. Those who spend over 1 hour is 20%. When the time customers spend at National Investment Bank, Osu Branch before getting served is juxtaposed with what pertains in other banks, it is not a surprise that the bank was adjudged the overall best bank in 2003, 2004, and 2005.

Table 7*: Number of years Customers have been with National Investment bank.*

Years banked	Frequency	Percentage (%)
Less than a year	4	13.3
1 – 5 years	13	43.3
5 – 10 years	6	20
Over 10 years	7	23.3
Total	30	100

Source: Field Survey, 2014.

The number of years spent with a particular bank to some extent shows the level of loyalty of customers. A test item was designed to find out how long customers have stayed with the bank. The table above further explains the number of years customers have banked with National Investment Bank. Customers who have account with the bank for the period of 1 – 5 years recorded 43.3% respondents, 20% of the respondents have banked with the bank for 5- 10 years while 23.3% and 13.3% also representing over 10years, and less than a year respectively. It can be seen that most of the customers are loyal to the Bank.

Customer Care desk at your Branch

A question as to whether National Investment Bank had a customer care desk was answered in a positive way. All the customers in their view said there is a customer desk at the branch with at least two employees available to assist them with any difficulties they are facing with the bank. The financial services

provided include: Helping customers open and close account, : Ensuring that forms provided are correctly filled, : Assessing customer loan applications, Giving investment advice, Addressing to their grievances, Selling to customers any new financial products

Table 8: *Services received from the Bank*

Services Received By Customers	Frequency	Percentage (%)
General Banking and Savings	18	60
Mortgages	3	10
Loan Products	6	20
Insurance	3	10
Investment Products and Services	0	0
Total	30	100

Source: Field Survey, 2014.

From the data collected , 60% of the customers receives general banking and savings with the bank whiles 20% of the customers apply for loan from the bank, 10% of the customers go the bank for Insurance and Mortgages. No customer goes to the bank for investment products and services. This indicates that most of the customers engage in general banking and services than the other alternatives.

Customer Care in Banking.

To the question of whether respondents know something about customer care in banking, a whopping 27 out of the 30 respondents answered "YES", this

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represented 90% and 3 out of the entire customer respondents answered "NO", which also represented 10%. It appears that the growth of the customer base of the bank has been attributable to its drive for the best customer service. This is because most of the customers are educated and know something about customer care. Their continued stay at the branch will suggest that they are satisfied with the services of the bank.

On the overall level of satisfaction with National Investment Bank service offer, a follow up question to the above, seeking to know how often the respondents enjoy satisfaction in relation to customer care in banking, 12 representing 40% answered 'always' , 9 representing 30% answered 'sometimes' whiles 6 representing 20% answered 'not at all'. This demonstrates that customers on the average are satisfied with the services offered at National Investment Bank, Osu Branch. Therein lies the importance of customer care.

Table 9: *Human relation of the employees.*

Question (%)	Rating	Frequency	Percentage
How will you rate the human relation of the cashiers At your branch?	Poor	9	30
	Good	11	36.7
	Average	8	26.7
	Excellent	2	6.67
	Total	30	100

Source: Field Survey, 2014.

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The nature of banking in Ghana has made it such that customers and service providers always interact with each other on daily basis. The results on the human relation of the staff of National Investment Bank, Osu Branch towards customers present an interesting scenario. Majority of the respondents 36.7% answered 'good' to this test item, 30% answered poor, 26.7% answered average wile 6.7% answered excellent. This is significant, clearly demonstrating that something is wrong with the attitude of some of staff of National Investment Bank, Osu Branch. The implication here is that there is the need to motivate the staff of National Investment Bank, Osu Branch to maintain this high level of delivering customer service and if possible do more.

Explanation for Delayed Service

Another proxy variable that measures effective customer care is quick response and attention to customer complaints. The question asked was "Do you get an explanation when you are unduly delayed. Out of the 30 respondents, 21 representing 70% answered "YES", and the remaining 9 respondents representing 30% answered "NO".

A follow up question as to "How often do you get apologies for the delays," produced interesting results, 57.14% of the 70% "YES" respondents said "ALWAYS", (i.e. 12 out of 21 respondents) the remaining 42.86% of the 70% (i.e.9 out of 21 respondents) answered "SOMETIMES". Majority of the customer are of the view that they get explanation for the delayed service and apologies too. This shows the seriousness the bank attaches to customer care

issues. A follow up question about customer loyalty also indicates that majority of the customer are loyal to the bank and will continue to bank with the National Investment Bank, Osu Branch for the next ten years whiles a few customer will not.

Table 10: *customer satisfaction within your branch.*

Respondents	Frequency	Percentage (%)
It has high priority	29	97
It has mid priority	1	3
Total	30	100

Source: Field Survey, 2014.

The researcher further asked question which measured the level of customers' satisfaction. The results show that 97% of the respondents felt customer satisfaction was high priority and only 3% felt it is a mid-level priority. It is evident that National Investment Bank places customer satisfaction focus as primary. This therefore confirms that when banks demonstrate high level of understanding of customer needs and provide them, the level of satisfaction will also increase thereby inducing loyalty and retention among customers. These findings indicate that switching intentions of customers of National Investment Bank, Osu Branch to other bank is very low. The high levels of satisfaction will increase retention of customers and loyalty.

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Table 11: *Surveys to evaluate customer satisfaction*.

Medium	Frequency	Percentage (%)
Daily	3	10
Monthly	11	37
Quarterly	12	40
Semi-annually	4	13
Total	30	100

Source: Field Survey, 2014.

A combination of all respondents gave different responses to this question. Ten percent (10%) felt the organisation conducts surveys to evaluate customer satisfaction on a daily bases for each customer. Thirty seven percent (37%) responded monthly, 40% responded quarterly, 13% semi-annually. As can be seen National Investment Bank conducts such surveys on a monthly and quarterly basis which is quite encouraging for customer care management.

Most Excellent Customer Service you have ever experienced with your Bank.

Regarding the question above, few of the respondents were able to give answers to them pertaining to the most excellent experience they have encountered with the bank. Out of the 30 respondents, 5 representing 16.5% gave the following answers: Transfer of funds by a relative of another branch into my account at a different branch: Replacing of his lost ATM card within a few days without paying any amount of money: Foreign currency purchase: The bank staff assisting him to fill his form in order to perform his

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transactions: Timely submission of bank statement in every quarter of the year.

TABLE 12: *Respondents Preference for Service.*

Preferred Service	Frequency	Percentage (%)
Telephone	3	10
Online	4	13.3
At The Banking Hall	23	76.7
Total	30	100

Source: Field Survey, 2014.

From the table, most of the customers 76.7% prefer transacting business with the bank at its premises (banking hall), 10% respondents also prefer service via telephone. Online banking service which appears to be a new innovation in the banking industry had 13.3% of respondents who prefer to transact business through the bank's website. The respondents who chose online banking were all corporate customers and were of the view that, it enables them to have access to their account 24/7, whereas those who chose telephone banking were also of the view that, it is a good means of communicating with the bank staff and makes transaction easy and convenient. The majority who chose the banking hall was also of the view that it gives them the opportunity to have a face to face contact with the customer care officers and the bank staff of which they can easily express their grievances and needs to them.

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Table 13: *Comparison of Customer care Management with other Institution.*

Rating	Frequency	Percentage (%)
Low	4	13.3
Average	7	23.3
High	8	26.7
Very High	11	36.7
Total	30	100

Source: Field Survey, 2014.

In a comparative analysis of how customer care management at National Investment Bank is being rated with other institutions, 36.7% of the respondents are of the view that National Investment Bank has a very high importance for customer care management, 26.7% of the respondents are also of the view that the bank places high importance on customer care than the other institutions, 23.3% and 13.3% of the respondents argues that customer care management has average and low importance compared to other institutions. From the analysis above, it is indicated that due to the training and educating on customer care by the management to the bank staff, the institution is rated very high than the others.

Opinion on what can be done to improve on the Customer care in service delivery at National Investment Bank.

Opinions on the above question were varied from the perspective of the various customers. These are indicated below.

i. There should be more in-service training for the staff.

ii. Customers should be educated on their rights and duties as bank customers.

iii. There should be suggestion boxes at all branches and customers should be encouraged to express their problems freely.

iv. There should be a close relationship between the bank staff and its customers.

v. The bank should also fashion out banking products that will meet the needs of customers.

vi. Customer needs should be attended to promptly without any delay or excuses.

vii. Employees of the bank must be trained to be conscious of customer's time.

viii. Customer's views, opinions and concern should be considered when making decisions.

ix. Employing more people to some specific duties to enhance effective work and make customer care service easier and faster.

x. There should be enough chairs for customers to relax on until they are being served.

xi. Replace all old equipment and electronic gadgets to aid efficient transactions.

xii. Improve upon their technology in order to have faster and safer.

Employee Perception of the Bank's Operations

Customer care Policy of National Investment Bank.

To present a fairly balanced position as far as the perceptions of the customers of the operations of National Investment Bank, Osu Branch are concerned, a second set of questionnaire was designed for the staff of National Investment Bank, Osu Branch.

This question was asked by the researcher to the staff of the bank under study as to whether there is a Customer Care Policy in the institution. The response by all de respondents was a 'YES' answer. It was further asked what the policy entailed of which different answers were given, which included the following;

i. To treat customers fairly and also empathize with them.

ii. Providing fast, accurate and friendly service to their client.

iii. Officials are required to hold need based conversation with their customers and also offer them the right solutions to their problems. The survey stressed one of the core values of the bank which is exceptional customer service.

Table 14: *Service time for a Customer (On the average)*

Respondents	Frequency	Percentage (%)
Less than 30 minutes	10	100
30mins – 1hour	0	0
Over an hour	0	0
Total	10	100

Source: Field Survey, 2014.

To substantiate the claim by customers that their turnaround time at the banking hall is less than 30 minutes, a test item was designed to this effect. The survey revealed that 100% of the staff of the bank affirmed the earlier finding that customers spent less than 30 minutes on the average in transacting business.

In a related finding, all employees of the bank interviewed posit that the bank is always open to complaints from their customers. The study further found out channels used in welcoming such complaints. According to the information elicited from the staff of the bank, 60% of respondents said complain to employees is the most patronized channel of lodging complaints while 20% also said the customers switch to other competitors (institutions) whenever they are unsatisfied with the services rendered to them. Ten percent (10%) stated in his view that some of the unsatisfied customers make complain to external agencies. One respondent answered that unsatisfied customers fill a complain form whenever they are not satisfied with the service rendered to them.3.6% reported that customer complaint unit is also used to lodge complaints.

Tables 15: *Resolution of grievances*

Respondents	Frequency	Percentage (%)
Always	10	100
Sometimes	0	0
Not At All	0	0
Total	10	100

Source: Field Survey, 2014.

Regarding this question, the bank staff answered that any grievances by the customers are being resolved always.

Table 16: *Rating of how employees are treatment.*

Rating	Frequency	Percentage (%)
Satisfied	6	60
Very Satisfied	3	30
Not Satisfied	1	10
Total	10	100

Source: Field Survey, 2014.

This question was posed to find out how the bank employees are treated to ensure that customer care is effective and efficient. From the table 16, respondents representing 60% were satisfied with how they are treated in the institution.3 respondents representing 30% were very satisfied whiles one respondent representing 10% described that he is not satisfied with the treatment of the employees .He further explained that this will decrease the level of productivity of the institution.

TABLE 17: *Most Preferred Service Medium to Customers*

Most preferred service medium (%)	Frequency	Percentage
Telephone	2	20
Online	2	20
At the Banking Ball	6	60
Total	10	100

Source: Field Survey, 2014.

This question was posed to know the various medium preferred by the bank customers whenever they want to transact business with the bank. Six (6) respondents representing 60% stated that the customers prefer transacting business at the banking hall,2 respondents representing 20% also said the customers prefer transacting business both online and on telephone. This indicates that most of the customers prefer transacting business at the bank premises .This will enable them have a face to face contact with the bank employees. This also affirmed what the customer survey revealed. According to this research outcome, the researcher was made to believe that National Investment Bank management and staff offer explanation for any undue delays to their customers.

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Most outstanding Customer care Service delivery that attracts more Customers.

The researcher was made to know that the management and staff performed a lot of activities which retained and attracted more customers. Some of these customer service deliveries include:

i. Giving out souvenirs to customers who have over GH₵400 in their account.

ii. Giving out a free life insurance policy to customers

iii. Offering financial solutions to meet customers' needs as well as delivering fast, accurate and friendly service.

iv. Transferring most of the customer's transactions to other account through alternative channels like mobile and online banking.

v. Good customer relationship between the bank staff and customers which aid in addressing the issues of customers.

TABLE 18: *Comparison of Customer care Management with other Institution by the Bank Staff*

Rating	Frequency	Percentage (%)
Low	0	0
Average	0	0
High	1	10
Very High	9	90
Total	10	100

Source: Field Survey, 2014.

Out of the 10 respondents, 9 representing 90% answered that the customer care management level of National Investment Bank compared to other institutions is very high. Whiles 1 representing 10% answered that the rating level is high.

Table 19: *Customer loyalty.*

Respondents	Frequency	Percentage (%)
Yes	10	100
No	0	0
Total	10	100

Source: Field Survey, 2014.

The Table 19 depicts the customers are loyal to National Investment Bank, Osu Branch. The entire respondent stated that there is customer loyalty at the bank. This indicates that the customer base of the institution is commendable.

Table 20: *Customer Loyalty in this Institution as Compared With Other Financial Institution?*

Rating	Frequency	Percentage (%)
Low	0	0
Average	0	0
High	3	30
Very High	7	70

58

Total	**10**	**100**

Source: Field Survey, 2014.

A follow up question as to how the employees rate the level of customer loyalty of National Investment Bank with other institutions was asked.7 of the respondent representing 70% answered that the customer loyalty at National Investment Bank is very high whiles 3 representing 30% rated it to be high.

Improving Customer care in service delivery

Opinions on the above question were varied from the perspective of the various respondents. These are indicated below.

i. There should be more in-service training for the staff.

ii. Employees should be encouraged to empathize with customers and be prepared to offer the best solutions to meet customers' needs and go the extra mile to delight customers.

iii. Employees must seek the complains of customers by providing suggestion boxes at all bank branches.

iv. There should be a close relationship between the bank staff and its customers.

v. The bank should also fashion out banking products that will meet the needs of customers.

vi. Customer needs should be attended to promptly without any delay or excuses.

vii.   Employees of the bank must be trained to be conscious of customer's time.

viii.   Employing more people to some specific duties to enhance effective work and make customer care service easier and faster.

ix.   Replace all old equipment and electronic gadgets to aid efficient transactions and also prevent any delay.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

This research was carried out to find out about customer care management in National Investment Bank, Osu branch. This was done in the belief that customer care management effectively implemented enhances a company's reputation, increases its profit; improve the customer base and turnover of the institution. Organizations that render poor services to its customers, tends to give the customers the chance to exit from the organization since customers always want improvements in quality and good customer care. Dissatisfied customers can voice out their complaints to express their dissatisfaction. This can ruin the organization, tarnish its image in the society or service industry and can also influence others to exit from the organization. To find out the truth of the problem, the study was limited to National Investment Bank, Osu branch and different methods of research were employed. These include library research which was used to assess the view of scholars on the topic chosen.

Questionnaires were also issued to respondents who are clients of National Investment Bank and also to management and staff to know their views, perceptions and suggestions about the study.

Customer Care is about satisfying all the needs of customers by every employee and all departments of various institutions. Every staff that has first contact with customers must display exceptional good customer relationship and must have the ability to cope with the difficulties and complains which

falls clearly under the customer's needs. Customer care management effectively implemented by organizations help to retain existing customers and also attracts new ones; this can be achieved through efficient performance of the employee's duties and the good relationship with its customers. Customers are the most important and august visitor ever in every institution and therefore must be received with warmth, courtesy, smile, respect and friendliness. Customers are not dependent on banks but rather banks are dependent on customers, therefore the success and existence of banks depends on its customers. Banks need to set aside its personal problems and ensure that its customers serve diligently, promptly and efficient without any form of delay.

The outcome of the study showed that;

i. Bank customers do get explanation for any undue delay for services they require from the bank.

ii. On the average customers spend less than 30 minutes at the banking hall.

iii. The relationship between the bank staff and customers are quiet commendable of which the employees are able to cope with the difficulties and complains which falls clearly under the customer's needs.

iv. There is a customer desk at the bank with at least two employees who assist the customers with any difficulties regarding opening and closing of account, filing of forms and giving investment advice.

v. Most preferred service medium by most of the bank customers is the banking hall of which they were of the view that it gives them the opportunity to have a face-face contact with the customer care officers and the bank staff whereby they can easily express their grievances and needs to them.

vi. The bank under study provides retail, SME and corporate banking to every individual customer and organization whether large, small or medium organizations.

vii. The bank under study also provides general banking/savings, mortgages, loan products and insurance to its customers.

Conclusion

The liberalization of financial industry has opened the floodgates for the influx of many banks into Ghana. This has generated intense competition amongst the banks. Indeed, one tool that has been used by many of the banks in the competitive market has been customer care. To find out how important this tool is to National Investment Bank, Osu branch the study revealed that National Investment Bank has been in operations for the past 53 years with all 15 branches networked. It provides excellent banking services to its retail and corporate target customers. Majority of the bank's customers are the youth between the age group of 26-35 years. This implies that, the bank has a youthful clientele which is a long term secured niche for the bank.This will help to maintain the low levels of switching intentions of customers.

Indeed, the study revealed that the turnaround time for National Investment Bank customers was less than 30 minutes. And what is more where the staff always welcome customer complaints most of which is reported through the employees.

The study also revealed that as a way to motivate or boost the morale of employees the bank rewards staff for exceeding customer expectation.

The importance National Investment Bank attaches to customer care is given expression by the devotion of one complete unit manned by personnel from senior management. This has yielded positive results towards the growth of the bank are due to effective customer care management.

To ascertain the importance of customer care, categorical response questionnaires were designed and administered to customers of National Investment Bank. Related literature was reviewed and the data analyse for recommendations.

Recommendations

The information gathered by this study pointed to how important customer Care can help a financial institution like the banks grow, especially when the needed attention is given to customer complaints. Indeed, the importance attached to customer care management by National Investment Bank, Osu branch has seen it grow to take a prominent place in the comity of banks in Ghana. The study confirmed that effective customer care leads to customer satisfaction which in turn makes many customers to become loyal and patronize the products and services of the bank. Again, this satisfaction leads many loyal customers to generate word-of-mouth advertisements for the bank thereby more customers to fold on to the bank.

Evidence gathered by the researcher from the field points to the important place occupied by customer care in the operations of National Investment

Bank, Osu branch . The researcher would therefore like to make the following recommendations:

To start with, there is the need for National Investment Bank, Osu branch to reduce their operational procedures to ease the long queue in the banking hall. There is also the need to open more branches especially in the regions where they haven't gotten to capture the large swathe of potential customers in these areas who would also like to enjoy the good customer care of bank.

Secondly, for National Investment Bank, Osu branch to always stay ahead of the other banks there is the need to constantly carry out research on the taste of customers in order to develop corresponding products to suit these tastes. This comes against the backdrop of the intense competition for customers by many of the financial institutions.

Again, there is the need for in-service training and refresher courses for the staff of National Investment Bank, Osu branch because of the negative responses given by some of the customers about a few of the staff of the bank in terms of relationship building. These trainings and courses will always position the staff of the bank to be ready for the needs of the customers anytime.

To further capture more customers National Investment Bank, Osu branch should also consider the idea of replacing old Automated Teller Machines that account to the numerous complaints in the bank and cite Automated Teller Machines at vantage points in the cities outside the bank premises. This is

because; few of the areas that have had their Automated Teller Machines changed have had positive results for the growth of bank.

There is the need for National Investment Bank, Osu branch to consider seriously on improving their electronic products to operate as promised customers. The researcher believes this will ease the pressure of customers joining long queues in the banking halls before transacting business i.e. withdrawing, balance enquires or depositing. Thus, the bank can serve their customers at home or their offices through internet banking service.

Suggestions for Further Studies

Future researchers on the topic could concentrate on what various efforts are needed by financial institutions in our competitive environment to gain and retain customer.

Secondly, given that large number of customers may leave, there is the need for National Investment Bank, Osu branch to seriously step up its research into why customers should keep another account at other banks and address the shortfalls as quickly as possible.

Another issue that could also be considered for future research is under what circumstance one can argue that customer service has improved performance of the financial institutions.

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APPENDICES

UNIVERSITY OF CAPE COAST

TOPIC: **EFFECTIVENESS OF CUSTOMER CARE MANAGEMENT IN COMMERCIAL BANKS (A CASE STUDY OF NATIONAL INVESTMENT BANK-OSU BRANCH.)**

This research work is conducted by a final year student from the department of Accounting and Finance in partial fulfillment for the requirement of University Of Cape Coast for the award of Master of Business Administration Degree in General Management.

This questionnaire is purely a student's research work on Customer Care in Banking with National Investment Bank as my main focus. This exercise is purely academic work and any information is intended solely for the purpose of data analysis and will be kept absolutely confidential.

QUESTIONNAIRE- BANK CUSTOMER

Type of Customer

Retail   {   }   SME   {   }   Corporate {   }

Nationality

Ghanaian   {   }   Non-Ghanaian   {   }

Age

18-25   {   }   26-35 {   }   36-45 {   }   46 and above {   }

Educational level

Secondary   {   }   Tertiary   {   }   Above Tertiary   {   }

Marital Status

Single   {   }   Married   {   }   Divorced   {   }

Widowed {   }

Occupation

Student   {   }   Employed   {   }   Unemployed   {   }

Pensioner   {   }

Please tick the appropriate box.

1. How long have you been a customer of National Investment Bank?

Less than a year {   }   1-5 years   {   }   5-10 years   {   }   Over 10

years   {   }

2. Is there a customer care desk at your Bank Branch?

 Yes   {   }   No   {   }

3. Which of the following service do you receive from the bank?

General banking/savings   {   }   Mortgages {   }

 Loan products   {   }   Insurance {   }   Investment products and services

2

{   }   others (specify) …………………………….

4. How long does it take to get served at your Branch?

Less than 30 minutes   {   }   30mins- 1 hour   {   }   Over an hour

{   }

5. A. When you are unduly delayed for a service you require, do you get an

explanation for the delay?

Yes   {   }   No   {   }

B. If yes, how often do you get apologies for the delays?

Always   {   }   Sometimes   {   }   Not at all   {   }

6. A. Do you know something about customer care in Banking?   Yes   {   }

No   {   }

B. If yes, how long do you enjoy it to your satisfaction?

Always   {   }   Sometimes   {   }   Not at all   {   }

7. How will you rate the Human relation of the cashiers at your branch?

Poor   {   }   Good   {   }   Average   {   }

Excellent   {   }

8. Would you do business with the bank in the next 10 years?

Yes   {   }   No   {   }

3

9. Do you think your bank is practicing customer loyalty?

Yes   {   }   No   {   }

10. In your opinion, how important is customer satisfaction within your branch?

High priority ( )   Low priority   ( )   Mid Priority   ( )

11. How often does your organisation conduct surveys to evaluate customer satisfaction?

Daily ( ) Monthly ( )   quarterly ( )   semi-annually ( )

12. What is the most excellent customer service you have ever experience with your bank?

(If any)

……………………………………………………………………………………………

……………………………………………………………………………………………

……………………………………………………………………………………………

13. What is your preferred service by your bank: via

Telephone   {   }   Online   {   }   At the Banking Hall   {   }

14. A. Have you ever encountered any problem in this very institution before?

Yes　{　}　　　No　{　}

B. If yes, did you appreciate the manner in which it was resolved?

Poor　　{　}　　　Good　　{　}　　　Average　　{　}

15. How would you rate this institution Customer Services as compared to other institutions?

Low　　{　}　　　Average　　{　}　　　High　　{　}

Very High　　{　}

16. What in your opinion, should be done to help improve on the Customer Care service delivery in this institution?

……………………………………………………………………………………………

……………………………………………………………………………………………

……………………………………………………………………………………………

UNIVERSITY OF CAPE COAST

TOPIC: **EFFECTIVENESS OF CUSTOMER CARE MANAGEMENT IN COMMERCIAL BANKS (A CASE STUDY OF NATIONAL INVESTMENT BANK-OSU BRANCH)**

This research work is conducted by a final year student from the Department of Accounting and Finance, in partial fulfillment for the requirement of University Cape Coastfor the award of Master of Business Administration Degree in General Management.

QUESTIONNAIRE –NATIONAL INVESTMENT BANK PERSONNEL

Please note that this exercise is purely academic. Any information is intended solely for the purpose of data analysis and will be kept absolutely confidential.

1. What does the Customer Care policy entail?

……………………………………………………………………………………………

……………………………………………………………………………………………

2. In your view how long does it take to serve a customer (on average)?

Less than 30minutes   {   }   30mins-1hour   {   }   Over an hour   {   }

3. Through what medium does an unsatisfied customer express his/her grievances? Complain to other customers   {   }   Complain to external agencies {   }   Complain to Employees   {   }   Switch to a competitor   {   } others (specify) …………………………

1

4. How often are their grievances been resolved?

Always　　{　}　　Sometimes　　{　　}　　　Not at all　　{　　}

5. In your opinion, how will you rate the treatment of employees?

Satisfied {　　}　　Very satisfied　{　　}　　Not satisfied　{　　}

6. A. In your view, what is the most preferred service medium to your customers?

Telephone　　{　　}　　　　Online {　　}　　　　　at the banking hall {　　}

7. A. When customers are unduly delayed, do you offer them explanation?

　　Yes　{　　}　　No　　{　　}

B. If yes, how often do you apologize to them?

Always　　　{　　}　Sometimes　{　　}　　Not at all　　{　　}

8. What is the most outstanding Customer Care service delivery at National Investment Bank that attracts most of your customers?

……………………………………………………………………………………

……………………………………………………………………………………

9. What are the challenges that the institution went through in implementing this policy?

……………………………………………………………………………………

……………………………………………………………………………………

10. How will you rate the Customer Care Management in this institution as compared with other banks?

Low   {   }   Average   {   }   High   {   }   Very High   {   }

11. Is there customer loyalty?

Yes   {   }   No   {   }

12. How will you rate Customer Loyalty in this institution as compared with other Financial Institution?

Low   {   }   Average   {   }   High   {   }   Very High   {   }

13. What should be done at National Investment Bank to improve Customer Care in service delivery?

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