

**CHRISTIAN SERVICE UNIVERSITY COLLEGE**

**AN EVALUATION OF QUALITY CUSTOMER SERVICE AT ADUM BRANCH OF  
NATIONAL INVESTMENT BANK.**

**ADUM-KUMASI MAIN**

**NAMES**

**ALLEN TAKYI BOAMPONG**

**JANET FORIWAA OPPONG**

**BOADU DAVID ATTA**

**JUNE 2013**

### DECLARATION

We hereby declare that this piece of work was done by us and undertaken by the supervision of Mr. Stephen Banahene except for references cited as source of information, for which was duly acknowledged. The work is no way a reproduction of any work ever presented for the Award of Bachelor of Business Administration Certificate (Degree).

<b>Names</b>	<b>Index Numbers</b>	<b>Signatures</b>	<b>Dates</b>
Allen Takyi Boampong	10140656	.....	.....
Janet Foriwaa Oppong	10140684	.....	.....
Boadu David Atta	10409089	.....	.....

### Supervisor`s Declaration

I hereby declare that the preparation and presentation of the Dissertation were supervised Accordance with the Guidelines on Supervision lay down by Christian Service University College.

### Supervisor`s Name

**Stephen Banahene** .....

### Head of Department`s Name

**Kwaku Ahenkorah (Dr.)** .....

## **ACKNOWLEDGEMENT**

We wish to register our sincere appreciation to God Almighty for His protection and guidance that has ensured the success of this work. We would like to thank our supervisor, Mr. Stephen Banahene, A lecturer of Christian Service University College for the review, editing and supervising, we say thank you for your patience and guidelines. Your memory will forever remain in my mind.

Our profound appreciation also goes to individuals, department and the institution who took part in answering our questionnaire and responses to our interviews. We also thank the head of Business Administration Department Dr Kwaku Ahenkorah of Christian Service University College and all the lectures at the department for their wonderful support.

## **DEDICATION**

We dedicate this work to our parent for their love, support and encouragement throughout our education. We also dedicate it to our siblings and loved ones.

## **ABSTRACT**

The utmost object of the research delved into an evaluation on customer service at adum branch of the National investment bank.

Today, a customer loss is a customer gain for a competitor. Therefore, companies need to spend as much energy on retaining customers as they do on acquiring them. Generally, the study intended to find out whether factors such as habit of customers, tangible quality, intangible quality, customer satisfaction, switching cost, etc. have influence on customer loyalty.

Data was collected through the use of personal interview with an already prepared questionnaire administered to a sample size of 30 people in Adum Kumasi in the month of June.

The data gathered was analyzed statistically with frequency table, bar chart, pie chart and percentages.

In a nut shell, the study shows that, majority of the customers were male representing 53.3 percent and also most of the customers were graduates.

The analysis shows that satisfaction has a link with customer loyalty. The study also showed that, the staffs at the bank were customer friend and they offered excellent services to the customers.

It came out that factors such as choosing, tangible quality, intangible quality, switching cost and customer satisfaction have influence on customer perception.

Again, in relation to the results, it was recommended that, management should organize in service training for staff to brief them more on customer care.

## TABLE OF CONTENT

CONTENTS	PAGE
<b>CHAPTER ONE</b>	
1.0. Introduction.....	1
1.1. Background.....	2
1.2. Objectives of the Study.....	3
1.3. Research Questions.....	3
1.4. Statement of the Problem.....	4
1.5. Significance of the Study.....	4
1.6. Research Methodology.....	4
1.7. Limitations and Delimitations.....	5
1.8. Organization of the Study.....	5

**CHAPTER TWO**

**LITERATURE REVIEW**

2.0. Introduction.....7

2.1. Perspective of service..... 7

2.2. Customer Service..... 8

2.2.1. Importance of Customer Service..... 9

2.2.2. Building Competitive Barriers.....9

2.2.3. Customer Loyalty.....9

2.2.4. Increasing Prices..... 10

2.3. Characteristics of Service..... 10

2.3.1. Intangibility.....10

2.3.2. Inseparability.....10

2.3.3. Variability..... 11

2.3.4. Perishability..... 11

2.3.5. Lack of Ownership.....12

2.4. How to Develop Customer Service.....12

2.5. Perceived Quality.....18

**CHAPTER THREE**

3.0. Introduction.....20

3.1. Methods of Data Collection.....20

3.2. Target Group.....21

3.3. Sample Size.....21

3.4. The Sampling Technique..... 22

3.5. Questionnaire Design.....22

3.6. Data Presentation..... 22

3.7. Data Analysis.....22

**CHAPTER FOUR**

**DATA PRESENTATION, ANALYSIS AND DISCUSSION OF RESULTS**

4.0. Introduction..... 23

4.1. Gender Distribution of Respondents.....23

4.2. Age Distribution of Respondents.....24

4.3. Educational Background.....25

4.4. Occupation of Respondents..... 26

4.5. Analysis of Factors..... 28

4.5.1. Perceived Quality.....28

4.5.2. Customer Satisfaction.....30

4.5.4. Customer Choosing Power..... 33

4.5.5. Habit of Customers..... 35

4.5.6 Customer Loyalty.....37

4.6. Discussion of the Factor Results.....39



**FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

**CHAPTER FIVE**

5.0. Introduction.....41

5.1. Main Findings.....41

5.2. Summary.....43

5.3. Conclusion.....43

5.4. Recommendations.....44

References.....45

Appendix 1.....46

## **CHAPTER ONE**

### **1.0. Introduction**

The life- blood for every business set up is the customer, so any company, which fails to recognize the needs and wants of its customers does so at a great risk. In this modern business competition has become keen especially in the banking sector. In view of this, organization can only distinguish them by offering excellent service to its customers.

The motive of every commercial organization is to maximize profit and minimize cost. The customer is therefore the key to the success of every commercial organization. A dissatisfied customer will find an alternative means to meet his or her expectations; hence, the organization has realized the need to provide quality service to its numerous customers.

Customer service as noted by Harris (1996) is anything that is offered to a customer to enhance his or her experience. To enhance quality and excellent service in the banking industry, the following must be noted.

To start with, the customer needs must be the priority of the organization. Also, credibility, trustworthy, reliability, consistency must be the hallmarks to reward the customer.

The customer also appreciates highly skilled and knowledgeable personnel who are responsible to meet his varied demands. To maintain and retain a customer, it is therefore an undeniable fact that customer satisfaction is very important.

Customers are very sensitive and responsive to the services that are offered to them. They therefore respond positively or negatively, of which organization must take note of good role it plays to suit mankind throughout the world.

## **1.1. Background**

The National Investment Bank Limited was established in March 22, 1963. It was the first development bank in Ghana to promote and strengthen rapid industrialization in all sectors of the Ghanaian economy. National Investment Bank Limited now operates as a universal bank, focusing on development and commercial banking activities.

The National Investment Bank (N I B) has undergone management, institutional and financial restructuring, which has strengthened the organization and now the Bank has many branches nationwide.

National Investment Bank limited has in the past participated in foreign lines of credit, which were administered by Bank of Ghana to meet term loan and working capital needs of the bank customers.

National Investment Bank Limited is one of the designated financial institutions, which sources funds from Expert Development and Investment Fund (EDIF) for lending to exporters as Term and working capital loans.

The Bank was awarded the prestigious Euro Market Award in 1994 and recently won the 2003 Best Bank of the year for long term loan financing.

The Bank also plays a leading role in developing a number of highly successful industrial projects in Ghana, through equity and debt financing. Some include Nestle Ghana Limited, Nexans Kabel metal (Ghana) Limited, Merchant Bank (Ghana) and Total Ghana Limited.

## **Products and Services**

Apart from its development banking activities, National Investment Bank Limited also provides corporate and commercial banking facilities involving both domestic and foreign transactions at very competitive rates and on flexible terms. They include current and savings

Account, call deposits, fixed deposits, loans and advances, personal loans, overdrafts, western union money transfer, mobile cash management service and warehousing.

The National Investment Bank Limited is networked nationwide and renders efficient banking services.

### **Mission**

The mission of National Investment Bank is to serve as a trusted provider of customer focused banking services to retail and corporate customers, building on past successes and devoting their human, financial and technological resources to add value to the activities of stakeholder.

### **Vision**

Their vision is to become the fifth largest Bank in Ghana with effective banking links with their overseas correspondent banks.

[Source: [www.nib - ghana.com](http://www.nib-ghana.com).]

## **1.2. Objectives of the Study**

- To identify the customer service practice likely to affect the customer satisfaction.
- To examine customer perception on the services of the Bank(NIB).
- To examine the customer care at the Adum branch of NIB.

## **1.3. Research Questions**

The study is guided by the following research question

- Does the customer service practice affect customer satisfaction.?
- How does the customer perceives the service of the Bank.

- What type of customer can be identified at the Adum branch of NIB.

#### **1.4. Statement of the Problem**

Quality customer service is increasing across the financial sector but still has a long way to go in order to achieve appreciable satisfaction. The reason is that many banks do not give the kind of effective service expected of them to their customers at their various bank branches. Therefore, this study is intended to evaluate the factors hindering the delivery of excellent customer service in National Investment Bank. (NIB)

#### **1.5. Significance of the Study**

The significance of this study, are as follows;

- The research is to help policymakers and stakeholder to design and expand their customer service base for development at the bank.
- The research will also be a guide to other entities in the same business to adopt proper mechanism for quality customer service in order to increase their customer base.
- Finally, to serve as a secondary data to future researchers who may intend to under a similar study in customer service.

#### **1.6. Research Methodology**

The qualitative data would deal with the behavioral aspect of the study. However, in order to quantify ideas and figures for easy understanding, qualitative data would be much preferable. Also secondary sources of information shall be conducted to lay much emphasis on what has been researched into. These may be gathered from books, newspapers, magazines, journals, and the likes.

Primary data shall be adopted to evaluate the effectiveness and efficiency of the services being provided to customers on the grounds of satisfaction or otherwise. By this, personal interviews would be observed to make customers to voice out their experience.

Thirty (30) customers of the bank shall be interviewed not excluding a few staff members who will help us out to accomplish our mission.

### **1.7. Limitations and Delimitations**

Due to limited resources such as finance, time, and field attendants, the study was limited to only the National Investment Bank branch in Sunyani Municipality. Because of the constraints mentioned above, the chosen sample size was very small in relation to the entire population of the bank. This can therefore affect the results in terms of making a meaningful generalization.

### **1.8. Organization of the Study**

This study is grouped into five (5) main chapters.

Chapter one (1) contains the introduction; it also includes the problem statement, research hypothesis, objectives of the study, the significance of the study, research methodology, limitations and delimitations, and how the chapter is organized.

Chapter two (2) which is also known as the literature review, makes references to other works and theories related to the study under consideration.

Chapter three (3) talks about data type, target population, sample size, questionnaire design, interviews and data presentation and data analysis.

Chapter four (4) deals with the data analysis and the presentation of the study.

Chapter five (5) entails the findings of the research comments, recommendations, and conclusions based on the field findings.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0. Introduction**

The literature review consist of the theoretical work of experts, which comprises citations and quotations from their work done which is of relevance to the problem we have chosen to work on.

#### **2.1. Perspective of service**

One of the main points of the marketing concept is that a firms offering goes far beyond the physical product offering into a broader array of need satisfactions. This means that the banking firms must recognize that, everyone in business sell some element of service.

Many authors have defined service in many ways. Boyd et al, (1990) defined service as intangibles versus goods as tangibles, thus, service can rarely be experienced in advanced of the sales, while tangible goods can be directly experienced even tested before purchase.

Kotler and Armstrong (2006) defined service as “ any act or performance that one party can offer to another that is essentially intangible and does not result in ownership of anything and its production may or may not be tied to a physical product.

Cannon (1998) also defined service as those separately, identifiable, essentially intangible activities which provides want satisfaction, and which are not necessarily tied to the sales of product or another service. Activities such as depositing money in a bank, withdrawing money from a bank, getting advice from a solicitor and many others can be classified as service, however, just as many manufacturers of physical goods supply a range of services alongside their product such as distribution and delivery, after sales service etc.



Churchill Jr and Peter (1994) argued that the marketing of service in many ways resembles marketing tangible product, this is because goods and services are not dramatically different from marketing standpoint .They are both offering designed to meet customer needs in exchange for a payment. Both must be offered in a convenient location at price that customer's consider reasonable. Thus, whether selling goods or service, the service provider must gather and interpret information about what buyers want and need.

## **2.2. Customer Service**

Customer service management evolved from business concepts and processes such as relationship marketing and the increased emphasis on improved customer retention through the effective management of customer relationships.

Relationship management however, emphasis the organization of marketing activities around cross-functional processes as opposed to organizational function or department.

Zikmund and D'Amico (2001) defined customer service as those activities an organization provides that increase the value of the good purchased. Example, free delivery, warranty, and repair programs.

Courtland and Thill (1992) asserted that customer service is everything a company does to satisfy its customers and to help them realize the greatest possible value from the goods and services they are purchasing.

Again, Harris (1996) defined “customer service as anything we do for the customer that enhances the customer's experience”. Customers have different ideas as to what they expect from their interaction. The customer service provider must get to know his or her customer needs and strive to provide them with excellent customer service. No matter how accurate these definitions are, customer service still have to live up to the expectations of what

customers think that customer service is, if an organization wants to achieve customer loyalty in this briskly dynamic competitive environment efficient customer service should be provided.

### **2.2.1. Importance of Customer Service**

Customer service is an integral part of doing business today; satisfied customers are more than pleasant side effects of your business effort. Satisfied customers are the source of a company's profit; they are the reason for the company's establishment.

According to Bovee and Thill (1992), "consistently delivering effective customer service allows a company to build a number of important strengths, including competitive barriers, customer loyalty, increasing price etc.

### **2.2.2. Building Competitive Barriers**

When firm discuss competitive barriers, we normally think in terms of physical result of strategies investment, such as distribution centers, plant etc., that enhances quality customer service and this can present higher barrier to competition, here businesses invest so much in service infrastructure, which encompasses the training of the people in the organization and equipment needed to ensure superior customer service.

### **2.2.3. Customer Loyalty**

Organizations, that attach much importance in building customer loyalty, look beyond the sales, but to a long term keeping the customer. Organization that has not build a strong reputation for customer satisfaction can find themselves vulnerable to new competitors that stress quality and service. Such organizations focus on relationship marketing rather than transaction marketing. Relationship marketing leads to top sale increase.

#### **2.2.4. Increasing Prices**

Organization can support higher profit margin if customers are satisfied with the quality of the product and services offered. Firms perceived to offer superior customer service could command high price premium over their competitors. Superior service provides average profit margin 12 times greater than those companies at the bottom of the service leap.

### **2.3. Characteristics of Service**

There are five (5) distinguishing characteristics of service as posed by Tom Cannon (1998). They are intangibility, inseparability, variability, perishability, and lack of ownership.

#### **2.3.1. Intangibility**

According to Kotler and Armstrong (2006), they see service as that which cannot be seen, tested, felt, heard, or smelt before they are bought. Again, service intangibility means that service cannot be readily displayed, so they cannot be seen, tasted, felt or heard before they are bought. Thus, a customer may purchase a particular service but typically has nothing physical to display as a result of the purchase. For example, money transmission is service which customer pay for and is performed by banks, but the customer does not obviously have anything to show as a result.

#### **2.3.2. Inseparability**

According to Kotler and Armstrong (2006), service inseparability means that service cannot be separated from their providers, whether the providers are people or machines. If a service employee provides the service, then the employee is part of the service.

Cannon (1998) asserted that, production of service and consumption occurs at the same time. This concept is particularly important in the field of personnel service. For example, a teacher cannot deliver a service without students attending class.

### **2.3.3. Variability**

This means that, the quality of service depends on who provides them as well as when, where, and how they are provided. As such service quality is difficult to control, for example, some banks have reputations for providing better service than others. Within a given bank, one registration desk employee may be cheerful and efficient where as another standing just a few meter away, may be unpleasant and slow, Cannon (1998).

Churchill and Peter (1994), also view variability “because services are produced and consumed at the same time, the quality can vary more than is likely with goods”. It can be deduced from the above definitions that, because of the human element involved in service delivery it is difficult to standardize service.

### **2.3.4. Perishability**

According to Kotler and Armstrong (2006), perishability means that service cannot be stored for a later sale or use. Thus, service are performance, they cannot be stored.

In the view of this, Churchill and Peter (1994) also saw perishability as “if a service is not used when offered, it cannot be used at all “. For example, when a customer visits a bank and he or she is served well, he or she cannot store it for another use at a later day.

### **2.3.5. Lack of Ownership**

In service industry, access to or use of a facility does not mean that the customer obtains ownership of it, when customers buy physical goods, such as house, furniture's, they have personal access to the product at unlimited time. They actually own the product.

They can sell it when they feel they no longer wish to own it. In contrast, service product lacks the quality of ownership.

### **2.4. How to Develop Customer Service**

Commercial firms that score high in customer service share several important characteristics. To begin with, these firms are obsessive when it comes to listening to customer wants, needs and expectations.

In addition, they clearly have a defined and clearly communicated strategy. The systems put in place to provide service are customer friendly, that is, they are designed to treat customers well at each step of the transaction.

Lastly, these firms are full of service – oriented people. The steps or stages in developing customer service are as follows.

#### **Step 1**

The first and last measure of customer satisfaction is whether you live up to customer's expectation. The logical place to start is by understanding just what those expectations are.

The service goals for a given company depend on its customer expectations, the competition and its own service strategy. Several factors needs to be taken note, among these are price ratio, product quality, features and benefits, warranties and guarantees, problem resolution and buying experience.

### **Product quality**

Under this, quality must be the hallmark of the organization. Thus, it must be defined and communicated in terms that are relevant to the customer. The most important concept here is that, the product should conform to this expectation.

### **Price ratio**

It is fairly obvious that customers like to get as much value as possible in return for the prices they pay. The price ratio measures the value the customers receive as a function of the price they have to pay. You can improve this either by revising the price or lowering it.

### **Features and Benefits**

Every customer has some minimum level of required product features together with the benefits.

### **Problem Resolution**

In view of this, if a product does not meet the minimum requirements of the target customer, there is no sense in wrapping a marketing program around it.

### **Buying Experience**

Another important measure of customer satisfaction is the experience of selecting and purchasing goods and services. Making the process fast, convenient, trouble free and as possible, is a powerful way to elevate your product above those from the competitors. Companies that excel in customer satisfaction recognize the importance of shopping experience.

This is very important as far as evaluations of customers are concerned. Customers oriented companies know that, a dissatisfied customer presents an opportunity not a problem with the way you resolve it are likely to be even more loyal than customers who routinely experience your ordinary trouble free service. The reason is that, when customers come to you with problems you have their attention and consequently the opportunity to clearly demonstrate the commitment to their satisfaction.

## **Step 2**

### **Customer Priority**

There are three general groups to identify when setting priorities. The first and foremost is the customers; the people or the organization that buy enough of your products to make it profitable for you to offer them extra ordinary service in return.

The next group is made up of customers that are growing and that have the potential to become core customers these must be nurtured as much as possible in order not to distract you from your core customers.

Finally, there is everybody else. It may not be pleasant choice and it will likely make service oriented employees cringe but these customers simply can't dilute your focus on core customers.

## **Step 3**

### **Define service goals**

Having selected the specific customer segment you analyze, the next step is to define your customer service goals. There is no generic cook book for developing service goals; the choice depends on the firm's unique market situation. However a statement of service goals should have the following attributes,

- It must differentiate the company from its competitors
- It must be worded in the customer's language and it must have value to them.
- It must be achievable, a firm that promises more than it can deliver will upset its customers and frustrate its employees

#### **Step 4**

##### **Get internal commitment from top to bottom**

It is not enough to have the company president or the manager committed to customer service same way, it is not enough for the frontline employees to be committed either without financial and managerial support. These service providers would be unable to satisfy customers, no matter how they try hard.

The answer to the above is that, everybody must be committed.

#### **Step 5**

##### **Set Customer Expectation**

If the perception of the customer of service received is less than his expectations, the result is dissatisfaction, and if service match expectation, the customer is probably relieved but not overjoyed. On the other hand, if service exceeds expectations, a customer is satisfied.

Two ways must be considered when delivering customer expectations. The first way is to work harder, spend more time and do whatever it takes to pull off miracles.

The second way is to carefully manage customer expectation, attractive promises and guarantees must be delivered to customers. Do not be over ambitious to set expectations which cannot be met.



## **Step 6**

### **Develop Employees**

Experts say that, customer satisfaction lies on this point. The management team and the employee are the key variables to satisfy customers. There are some fundamental elements for management to stand on to judge the performance of their employees. These include selection, training, support and compensation.

#### **Training and Selection**

Employees who handle customer service position must be trained before selected. Their attitudes must conform to the culture and norms of the organization to render quality service to the customers.

Training practices vary widely, companies that deliver consistently top – notch customer service.

Training takes a life time; training is not one time that employees are exposed to when they join a firm. It continues throughout employees' career enabling the person to respond to changes in technology.

Untrained employees do not deal with customers; it is not fair for employees to be put to frontline until they are trained.

Training is viewed as investment, like customer service.

#### **Compensation**

Money should not be the only way to compensate employees but there are ways to motive them.

One best way to achieve the highest performance of employees is to motivate with the promise of reward and recognition. The common technique for reward and recognition to motivate employees are as follows,

- Money, it is a good motivator for some employees. It can be in the form of bonuses, profit sharing etc.
- Valuable reward: instead of money, some employers substitute incentives of substantial value.
- Celebration, under this, employees are made the center of attraction; companies send the signal to the troops that superior performance is a big deal.

## **Step 7**

### **Measuring Customer Satisfaction**

The success or the failure of every organizational set up depends on the customer satisfaction. Business needs to get inside the heart of their customers and to measure their satisfaction.

Also, attention should be given to marketing channels; they also need to be treated as customers too, with distinct needs and expectations.

## **Step 8**

### **Search for Complainers**

Business operators should search for complainers who can expose reasons for dissatisfaction that can cause defection to customers.

Find out what it takes to retain a customer and also trying to put better systems in place to make sure they stay satisfied. Competition has become keen and customers are getting too frustrated for companies to limp along with poor quality and customer service.

## **2.5. Perceived Quality**

- A concept which is very closely related with satisfaction and loyalty is perceived quality and the difference between these have not always been very clearly defined.
- They have been used on occasion in an indistinct manner. Bearden (1995) defined quality as the totality of features and characteristics of a product or service that bear of its ability to satisfy stated or implied needs.
- The important aspect of this definition for this work is the focus on satisfying that of the customers. Thus, quality means offering customer products and service features that satisfy their needs as the customer define them.
- Perceived service quality is a component of customer satisfaction. Service quality is a focused evaluation that reflects the customer's perception of specific dimension of service, reliability, responsiveness, assurance, empathy, tangibles.
- Service quality is a critical component of customer perceptions. In an attempt to clarify the distinction between satisfaction and perceived quality.
- Anderson (1994) considered that satisfaction requires previous consumption experience and depends on price, whereas quality can be perceived without previous consumption experience and does not normally depend on price. However, in circumstances where there is little available information or where there is little available information or where quality evaluation is difficult, price can be an indicator of quality.
- Furthermore, service quality concerns two aspects, that is psychological and behavioral, which include the accessibility to the provider .the way the service provider perform their tasks, the content of their sayings and the way the service is done.

- The perception of service quality is based on the customer's assessment of three dimensions of service encounters which are the customer-employee interaction, the service environment and the service outcomes.

## **CHAPTER THREE**

### **3.0. Introduction**

In order to accomplish the purpose of carrying out this research and having realized the objectives of the study, there was the need to gather comprehensive information or data about marketing activities with the services of the bank; analyze, interpret them clearly for understanding of the study.

This chapter presents the methodology of the data collection of the study, techniques for the data analysis and how data is interpreted by the researcher.

### **3.1. Methods of Data Collection**

This study was based on the use of primary data. This was to create a reliable source, accurate and unbiased information. The researcher made use of primary data.

This type of data was collected from respondents through the use of questionnaires and personal interviews which are popular ways of collecting primary data.

The use of primary data for this study was as a result of some advantages associated with it. Some include the correctness of information in relation of the study. Also primary data was used as a result of the confidentiality associated to it. Again primary data was used because it could provide the most suitable information for the purpose of the study.

Though the use of primary data was advantageous, it also had some limitations. Some include, cost is very expensive. Also collecting primary data is time consuming in relation to time period stipulated for the completion of this research and this conformed to the limitations associated to the use of primary data.

**Secondary Data**-The secondary data was obtained from research on existing literature and the report of other researchers. This happens to be information that has been already gathered and which was only relevant to the purpose of this study.

Secondary data has numerous advantages which are relevant to the study some of which include the availability of data to facilitate the undertaken of the project. Also assessing data for the study is easier and faster. It is also cost effective since data already exist.

Secondary data also provides the necessary background information and build creativity for the research report.

Not only were the advantages, there were some disadvantages to the use of the secondary data. Some of these disadvantages were the out moodiness of the data to suit the study. Secondary data was also hard to come by. Some information was also inaccurate to the study.

### **3.2. Target Group**

The nature of the study requires that the researcher collect data from customers and employees of National Investment Bank.

This was for the simple reason that only the customers and employees of the bank are the right people to give us reliable and accurate information for the purpose of the study.

### **3.3. Sample Size**

National Investment Bank has many customers which made the entire population too huge to study. The researcher therefore based the study on thirty (30) customers and management or staff of the bank who just helped the researcher to accomplish the mission.

### **3.4. The Sampling Technique**

Since a whole population of the bank cannot be used for the research, there was the need to sample. As a result of the nature of the subject under study, this research aimed at using judgmental sampling method in choosing its sample size stated above.

By judgmental sampling method, the researcher will stand at the premises of the bank and approach a person, who the researcher thinks can answer the question.

### **3.5. Questionnaire Design**

In order to ensure efficient and effective output of work, questionnaire was used to gather data and other vital information on marketing activities of National Investment Bank. Questionnaire was designed for bank officials and customers of the bank. The researcher used questionnaire that asked close ended and open ended questions. Close ended questions requires “YES” or “NO” answers and also open ended questions mean choosing among alternatives. This gave chance to the respondents for express themselves.

### **3.6. Data Presentation**

The study was based on the use of frequency tables which shown the distribution of information gathered. Pie charts were also used to help the researcher to put the gathered information in their appropriate percentages.

### **3.7. Data Analysis**

The researcher made use of percentages to check each item gathered. By each item, the researcher checked the number of responses and divided it by the total sample size and then multiplied the result obtained by hundred. 40 percent and above indicates percentage points for strong factors.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND DISCUSSION OF RESULTS

#### 4.0. Introduction

This chapter contains data presentation, analysis and interpretation collected from the research.

It is concerned with the analysis and interpretation of relevant data and other factors which may be used for the acceptance or the rejection of the research question stated in chapter one.

These sections will be used to discuss the response of the questionnaire which was administered.

#### 4.1. Gender Distribution of Respondents

**TABLE 1**

The table below shows gender distribution of respondents

<b>GENDER</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
MALE	16	53.3
FEMALE	14	46.7
<b>TOTAL</b>	30	100

**Source:** Researchers' field survey [April, 2010]

In the questionnaire, we asked for some general information from the customers.

From the table above, it could be seen that 53.3 percent of customers interviewed were male, while the remaining 46.7 percent were female. This shows that more than half of the respondents were male.



The gender distribution of respondents can be further explained using the bar chart below.

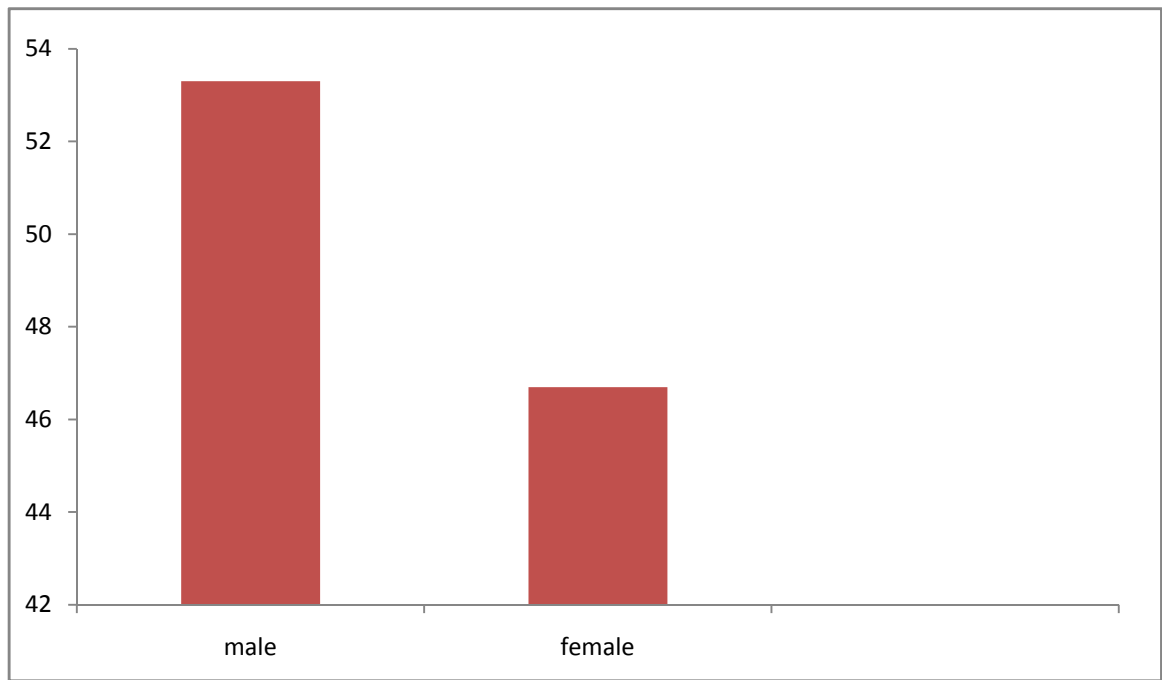


Figure 1-GENDER STRUCTURE

4.2. Age Distribution of Respondents

TABLE 2

The table below gives a summary of the age distribution of respondents.

AGE	FREQUENCY	PERCENTAGE
UNDER 20	–	–
20 – 35	23	76.7
36 – 45	4	13.3
46 – 55	3	10
OVER 55	–	–
TOTAL	30	100

Source: Researchers’ field survey [April, 2010]

Table two shows that 23 respondents representing 76.7 percent fall within the age of 20 – 35 years, 4 respondents representing 13.3 percent fall within the age of 36 – 45 years, 3 respondents representing 10 percent fall within the age of 46 – 55 years, None of the customers interviewed fell under 20 and over 55 years.

The age distribution can further be explained using the bar chart below.

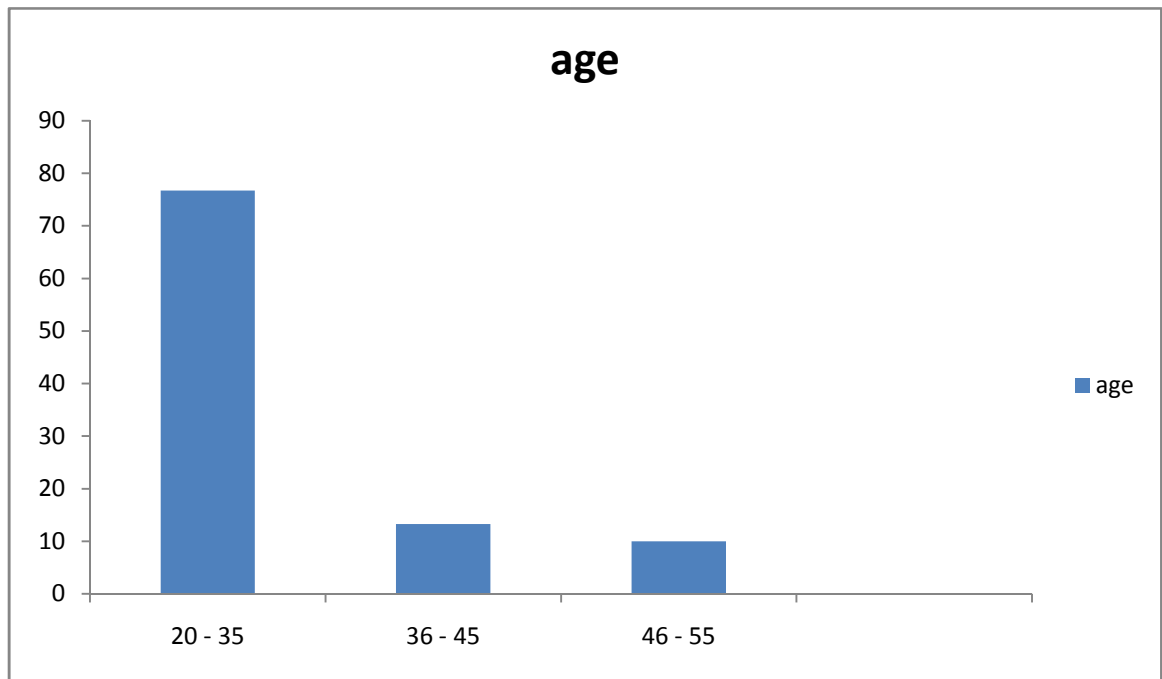


Figure 2- AGE STRUCTURE

### 4.3. Educational Background

The study deals with the collection of information on educational background of respondents.

TABLE 3

The table below shows the educational background of respondents.

EDUCATION	FREQUENCY	PERCENTAGE
UNDER DIPLOMA	9	30
DIPLOMA	17	56.7
DEGREE	4	13.3
PHD		
TOTAL	30	100

**Source:** Researchers' field survey [April, 2010]

Table 3 shows the educational background of respondents, 9 respondents representing 30 percent were under diploma, 17 respondents representing 56.7 percent of the population for the study were diploma holders, 4 respondents representing 13.3 percent were also degree holders.

None of the customers interviewed had PHD.

The educational background of respondents can be further explained using the bar chart below.

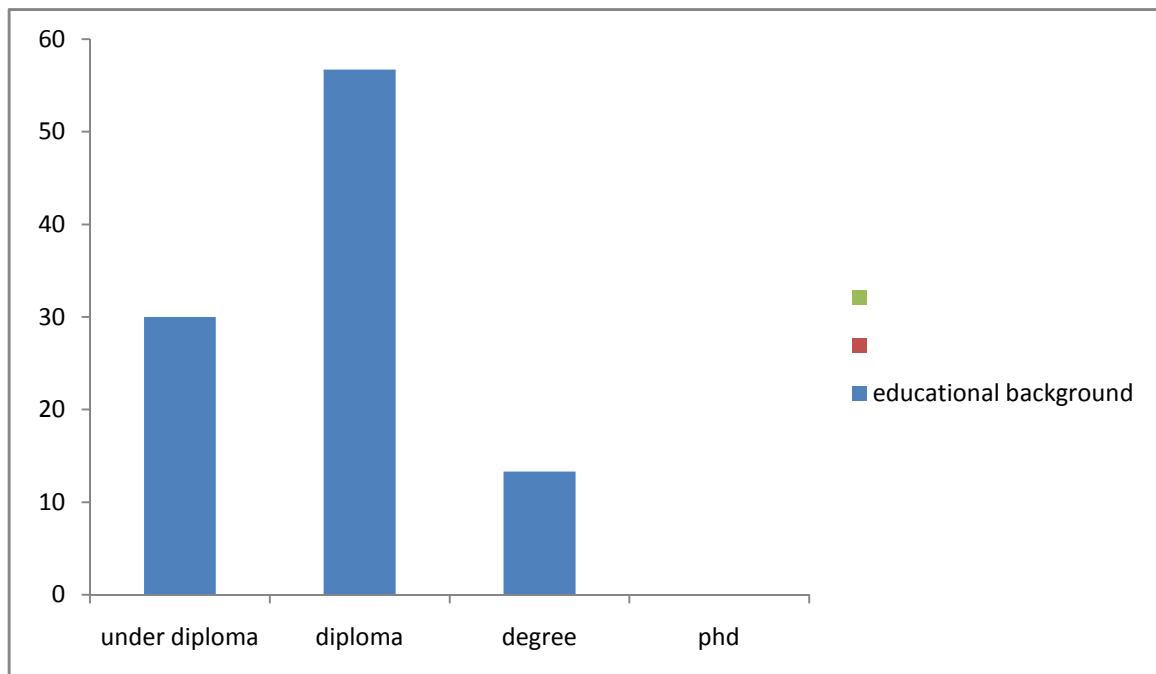


Figure3-educational background

#### **4.4. Occupation of Respondents**

The study dealt with the collection of information on occupation of respondents.

**Table 4**

OCCUPATION	FREQUENCY	PERCENTAGE
FARMER	1	3.3
TEACHER	3	10
BUSINESS	7	23.3
NOTWORKING\RETIRE	1	3.3
STUDENT	18	60
<b>TOTAL</b>	30	100

**Source:** Researchers' field survey [April, 2010]

Table 4 shows the occupation of respondents.

1 respondent representing 3.3 percent of the population for the study was a farmer, 3 respondents representing 10 percent were teachers, 7 respondents representing 23.3 percent were business men and women, 1 respondent representing 3.3 percent were not working or retire, 18 respondents representing 60 percent were students.

The occupation of respondents can be explained further using the pie chart below

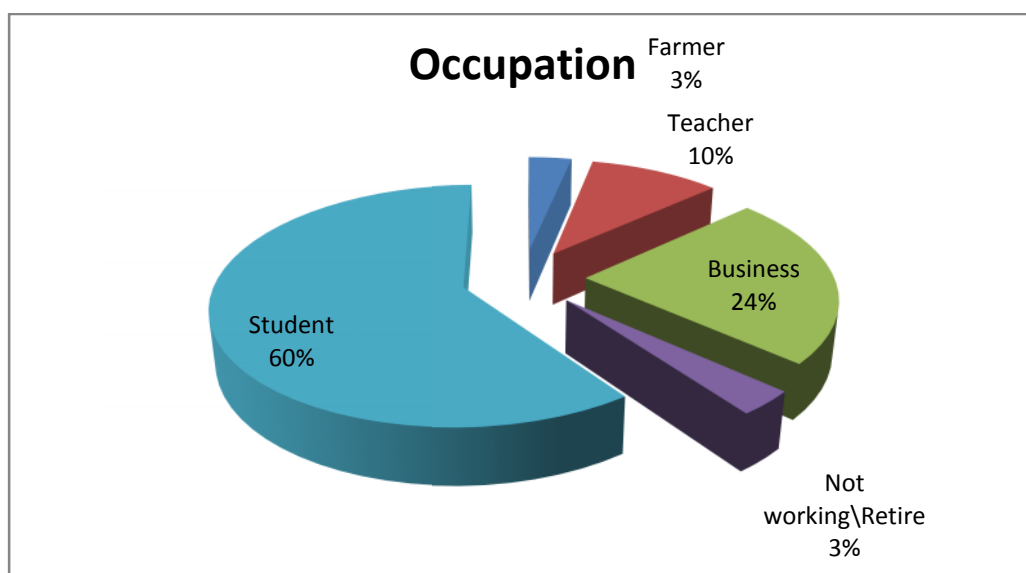


Figure4-occupation of respondents

## 4.5. Analysis of Factors

### 4.5.1. Perceived Quality

As it was mentioned in the second chapter, quality is one of the most important factors which have a main role in making a customer loyal.

In the banking industry, the product is equal to the service; it means that, a customer perceives a service which in the customer's view can be the same as a product of another industry.

The questionnaire were divided into two separate groups namely, tangible quality in which the perceived quality can be seen, and intangible quality in which the perceived quality can't be seen.

Questions 5 to 8 are in the tangible group and the others 9 to 11 are in the intangible group.

**Table 5**

The table below shows the factors that determines perceive quality.

TANGIBLE PERCEIVE QUALITY	FREQUENCY	PERCENTAGE
ATM AVAILABILITY		
YES	30	100
NO		—
ATM RELIABILITY		
YES	19	63.3
NO	11	36.7
COMPLAINT SYSTEM		
YES	30	100
NO	—	—
ATM CONVENIENCY		
VERY CONVENIENT	6	20
CONVENIENT	18	60
NOT CONVENIENT	6	20

**Source:** Researchers' field survey [April, 2010]

Table 5 shows that 30 respondents representing 100 percent which is the entire sample size said ATM was available at the branch, 19 respondents representing 63.3 percent said the ATM was reliable while 11 respondents representing 36.7 percent said the ATM was not reliable.

30 respondents representing 100 percent said the bank has a complaint system. 6 respondents representing 20 percent said the ATM was very convenient, 18 respondents representing 60 percent said the ATM was convenient, while the remaining 6 respondents representing 20 percent said the ATM was not convenient.

**Table 5.1**

Table 5.1 shows the factors that determines the intangible perceived quality.

<b>INTANGIBLE PERCEIVED QUALITY</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
<b>SPEED OF SERVICE</b>		
LESS THAN 30 MINUTES	18	60
1 HOUR TO 2 HOURS	11	36.7
2 HOURS TO 3 HOURS	1	3.3
5 HOURS OR MORE	—	—
<b>CUSTOMER FRIENDLINESS</b>		
EXCELLENT	5	16.6
VERY GOOD	14	46.7
GOOD	9	30
POOR	2	6.7
VERY POOR	—	—
<b>DEGREE OF CONVENIENCY</b>		
EXCELLENT	3	10
VERY GOOD	15	50
GOOD	11	36.7
POOR	1	3.3
VERY POOR	-	-

**Source:** Researcher field survey (April, 2010)

From the table above, 18 respondents representing 60 percent said that, the speed of service at the bank was less than 30 minutes, 11 respondents representing 36.7 percent said, the speed of service at the bank was 1 hour to 2 hours, 1 respondent representing 3.3 percent said, the speed of service was 2 hours to 3 hours.5 respondents representing 16.6 percent said, the degree of customer friendliness by bank staff was excellent, 14 respondents representing 46.7 percent said, very good, 9 respondents representing 30 percent said, the degree of customer friendliness by bank staff was good, 2 respondents representing 6.7 percent said poor.3 respondents representing 10 percent said the convenience in terms of ease of transaction was excellent, 15 respondents representing 50 percent said very good, 11 respondents representing 36.7 percent said good, while 1 respondent representing 3.3 percent said poor.

#### **4.5.2. Customer Satisfaction**

Referring to chapter 2, satisfaction in the banking industry means that the product or service which is offered to the customer makes him\her satisfied and meets his\her expectations. This means that the customer feels good to have the service from the bank another time. In the competitive environment where competitors try to win each other's customers, this antecedent can be vital.

**Table 6**

The table below shows the factors that determine customer satisfactions.

<b>RESPONDENTS</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
ATM SATISFACTION		
VERY RELIABLE	5	16.7
RELIABLE	15	50
NOT RELIABLE	10	33.3
<b>TOTAL</b>	30	100
SATISFACTION LEVEL		
VERY SATISFIED	13	43.3

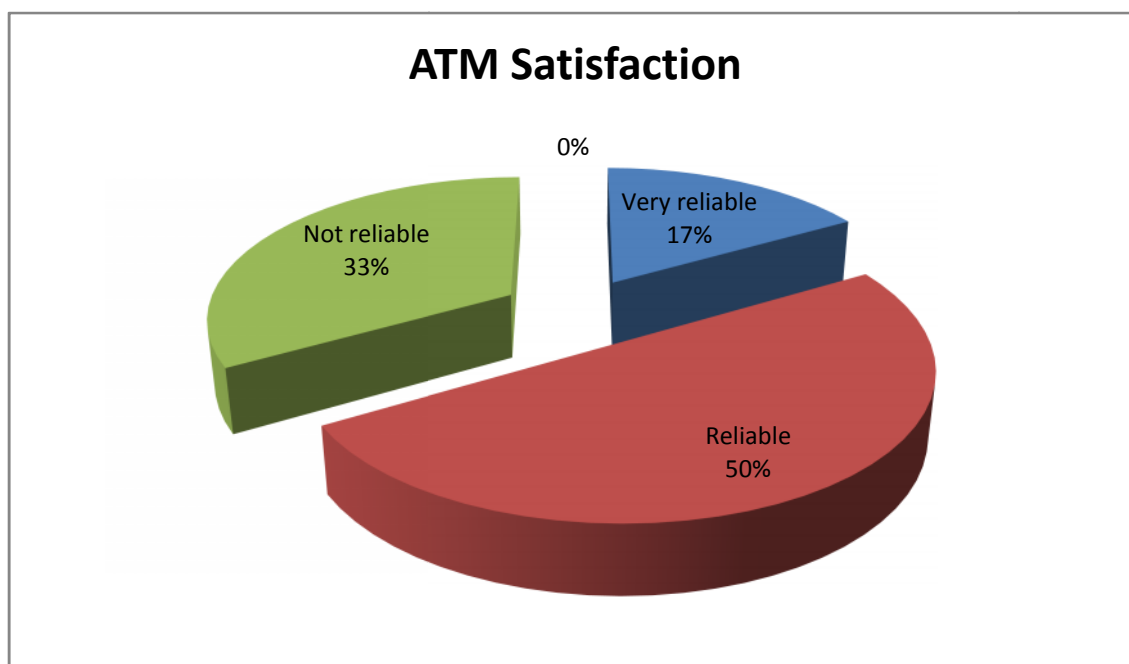
FAIRLY SATISFIED	15	50
FAIRLY DISSATISFIED	2	6.7
VERY DISSATISFIED		
<b>TOTAL</b>	<b>30</b>	<b>100</b>

**Source:** Researchers' field survey [April, 2010]

The table above shows that 5 respondents representing 16.7 percent said that, the ATM at the bank was very reliable, 15 respondents representing 50 percent said that, the ATM was reliable, while 10 respondents representing 33.3 percent said the ATM was not reliable.

13 respondents representing 43.3 percent said they were very satisfied with the products or services offered by the bank, 15 respondents representing 50 percent said they were fairly satisfied with products or services offered by the bank, while 2 respondents representing 6.7 percent said they were fairly dissatisfied with the products or services offered by the bank.

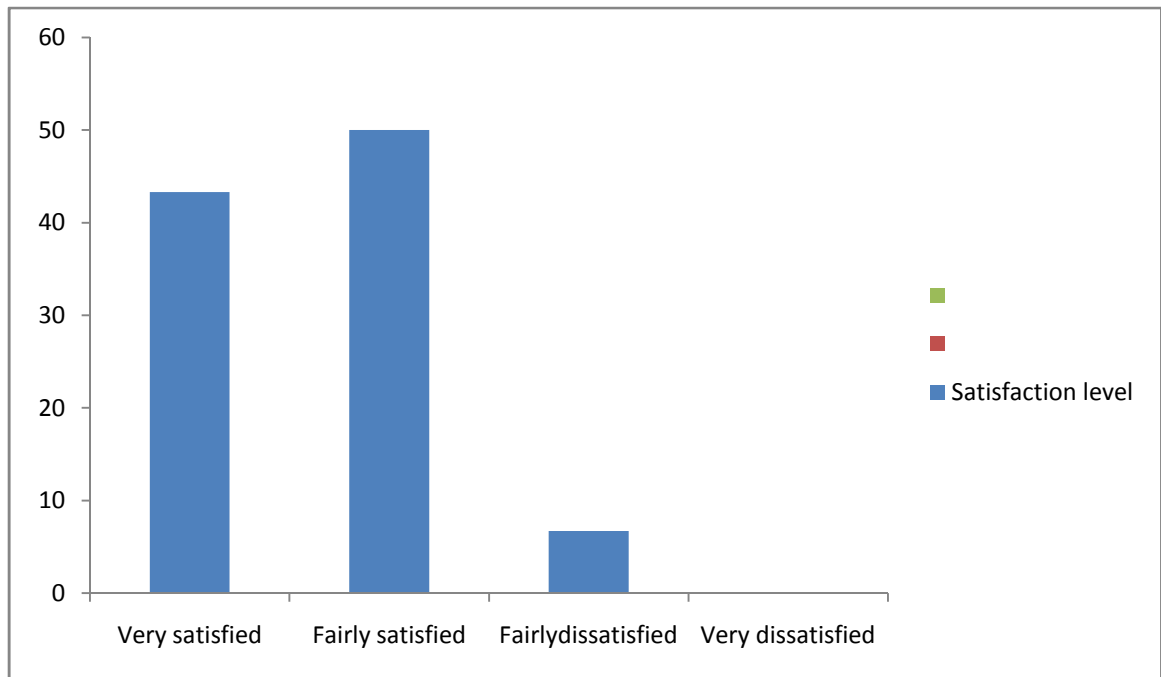
The Automated Teller Machine satisfaction can further be explained using the pie chart below.



**Figure 5-ATM reliability**



Again, the satisfaction level of customers at the bank can also be explained further using the bar chart below.



**Figure 6-satisfaction level**

COST ON PRODUCT	FREQUENCY	PERCENTAGE
RANGE OF PRODUCT	4	13.3
PRODUCT QUALITY	4	13.3
ATTITUDE OF STAFF	13	43.4
TOTAL	30	100

The switching cost on product can further be explained using the pie chart below.

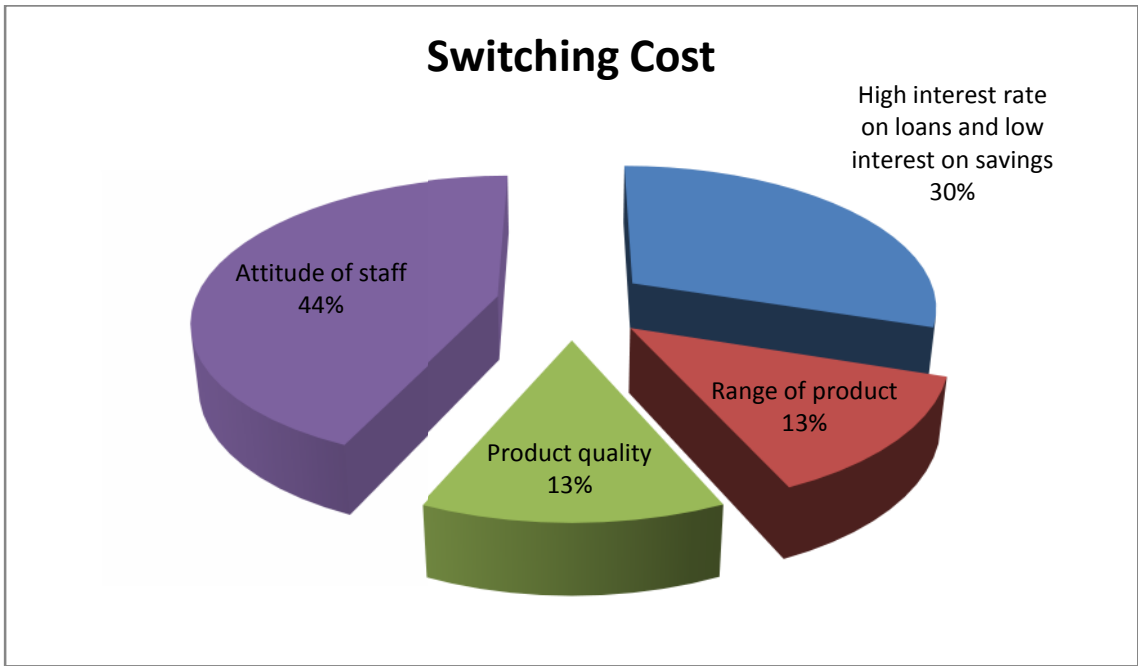


Figure 7-Switching cost

4.5.4. Customer Choosing Power

TABLE 8

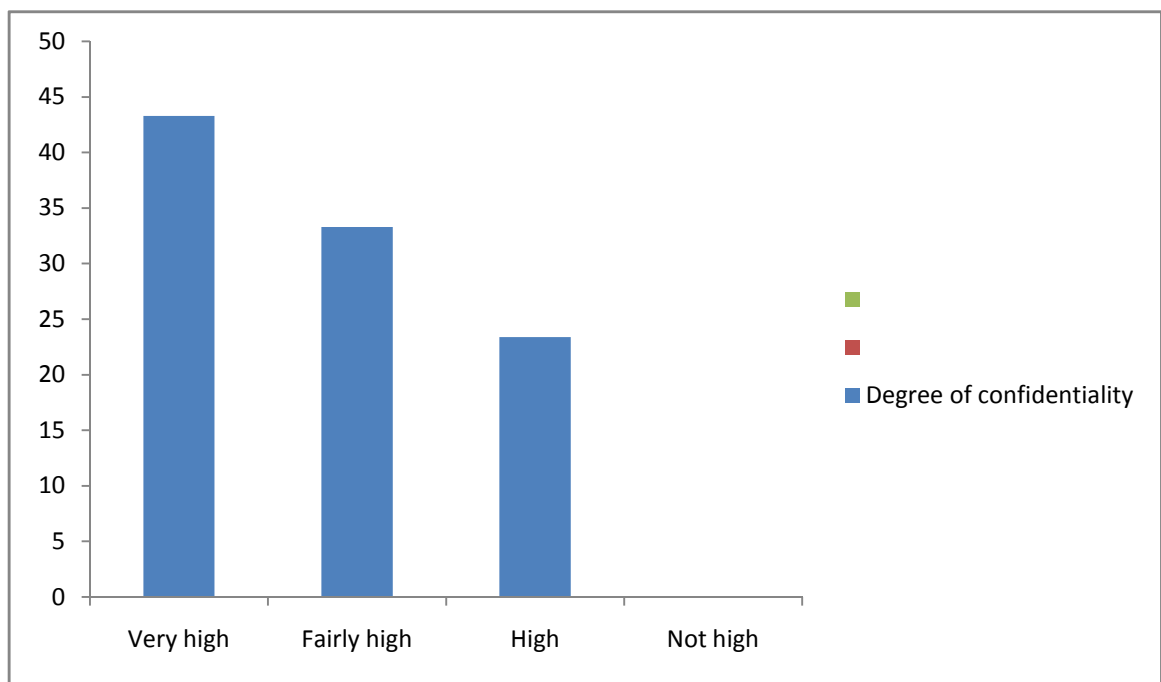
The table below shows the factors that determine customer choosing power.

DEGREE OF CONFIDENTIALITY	FREQUENCY	PERCENTAGE
VERY HIGH	13	43.3
FAIRLY HIGH	10	33.3
HIGH	7	23.4
NOT HIGH	—	—
TOTAL	30	100

Source: Researchers’ field survey [April, 2010]

The table above, try's to find the importance of customer choosing power. 13 respondents representing 43.3 percent said the degree of confidentiality by the bank was very high, 10 respondents representing 33.3 percent said the degree of confidentiality by the bank was fairly high, while 7 respondents representing 23.4 percent said the degree of confidentiality by the bank was high.

Below is a bar chart showing the degree of confidentiality.



**Figure 8-Customers’ choosing power**

#### 4.5.5. Habit of Customers

Habit of a customer is an important factor which 40 - 60% of the customer purchases the service because of habitual behavior.

**Table 9**

A table showing the factors that determine customer's habit

<b>RESPONSIVENESS LEVEL</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
VERY PROMPT	6	20
FAIRLY PROMPT	12	40
PROMPT	11	36.7
NOT PROMPT	1	3.3
<b>COURTESY LEVEL</b>		
VERY COURTEOUS	14	
FAIRLY COURTEOUS	13	46.7
NOT COURTEOUS	3	43.3
<b>TOTAL</b>	30	100

**Source:** Researchers' field survey [April, 2010]

The table above shows that 6 respondents representing 20 percent said the influence of customer responsiveness was very prompt, 12 respondents representing 40 percent said fairly prompt, 11 respondents representing 36.7 percent said prompt, while 1 respondent representing 3.3 percent

Said the influence of customer responsiveness was not prompt.

14 respondents representing 46.7 percent said that, workers at the bank were very courteous, 13 respondents representing 43.3 percent said that, the workers were fairly courteous, 3 respondents representing 10 percent said that, the workers were not courteous.

The responsiveness level can be explained further using the pie chart below.

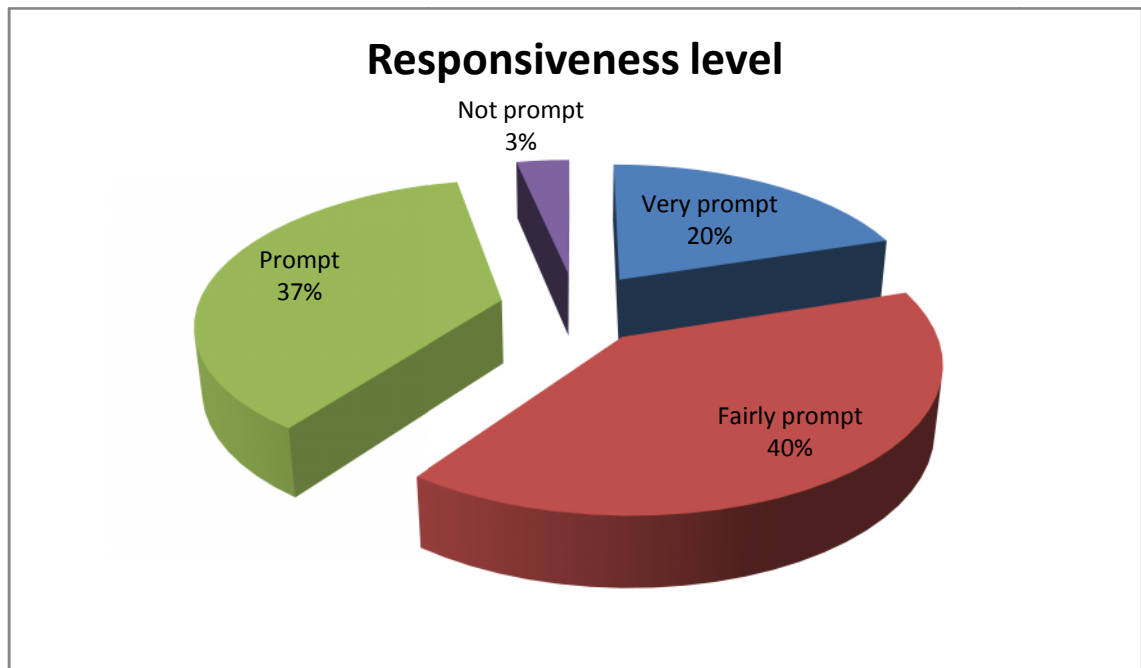


Figure 9-responsiveness level

The courtesy level of workers can also be explained further using the bar chart below.

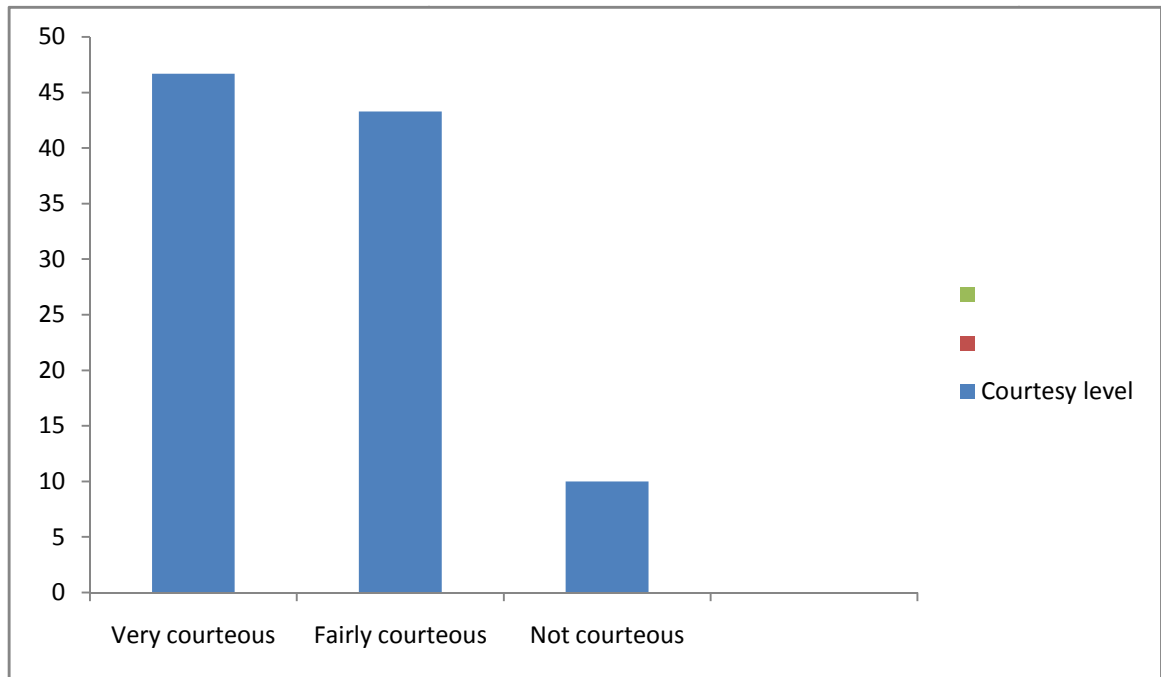


Figure 10-courtesy level

#### 4.5.6. Customer Loyalty

All the factors which are mentioned above are designed to identify the impact of quality customer service on customer loyalty in the National Investment Bank.

**Table 10**

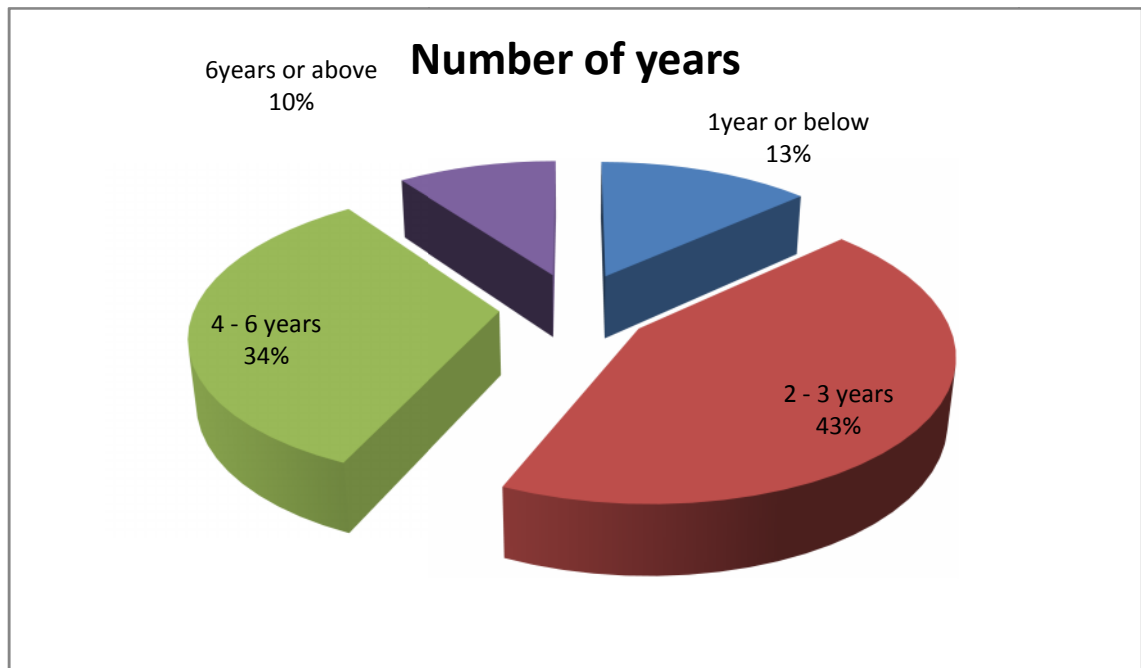
The table below shows the number of years the respondents have worked with the bank, which also help to determine their loyalty with the bank

RESPONDENTS	FREQUENCY	PERCENTAGE
1 YEAR OR BELOW	4	13.3
2 – 3 YEARS	13	43.4
4 – 6 YEARS	10	33.3
6 YEARS AND ABOVE	3	10
<b>TOTAL</b>	30	100

**Source:** Researchers' field survey [April, 2010]

The table above shows that, 4 respondents representing 13.3 percent had transacted business with the bank for a year and below, 13 respondents representing 43.4 percent had transacted business with the bank for 2 to 3 years, 10 respondents representing 33.3 percent had transacted business with the bank for 4 to 6 years, while 3 respondents representing 10 percent had transacted business with the bank for 6 years and above.

The information above can be further explained using the pie chart below.



**Figure 11-number of respondents’ years**

**Table 10.1**

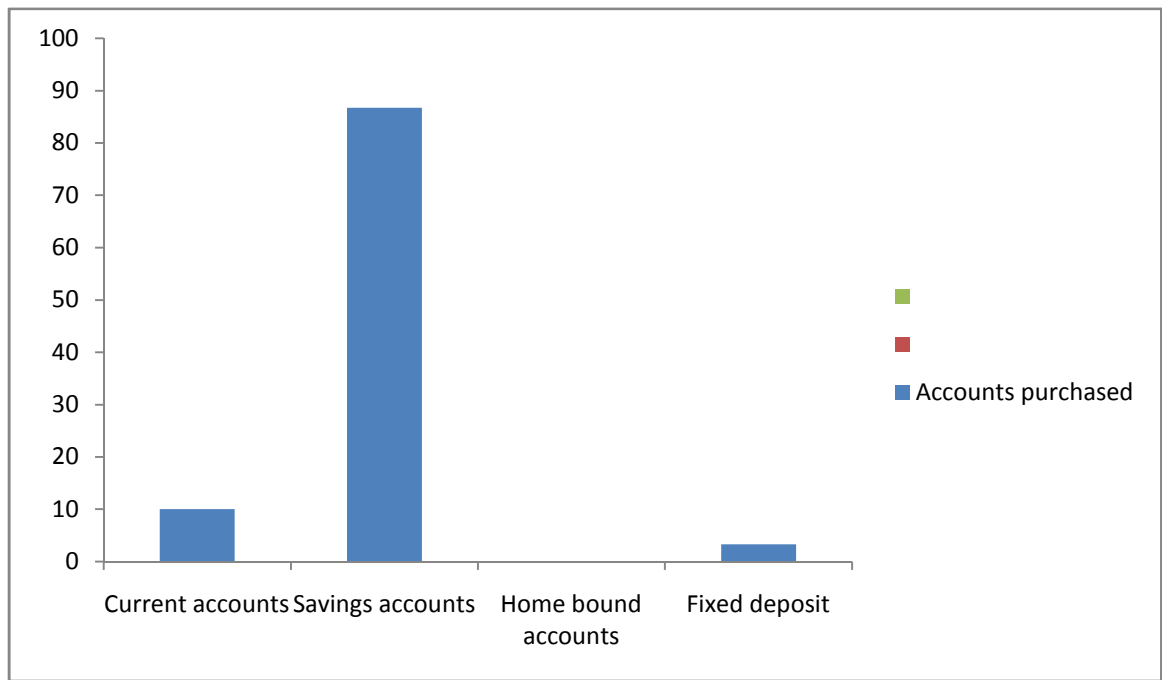
The table below also shows the type of accounts purchased by the respondents.

CATEGORY	FREQUENCY	PERCENTAGE
CURRENT ACCOUNTS	3	10
SAVINGS ACCOUNTS	26	86.7
HOME BOUND ACCONTS	–	–
FIXED DEPOSIT	1	3.3
TOTAL	30	100

**Source:** Researchers’ field survey [April, 2010]

The table indicates the various products or services the respondents purchased most from the bank.

The total questionnaire distributed was thirty, out of these, 3 respondents representing 10 percent patronize current accounts, and 26 respondents representing 86.7 percent patronize savings accounts, which was the majority.1 respondent representing 3.3 percent patronize fixed deposit, while none patronize the home bound accounts. These can be further explained using the bar chart below.



**Figure 12-Types of accounts purchased**

**4.6. Discussion of the Factor Results**

The analysis shows that satisfaction has a link with customer loyalty. This link is very strong, and it shows that if the bank manager wants to make the customers loyal, they should have some special strategies to satisfy the customer. When a customer is satisfied with the received services or products of the bank, he\she doesn’t want to take the risk of changing or moving to other competitor.

Majority of the customer had transacted business with the bank for between 2 to 6 years. About 76.7 percent of the customers had transacted business with the bank for a large number



of years. ATM was available at the branch and it was reliable. It relieved customers the hassle of having to go to the bank on weekdays to withdraw their money.

## **CHAPTER FIVE**

### **FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0. Introduction**

This chapter serves as the last chapter of the project work and it entails the findings and summary of the research work, conclusions and recommendations.

#### **5.1. Main Findings**

The main findings of the research work may be summarized as follows;

- The study revealed that customers who used National Investment Bank were mostly male which represented 53.3 percent of the respondents.
- About 76.7 percent of the respondents were aged between 20 – 35 years.
- Majority of the customers of National Investment Bank were graduates who represents 56.7 percent and were diploma holders.
- Also, 60 percent of the respondents were students.
- It was also realized that, 30 respondents representing 100 percent said Automated Teller Machine [ATM] was available at the bank.
- About 63.7 percent of the respondents said that, the Automated Teller Machine [ATM] was reliable.
- It also came to light that, 100 percent of the respondents which represent the entire sample size said National Investment Bank [NIB] has a complaint system to notify management of any inconvenience.
- About 60 percent of the respondents said, the Automated Teller Machine [ATM] was convenient.

- Again, 60 percent of the respondents said that, the speed of service at the bank is less than 30 minutes.
- Moreover, 46.7 percent of the customers said, the degree of customer friendliness by bank staff was very good.
- Again, 50 percent of the customers said the degree of convenience in terms of transaction was very good.
- It was also realized that, 50 percent of the respondents said they were fairly satisfied with services provided by the bank.
- About 43.4 percent of the respondents said the attitude of staff would be the switching cost to another bank.
- Also, 43.3 percent of the respondents said, the degree of confidentiality by the bank was very high.
- About 40 percent of the respondents said, the staff response to complaints was fairly prompt.
- Again, 46.7 percent said the staffs of National Investment Bank were very courteous.
- Furthermore, 43.3 percent of the respondents said, they have been customers of NIB for 2 – 3 years.
- Savings accounts were the most patronized service with 86.7 percent.

## **5.2. Summary**

The purpose of the study was to assess the impact of effective customer service on customer loyalty on retail banking with a particular reference to the National Investment Bank in Adum-Kumasi.

The introduction of the study talks about the need to create better customer relationship and help bring about customer satisfaction in retail banking.

Questionnaires were designed to collect data from the respondents used for the study.

Most of the factors which influence customer loyalty are satisfaction, power of choosing, switching cost, customers' habit, tangible and intangible quality.

## **5.3. Conclusion**

The study revealed that, the role of the staff, in terms of their behavior in their field of work became an issue of prime importance as findings shows to be a significant factor in determining satisfaction.

The study revealed that management exhibit a high degree of professionalism in their work, the speed of service was very high; the degree of confidentiality was also very high.

The study shows that ATM was available and reliable. It also came out that the factors such as habit, tangible quality; intangible quality, switching cost, and satisfaction have influence on customer loyalty.

The conclusion drawn from the study is that all the above factors have influence on the impact of quality customer service on customer loyalty.

#### **5.4. Recommendations**

The researcher wishes to make the following recommendations,

The management should organize in – service training for the staff to brief them more on customer satisfaction and other factors to help in customer retention and loyalty.

Management should re-assign their relationship management in handling customer's needs.

There should be periodic calls or visits to customers in their work place and other formal and informal meetings all aimed at ensuring customer loyalty.

Management should improve on the attitude of staff, since it can drive a customer to switch to another bank.

Majority of the customers patronize the savings accounts, management should therefore encourage customers to patronize the other accounts such as the fixed deposit, current accounts etc.

Management should also respond to the complaints of customers as soon as possible.

Management should consider its pricing factors on its products or service delivery. These have a significant effect on customer satisfaction.

## REFERENCES

- Anderson, et al (1994) "Customer satisfaction, market share and profitability: findings from Sweden," *Journal of Marketing*, (July) pp.53 -66
- Bovee, L and V, Thill, (1992) Marketing (USA: New York Graphic Service Inc.) pp. 179,746,756.
- Gilbert A Churchill, Jr and J Paul Peter, (1994) Marketing creating value for customers, 2ed USA. Von Hoffman Press, Inc. p.258
- Harper W Boyd, Jr et al (1990) Marketing Management, 3ed, USA Von Hoffmann, Press, Inc. pp.248-251
- Harris K E (1996) customer service, a practical approach, ed 1 (New Jersey: Prentice Hall Inc.) pp. 2-6
- Jamal, A, Kamal, N, (2004) "customer satisfaction and retail banking: an assessment of the antecedent of customer satisfaction in retail banking," *international journal of bank marketing*, volume 20, no 4, pp.160-164.
- Kotler P and Gray Amstrong (2006), Principle of Marketing, 12<sup>th</sup> ed, (USA), Pearson Education Inc.,) pp.239-240
- Kotler P and Keller Kelvin, (2006), Marketing Management, 12<sup>th</sup> ed, Pearson Education Inc., New Jersey. Pp. 143-155
- Tom cannon (1998), Marketing Principles and Practice, 5<sup>th</sup> ed, Bristol; J W Arrowsmith Ltd, pp.231-233
- Valarie A Zeithaml and Mary Jo Bitner, Service Marketing, 2<sup>nd</sup> ed, (2000) USA, The McGraw-Hill Company, Inc. pp.75
- William O. Bearden, et al, (1995), Marketing, Principles and Perspective. USA, Von Hoffman Press, Inc. pp.36
- Zikmund and D'Amico (2001), Marketing Creating and Keeping customers in an e-commerce world. pp 331
- [www.mcb.Co-uk/cgi-bin/journal/jsm](http://www.mcb.Co-uk/cgi-bin/journal/jsm)
- [www.nib-ghana.com](http://www.nib-ghana.com)
- [www.jimnovo.com/customer-loyalty-more.htm](http://www.jimnovo.com/customer-loyalty-more.htm)

**CHRISTIAN SERVICE UNIVERSITY COLLEGE**  
**SCHOOL OF BUSINESS ADMINISTRATION**  
**DEPARTMENT OF MARKETING STUDIES**  
**APPENDIX 1**  
**QUESTIONNAIRE FOR CUSTOMERS**

The questionnaire is designed to solicit information for research on the project on the topic an evaluation of customer service. We promise that all information provided will be treated confidential.

Please provide the appropriate response in the spaces provided.

1. In thinking about your most recent experience eiyh National Investment Bank (NIB), what was the service you received?
  - Very poor
  - Unsatisfactory
  - Above average
  - Very satisfactory
  - Superior
  
2. If you indicate that the customer service was unsatisfactory, would you please describe what happened?  
.....
  
3. Now please think about the features and benefits on the customer itself. How satisfied are you with the customer service?
  - Very poor
  - Unsatisfactory
  - About average
  - Very satisfactory
  - Superior
  
4. Would you please take a few minutes to describe why you are not satisfied with the customer service? .....

Customer service representative

The following questions pertain to the customer service representative you spoke with most recently. Please indicate whether you agree or disagree with the following:

	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
The customer service representative was very courteous	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The customer service representative handled my call quickly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The customer service representative was very knowledgeable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**CHRISTIAN SERVICE UNIVERSITY COLLEGE**  
**SCHOOL OF BUSINESS ADMINISTRATION**  
**DEPARTMENT OF MARKETING STUDIES**

**APPENDIX 11**  
**QUESTIONNAIRE FOR STAFF**

1. Do you consider the problem resolved?
  - Yes
  - No
  
2. What was your question or issue resolved the first time you contacted technical support?
  - Yes
  - No
  
3. What is your overall satisfaction with this particular phone support experience?  
.....
  
4. Did you attempt to use our online support web site before making this call?
  - Yes
  - No
  
5. If yes, how satisfied were you overall with this online support experience?  
.....
  
6. In your most recent customer service experience, how did you contact the representative?
  - In person
  - By telephone
  - Internet
  - Through a dealer
  - Other:.....
  
7. About how long did you have to wait before speaking to a representative?
  - I was taken care of immediately
  - Within 3 minutes
  - 3-5 minutes
  - 5-10 minutes
  - More than 10 minutes