CHRISTIAN SERVICE UNIVERSITY COLLEGE

"THE IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT ON

THE GRANTING OF CONSUMER AND RETAIL CREDIT" (A CASE STUDY OF

THE TRUST BANK LTD - KUMASI)

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BY

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A project work presented to the Business Studies Department of Christian Service University College in partial fulfillment of the requirements for the degree of Bachelor of Business Administration.

JULY, 2011

<center>**STATEMENT OF AUTHENTICITY**</center>

We have read the university regulations relating to plagiarism and certify that this report is all our own work and does not contain any unacknowledged work from any other source. We also declare that we have been under supervision for this report herein submitted.

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SUPERVISOR'S DECLARATION

I heareby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision laid down by Christian Service University College

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ABSTRACT

Customer Relationship Management is an effective weapon for organization to build and develop a good relationship with customers. Under current circumstance, new customers are hard to acquire by most banks in the country and The Trust Bank Ltd is no exception because of the keen competition prevailing among the banks in an attempt to mobilize customers. An alternative way to prospect new customers is to attract the customers from the competitors and also provide them the service they require and also prevent our customers from being attracted by competitors. Though Customer Relationship Management has come into existence for more than ten years, the application of Customer Relationship Management in the banking industry is still a new topic to study.

In this project, the researchers assess the impact of customer relationship management on the granting of consumer and retail credit of the bank as well as the recovery of loans at The Trust Bank Ltd.

It was found out that good relation between officials of the bank and customers of the bank has increased the granting of loans to the clients of the bank. This was made possible because if the bank knows everything about the client it will not hesitate to give out loan to such a client especially when the relationship with the client reveals that the client is credit worthy.

In the nutshell, Customer Relationship Management when well managed would lead to customer satisfaction, customer retention, customer loyalty and profitability.

ACKNOWLEDGEMENT

DEDICATION

This piece is especially dedicated to all those who have affected our lives one way or the other.

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CHAPTER ONE

INTRODUCTION

1.1 Background

As a result of globalization of business and the evolving recognition of the importance of customer retention, market economies and customer relationship economics, there has been a change in the main stream marketing (Gronroos, 1997). Kevin and Yen (2003) explained that over the past few years there has been a shift in relationship literature from focusing on the benefits of long term relationship for companies to the benefit that accrue to customers. Because of this it is becoming evident that companies fundamentally have to change the way in which marketing is done thus a fundamental shift from managing a market to managing a specific customer (Bose, 2002). Establishing relationship with a customer is to attract the customer and to build a relationship with the customer so that the economic goals of the relationships are maintained (Gronroos, 1997).

Customer Relationship Management builds on the philosophy of relationship marketing that aims to create, develop and enhance relationships with carefully targeted customers to maximize customer value, corporate profitability and thus shareholders value (Frow and Payne, 2004). The goal then is to improve the customers experience of how they interact with the company, which hopefully will turn into more satisfaction, which might lead to more loyalty, and finally, to increase in profit. (Chou et al 2002). Kotorov (2003), while referring to the root of CRM mentioned that in the past, many speculated whether CRM would turn out to be just another *buzzword*; one more term to add to the managerial dictionary that would soon fade away. Bull (2003) adds to this thought stating that it is no longer good enough just to say that you are

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customer focused, but it matters what you do. Customer relationship management (CRM) is of vital importance to organizations and it requires customer – centric business approach to support effective marketing, sales and service processes (Carolyn et al, 2003).

CRM is also defined as an all embracing approach that seemingly integrate sales, customer service, marketing, field support and other functions that touch customers (Chou et al, 2002). They further stated that CRM is a notion regarding how an organization can keep their most profitable customers and at the same time reduce cost, increase in values of interaction which then leads to high profits.

1.2 Statement of Problem

The banking industry in Ghana is developing at a very faster rate, yet most commercial banks find it difficult managing consumer and retail credit they give to their customers because the customers do not provide adequate and reliable information about themselves that will enable the banking institutions to manage and monitor their investment.

The problem of consumer and retail credit has come about as a result of banking institutions inability to manage their customers in a way that will enable them secure enough and reliable information about their customers so that they can mitigate the extent of loss/risk associated with giving consumer and retail credit to their customers. It is against this background that this study looks at the impact of customer relationship management on the granting of consumer and retail credit, A case study of The Trust Bank Ltd.

1.3 Objectives of the Study

1. To review the banks customer relationship management strategy.

2. To review the bank's process of granting consumer and retail credit

3. To establish how customer relationship management affects the granting of consumer and retail credit.

4. To assess the impact of customer relationship management on recovery of consumer and retail credit granted.

1.4 Research Questions

1. Does effective customer relationship management increase the granting of consumer and retail credit of the bank?

2. Does effective customer relationship management positively affect the repayment of consumer and retail credit granted?

3. What is the effect of customer relationship management on the general performance of the bank?

4. Is the customer relationship management strategy of the bank effective?

1.5 Scope of Study

A study of this nature should have covered all the financial institutions in the country in order to provide a clear understanding on the impact of customer relationship management on the granting of consumer and retail credit, but it is however limited to The Trust Bank Ltd, Ghana. The study again should have covered all the twenty one (21) branches of the bank in the country in order to provide a platform for generalization, but it is limited to the branches of the Kumasi metropolis. This is partly due to time and resources both material and financial.

The bank's customer relationship management was implemented in the year 2005. Many banks however came in with similar strategy which has affected customers' behavior. In view of this the researchers decided to research into the above topic. The period of the study however covers from January, 2010 to date because of the present competition in the financial industry.

1.6 Organisation of Study

This project is divided into five chapters. Chapter one gives a general background of the whole paper. It provides the reader with the statement of problem, objectives of study, scope of study, and organisation of study.

Chapter two reviewed the literature that relates to the project topic. In chapter three, the researcher discussed the various methods and strategies employed in gathering data for the research.

Discussion and presentation of data, results, and interpretation would be extentsively dealt with in chapter four. Chapter five draws conclusion of the research and gives suggestions and recommendations for future study.

CHAPTER TWO

LITERATURE REVIEW

2.1   Introduction

The banking industry in Ghana has been a witness for the last decade to several regulatory changes that have resulted in a heightened level of competition among the banks. The entry of private sector banks and foreign banks, have increased manyfold the expectations of the customers in all areas relating to customer service (Thampy and Madanmohan, 1999). The relations between banks and their customers form a rich and complex phenomenon whose structural, dynamic and organizational aspects are often ignored in the literature. Most studies stress only on the operative and administrative issues while others look at the relationships between banks and their customers as a simple additional variable in the overall bank marketing mix.

In banking, however, as in any other business, successful profit performance starts with fundamentals. The best approach is to define the customers' needs, expectations, and suggestions (voice of the customer) and incorporate them into the design of a robust plan of action that will fulfill both the customers' requirements and business goals.

Strategically, the ability to identify and retain the most profitable customers obtains increasing importance as all banks approach identical information and analysis plateaus. Finding ways to keep profitable customers loyal becomes of paramount importance as does the need to continually search for ways to improve the profitability of these customers.

Fortunately, in the case of banks, it may be possible to reduce some of the cost associated with servicing customers. Surprisingly, some customers appreciate having more control over their interactions with their service providers. Often, they delight in doing much of the work involved thus reducing the provider's workload in providing required services. In contrast, however, highly profitable customers demand higher levels of personalized service, but may be willing to pay for these services, particularly if they are rationally targeted toward their needs so that they have an appreciation for the true value added by such personalized services.

The value of customer relationships is particularly noteworthy in the service sector, for a variety of reasons.

First, because services are intangible, customers often have little to evaluate prior to making a purchase commitment. The service provider may be the most tangible aspect of the service and, in the eyes of customers, may be equated with the service itself. Customers' perceptions of the quality of the relationship with the service provider may be commensurate with the quality of the service itself.

Second, the difficulty of evaluating services prior to making purchase commitments often means that customers must rely on the credibility of service providers and their prior experiences with them to understand whether the promised service will meet their expectations. That is, customers generally do not purchase services, *per se*, but promises of services. A strong, healthy relationship between customers and service providers engenders the trust that is necessary for customers to commit to the service.

Next, the production of many services requires that customers and service providers interact with one another. Professional services, in particular, require a high degree of interaction. If rapport fails to materialize or if the relationship is otherwise strained the quality of the interaction and the resulting service can suffer.

Finally, many services are somewhat discretionary in the sense that customers can perform them themselves. For example, do-it-yourselfers often tackle their own income tax preparation, housework, lawn work, and auto repair rather than seek the help of professionals. When customer relationships are strong, however, customers may be less inclined to perform the services themselves and may be quite hesitant to "fire" service providers they like and trust. For all of these reasons, customer relationships management is critical to the success of service firms.

2.2 The Concept of Customer Relationship Management

The relationship marketing perspective provides the basis for the study of building and enhancing relationships with customers, whether it is couched in terms of customer/client/guest/patient relations, customer retention, relationship marketing, relationship management, goodwill, customer loyalty, partnering, after-marketing, defensive marketing, or something else. Whatever it is called, the outcome is the recognition that stronger relationships with customers result in a number of competitive advantages.

There is clear logic to customer relationship management (CRM) being the central focus for business (Roberts-Witt, 2000). At its most basic level there clearly is nothing more important than a customer. A business that does not consider a customer important should try to do without them for 30 days. A satisfied customer buys more, is more loyal, and more profitable over their

lifetime (Anton, 1996). To round out the argument, a dissatisfied customer causes market damage because they are more likely to defect to competitors and more likely to persuade others to defect. It is therefore no surprise that customer relationship management is an important topic of conversation in the academic and business arenas (Connelly and Yoger, 2001; Dennis, 2001a, b; Leon, 2001; Reda, 2000).

The modern customer relationship management concept was shaped and influenced by the theories of total quality management (Gummesson, 1997) and by new technological paradigms (Zeneldine, 2002). There is however a perceived lack of clarity in the definition of customer relationship management although all accepted definitions are sharing approximately the same concepts; customer relationship, customer management, marketing strategy, customer retention, personalization (Zeneldine, 2000). However, while academic debates the subtitle of the various definitions, the practitioners have developed a wealth of applicative papers analyzing the concrete challenges and opportunities of implementing the systems (Bacuver et al).

In the term of information technology, CRM means an enterprise-wide integration of technologies working together such as data warehouse, website, internet/extranet, phone support system, accounting, sales, marketing and production. Kotler (2000) observed that CRM uses information technology to gather data which can then be used to develop information acquired to create a more personal interaction with the customer. In the long term it produces a method of continues analysis and refinement in other to enhance customers lifetime value with the firms.

For customers, CRM offers customization, simplicity and convenience for completing transactions irrespective of the kind of channel of interaction used (Gulati and Garino, 2002).

Many businesses today realize the importance of CRM and its potential to help them achieve and sustain a competitive edge (Peppard, 2000). This view was further boosted by Bose (2002) that as a result of changing nature of the global environment and competition, firms cannot compete favourably with only minor advantages and tricks that can only be easily copied by competing firms. The implementation of CRM is an enabled opportunity to rise above minor advantages with a real focus on developing actual relationship with the customers. Firms that are most successful at delivering what each customer wants are the most likely to be the leaders of the future.

2.3 Benefits of Customer Relationship Management

The importance of customer relation has emerged as a major focal point for business strategy during the past decade, and this can be attributed to factors such as the blurring boundaries between markets or industries, an increasing fragmentation of markets (Buttle, 1999), shorter product life cycles, rapid changing customer buying patterns and more knowledgeable and sophisticated customers (Buttle, 1999; Gro¨nroos, 1996). In addition, other explanations for the shift towards relationship orientation in marketing include the continuing growth of the service economy as well as the increasing competition in the current marketplace (Christopher *et al*, 1991; Lehtinen, 1996). Regarding practice, firms are also considering the adoption of relationship marketing strategies as critical for sustaining a competitive advantage (Sharma *et al*, 1999). Due to the above reasons, the philosophy of relationship marketing is being advocated more and more strongly by marketers (Gummesson, 1994).

The management of customer relationships in the service industry is critical for many reasons. Firstly, as Lovelock (1983) points out, many services by their very nature require ongoing membership (e.g. banking, insurance, cable television). Even when membership is not required, customers may seek on-going relationships with service providers to reduce their perceived risk in evaluating services characterised by intangibility and credence properties. In addition, due to the intangibility of services, customer evaluative criteria are less well articulated, and the appraisal of the value received is much more subjective (Berry, 1980; Zeithaml *et al*, 1993). Therefore, customers are more likely to form relationships with individuals and with the organisations they represent than with goods (Bendapudi and Berry, 1997). Finally, employees play a major role in shaping the service experience as the interface between the service and its provider is inseparable; therefore, the service setting is especially conducive to customers forming relationships in services. Consequently, there have been calls for greater attention to the role of relationships in services (Gro¨nroos, 1990; Gummesson, 1987a; Sheaves and Barnes, 1996).

However, despite the growing importance and emphasis on relationship marketing, the operationalisation of this concept is still unclear. While much work has been focused on generic issues, little concentrates on areas that are influenced by the nature of the industry or transaction concerned (Pressey and Mathews, 2000). In addition, there has been a lack of studies that examined relationship variables at different levels of relationships (Macintosh and Lockshin, 1997). Splitting the relationship variables into different levels will allow for the identification of basic differences in person-to-person (interpersonal) as well as person-to-firm (company) relationships. The recognition of these differences has practical implications for managers as they can direct their efforts to improving important attributes on both the interpersonal as well as

company level. In doing so, firms striving for true customer intimacy can find ways to bridge the perceptual gap between the two levels of relationships highlighted above.

2.4 Service Quality

Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either (Wisniewski, 2001). There are a number of different "definitions" as to what is meant by service quality. One that is commonly used defines service quality as the extent to which a service meets customers' needs or expectations (Lewis and Mitchell, 1990; Dotchin and Oakland, 1994a; Asubonteng *et al,* 1996; Wisniewski and Donnelly, 1996). Service quality can thus be defined as the difference between customer expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman *et al*, 1985; Lewis and Mitchell, 1990).

Always there exists an important question: why should service quality be measured? Measurement allows for comparison before and after changes, for the location of quality related problems and for the establishment of clear standards for service delivery. Edvardsen *et al,* (1994) state that, in their experience, the starting point in developing quality in services is analysis and measurement.

A review of the literature suggests that our understanding of the relationship between customer satisfaction judgements and service quality perceptions remains a problematic issue (Taylor and Baker, 1994). A stream of research has argued that customer satisfaction judgements are causal antecedents of the service quality judgements (Bitner, 1990; Parasuraman *et al.*, 1988). However,

others have reported that it is the service quality that appears to be the causal antecedent of customer satisfaction (Anderson and Sullivan, 1993; Cronin and Taylor, 1992; Oliver, 1993; Taylor and Baker, 1994; Woodside *et al*, 1989).

A review of a bank's process of granting consumer and retail credit suggest that the process begins with the customer making an initial contact with the bank to find out more information on the bank's products and services. The customer then picks an application package which is subjected to a screening process and credit analysis to determine and identify customer needs and offer suitable product to the customer (or applicant). After the credit analysis is done, the applicant is recommended for credit decision whether the process should continue or should end based on the documents the applicant has provided. If it is a no, the process ends and the customer is advised, but if it is a yes, credit decision is made as to whether the applicant will be granted the loan or will not be granted the loan. If it is a yes, the process continues so an agreement document is prepared for both parties to sign to necessitate disbursement of funds to the applicant and monitoring measures are put in place to check the correct use of the funds, and adherence to credit decision. The last stage of the process handles repayment of the loan facility and preparing for sanction of further facilities. (The Trust Bank Draft Retail and Consumer Credit Policy Manual 2007)

2.5 Customer Satisfaction, Loyalty and Retention

Kotler (2000) defines satisfaction as a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (outcome) in relation to his/her expectations. When customers becomes satisfied about the value that is offered and sometimes his/her expectations are met and exceeded can generate many benefits for a firm (Bateson and Hoffman,

2002). According to them, positive word-of-mouth coming from existing and satisfied customers sometimes can translate into more new customers coming to the firm. Also, satisfied current customers often buy more products more frequently and are less likely to defect to competitors as compared to dissatisfied customers. According to Bateson and Hoffman (2002) firms that have high degree of customer satisfaction also seem to have the capacity to shield off competition, particularly price competition.

Kotler (200) pointed out that it is important to measure customer satisfaction regularly through survey to determine customers' level of satisfaction. According to him, firms may think that they are getting a sense of customer satisfaction through customer complaints however, in reality 95% of dissatisfied customers do not make any complaints and they just leave. As a result it is important for firms to make it easy for the customer to complain. Dissatisfied customers who usually complain about 54-70% will continue to do business again with the organization if their complaints are taken care of and resolved and may even be 95% if complaint receive quick response and action (Kotler, 2000).

Customer satisfaction is generally described as the full meeting of one's expectations (Oliver, 1980). Customer satisfaction is the feeling or attitude of a customer towards a product or service after it has been used. Customer satisfaction is a major outcome of marketing activity whereby it serves as a link between the various stages of consumer buying behaviour. For instance, if customers are satisfied with a particular service offering after its use, then they are likely to engage in repeat purchase and try line extensions (East, 1997). Customer satisfaction is widely

recognised as a key influence in the formation of customers' future purchase intentions (Taylor and Baker, 1994).

Satisfied customers are also likely to tell others about their favourable experiences and thus engage in positive word of mouth advertising (Richens, 1983; File and Prince, 1992). This positive word of mouth advertising is particularly useful in collectivist West African cultures like that of Ghana where social life is structured in a way to improve social relationships with others in the society (Hofstede, 1980; Hall and Hall, 1987).

Dissatisfied customers, on the other hand, are likely to switch brands and engage in negative word of mouth advertising. Furthermore, behaviours such as repeat purchase and word-of-mouth directly affect the viability and profitability of a firm (Dabholkar *et al*, 1996).

Customer satisfaction leads to customer loyalty and the discussion below stresses on this assertion. Loyalty has been defined in many ways. Two dominating approaches are the behavioral approach and the attitudinal approach (Dekimpe *et al*, 1997). In the behavioral approach, loyalty is inferred from customers observed purchase behavior, primarily repeat purchase. As argued by Dick and Basu (1994), the behavioral approach is insufficient to explain how and why loyalty is developed and maintained. To reveal real loyalty it is important also to understand the attitudinal factors underlying repeat purchase. In the attitudinal approach, loyalty is therefore inferred from the customer's attitude and behavioral intention toward the attitude object. The two approaches can be integrated using traditional attitude theory where one of the major propositions is that behavior toward an object is determined by attitude toward the object and intention to act toward the object (Fishbein and Ajzen, 1975). More precisely, a causal chain

is assumed from cognition to affect, from affect to intention, and from intention to behavior (Fishbein, 1980).

Clearly, mere loyalty is not enough. Now that techniques and services are being developed to identify varying levels of customer loyalty, there is a real opportunity to build loyalty from a core of apostles and owners who have extraordinary lifetime value for the provider of goods and services.

Loyalty can also be seen as the feeling that a customer has about a brand. Loyalty ultimately generates positive and measurable financial results. Improvements in retention and increases in share of customer are the obvious economic benefits. There are certain other benefits that are not always quite so obvious.

The benefits of an extended relationship with a customer were first articulated by Reichheld and Sasser (1990). They include the margins both from repeated purchases of standard products and services and from purchases of new products and services. The latter often provide a margin premium. In addition, loyal customers may be less costly to serve than those who have not yet been "trained" how to buy from a supplier.

It is worth noting that customer loyalty leads to customer retention and the discussion below emphasize on this assertion. Bateson and Hoffman (2002) define customer retention as focusing on firms marketing efforts towards the existing customer base. This explains the view that instead of trying to acquire new customers, firms engulfed in customer retentions effort must make sure that existing customers are satisfied so as to create and maintain long term relationships. Lovelock et all (1999) said in business context, loyalty is used to describe the

willingness of a customer to continue patronizing a firms goods and services over long period of time and on a repeated and preferably exclusive basis, and voluntarily recommending the firms products to friends and associates. In their view, customers will continue to be loyal to a particular firm if they feel and realize that better value is been offered.

Kotler (2000) assured the most important consideration to attain high customer loyalty for firms to deliver high customer value. He continue to stress that it has been the practice by firms to devout much attention and effort to attracting new customers rather than retaining existing ones, adding that traditionally firms emphasizes more on making sales rather than building relationships, on pre-selling and selling rather than caring for the customer subsequently.

Bateson and Hoffman (2002) noted that firms must put in place effective tactics for retaining customers and subsequently making them loyal. They mentioned tactics such as maintenance of proper perspective, remembering customers between calls, building trusting relationships, monitoring the service delivery process, responding swiftly to customers in need and provision of discretionary efforts. According to them, despite that every customer is important, firms must not retain certain customers if they are no longer profitable, abusive to the extent of lowering the morale of employees, reputation is so bad that it tarnishes the image and reputation of the company should the firm associate itself with that customer.

2.6 The Concept of Consumer and Retail Credit

The word *credit* is used in commercial trade in the term "trade credit" to refer to the approval for delayed payments for purchased goods. Credit is sometimes not granted to a person who has

financial instability or difficulty. Companies frequently offer credit to their customers as part of the terms of a purchase agreement. Organizations that offer credit to their customers frequently employ a credit manager.

Linsay (2005) looks at Credit as the provision of resources (such as granting a loan) by one party to another party where that second party does not reimburse the first party immediately, thereby generating a debt, and instead arranges either to repay or return those resources (or material(s) of equal value) at a later date. The first party is called a creditor, also known as a lender, while the second party is called a debtor, also known as a borrower.

Any movement of financial capital is normally quite dependent on credit, which in turn is dependent on the reputation or creditworthiness of the entity which takes responsibility for the funds.

Credit need not necessarily be based on formal monetary systems. The credit concept can be applied in barter economies based on the direct exchange of goods and services, and some would go so far as to suggest that the true nature of money is best described as a representation of the credit-debt relationships that exist in society (Ingham 2004 p.12-19).

Credit is denominated by a unit of account. Unlike money (by a strict definition), credit itself cannot act as a unit of account. However, many forms of credit can readily act as a medium of exchange. As such, various forms of credit are frequently referred to as *money* and are included in estimates of the money supply.

Consumer credit can be defined as 'money, goods or services provided to an individual in lieu of payment.' Common forms of consumer credit include credit cards, store cards, motor (auto)

finance, personal loans (installment loans), retail loans (retail installment loans) and mortgages. This is a broad definition of consumer credit and corresponds with the Bank of England's definition of "Lending to individuals". Given the size and nature of the mortgage market, many observers classify mortgage lending as a separate category of personal borrowing, and consequently residential mortgages are excluded from some definitions of consumer credit - such as the one adopted by the Federal Reserve in the US.

The cost of credit is the additional amount, over and above the amount borrowed, that the borrower has to pay. It includes interest, arrangement fees and any other charges. Some costs are mandatory, required by the lender as an integral part of the credit agreement. Other costs, such as those for credit insurance, may be optional. The borrower chooses whether or not they are included as part of the agreement.

Interest and other charges are presented in a variety of different ways, but under many legislative regimes lenders are required to quote all mandatory charges in the form of an annual percentage rate (APR). The goal of the APR calculation is to promote 'truth in lending', to give potential borrowers a clear measure of the true cost of borrowing and to allow a comparison to be made between competing products. The APR is derived from the pattern of advances and repayments made during the agreement. Optional charges are not included in the APR calculation. So if there is a tick box on an application form asking if the consumer would like to take out payment insurance, then insurance costs will not be included in the APR calculation (Finlay 2005 p.34).

2.7 Customer Relationship Management and Consumer and Retail Credit

Companies try to segment their customers by identifying groups of persons with need structures that are as homogeneous as possible within each group and significantly heterogeneous between

groups (Smith, 1956). These groups can then be addressed with a specially designed but also standardised strategy (Kotler, 1980). The goal is to solve the conflict between the intentions to satisfy customer needs as individually as possible but also to allocate marketing resources as economically as possible (Wind, 1978).

The competitiveness of the banking/financial services industry combined with the relative homogeneity of banking/financial services products and services creates a challenge to the industry. How do banks/financial services provide distinguished and distinguishing customer service and satisfaction in the sea of sameness? What is great service? How can they provide it? (Chakravarty *et al*, 1995, 1996, 1997).

It is clear that banks trail other industries/businesses in customer satisfaction. The American Customer Satisfaction Index is a US national indicator of customer satisfaction measured quarterly by a research unit of the University of Michigan (Fornell *et al*, 1996; www.bus.umich.edu/research/nqrc/acsi.html). In every economic quarter since the Index started in 1994 banks trail national satisfaction statistics by a significant percentage each year. Indeed, while overall national satisfaction scores have modestly increased over the past five years, bank customer satisfaction scores have declined 8.1 per cent.

Unlike the case of standardized transactions, the signing of a loan contract does not represent the end of the relationship between the contracting parties. During the bank–borrower relationship, many events may occur, which alter the bank's cost of providing the credit as well as the borrower's willingness to pay for it. Once the contract has been signed, the borrower and the bank are trapped in a situation of bilateral monopoly. Both parties may reap gains from this relationship. On the one hand, the bank collected information ex ante and ex interim, which

would constitute sunk costs, if the borrower leaves the relationship. On the other hand, the ending of the relationship by the borrower is likely to convey a negative signal about its quality to outside banks (Von Thadden, 1998).

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter introduces the methods used in arriving at the findings of the study. It begins with the study design, study population, Method of data collection, sample size determination and procedure, data presentation and analysis.

3.2 Study Design

A descriptive study was done by using both qualitative and quantitative tools.

3.3 Study Population

The target population for this study was three hundred and twenty (320) which was made up of customers who have assessed consumer and retail loans from The Trust Bank Ltd. and all relationship managers/officers from the Business Banking Department of The Bank in the Kumasi cluster. However, the sample size taken was one hundred and three (113).

3.4 Data Collection Procedure

The tools that were used included questionnaire and structured interviews.

The researchers gave the questionnaires to the respondents to answer the questions. The structured interview was also used to capture information from loan clients who could not read and understand in order to avoid the situation where their responses would be influenced by people who might help them to fill the questionnaires.

Records from the credit department were reviewed to help the researcher to gain access to first hand information. The respondents were assured of confidentiality of their responses and they were expected to be sincere and honest in answering the questions.

To give respondents extra confidences to enable them give the true picture of what their thoughts on the issue were, they were asked to remain anonymous.

3.4.1 Questionnaires

Questionnaires were designed and administered to relationship managers/officers form the Business Banking Department (BBD) as well as loan clients of the bank to help get data for the research work.

3.5 Research Questions

5. Does effective customer relationship management increase the granting of consumer and retail credit of the bank?

6. Does effective customer relationship management positively affect the repayment of consumer and retail credit granted?

7. What is the effect of customer relationship management on the general performance of the bank?

8. Is the customer relationship management strategy of the bank effective?

3.6 Sources of Data

Sources of data used for the study was both primary and secondary.

3.6.1 Primary Data

Primary data were collected from relationship officers/managers from the Business Banking Department (BBD) and the consumer and retail loan clients of The Trust Bank Ltd through the use of questionnaires and structured interview guide.

3.6.2 Secondary Data

The secondary data were collected from monthly report on loans from the credit department of the Bank and other books/journals.

3.7 Sample Size Determination and Technique

A total sample of one hundred and thirteen (113) was selected for the study out of a targeted population of three hundred and twenty (320).

The population that was used for the study was made up of all relationship managers/ officers from the Business Banking Department (BBD) from all the branches of The Trust Bank Ltd in the Kumasi Metropolis as well as some selected consumer and retail loan clients from the bank. Looking at the different categories of the population, it was necessary to use quota, and convenient sampling techniques.

For the Sample size in relation to workers of the bank, all thirty (30) relationship managers/officers from the Business Banking Department (BBD) of The Trust Bank were selected for the study because they could be assessed easily and also eighty three (83) consumer and retail loan clients from the branches of the bank were selected. The branches of the bank selected were the Kumasi Main Branch Adum, Kumasi magazine Branch, and the Ashanti new town branch were selected for the study. The respondents were selected based on the numerical strength of consumer and retail loan clients of the three branches. As a result, thirty eight (38) of

the respondents were selected from Kumasi Main Branch, twenty four (26) were selected from Kumasi Magazine Branch and eighteen (19) selected from the Ashanti new town Branch. These respondents were selected through the use of quota and convenience sampling method. Thus, the first thirty eight (38), twenty four (26) and eighteen (19) consumer and retail loan clients who the researchers met at the time of visit to the three branches respectively were selected for the study.

3.8 Ethical Considerations

Permission was sought from the Director, Human Resource Department of The Trust Bank to inform all the branch managers officially about the exercise for their cooperation.

The researchers also sought the consent of all the respondents and observed all the necessary protocols. The researchers being aware of the strong competition in the banking industry recently ensured that any information gathered was treated confidential.

CHAPTER FOUR

DATA PRESENTATION, DISCURSIONS AND ANALYSIS

4.1 Introduction

This chapter dealt with the analysis and presentation of data. The analysis and presentation were based on the research questions. However, the demographic distributions of respondents were analyzed. The category of respondents for the study included all relationship managers/officers as well as some selected customers of THE TRUST BANK Ltd. The response rate from both workers and clients of the bank were 100% because of the convenient and quota sampling method the researchers used.

4.2 Data Analysis and Presentation

The data collected was analyzed using Microsoft Excel (computer software program). The results were presented using statistical tools such as frequencies, tables, pie charts, and bar charts.

Descriptive statistics was used to analyze the data using, Microsoft Excel program analysis package.

4.3 Analysis and Discussion of results

DEMOGRAPHIC DISTRIBUTION OF RESPONDENTS

Table 4.1; **RESPONDENTS FROM VARIOUS TARGETED POPULATION**.

Respondents	Number of Respondents	Percentage of Respondents (%)
Relationship Managers/Officers	30	26.6
Customers	83	73.4
Total	113	100

Source: Author's field work, (August, 2010)

As could be seen from Table above, most of the respondents were customers which constitute the highest group. Thus, out of the eighty-three (83) questionnaires sent to the customers, all were retrieved representing 73.4% of the respondents. Another thirty (30) questionnaires sent to the relationship managers/officers of the Bank, all were retrieved representing 26.6%. The above figures indicate that the customers form the majority of the respondents.

Figure 4.1; Knowledge of clients.
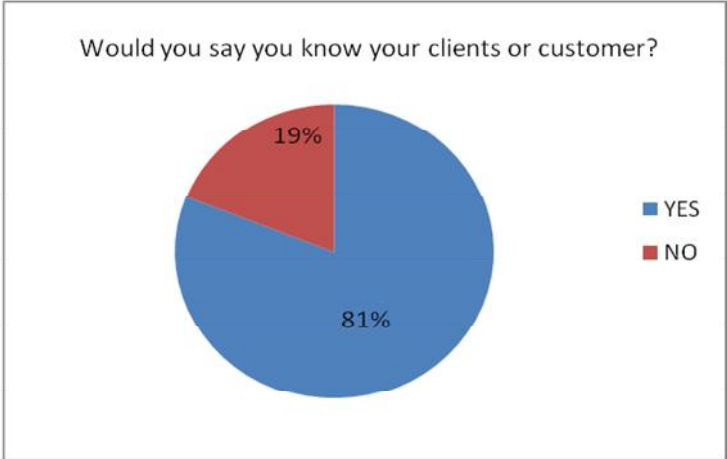
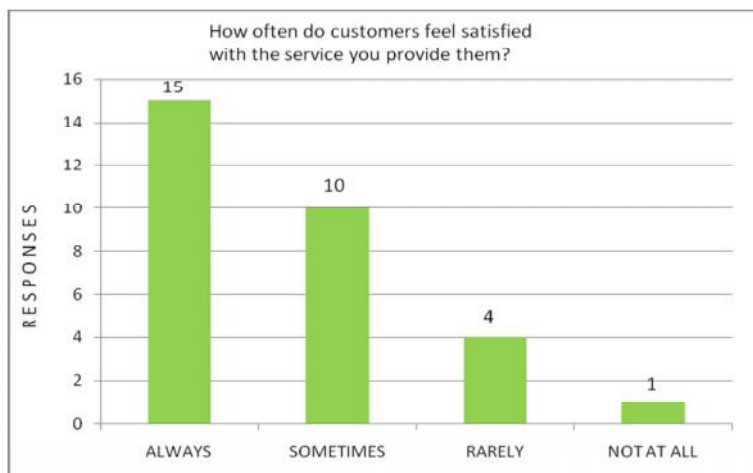Source: Researchers field work, (May, 2011)

Figure 4.2; The rate of knowing clients.
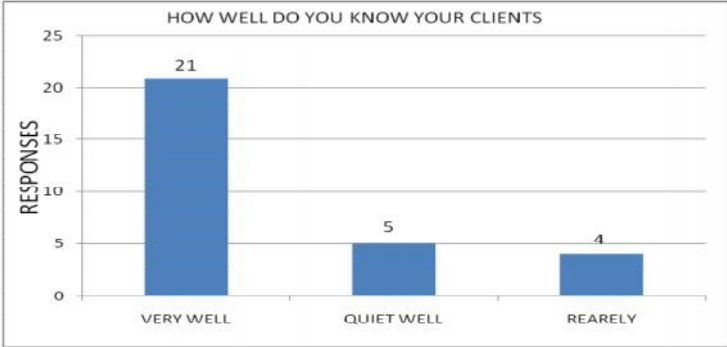
Source: Researhers field work, (May, 2011)

From the above diagram all the thirty (30) relationship managers/officers representing 100% confirmed that they know their clients. The diagram further indicates that twenty one (21) representing 70% of the relationship managers/officers know their customers very well, five (5) representing 16.7% know their clients quite well and the remaining four (4) relationship managers/officers representing 13.3% is not that sure whether they know their customers. The above figures clearly indicates that if a customer is presumed to be known by the bank, and he/she applies for a loan, the bank will feel comfortable granting a loan to such a person than a customer the bank do not know well enough to be giving a loan. The implication of the above finding indicates that the bank will be in a position to recover most of the loans they sell since they appear to know almost all their customers.

Figure 4.3; How often customers become satisfied.

Source: Researchers field work, (May, 2011)

Based on the bar chart above fifteen (15) relationship managers/officers representing 50% believe that customers always feel satisfied, ten (10) representing 33.3% think that customers sometimes feel satisfied while the remaining four (4) and one (1) representing 13.3% and 3.4%

respectively think that customers rarely feel satisfied and do not feel satisfied. The figures above further stresses that the extent to which a customer feels satisfied is linked to how well the bank's customer relationship strategy focuses on the individual needs of the customers and the profit accruing to the bank rather than on the profit accruing to the bank alone. The implication of this finding seems to suggest that majority of the customers feel satisfied since their needs are been addressed by the bank as and when they approach the bank for assistance and as result would remain loyal to the bank which will in turn increase the bank's profitability.

Figure 4.4; Relationship with customers.
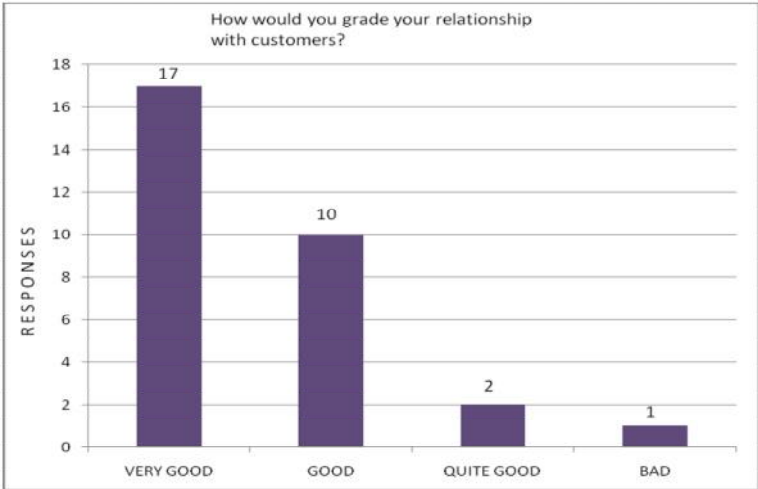
Source: Researchers field work, (May, 2011)

From the diagram above, out of thirty (30) respondents seventeen (17) representing 56.7% confirmed that their relationship with customer is very good, ten (10) representing 33.3% relationship with their clients is good while the remaining two (2) and one (3) representing 6.7% and 3.3% relationship with their clients is quite good and bad respectively. The above further

28

indicates that when the relationship of the bank officials with the customers is good they will not hesitate to recommend clients to be granted credit facilities.

When the opinions of some selected customers were sampled with regards to their relationship with the bank, majority of the respondents said their relationship with officers of the bank is wonderful, while the remaining thought otherwise. Majority of them rated their relationship with the bank as very good while the remaining thought otherwise. However, majority of these same customers believe that the bank's relationship with them ends at the business level and needs to extend beyond that. The implication of this suggest that almost all the customers would identify themselves with the bank because the bank relates well with them and would also lead to increase in customer base of the bank.

Figure 4.5; Provision of reliable information by customers.
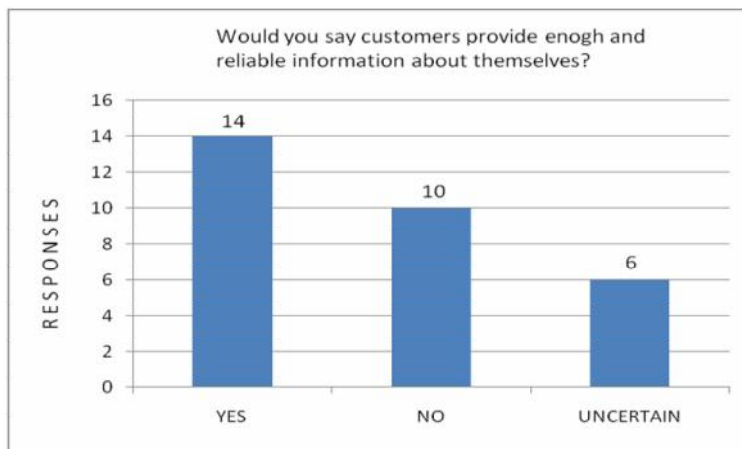
Source: Researchers field work, (May, 2011)

From the diagram above with respect to provision of reliable information by customers surveyed, fourteen (14) of the relationship managers/officers representing 46.7% said yes indeed customers provide accurate and reliable information while ten (10) of the relationship managers/officers

representing 33.3% customer do not provide reliable information and the remaining six (6)

representing 20% were not sure about that. The implication of this shows that the bank needs to

put in place effective mechanism to gather reliable information about their customers because if

reliable information is not collected from customers it might lead to less loan recovery rate.

Figure 4.6; Recommendation of credit to clients.
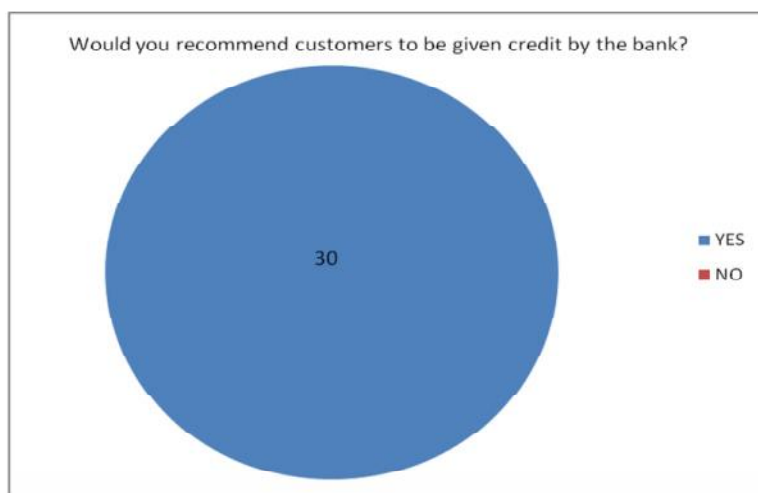
Source: Researchers field work, (May, 2011)

Based on the chart above, all the relationship managers/officers representing 100% responded

that they will recommend their clients for consumer and retail loan as and when it becomes

necessary, since the bank stands to make profit if it gives out secured loans to its numerous

customers or clients, putting in place realistic measures to mitigate the extent of loss. The

implication of this emphasizes the need to have good relationship with client of the bank so that

they can recommend the clients to be granted loans facilities.

Figure 4.7; Relationship with clients and recovery of loans.
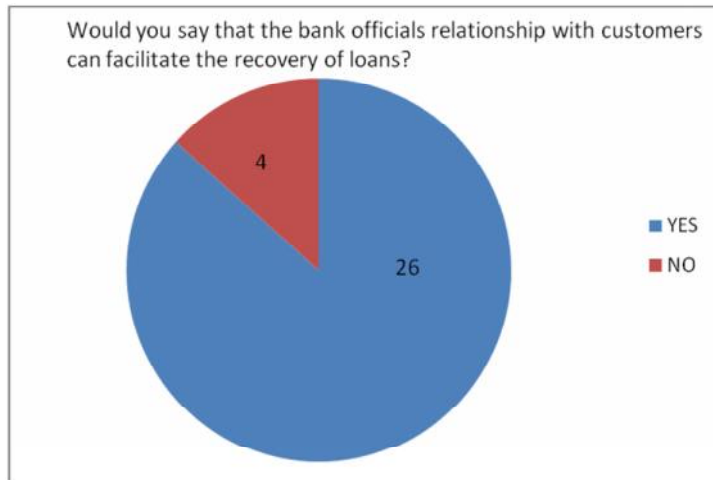
Source: Researchers field work, (May, 2011)

The above pie chart indicates out of thirty (30) officers sampled for the study with respect to the bank's relationship with client recovery of loan, twenty six (26) representing 86.7% admit that the bank officials relationship with customers goes a long way to facilitate loan recovery, while the remaining four (4) representing 13.3% think otherwise. On the part of the customers when their views were sampled as to whether they were assisted by the bank officials when they had problems with their loan repayment, majority of them responded to the effect that they were assisted, while the remaining few responded to the contrary. Moreover, the bank officials are in constant contact with them regarding loan repayment, in other words, their views are being solicited when it comes to loan repayment.

Figure 4.8; Customers view on mode of loan recovery.

Source: Researchers field work, (May, 2011)

Based on the diagram above when relationship managers/officers views were sought as to how their clients see the mode of the bank's loan recovery. Out of the thirty (30) officials sample for the study six (6) representing 20% think that the customers view the bank's loan recovery as very good, nine (9) representing 30% also think that the bank's loan recovery is good, while the remaining ten (10) and five (5) representing 33.33% and 16.7% respectively think that the bank's loan recovery appears moderate and sometimes not friendly. Majority of the customers feel that the bank's mode of loan recovery is friendly and as such more clients will be willing to apply for loan.

Figure 4.9; Rating of loan repayments.
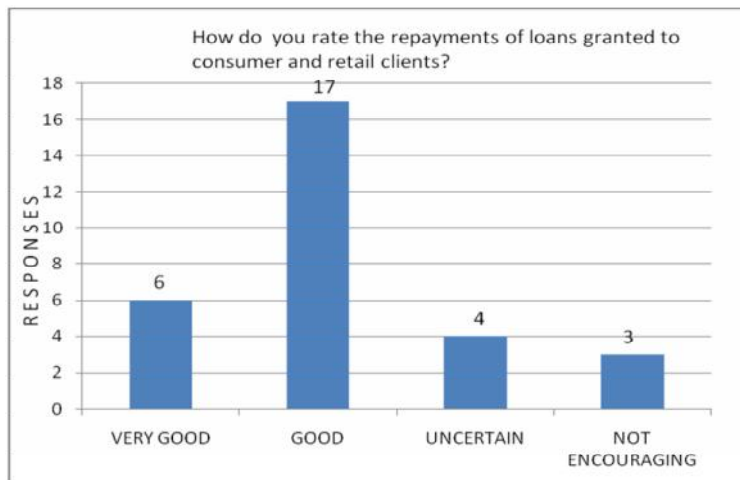
Source: Researchers field work, (May, 2011)

The bar chart above shows that out of the thirty (30) relationship managers/officers interviewed, six (6) of them representing 20% see the rate at which customers repay back the loan they have assessed as very good, seventeen (17) of them representing 56.7% also see the repayment of loan by customers as good, while the remaining four (4) and three (3) representing 13.3% and 10% respectively rate the level of customers repayment as uncertain and abysmal. The finding indicates that the rate of recovery is encouraging which will increase the bank's profitability ratio.

Figure 4.10; Review of the bank's Customer Relationship Management (CRM) strategy.
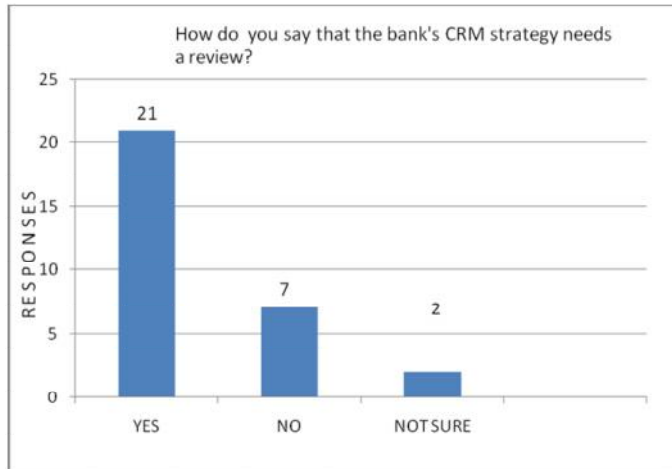
Source: Researchers field work, (May, 2011)

The various views as to whether the bank's customer relationship strategy needs review were solicited. This attested to the fact that out of the thirty (30) sample for the study, twenty one (21) of them representing 70% are of the believe that yes the customers relationship strategy needs constant review considering the unpredictable nature of human being and the fact that the survival of every business rest on the customer, seven (7) of the officials representing 23.3% think that the bank's customer relationship strategy does not need any review, while the remaining two (2) of the officials representing 6.7% is not sure whether the bank's customer relationship strategy needs review or not.

Figure 4.11; Nature of information given by customers.
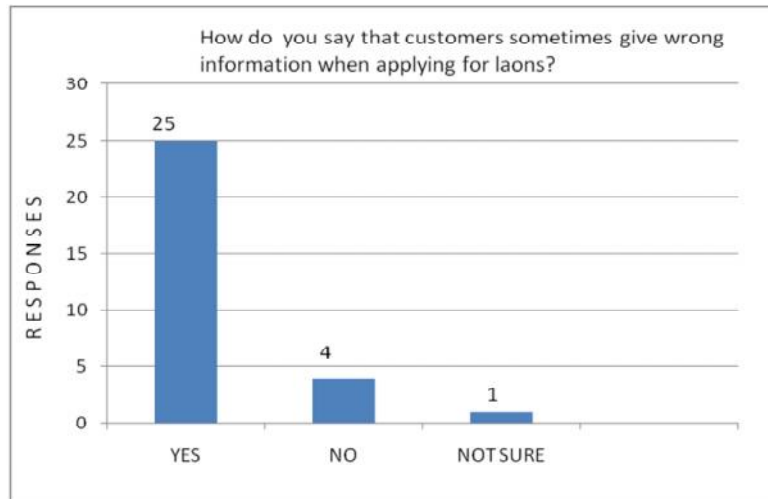
How do you say that customers sometimes give wrong information when applying for laons?

Source: Researchers field work, (May, 2011)

Based on the bar chart above the researcher sought to sampled banks officials' views with respect to whether or not customers sometimes give wrong information about themselves. Out of the thirty (30) officials sampled for the study, twenty five (25) of them representing 83.3% admitted that sometimes customers in a desperate attempt to secure loan from the bank give wrong information about themselves, while four (4) and one (1) officials representing 13.3% and 3.4% respectively declined. The implication of this finding does not look good for the bank, since such a situation could cause the bank operating cost or expense to increase thereby reducing the profit of the bank and also the bank reputation could be affected.

Figure 4.12; Influence of relationship of bank officials on customer's credit decision.
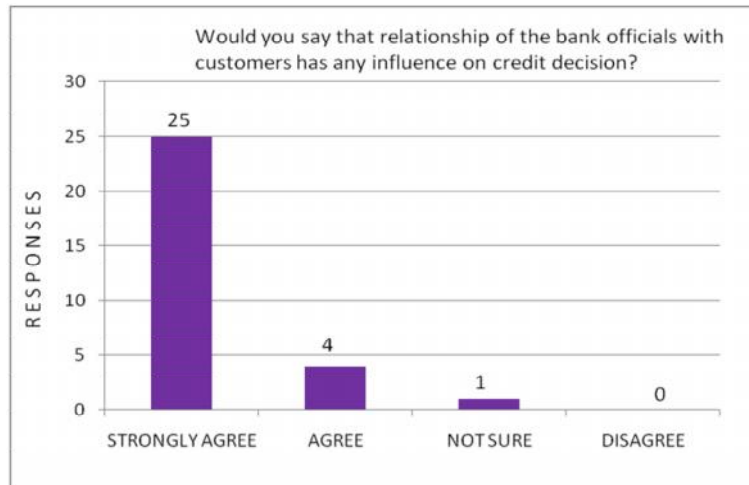
Source: Researchers field work, (May, 2011)

The above bar chart shows the influence of bank officials' relationship with customers on credit decision. Out of the thirty (30) officials sampled for the study, twenty five (25) of them representing 83.3% strongly agree that the relationship existing between bank officials and customers has influence on credit decision. four (4) of the officials representing 13.3% also agree that the relationship has influence on credit decision, while the remaining one (1) representing 3.4% are not sure whether bank's officials relationship with customers has influence on credit decision. Nobody disagreed with that.

The above indicates that majority of the respondents agree that the relationship of bank officials with customers has influence on credit decision. Furthermore, majority of the customers of the bank share the opinion that the establishment of good relationship has strong influence on granting of credit.

On the other hand, the ending of the relationship by the borrower is likely to convey a negative signal about its quality to outside banks. The value generated by the continuation of the relationship represents a quasi-rent which needs to be divided between both parties ex post.

Figure 4.13; Influence of Customer Relationship Management on the bank's performance.
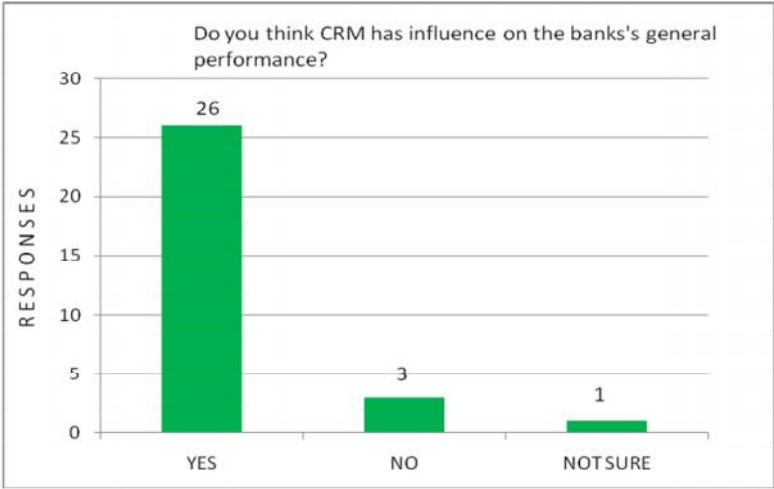
Source: Researchers field work, (May, 2011)

Based on the bar chart above, the researcher sought to find out from the bank officials whether there is a correlation between the bank's customer relationship strategy and the general performance of the institution. Out of the thirty (30) officials, twenty six (26) representing 86.7% think that there is indeed correlation between the bank's customer relationship strategy and the general performance of the bank. If the bank's customer relationship strategy is friendly it will go a long way to positively affect the overall performance of the bank, while three (3) officials representing 10% do not think that there is a correlation between the bank's customer relationship strategy and the general performance of the bank and the remaining one (1) representing 3.3% is not sure whether there is a correlation between the bank's customer

relationship strategy and the general performance of the bank. The customers sampled for the study are of the opinion that good relationship between them and bank officials improves the performance of the bank. The implication of this finding indicates that special attention to customer relationship management strategy of the bank will position the bank to either stay in competition or on top of competition if its performance is anything to go by.

Figure 4.14; Training on Customer Relationship Management (CRM).

Source: Researchers field work, (May, 2011)

The above pie chart indicates that out of the thirty (30) officials sample for the study with respect to whether they attend training periodically. Twenty eight (28) officials representing 93.3% said that they have not been attending training on CRM, while the remaining two (2) representing 6.7% think they have been receiving training on CRM. The above indicates that those who have not attended training specifically on CRM form the majority and therefore gives credence to the fact that something needs to be done about it. Periodic training of officials of the bank implies

more skills acquisition and increase in the bank's customer base due to the good customer relation.

Figure 4.15; Rigidity of loan process.
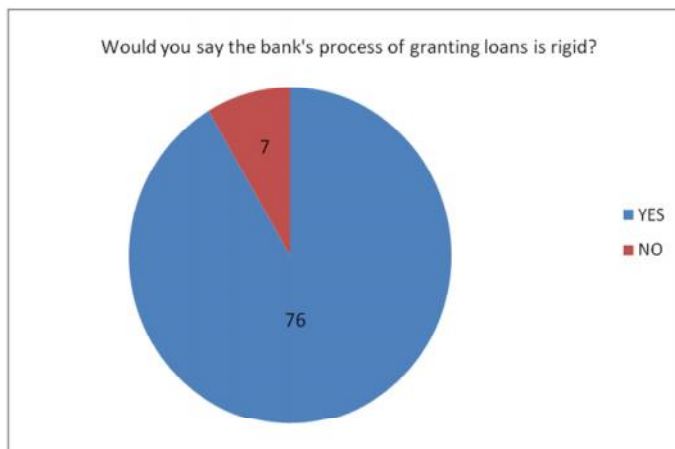
Source: Researchers field work, (May, 2011)

The chart above indicates that out of the eighty three (83) customers sample for the study, seventy six (76) of them representing 91.6% think that the bank's process of granting consumer and retail credit is not flexible, while the remaining seven (7) representing 8.4% think that the process is flexible. This seems to support Taylor and Baker (1994) view that understanding of the relationship between customer satisfaction judgments and service quality perceptions remains a problematic issue.

Figure 4.16; The rate of loan appraisal.
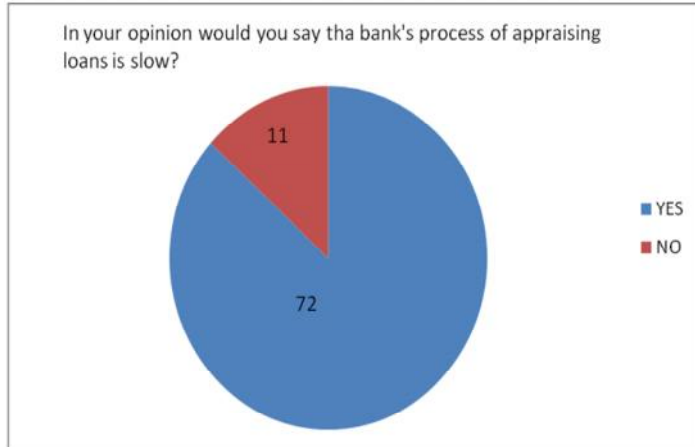
Source: Researchers field work, (May, 2011)

Based on the chart above, out of the eighty three (83) customers sample for the study seventy

two (72) of them representing 86.7% think that the bank's process of appraising a loan

application is slow, while the remaining eleven (11) representing 13.3% think that the process is

normal. Leading service organisations strive to maintain a superior quality of service in an effort

to gain customer loyalty, therefore, a service organisation's long-term success in a market is

essentially determined by its ability to expand and maintain a large and loyal customer base.

CHAPTER FIVE

SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.1 Introduction

This chapter discussed the summary of the major findings, conclusions and recommendations.

5.2 Summary of findings

The following are the principal findings of the study which seek to answer the stated objectives.

5.2.1   Findings on review of the bank's customer relationship management strategy.

Upon careful review of the bank's CRM strategy, it was found out that:

- Even though the bank's customer relationship strategy was friendly and human, it strictly focuses on the clients at the business level only.

- It does not take into account personal issues that affect the clients which go a long way to affect the businesses of the clients.

5.2.2 Findings on review of the bank's process of granting consumer and retail credit

The review of the bank process of granting consumer and retail credit brought to force the numerous challenges facing the process. It was found out that:

- The processes of granting consumer and retail credit was not flexible to enable most customers of the bank apply for credit and this was a source of worry to the customers.

- It was again realized that the documentation the bank requires from applicants to enable them qualify for credit is very complex.

- It was further realized that the procedure that the application process go through is too slow and as such by the time an application is approved to the time the funds will be disbursed to the applicant, the need for the funds would be gone or lost or the customer will have no need for the loan he/she requested from the bank.

The implications of these findings suggest that, the bank would have to do so much to keep her customers if such a situation is not reversed because the customers will not be attracted to apply for a loan and will be relying on other service of the bank to be satisfied, thus affecting the profitability rate of the bank. There is also a possibility of the bank losing some of its customers because they may feel disappointed and disenchanted. Again such a situation creates an impression that the bank is not serious to do business and as such will be overtaken by her competitors.

5.2.3 Findings on establishing how customer relationship management affects the granting of consumer and retail credit.

- It was found out that good relation between officials of the bank and customers of the bank has increased the granting of loans to the clients of the bank. This was made possible because if the bank knows everything about the client it will not hesitate to give out loan to such a client especially when the relationship with the client reveals that the client is credit worthy.

The clients on the other hand would feel comfortable revealing credible information the bank needs if his/her relationship with the bank is cordial and this will speed up the process of granting loans to such a client or attending to the needs of the clients as early as possible.

The implication of this finding shows that the bank will be in a position to recover most of the loans it sells to its clients because of the good relationship it has with them and the clients would feel bad defaulting a loan he/she has assessed.

Again this finding seems to suggest that majority of the customers feel satisfied since their needs are been addressed by the bank as and when they approach the bank for assistance and as result would remain loyal to the bank which will in turn increase the bank's profitability. This is so because the bank officials will not hesitate to recommend customers they have good relationship with for loans and when the bank sell more loans they stand a better chance of getting more profit.

5.2.4 Findings on assessing the impact of customer relationship management on recovery of consumer and retail credit granted.

It was again found out that:

- The bank can only minimize the level of loan default only if her relationship with her clients is very good.

- This can be made possible when there is constant interaction with the clients of the bank and the officers of the bank visit the clients regularly to ascertain the state of their business and their personal activities.

- Moreover when good and healthy relationships exist between the bank and her clients, the clients would feel very uncomfortable defaulting payment of a loan he/she has secured from the bank.

The implication of the finding clearly indicates the extent of good relationship the bank has with her customers and how comfortable it will be to the clients to repay the loan because if the

clients fail to honour their part of the agreement it will reduce the profit margin of the bank thereby affecting the general performance of the bank.

5.3 Conclusion

Research have shown that, despite the springing up of more financial institutions in the country and the high rate of people switching banks as and when they please couple with high temptation of loan default on the part of customers, customers relationship management strategies have become one of the most reliable tools used by most banks including The Trust Bank Ltd to grant retail and consumer credit to their customers. This is so because a well managed customer by the bank will forestall or minimize the rate of loan default that may come up when consumer and retail credit is granted to such a client.

It is without doubt that, there is indeed strong and positive impact of customer relationship management on the granting of loans to clients/customers. If customers are well managed by the bank they will feel more comfortable and secured giving out loans to their clients/customers since the bank may have access to reliable and accurate information about such clients which will facilitate and speedy up the decision they will have to take on clients' loan applications.

Customer Relationship Management is therefore an effective weapon for The Trust Bank Ltd to build and develop a good relationship with customers. Under current circumstance, new customers are hard to acquire by most banks in the country and The Trust Bank Ltd is no exception because of the keen and fierce competition brewing among the banks in an attempt to mobilize customers. An alternative way to prospect new customers is to attract the customers from the competitors. As a result, The Trust Bank Ltd has to prevent their customers from being attracted by their competitors. Though Customer Relationship Management has come into

existence for more than ten years, the application of Customer Relation Management in The Trust Bank Ltd is still a new topic to study.

5.4 Recommendations

The findings of the study produced several suggestions for management of The Bank Ltd:

1. The researchers would want to suggest that the relationship existing between the bank and her customers should extend beyond business level because there are several personal problems of the customers which can affect them at the business level if not resolved. The relationship managers/officers however should help identify and solve potential problems of customers as and when they come up since such an effort will minimize the default rate and maximize the recovery rate of loans granted by the bank.

2. Again the researchers would want to suggest that the relationship managers/officers should spend more time with the customers. This is to say that the officials of the bank should spend enough time with the clients/customers rather spending more time at the offices. Furthermore, when bank officials spend more time with the customers, they will feel comfortable giving out reliable and accurate information about themselves and this will go a long way to minimize the level of loan default on the part of the customers.

3. The researchers would want to suggest that there should be periodic review of the bank's customer relationship strategy to respond to the dynamism and unpredictable nature of customers. The constant review of the bank's customer relationship management strategy should be in line with the constantly changing environment in the corporate world and

also to position the company to enable it to stay on top of competition or stay in competition.

4. The researchers would want to suggest that the bank should organize periodic training programmes specifically on customer relationship management. This will equip the relationship managers/officers the necessary skills and techniques to relate well with customers. The training programme should emphasize on the importance of customer relationship management and its positive impact on the general performance of the bank.

5. Management can also set up an outfit to liaise and call customers of the bank to remind them of what they need to do and if possible follow up with visits to acquaint themselves with problems of the clients. When this is done customers would feel a part of the bank and would not engage in any acts that will jeopardize the activities of the bank.

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CHRISTIAN SERVICE UNIVERSITY COLLEGE (DEPARTMENT OF MARKETING)

QUESTIONNAIRE ON THE IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT ON THE GRANTING OF CONSUMER AND RETAIL CREDIT OF THE TRUST BANK LIMITED

This study seeks to gain information from relationship managers/officers of THE TRUST Bank Limited about how customer relationship management impact on the granting of both consumer and retail credit. Please note that this study is purely academic and your frank and accurate response is key. Your answer will therefore be treated very confidential. Please remain anonymous in your response to the items on the questionnaire.

Thank you for your cooperation.

QUESTIONAIRE DESIGNED FOR THE RELATIONSHIP MANAGERS/OFFICERS OF THE TRUST BANK LTD. (BUSINESS BANKING DEPARTMENT)

1. Would you say you know your clients or customers?
Yes (   )   No (   )
If yes How well?
Quite Well (   ) Very Well (   ) Rarely

2. How often do customers feel satisfied with the service you provide them?
Always (   )   Sometimes (   ) Rarely (   ) Not at All (   )

3. How would you grade your relationship with customers who visit the bank?
Very Good (   ) Good (   ) Quite Good (   ) Bad (   )

4. Would you say customers provide enough and reliable information about themselves?
Yes (   )   No (   ) Uncertain (   )

5. Would you recommend customers to be given credit by the bank?
Yes (   )   No (   )   Uncertain (   )

6. Would you say that the bank officials' relationship with customers can facilitate the recovery of loan?
Yes (   )   No (   )   Not Sure (   )

7. How do customers see your mode of loan recovery?
   Very Good ( ) Good ( ) Moderate ( ) Not Friendly

8. How do you rate the repayment of consumer and retail credit of clients?
Very Good (   ) Good (   ) uncertain (   ) Not encouraging (   )

9. Would you say that the Bank's Customer Relationship Management strategy needs a review?
Yes (   )   No (   )   Not Sure (   )

If yes, to what extent would the review be necessary?
………………………………………………………………………………………………………
……………………………………………………………………………………………

10. Would you say that customers sometimes lie about themselves when applying for credit?
Yes (   )   No (   )   Not Sure (   )
If Yes, How does it affect your operations? **Tick as appropriate**
    Delays administrative procedure   (   )
    Leads to mistrust of other genuine customers   (   )
    Delays decision making of clients loan application   (   )

11. Would you say relationship of bank officials and customers have any influence on credit decision.
A. Strongly Agree
B. Agree
C Not Sure
D. Disagree

12. Do you think Customer Relationship Management has influence on the

   Bank's general performance?

     Yes   [   ] No   [   ] Not Sure [   ]

 Give reasons for your answer

………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………

13. Do you attend training on CRM periodically?

    Yes [   ]   No [ ]

APPENDIX B
QUESTIONAIRE DESIGNED FOR THE LOAN CLIENTS OF THE TRUST BANK LTD.

PERSONAL INFORMATION OF RESPONDENTS

Age background of Respondents
- a) 15-20 〔   〕
- b) 21-30 〔   〕
- c) 31-40 〔   〕
- d) 41-50 〔   〕
- e) 51-60 〔   〕
- f) 61+ 〔   〕

Sex of respondents
- a) Male   b) Female

Occupation of respondents………………………………
Income levels of respondents
- a) Below CHC50
- b) 50-100
- c) 100-200
- d) 300-400
- e) 400-500
- f) 500-1000
- g) 1000 and above

Educational background of respondents
- a) Tertiary education   〔   〕
- b) SHS/WAECE education 〔   〕
- c) Vocational/Technical education 〔   〕
- d) JHS education 〔   〕
- e) Middle School Leaving Certificate 〔   〕
- f) None 〔   〕
- g) Others…………………………

The effects of customer relationship management on loans recovery

1.0   Would you say the bank's process of granting loans is rigid?

Yes [ ]   No   [ ]

2.0 In your opinion would you say the bank's process of appraising loans is slow?

Yes [ ]   No   [ ]

3.0 Have your views ever been solicited concerning the loan repayment?

Yes [   ]   No [   ]

4.0 Have you ever had problems in paying your loans?

Yes [   ]   No   [   ]

5.0 Were you assisted by the bank officials?

Yes   [   ] No   [   ]

6.0 Do you think your relationship with the credit officer's help you to pay your loans on time without difficulties?

Strongly agree ( ) Agree ( ) Disagree ( ) Strongly Disagree ( )

7.0 Have you ever defaulted in repayment of loans?

Yes   [   ] No   [   ]

8.0 If yes, was it a result of the poor relationship you had with the credit officers?

Yes [ ]   No   [ ]

9.0 Does your relationship with the credit officers encourage you to continue to be a loan client?

Strongly agree ( ) Agree ( ) Disagree ( ) Strongly Disagree ( )

10.0 Were you attracted to The Trust Bank Loan Scheme by the nature of relationships displayed

by the bank's officials?

Strongly Agree ( ) Agree ( ) Disagree ( ) Strongly Disagree ( )

11.0 How will you rate your relationship with the credit officers?

Very Good ( ) Good ( ) Poor ( ) Very Poor ( )

12.0 Does your relationship with the bank officials extend beyond the business level?

Yes [ ]   No   [ ]

If   No would you recommend that to the management of the bank

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APPENDIX C

INTERVIEW GUIDE DESIGNED FOR THE CONSUMER AND RETAIL LOAN CLIENTS OF THE TRUST BANK LTD.

The effects of customer relationship management on loans recovery

1.0 Would you say the bank's process of granting loans is rigid?

Yes [ ]   No   [ ]

2.0 In your opinion would you say the bank's process of appraising loans is slow?

Yes [ ]   No   [ ]

3.0 Have your views ever been solicited concerning the loan repayment?

Yes [   ]   No [   ]

4.0 Have you ever had problems in paying your loans?

Yes [   ]   No [   ]

5.0 If Yes, were you assisted by the bank officials?

Yes   [   ] No   [   ]

6.0 Do you think your relationship with the credit officers help you to pay your

loans on time without difficulties?

Strongly agree ( ) Agree ( ) Disagree ( ) Strongly disagree ( )

7.0 Have you ever defaulted in repayment of loans?

Yes   [   ] No   [   ]

8.0 If yes, was it a result of the poor relationship you had with the credit officers?

Yes [ ]   No   [ ]

9.0 Does your relationship with the credit officers encourage you to continue

to be a loan client?

Strongly agree ( ) Agree ( ) Disagree ( ) Strongly disagree ( )

10.0   Were   you   attracted   to   THE   TRUST   Bank   Loan   Scheme   by   the   nature   of

relationships displayed by the bank's officials?

Strongly agree ( ) Agree ( ) Disagree ( ) Strongly disagree ( )

11.0   How will you rate your relationship with the credit officers?

Very Good ( ) Good ( ) Poor ( ) Very Poor ( )

12.0   Does your relationship with the bank officials extend beyond the business level?

Yes   [ ]   No   [ ]

If   No would you recommend that to the management of the bank

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