THE ADOPTION OF THE HOLISTIC MARKETING
CONCEPT AS A CUSTOMER RETENTION STRATEGY AND
ITS IMPACT ON CUSTOMER RETENTION IN THE
FINANCIAL INDUSTRY: A CASE STUDY OF CABS
ZIMBABWE

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A dissertation submitted in partial fulfilment of the
Requirements for the Masters of Business Administration.

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DECLARATION

I, Linna Tandy Mfarinya, do hereby declare that this dissertation is the result of my own investigation and research, except to the extent indicated in the acknowledgements, references and by comments included in the body of the report, and that it has not been submitted in part or full for any other degree to any other university.

_______________________________                  Date__________
Student’s signature

_______________________________                  Date__________
Supervisor’s signature
ACKNOWLEDGEMENTS

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Special mention goes to my family for their understanding, support, guidance and encouragement during my entire period of study and to my closest friends for their unwavering support.

Last but not least, I thank the Lord for giving me this opportunity to realise my goal and for his unwavering love and grace as I went through my studies.
ABSTRACT

Customer retention has gradually gained momentum as a vital tool for surviving in the highly competitive environments and increasing revenue. Most customer retention strategies adopted by banks have been over-used and some have since ceased to be as effective, hence the need to introduce a more innovative, coordinated and holistic approach to customer retention. The study, therefore explored the adoption of the holistic marketing concept as a customer retention strategy. The main objective was to establish the extent to which CABS had applied the holistic marketing concept as a customer retention strategy and its impact on customer retention.

Various theories and frameworks on the holistic marketing concept and customer retention as discussed by different authors were reviewed. The research was predominantly quantitative with aspects of the qualitative approach incorporated to ensure more depth in the collection of data. The case study strategy was adopted with CABS Zimbabwe being the company under study. Two sets of questionnaires were prepared and administered to customers and staff and a response rate of 93.3% was realised from the respondents.

The research results revealed that, though the customer satisfaction levels were high resulting in customers remaining loyal to CABS, the company needed to address the issues of brand visibility, product awareness, communication systems which were found to be lagging behind. Furthermore, the findings showed that there was positive correlation between the variables of the holistic marketing concept and customer retention. It was therefore concluded that CABS, to a large extent had applied the holistic marketing concept as a customer retention strategy and that banks could adopt the concept as a customer retention strategy and reap the benefits. It was recommended that CABS should establish an effective communication procedure for customers, carry out continuous market research and conduct continuous training workshops for staff to strengthen the current customer retention strategies and make them more effective.
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<th>ABBREVIATIONS/ACRONYMS</th>
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<tr>
<td>RBZ : RESERVE BANK OF ZIMBABWE</td>
</tr>
<tr>
<td>ZABG : ZIMBABWE ALLIED BANKING GROUP</td>
</tr>
<tr>
<td>ZIA : ZIMBABWE INVESTMENT AUTHORITY</td>
</tr>
<tr>
<td>ATM : AUTOMATED TELLER MACHINE</td>
</tr>
<tr>
<td>POS : POINT OF SALE</td>
</tr>
</tbody>
</table>
CHAPTER 1

1.0 INTRODUCTION

1.1 INTRODUCTION TO THE STUDY

Any company that depends on repeat business absolutely requires a good customer retention system, so as to thrive in today’s competitive environment (Gage, 2005). Customer retention has gradually gained momentum within companies as a vital tool for surviving in the highly competitive environment and the attainment of revenue. For an organisation to survive in the competitive environment, it is required to enhance its reputation and retain its customer base, among other business elements. Therefore, in today’s highly competitive environment, organisations need to better understand their customers, who are the most profitable and how best to retain them. In any business, customers are the most important aspect of a successful company and therefore customers must be looked after and managed properly. Hence, it becomes pertinent for the organisation to ensure that it retains its customer whilst at the same time increasing its market share.

Banks today, the world over, are operating in a highly competitive and rapidly changing environment and Zimbabwe is no exception. Given the highly competitive environment that is currently prevailing, it has therefore become even more important for individual banks to retain customers, as it becomes even more difficult to acquire new customers, given the lack of liquidity in the market. According to Uppal (2010), the existence of the bank has little value without the existence of the customer; therefore, the main task of the bank is not only to create and win more customers but also to retain them through effective customer service. The success
of any banking business is highly dependent upon the company’s capacity to understand, predict and influence customers’ behaviour.

There are various customer retention strategies that the banks can adopt in their endeavour to retain their customers. However, most of these retention strategies have been over-used and have since ceased to be as effective, hence the need to introduce a more innovative, coordinated and holistic approach to customer retention which addresses all issues related to customer retention. Therefore, this study was aimed at exploring the adoption of the holistic marketing concept as a customer retention strategy. The holistic marketing concept calls for a more coordinated, holistic and integrated approach to marketing which enables the banks not only to retain existing customers, but acquire new customers as well.

1.2 BACKGROUND TO THE STUDY

1.2.1 Overview of the Financial Industry in Zimbabwe

As reported in the Reserve Bank of Zimbabwe (RBZ) Monetary Policy Statement (2012), the Zimbabwe financial sector prior to 2003 was characterized by poor corporate governance structures and risk management styles, high levels of insider trading, as evidenced by indecent loans being given out, indulgence in speculative non-core banking activities, inadequate capitalization, and lax prudential supervision and regulatory forbearance (RBZ Mid-Term Policy Statement, 2012).

Zimbabwean’s confidence in the financial sector took a huge blow during the period 2004 – 2008 and has remained mostly on the low side. This period proved to be a challenging one for the Zimbabwe banking public who experienced the cash
shortages, withdrawal limits and never-ending queues, as well as bank closures. The RBZ in 2004 took prompt supervisory action against banking institutions that were unsafe and unsound. During this period, nine banks were placed under recuperative curatorship and these included Trust Bank Corporation Limited, Intermarket Discount House, Royal Bank of Zimbabwe Limited, Barbican Bank Limited, Intermarket Banking Corporation Limited, CFX Bank Limited, Intermarket Building Society, CFX Merchant Bank and Time Bank Limited. Bloch (2012) reported that Rapid Discount House, Century Discount House and Barbican Asset Management were placed under liquidation while First National Building Society was placed under final liquidation in 2005. Liquidity challenges, coupled with the absence of an active interbank market, limited access to external credit lines and the absence of the lender of last resort compounded the domestic operating environment for banks.

To bring sanity to the banking sector, the Troubled Financial Institutions Resolution Act (2004) was enacted to deal with distressed financial institutions. This saw the amalgamation of three distressed banks under the authority of this Act to form a new institution, Zimbabwe Allied Banking Group (ZABG) and the affected institutions were Trust Bank, Barbican Bank and Royal Bank. These banks had failed to repay funds advanced to them by the RBZ. A further measure taken by the RBZ was to impose management changes, which resulted in most of the entrepreneurial bank founders being forced out of their companies. Some fled the country under the threat of arrest and boards of directors of banks were restructured.

According to the RBZ Monetary Policy Statement (2013), the resurgence of indiscipline in the banking sector had the following repercussions:

- Interfin Bank was placed under curatorship on 11 June 2012 for a period of six months due to inadequate capitalization, concentrated shareholding and abuse of business structures, high level of non-performing insider loans, chronic liquidity
and income generation challenges, as well as violation of banking laws and regulation. The curatorship was extended by a further six months to 11 June 2013 to enable the curator to conclude potential recapitalization deals and corporate governance issues at the bank, (RBZ Monetary Policy Statement, 2013).

- Genesis Investment Bank voluntarily surrendered its licence on 11 June 2012 following its failure to meet the minimum capital requirements. The bank has been placed under liquidation.
- Barbican Bank’s licence failed to meet the extended deadline of 31 July 2012 for recapitalisation and resumption of banking business, resulting in the RBZ making a recommendation to the Ministry of Finance for the cancellation of the Bank’s licence.
- Royal Bank gave up its banking licence on 27 July 2012 after failing to navigate around the operational challenges that affected the bank.

1.2.1.1 Architecture of the Zimbabwe Financial Industry

According to the survey of the financial industry in Zimbabwe, carried out by Cleaner Production Centre of Zimbabwe, Zimbabwe’s banking sector is relatively sophisticated, headed by the RBZ, and comprising of commercial banks, finance houses, merchant banks, building societies, discount houses and the Post Office Savings Bank (POSB) (Mupambare, 2009). There were 22 operating banking institutions as at 31 December 2012, chasing the paltry deposit of just over US$4 billion, including interbank deposits; hence there is intense competition in the industry. Furthermore, there are 16 asset management companies and 150 microfinance institutions under the surveillance of the RBZ (RBZ Monetary Policy Statement, 2013).
Table 1-1: Architecture of the Zimbabwe Financial Industry

<table>
<thead>
<tr>
<th>Type of Institution</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Banks</td>
<td>16</td>
</tr>
<tr>
<td>Building Societies</td>
<td>3</td>
</tr>
<tr>
<td>Merchant Banks</td>
<td>2</td>
</tr>
<tr>
<td>Saving Banks</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Financial Institutions</strong></td>
<td><strong>22</strong></td>
</tr>
<tr>
<td>Asset Management Companies</td>
<td>16</td>
</tr>
<tr>
<td>Microfinance Institutions</td>
<td>150</td>
</tr>
</tbody>
</table>

Source: Adapted from RBZ Monetary Policy Statement (2013)

- The RBZ lifted the curatorship on Renaissance Merchant Bank on 2 March 2012 after the recapitalization of the bank. It changed its name to Capital Bank Corporation Limited.
- Ecobank Limited commenced banking operations on 15 May 2012 after being granted the authority by the RBZ.
- RBZ approved the name change of Metropolitan Bank Limited to Metbank Limited with effect from 23 March 2012.

1.2.1.2 The Financial Sector Capitalization

In July 2012, the RBZ announced an increase in the minimal capital requirements for the banking sector. The new capital requirements are higher as compared to much bigger regional economies such as, Kenya, South Africa and Angola according to
Central Bank statistics (Banya, 2013). The new capital requirements are shown in Table 1.2 below:

Table 1-2: New Capital Requirements

<table>
<thead>
<tr>
<th>Category</th>
<th>Current Minimum Capital</th>
<th>New Minimum Capital Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Banks</td>
<td>$12.5 million</td>
<td>$100 million</td>
</tr>
<tr>
<td>Merchant Banks</td>
<td>$10 million</td>
<td>$100 million</td>
</tr>
<tr>
<td>Building Societies</td>
<td>$10 million</td>
<td>$80 million</td>
</tr>
<tr>
<td>Finance Houses</td>
<td>$7.5 million</td>
<td>$60 million</td>
</tr>
<tr>
<td>Discount Houses</td>
<td>$7.5 million</td>
<td>$60 million</td>
</tr>
<tr>
<td>Micro Finance Banks</td>
<td>$1 million</td>
<td>$5 million</td>
</tr>
</tbody>
</table>

Source: Adapted from RBZ Mid-Term Monetary Policy Statement (2012)

There is a phased plan for enforcement:

- Comply with 25% of prescribed minimum equity capital for its class of banking business by 31 December 2012
- Comply with 50% by 30 June 2013
- Comply with 75% by 31 December 2013
- Comply with 100% by 30 June 2014

All banking institutions submitted their detailed recapitalization plans to the RBZ by 30 September 2012 and the majority of these plans centred on mergers and
consolidations, organic growth, rights issues, and fresh capital injections from local and foreign investors. Fourteen banking institutions have met the 31 December 2012 minimum threshold.

1.2.1.3 The Indigenisation Act

The issue of indigenisation is a very sensitive one in the banking sector, with a number of the foreign owned banks falling under the spotlight. However, the RBZ Governor, Gideon Gono, in his Monetary Policy Statement (2013), advised that the implementation of the Indigenization regulations in the banking sector should be handled in a manner that preserves confidence, since any adverse development in the sector could grind economic activity to a halt. The banking sector plays a fundamental role in providing a vital link between the domestic economy and the international community through correspondent banking relationships. Therefore, the Governor cautioned that the implementation of the provisions should not be done in isolation of the Banking Act and Regulations, Reserve Bank of Zimbabwe Act, Exchange Control Act and Regulations, Companies Act, Zimbabwe Investment Authority (ZIA) Act, Mines and Minerals Act and all other already existing legal instruments.

The viability of the banks continues to be hampered by structural and operational deficiencies, which are further worsened by a high percentage of non-performing loans and challenges to income generation and this has exposed some banks to dire liquidity and solvency challenges. The media barrage has not helped either, as this has resulted in customers becoming more conscious and discerning, which has left banks in a dilemma, where they either have to reinvent themselves or just fade away.
1.2.3 Industry Analysis – Porter's Five Forces Model

It is fundamental that a business has to understand the dynamics of its industries and markets so at to compete effectively in the market place. The Porter's Five Forces Model depicts an industry as being affected by five forces (Porter, 1980a). Porter (1980b) defined the forces which determine competition, arguing that the competitive environment is created by the interaction of five different forces acting on the business. He added that the intensity of competition is determined by the relative strengths of these forces. According to Thurlby (1998), understanding the nature of each of these forces gives the firms the necessary insights to enable them to craft the appropriate strategies in their market. The issues highlighted in the framework are applicable to the banking industry as they are to any other service-oriented or product-oriented business.

Figure 1-1: Porter’s Five Forces Model

Source - Porter (1980)
1.2.3.1 Degree of Rivalry

This helps to determine the extent to which the value created by a given industry is diluted through head to head competition. Rivalry tends to go up when there are more and more competitors in the industry. The amount of competition among companies differs among industries and it is these differences that strategic analysts are interested in. Competition is still very high in the Zimbabwean banking industry, with 22 banks all chasing the same customer. The RBZ Governor Gideon Gono, in his Monetary Policy Statement of July, (2012), commented that the size of Zimbabwe's economy was too small to support 25 banks then, some of which were already struggling. Currently there is little differentiation which banks can apply to have an edge over others. Rivalry is very intense and the areas of differentiation come from good customer service and degree of risk expected. The banks with adequate capital have a competitive edge over others due to their history of stability.

1.2.3.2 Threat of Substitutes

The threat of substitutes is said to exist when the demand for the product is disturbed by the existence of substitute products. The ability of companies to raise prices in a particular industry is hampered by the existence of close similar products. The banking industry is no different. There are as many products and services are there are substitutes. In the Zimbabwean banking industry, there are commercial banks, finance houses, discount houses, building societies and micro-finance companies, among other players. There are some products and services which can be obtained from commercial banks and not from building societies or micro finance companies and vice versa. The banking industry in general has limited room for substitutes.
1.2.3.3 Threat of New Entrants

In addition to the existing rivals, the possibility of new firms entering the industry also affects competition and presents a threat to existing companies within an industry. The threat of new entrants is usually based on the market entry barriers. Preferences to particular brands and government regulations will influence the entrance of new players. According to Porter (1980a) and Sanderson (1998), entry barriers exist whenever it is difficult or not economically viable for an outsider to replicate existing products or services. Following the liberalization of the banking sector in Zimbabwe, the entry barriers in this industry were very low, resulting in more players, especially the indigenous banks coming on board. The collapse of some of these banks between 2003 and 2004 and the placement of others under curatorship resulted in the government, through the RBZ, setting up measures to protect the public. The raising of the minimum capital requirements, together with other conditions put up by the RBZ has made it tough for new players to enter the banking industry.

1.2.3.4 Bargaining Power of Buyers

According to Porter (1980a), the power of buyers is the influence that customers hold on a purchasing procedure of the goods and services from a particular industry. The most important factors of buyer power are the size and the concentration of customers. The other factors include the extent to which the buyers are informed and the concentration of differentiation of the competitors. In the Zimbabwean banking industry, customers have high bargaining power, as all the players in the industry are chasing that same customer. The customers now have a choice as they have a whole range of players to choose from. They can easily switch from one player to the other with no problem at all, depending on what kind of service they are looking for. Furthermore, the close proximity of the various banks gives the
customers a very high bargaining power, as they can easily compare and contrast and then arrive at a decision on which bank to use.

1.2.3.5 Bargaining Power of Suppliers

The bargaining power of the suppliers is decided by their bargaining strength and price sensitivity. This strength depends on the concentration of suppliers and availability of substitutes. Suppliers are seen to be in a weak competitive position if the products they supply can be obtained easily or when there are other substitutes and the switching costs are very low. According to Thompson and Formby (1993), if the bargaining power of the supplier is greater, the profitability of the industry will be lower. Looking at the banking industry in Zimbabwe, there was a period, soon after attaining independence, when suppliers had the power in the market because competition was very low. There were very few players in the industry and customers were even lucky to be accepted to open a bank account. As the government liberalized the banking sector, more indigenous players came on board, making competition stiff and diluting the power that these suppliers had and making the customers even more powerful.

1.2.4 Overview of CABS

Central African Building Society (CABS) is a registered Building Society in terms of the Building Societies Act (Chapter 24:02) in Zimbabwe. The Society is a wholly owned subsidiary of Old Mutual Zimbabwe Limited with interests in insurance, asset management, unit trusts and property management. The ultimate holding company is Old Mutual Plc which is a company incorporated and registered in the United Kingdom. CABS is Zimbabwe’s largest building Society offering a diverse range of financial products and services to clients, which are delivered through the largest
branch network in the country, which is linked to CABS online real time computer system (www.cabs.co.zw retrieved on 8 March 2013).

The CABS online real-time system makes it easier for branch coordination in terms of customers’ transactions, which is what differentiates CABS from the other competitors in the banking industry and offers real convenience to the customers. Convenience and ease of access is what customers are really looking for from their banks and CABS offers this through this online real-time system complimented by the internet and telephone-banking facilities.

1.2.4.1 CABS Products and Services

CABS products and services are discussed below:

1.2.4.1.1 Easy Bank

This is a self-service account which has a minimum balance of $10 and a monthly charge of $3. It enables the client to do most of their banking at a check out teller in a retail outlet by utilising the point of sale (POS) technology. The account offers a transaction account facility, Easy bank debit card and a new savings product, CABS Interest Plus which offers 5% interest per annum.

1.2.4.1.2 Blue Class Transaction Account

This is a tried and trusted account for individuals. It offers a transactional account facility, Blue class debit card, CABS mortgages, CABS Interest Plus and CABS Term Deposits.
1.2.4.1.3 Gold Class Transaction Account

This is ideal for both individuals and businesses as it offers further benefits like exclusive Gold Class banking halls, transaction account facility, gold class debit card, CABS mortgages, CABS Interest Plus and CABS Term Deposits.

1.2.4.1.4 Platinum Club

This is the exclusive financial experience. It provides a one on one relationship and adds value to the client. Benefits include Platinum transaction account, Platinum savings account linked to the transaction account, Platinum debit card, mortgage product, special money market rates, and Platinum loans. Other benefits include concierge service, switching bank service, access to CABS ATMS, point of sale and banking halls, cheque deposits instantly cleared within prescribed limits, no transaction charges, state of the art banking halls in Harare and Bulawayo, Platinum Club website, newsletters, emails and Platinum Club events.

1.2.4.1.5 Other CABS products and services

Other products and services include Textacash, Money Market Investments, SME loan package, CABS Unit Trusts, CABS Bancassuarance, mortgages, CABS Payroll Loans, payroll services, business loans, cash passport, and point of sale, bill payments, DSTV payments, internet banking and Agri-trade.

1.2.4.2 CABS 2012 Financial Results at a Glance

- The Society recorded a surplus of $23.74 million during the 12 months ended 31 December 2012, which was due to improvements in both interest and non-
interest income. Net interest increased by 28% in line with the increase in loans and advances. Net interest income contributed 57% to the Society’s total income signalling a return to the Society’s core business.

- Non-interest income increased by 27% mainly due to an increase in the number of transactions through the Society’s various delivery channels
- Operating costs increased by 10% during the period under review. The cost to income ratio was 56% down from 62% registered in 2011.
- Total assets increased by 46% during the period under review and this robust growth was driven by deposit growth of 52% achieved during the same period.
- The Society’s total loans and advances increased from $194.8 million as at 31 December 2011 to $278.16 million as at 31 December 2012. Included in the total loan book is $97.04 for 10 year mortgages issued since the beginning of August 2010.

In terms of operations, the Society achieved the following milestones:

- Re-opened eight branches to make banking more accessible through the country.
- Rolled out agents to support the mobile banking initiative
- Deployed more point of sale terminals to promote the use of plastic money in what is becoming a predominantly cash economy
- Disbursed $2.13 million under the Youth Fund Loan scheme.
- Disbursed $13.81 million under the Distressed Marginalised Areas Fund (DIMAF)
- Mobilised an additional $4.8 million from Shelter Africque to finance long term mortgage loans.

### 1.2.4.3 CABS Marketing Performance

#### 1.2.4.3.1 Market Share in terms of Total Assets

CABS's total assets increased by 46% for the year ended 31 December 2012 resulting in a market share of 8.7% as depicted in the graph below:

![Total Assets Market Share, December 2012](image)

**Source:** CABS Marketing Performance Report, 2012

#### 1.2.4.3.2 Market share in terms of Total Deposits

CABS realised a deposit growth of 52% for 2012 resulting in a market share of 7.1% as depicted in the graph below:
1.2.4.3.3 Market Share in terms of Total Advances

The Society’s total loans and advances increased from $194.8 million as at 31 December 2011 to $278.16 million as at 31 December 2012 resulting in a market share of 9.2% as depicted in the graph below:
1.2.4.2 CABS Approach to Customer Retention

With 22 banking institutions operating and all chasing the same customer and a paltry deposit of just over US$4 billion, it becomes even more imperative for the banks not to lose customers to competing banks. Therefore, customer retention has taken precedence as the company’s objective to remain relevant and survive in the highly competitive environment. CABS has in place a number of customer retention strategies which it has been applying over the years, before adopting the holistic marketing approach in its quest to retain its customers. These customer retention strategies, including the holistic marketing approach as a customer retention strategy, are discussed below:

1.2.4.2.1 Customer Clubs

This customer retention strategy saw the birth of the Platinum Club, which offers exclusive banking facilities to the high-net-worth customers of the bank. The customers in this club are willing to pay a premium for the exclusivity and the services that they enjoy and there is mutual benefit for both the customers and CABS. Entry into this club is not automatic but one has to be referred by an existing Platinum account holder or is invited to join by the Executive Management of CABS.

1.2.4.2.2 Provision of Extra Services

CABS goes beyond providing the normal and expected banking services and offers extra services with the intention of improving the customers’ experience with the bank. These extra services include bill payments, air time, and payroll services, among other services. The provision of these extra services has provided convenience to the customers, as they no longer need to go all over the place to make these payments, but, they can do so in the comfort of the banking halls, office or home through internet banking. In most instances, customers are looking for easy
access and convenience and if they have a bank providing them with such through the extra services, they are more than happy to remain with the bank.

1.2.4.3.3 Quality Service

Customers are always looking for quality service and are more than willing to maintain a relationship with a bank that provides them with quality service. CABS has tried to instil a sense of customer consciousness in its employees through various internal programs that have been put in place to prepare and empower the employees to always deliver quality service. There are service quality awards and incentives in place to motivate employees to excel in their delivery of service to customers. When customers are getting quality service, they are even prepared to pay a premium and will not hesitate to maintain their existing relationships, because they are happy with the service. Customers are satisfied when their expectations are met and are delighted when their expectations are surpassed. Satisfied customers will remain loyal longer, buy more and are not price sensitive and talk more about the organisation.

Much as CABS has these customer retention strategies in place, their effectiveness is undermined by the fact that, in some instances inter-departmental support and cooperation is lacking, as not everyone is thinking of the customer. This brings out the lack of coordination and integration required to make these strategies very effective in retaining customers, because for customer retention strategies to work, and to be very effective, everyone in the organisation should play a role and ensure they are all geared towards delivering value and quality service to the customer. Given the intense competition in the banking sector, customer retention has become even more important, hence the need for the bank to strengthen its customer retention strategies making them more effective.
1.3 RESEARCH PROBLEM

In view of the challenges that are prevailing in the banking sector as discussed in the banking overview, it becomes even more critical for CABS to actually retain their existing customers in order to survive and remain relevant, as new customer acquisitions are not that easy to attain. Some of the customer retention strategies being used by CABS have been overused and are no longer as effective as they used to be due to lack of coordination, interdepartmental support and cooperation, among other issues. Most banks do not realise that, instead of using different retention strategies at the same time that, at times, can end up confusing the customers, they can adopt a more holistic, coordinated and integrated approach in the quest to retain customers. It is against this background that, it has become even more important for CABS to adopt more innovative strategies to retain customers in a more effective and efficient manner that leaves both the customer and the bank winners in the process. The holistic marketing concept provides CABS and banks in general with an opportunity to present a more coordinated, integrated, efficient and effective strategy towards customer retention, as it contains all the elements that can be integrated and coordinated to work together to retain customers for the banks.

Therefore, this study sought to explore the adoption of the holistic marketing concept as a customer retention strategy and establish its impact on customer retention with particular emphasis on CABS Zimbabwe.

1.4 RESEARCH OBJECTIVES

The overall objective of this study was to assess the impact of the holistic marketing concept on customer retention. The specific objectives of the study were:
1. To establish the extent to which CABS has adopted the holistic marketing as a customer retention strategy.
2. To establish whether the holistic marketing concept impacted customer retention in CABS.
3. To establish the impact of the holistic marketing concept on customer satisfaction in CABS.
4. To recommend ways of further strengthening the current customer retention strategies.

1.5 RESEARCH QUESTIONS

The major research question of this study was what impact does the holistic marketing concept have on customer retention?

The minor research questions of the study were:
1. To what extent has CABS adopted the holistic marketing concept as a customer retention strategy?
2. To what extent has the holistic marketing concept impacted on customer retention in CABS?
3. To what extent has the holistic marketing concept impacted on customer satisfaction in CABS?
4. How can the current customer retention strategies be strengthened further?

1.6 RESEARCH HYPOTHESIS

H0: There is a positive relationship between the use of holistic marketing and customer retention in CABS Zimbabwe.

H1: There is no relationship between the use of holistic marketing and customer retention in CABS Zimbabwe.
1.7 JUSTIFICATION

CABS is on the verge of going commercial, meaning it will be operating as a commercial bank. This will result in the expansion of its service offering, as it takes up some additional functions offered by other commercial banks. The study is envisaged to help CABS to start off on the right footing, by strengthening its holistic marketing concept to enhance the customer retention and acquisition of new ones during the change-over period and thereafter.

As for the banking industry, the study will help banks to put in place a more coordinated and integrated approach to customer retention programme which is more effective and efficient in its application. This would assist banks in their strategic planning on customer retention activities.

The benefits for the customers are many. When banks adopt the holistic marketing concept, they pay more attention to their customers’ needs. Customers will benefit from the banks’ efforts to deliver quality service and achieve customer satisfaction which is key to the survival of banks in Zimbabwe. Customers will get to enjoy the differentiated services that banks will be able to offer.

The researcher expects to gain more knowledge and an overall appreciation of why the customer should be considered as key to the success of the company, and the role that the holistic marketing concept plays in the organisation achieving its goal of retaining customers.
1.8 SCOPE OF THE RESEARCH

The study was primarily about the adoption of the holistic marketing concept as a customer retention strategy in the banking industry in Zimbabwe. CABS was chosen for a detailed case study. The case study focused on the impact that the holistic marketing concept has on customer retention and to what extent CABS had adopted the approach in its goal to retain customers. However, with CABS being the biggest building society in Zimbabwe, with the largest branch network in the country, it was not possible to study all the branches across the country. Therefore, the research was limited to a few branches which were selected to participate. Four branches were chosen and these included CABS Platinum Northridge Park, CABS Central Avenue, CABS First Street, and CABS Centre Bulawayo. CABS managerial and non-managerial employees, including the bank’s customers were the chosen respondents in the study.

1.9 LIMITATIONS TO THE STUDY

The proximity of the CABS branches which are scattered all over across Zimbabwe proved to be challenge for the researcher as it was not possible to include them all in the study. However, to counter this challenge, the researcher selected four of the main CABS branches that represented all the different account classes offered by CABS. These branches were selected based on the number of transactions handled per day and they were considered to be representative of the rest of the branches and customers.

1.10 DISSERTATION STRUCTURE

The dissertation was structured into the following five chapters as follows:
Chapter 1: Introduction

This chapter introduces the nature of the problem that prompted the research process. It gives the background of the research, touching on the banking industry overview, industry analysis of the banking sector and an overview of the organisation under study, which is CABS Zimbabwe. This chapter also covers the objectives of the study, the research questions, proposition, scope, limitations and the ethical considerations of the research.

Chapter 2: Literature Review

This chapter analyses the relevant literature on customer retention and the holistic marketing concept. The literature review covers the evolution of the marketing, some aspects of customer retention, the holistic marketing approach and its components and impact on customer retention.

Chapter 3: Research Methodology

This chapter covers the methods utilised to gather the information. This includes the research philosophy and strategy, the sampling techniques and data collection methods used. The chapter also highlights and summarises the manner in which the data was analysed and presented.

Chapter 4: Results and Discussion

This chapter discusses the results of the research, with the aid of graphs, charts and tables to enable meaningful interpretation of the results.

Chapter 5: Conclusion and Recommendations
This chapter links up all the different parts of the research and sums it all up, providing conclusions to the study, as well as the recommendations arrived at after considering the research results.

1.11 CHAPTER SUMMARY

This chapter covered the introduction to the study, background to the study, research problem, research objectives and questions, research proposition, justification of the study, scope of the research, ethical issues and limitations to the study and also gives the dissertation outline.
CHAPTER 2

2.0 LITERATURE REVIEW

2.1 INTRODUCTION

Literature review forms the basis for research (Saunders, Lewis and Thornhill, 2000). It is an analysis of literature on specific concepts in order to gather information about what various authors say about the subject matter. Therefore, the review of literature provides a platform for a critical analysis of previous research work so as to bring out the strengths and weaknesses for possible improvements or reconsideration using a different methodology.

The literature review covers the evolution of marketing up to the stage it became holistic marketing is discussed. Also discussed in this chapter are the customer retention strategies, with emphasis on the holistic marketing approach as a customer retention strategy. The impact of the holistic marketing on customer retention is also discussed. Finally, a conceptual framework based on the literature review is developed.

2.2 EVOLUTION OF MARKETING

The concept of holistic marketing derives from the marketing concept. This concept has evolved over the years from the production, product, selling and ultimately the marketing concepts (Keelson, 2012). In the early development of marketing, the role of the customer in the development of products was minimal, till the later
developments when the customer became the focus of attention in the product development decisions. The evolving concepts that have emerged over the years are the manifestation of the different business philosophies aimed at addressing customer needs at different time periods (Kotler and Armstrong, 2008). Kotler and Armstrong (2008) mention two additional levels to the evolution of the marketing concept, namely, societal and holistic marketing. Drucker (1954) asserts that, the underlying assumption of all the philosophies, regardless of the market era in which they were central, is to create and retain satisfied and profitable customers. Different eras required specific business philosophies.

2.2.1 The Production Philosophy

According to Pride and Ferrel (2008), the production philosophy can be traced as far back as the 1850s right through to the 1900s. This was the period of the Industrial Revolution in the United States. The production philosophy is premised on the assumption that, customers will favour goods and services that are readily available and highly affordable. This meant that, the business concentration was directed towards product improvements and sufficient distribution of goods. Schiffman and Kanuk (2009) state that, the production concept assumes that customers are mostly interested in the product availability at low prices, therefore, its implied marketing objectives being cheap, efficient production and intensive distribution. Miller and Layton (2001) make the observation that, during the production era, companies typically paid their attention on increasing output, with the assumption that, customers will look at and buy reasonably priced and well made products.

This concept worked for organizations during this period to achieve their business objectives. However, in today’s business environment, this business orientation will only make business sense if the objective of the company is to grow the market, but even then, it must be noted that it hardly works for many of today’s businesses. This
is due to the fact that, companies still using this philosophy in the current business environment, risk focusing their efforts too narrowly on their operation, losing sight of the core idea of producing to meet customer expectations and need to create customer value. However, where the business objective is for growth to meet unsolicited demands or where new products are introduced, the production concept may be used to complement the more dominant concepts.

### 2.2.2 The Product Philosophy

The product concept was the dominant philosophy at the beginning of the 1900s and continued its dominance into the 1930s. As put across by Fullerton (1988), for more than a generation, the concept of the product era dominated the understanding of the marketing’s past held by students. The concept is premised on the assumption that, customers will prefer a product based on its quality, performances and innovative features (Kotler and Armstrong, 2008). This means that, the company knows its product better than anyone or any organization. Therefore, the organization knows what will work in designing and producing the product and what will not work, and since the company has the great knowledge and skill in producing the product, it also assumes that it knows what is best for the customer. The product concept forced companies to ensure that it improved product quality and introduced new features to enhance product performance as frequently as possible. All this was done without consulting the customer to find out their views on these features. Yet, these products are produced with the customers in mind.

According to Miller and Layton (2001), in the product era, companies were able to sell all the products they made and the success of this concept was due to, mostly, the time and level of technology in which it was dominant. Since demand exceeded supply, the emphasis on production rather than the customers was an appropriate thought at the time. As much as some companies still have this concept in mind, it is
not a popular concept in the current business environment. As put across by Schiffman and Kanuk (2009), a product concept often results in the company focusing on the product rather than the customer needs that must be satisfied, which, according to Levitt (1960), often leads to “marketing myopia”.

### 2.2.3 The Selling Philosophy

The selling concept started to be dominant around the 1930s and remained widespread till about 1950. Perreault and McCarthy (1999) assert that, the emphasis of the selling concept was to create a department that was solely responsible for the sale of the company’s products, whilst the rest of the company would be left to concentrate on producing the goods. As elaborated by Kotler and Armstrong (2008), the orientation of the selling philosophy was that, the company can sell anything that it produces with the use of the marketing practices, which include personal selling and advertising. This is collaborated by Schiffman and Kanuk (2009), who state that, customers are unlikely to purchase the product unless they are aggressively persuaded to so – mostly that “hard sell” approach.

The emergence of the selling concept was necessary due to the increase in the production of a variety of goods after the industrial revolution as more and more companies became more efficient in production. The increase in the amount of product variety led to competition, which ultimately led to the end of product shortages and the emergence of surpluses. It was due to these surpluses, that companies turned to the use of personal selling and advertising to reduce their stocks and sell their goods. In addition, the selling era was characterized by the thinking that a sales or marketing department could sell whatever the company produced. Miller and Layton (2001) make an observation that, apart from the aggressive selling approach, the period was also noted for other unhealthy features, such as the idea that ‘selling’ is the goal of the company and not customer...
satisfaction. Kotler and Armstrong (2010) assert that, the selling philosophy takes an ‘inside-out’ perspective. It begins with the factory, focuses on the company’s existing products and calls for heavy selling and promotion to obtain profitable sales. It primarily focuses on winning customers, getting short-term sales, with little concern about who buys or why.

Regardless of the fact that the selling concept has almost ceased to be the preferred business orientation over-time, its acceptance or rejection should not be based on the concept itself but on the business era and the dominant business orientation prevailing. Even in the market-oriented era, few organizations that deal with ‘unsought goods’ such as life insurance and companies that have excess stock still use the selling concept successfully (Schiffman and Kanuk, 2009). This therefore means that, the selling concept can be used to support the more dominant philosophies in certain types of businesses.

2.2.4 The Marketing Philosophy

According to Pride (2008), the marketing concept started to be the dominant business orientation in the 1950s and continued until the 21st century. The concept assumes that, the starting point for any marketing process is the customer needs and wants and it is no longer about aggressive selling. The key underlying assumption of the marketing philosophy is that a market should sell what it has made (Schiffman and Kanuk, 2009). The marketing concept focuses on the needs and wants of the buyer rather than the needs of the seller of the product. As explained by Mckitterick (1958), the principal task of marketing is not just persuading the customers to buy, but also to provide the needs of the customers at the right quantity and quality. These views were similar with an earlier proposal made by Shaw (1912:736), who noted that “goods are being made to satisfy rather than sell”. He further remarks that, “today the progressive businessman is searching out the
unconscious needs of the consumers and is then producing the goods to satisfy them”, (Shaw, 1912:708).

Kotler and Armstrong (2010) note that, marketing takes an outside-in perspective. The marketing concept begins with a well-defined market, focuses on customers’ needs, and integrates all the marketing activities that affect the customers. In turn, it yields profits by creating lasting relationships with the right customers based on customer value satisfaction. According to Keith (1960), the marketing philosophy acknowledges that, the organisation’s knowledge and skill in designing products may not always be meeting the needs of the customers. Hence, business orientation shifted from product to market. Keith (1960) makes the observation that, the focus has moved from the issues of production to issues of marketing, from the product to what the customer requires us to create, and from the organisation itself to the market. He notes that, even a good sales unit cannot sell every product that does not meet consumer needs. When customers have so many choices, they will select the one that suits their needs. This is also expressed by Levitt (1960), who makes a clear distinction between selling and marketing.

2.2.5 The Societal Marketing Philosophy

The societal marketing concept began in the 1970s and has since overlapped the marketing concept. This concept is premised on the assumption that, there is a conflict between the consumer short-term wants and the society’s long-run interests and that the organizations should focus on a practice that ensures long run customer and societal welfare (Pride, 2008; Kotler and Keller, 2009; Schiffman and Kanuk, 2009; Kotler and Armstrong, 2009). According to Kotler and Armstrong (2010:35), “societal marketing orientation is the best business philosophy to be adopted by organizations”. They suggest that, this new philosophy represents an attempt to harmonise the goals of the business to the occasionally conflicting goals of the
society. Therefore, the task of the organization is to determine the preferences of the customers and provide the preferred goods and services more efficiently and effectively than rivals, in a manner that upholds or augments the consumer’s and society’s well-being. The importance of the concept became more prominent when the effect of the business activities on the environment became more pronounced. It therefore, became necessary for businesses to think of how to satisfy the market with the aim of profit and still minimize its effect on the society. A happy society is more likely to purchase and recommend a firm’s products, whereas, an angry society will boycott any of the company’s products, even if they could satisfy the needs of the customers.

Keelson (2012) states that, the societal marketing concept therefore emphasizes the need for the organizations to not only consider the customers in product decisions but environment affecting the organization. It calls for a socially responsible behavior of the organization which challenges Friedman’s (1962) earlier statement that, the societal obligation of business is to make a profit. Even though this concept is viewed as a distinct business orientation, according to Kotler and Armstrong (2009), it could be better seen as a complimentary business thinking to the adoption of the other business orientations especially the marketing philosophy.

With today’s sophisticated markets, the different marketing approaches so far discussed are drawn together to provide a more integrated and holistic approach; hence the holistic marketing philosophy.

### 2.2.6 The Holistic Marketing Philosophy

According to Kotler and Keller (2009), the holistic marketing concept is considered as the 21st century business thinking. It is based on the developing, designing and implementing marketing activities and processes that recognize their breadth and
interdependencies. They argue that, this suggests that, the 21st century firm requires a new way of thinking towards business orientation that is more complete and cohesive than the traditional application. They state that, the holistic marketing concept recognize that everything matters in marketing. Hence, the holistic marketing concept is based on the notion that, the approach to marketing should be the adoption of all activities of marketing. Therefore, holistic marketing includes internal marketing, performance marketing, integrated marketing and relationship marketing.

2.2.6.1 Variables of the Holistic Marketing Concept

Figure 2.2 shows a graphic overview of the four variables of holistic marketing namely; internal marketing, performance marketing, relationship marketing and integrated marketing, which all have an impact on customer retention.
2.2.6.1.2 Internal Marketing

Internal marketing is one aspect of holistic marketing, which is there to ensure that every employee in the organization, supports the applicable marketing ideologies, especially senior management, (Homburg, Workman Jr. and Krohmen, 1999). They state that internal marketing consists of engaging, coaching and encouraging as well
as inspiring capable and competent employees who want to service the customers well. Homburg et al. 1999 argue that the company’s employees should be ready to provide excellent service before making such outright promises to customers. According to Kotler and Keller (2009), internal marketing takes place at two levels. At the first level, the different marketing functions, that is, marketing research, product management, sale force, customer service and advertising, among others, must work together and be synchronized from the customers’ viewpoint. At the next level, other units or sections in the company, must support marketing and must “think customer” (Kotler and Keller, 2009).

According to Kelemen and Papasolumu (2007), the adoption of internal marketing took place because of the increasing recognition of the importance of the employees’ role in the service industry. It is clear from this assertion that, employees play a pivotal role in the delivery of quality service, which ensures customer satisfaction, resulting in organisations retaining customers, which is key to the company’s growth. Therefore, as Kotler and Keller (2009) elaborate, internal marketing begins with the selection of managers and employees who have positive attitudes toward the company, its products and most importantly its customers.

The next hurdle is to train, motivate and empower the entire staff so that they have the knowledge, tools and authority to provide value to the customers. Thereafter, after setting up the standards for employees and performance, the final step is to monitor employee actions, then reward and reinforce good performance (Kotler and Keller, 2009). All these activities are geared towards ensuring that the organization has employees who are well prepared and empowered to deliver quality service to the customers. Once an organization is able to deliver quality service, customers are satisfied and will continue to frequent the organization to enjoy this quality service and in the process the organization is able to retain their customers.
2.2.6.1.2.1 Sub-Elements of Internal Marketing

Kotler and Keller (2006) assert that internal marketing requires that everyone in the organisation buys into the concepts and goals of marketing and engage in choosing, providing and communicating customer value. Saleeth (2010) notes that internal has three sub elements which are;

- Marketing department – marketing department should consist of people who understand wide aspects of marketing and they should be able to carry out the marketing function within the department by understanding the need of the department as a whole and individual needs of the workers.
- Senior Management – senior management should be aware of the holistic marketing concept and they should support the concept by making decisions in favour of marketing for marketing to occur within the organisations. So many organisations fail in marketing due to lack of commitment from the senior management in making marketing a strategic function
- Other departments – in making marketing a strategic function, other departments should support the concept of marketing and they should work collaboratively with the marketing department.

Two main building blocks of internal marketing were put across as the idea of the employee being an internal customer and the organizational need to satisfy the internal customers so that they are best prepared to serve the external customer. This argument is supported by Gronroos (1985) who state that “internal marketing is meant to motivate employees towards service-mindedness and customer-oriented performance by an active marketing-like-approach where a variety of activities are used internally in an active and coordinated manner”. He further states that, effective service requires effective coordination between contact staff and backroom support staff. Therefore, internal marketing is viewed as a means of integrating the different functions that are vital to customer relations of service companies (Gronroos, 1985).

According to Ahmad and Rafiq (2003), internal marketing is essentially a philosophy
that focuses and coordinates all the activities including internal and external relationships, systems, interactions and partnerships by examining all activities involved in satisfying customers through the internal supply chain.

Figure 2.3 captures the aspects discussed above and clearly shows the relationship between the variables on internal marketing leading to customer satisfaction which ultimately results in customer retention. According to researchers Joy, Chou and Fu (2002) internal marketing does impact on customer satisfaction through the mediating factors such as job satisfaction, organizational support and commitment and the socialization of work groups.

![Diagram showing the relationship between internal marketing and its projected dependent variables]

**Source:** Joy, Chou and Fu (2002)
2.2.6.1.2.2 The Pillars of Internal Marketing

The growth of internal marketing is classified into three separate but intertwined pillars being:

- Employee motivation and satisfaction – this is based on the view that for the organisation to have customers that are satisfied, employees should have been satisfied first. Therefore, the organization must treat their employees as internal customers (George, 1977 and Stershic, 1990). As Lings (2000) elaborates, it is assumed that if everyone attempts to deliver quality service to their internal customers, then, quality service will also be delivered to the external customers.

- Customer-orientation – according to Gronroos (1985) if an organization adopts internal marketing, then its employees can be influenced most effectively and hence become motivated towards customer consciousness, market orientation and sales mindedness.

- Broadening the internal marketing concept (strategic implementation and change management) – According to George (1990) and Wilson (1991) over the last years researchers started realising that internal marketing could assist the organization in implementing its strategy. It therefore, offered a process for easing departmental isolation and interdepartmental conflicts as well overcoming resistance to change.

According to Reichheld (1996), there is a strong correlation of loyalty between organizations to its employees and the positive outcomes that it has on overall customer loyalty. He further argues that through the high loyalty of its employees and customers, the organizations can increase its customer retention rate which brings significant positive effects on long-term market shares, turnover and overall margins. It is only when employees realize that their job is to create service and satisfy customers, does the organization become and effective marketer (Kotler et al. 1999).
### 2.2.6.2 Integrated Marketing

Another component of the holistic marketing concept is integrated marketing, which is defined as a strategy aimed at unifying the different marketing activities with the objective of complementing and reinforcing the marketing impact of each activity and the use of the market data that would be generated from these efforts (Businessdirectory.com). According to Anderson (2008), integrated marketing is a customer-focused marketing approach which requires relevant communications, interactions and content, irrespective of the channels and customer interaction point. Therefore, integrated marketing attempts to create a synergy among the various marketing methods, so as to have a holistic approach, which ensures that all marketing and communication messages are consistent, coordinated and compliment the organisation’s brands. In other words, integrated marketing is premised on the position that marketers, when deciding for individual marketing activities, should make an integrated program with the purpose of creating, communicating and delivering value to the customers.

It is an approach to brand communications where all different modes work together to create a seamless experience for the customer and are presented with a similar tone and style that reinforces the brands core message. Sheth and Sisodia (2006) note that, integrated marketing is also based on the premise, that all marketing activities should be synchronized so as to capitalise on their combined efforts such that, the whole is greater than the sum of its parts. Therefore, designing and implementing of the marketing activities should be done taking into account the rest of the other activities. This in reinforced by Borden (1964), when he says the marketer’s task is to devise marketing activities and assemble fully integrated marketing activities for the customers.
Schultz (2012), in his article “IMC: Who is doing it Right”, says that companies that are doing integrated marketing right today have done the following:

- Altered their focus from their products and services to their customers and prospects
- Set up a structure that brings into line the entire organization internally and externally to service customers
- Developed a process that puts value on customers by investing the right organizational resources in communication with customers over-time
- Created a process that measures returns on customer communication investments
- Effected this for a big organization with a multitude of customers and generated substantial financial return
- Accomplished the aforesaid with an affordable number of people and external resources

All these activities are geared towards a common objective and that is of retaining customers and by adopting an integrated marketing approach, an organization is able to position itself to deliver value and quality service to the customers thereby, creating customer satisfaction which influences customer retention.

2.2.6.3 Relationship Marketing

The third component of the holistic marketing concept is relationship marketing. As put across by Gummesson (1999) and Christopher et al. (1991), relationship marketing seeks to create equally beneficial long-term relationships with key constituents so as to secure and keep their business. Zeithalm and Bitner (1996) define relationship marketing as a philosophy of doing business, a strategic orientation that focuses on keeping and improving existing customers, rather than securing new customers. This is supported by Lovelock (1996) who states that
relationship marketing recognizes the values of customers and the need to provide continuing service to existing customers so that they will remain loyal. Gordon (1999) adds to this discussion by asserting that relationship marketing is the ongoing process of identifying and creating new value with individual customers and then sharing the benefits of this over a life-time association between suppliers and customers for mutual value creation.

There is a general consensus from the above definitions that relationship marketing is a continuous process and the objective is to retain the existing customers and creative value for these customers. Most importantly, both the customers and the organization benefit from the relationship. It is a win-win situation. According to Swift (2001) and Kincaid (2003), the philosophy of relationship marketing relies on gaining competitive advantage for the organization, due to the retention of the customer for a longer time, among the group of permanent customers of the organization by helping and growing their satisfaction level towards the realized services.

The main reason for the emphasis on relationship marketing is that it helps to cement customer loyalty which results in repeat business and referrals thereby yielding market share and revenue growth for the company (Cateora, 1999). Therefore, organisations are giving more attention to the life-time value of a customer because studies have shown that reducing customer defection by just 5% can increase future profit by as much as 30% to 90% (Swift, 2001). The old adage thinking that, 20% of customers account for 50% to 80% of profits still has merit (Cateora, 1999). According to Seldon and Seldon (2006), by paying special attention to their most valuable customers, products and channels, organisations hope to achieve profitability by securing a bigger portion of every customer’s expenditure, fostering high loyalty and customer life-time value. The traditional selling approach where the customer and organization interacted only during sales is no longer acceptable in the current environment. Today, organizations need to maintain a
regular contact with customers and keep reminding them of the brand. Relationship marketing suggests not only building relationships but also enhancing them over-time.

### 2.3 CUSTOMER RETENTION

Any company that depends on repeat business absolutely must have a good customer retention system in place, so as to thrive in today's competitive environment (Gage, 2005). According to Ahmad and Buttle (1998) customer retention is increasingly being seen as an important managerial issue, especially in the context of a saturated market or lower growth of new customers. It has also been recognized as an important objective of relationship marketing, primarily because of its potential in the delivery of superior relationship economies, that is, it costs less to retain than to acquire. They went further to state that, the vital issue in relationship marketing is the effect that relationships and quality have on customer retention. According to Rust, Zohorik and Keiningham (1995), the retention and attraction of new customers are used as the drivers for increasing market share and revenue. In the retention of customers, it is important for the organization to know how to serve their customers.

Gerpott, Raus and Schindler (2001) define customer retention as the continuity of the business relations between the customer and the organization. According to Hougaard (2002), customer retention is the maintenance of the patronage of the people who have purchased a company's good or services once and regaining of repeat business. On the other hand, Ramakrishnan (2006:1) states that customer retention is the marketing goal of preventing customers from going to the competitor. Mostert, Meyer and Rensburg (2009) assert that customer retention is the way in which organisations focus their efforts on existing customers. There is a general
consensus among the authors regarding what customer retention is all about and that the focus is on maintaining good customer relations and patronage, so as to have a continuous relationship with the customer, which is beneficial to the organization in the long run. According to King (2005), research has shown that the price of acquiring a new customer is far greater than the cost of retaining the existing customer.

2.3.1 Customer Retention Strategies

An organization can adopt a number of strategies to retain its customers. According to Bjere and Hougaard (2002) what is of critical importance to such strategies, are the wider concepts of customer service, customer relations and relationship marketing. They argue that focusing on selling to existing customers is usually more preferable than trying to acquire new customers. However, this does not mean that it is just enough to retain customers. Instead when communicating to attract new customers, it should be done with the objective of retaining them as potential loyal customers (Hughes 2003). There should be a good balance between these two. As clearly put across by Salerno (2006) one must first seal the holes in the bucket in order to fill it. According to Armstrong and Kotler (2004), an organization that knows how to meet with customer expectations and even exceed in doing so, stand a better chance in developing loyal repeat customers. Eriksson and Akerman (1999) assert that it can be the little things that leave a positive impression.

It must be noted however that the same customer retention strategies are not applicable across industries. They are bound to differ according to the type of industry. Molapo and Mukwada (2011) state that the existing literature on customer retention strategies adopted in the service industry worldwide indicate that different service industries use different customer retention strategies. For instance, in the banking sector in New Zealand, there has been a re-evaluation of customer retention strategies in order to limit defections through the enhancement of
professionalism. In the USA, the customer retention strategies adopted by banks have led to technological innovations, including provision of online services.

Figure 2.3 captures some of the various customer retention strategies that can be adopted and the factors that influence these retention strategies.

![Factors Influencing Customer Retention](image)

**Figure 2-3: A Theoretical Model on Customer Retention Strategies**

**Source: Berry and Parasuraman (1991) and Zethalm and Bitner (1996)**

In addition to the customer retention strategies captured in Figure 2.1 above, there are other customer retention strategies which organisations can adopt to retain customers and these include quality customer service, customer relationship
management, provision of customer support service, provision of extra services, interacting with customers, personalized marketing, creating institutional ties and more importantly, the holistic marketing approach, which was the mainstay of this study. The holistic marketing approach as a customer retention strategy has been explored in detail above.

2.3.2 Holistic Marketing Concept as a Customer Retention Strategy

The holistic marketing concept is a marketing strategy that is developed by thinking about the business as a whole, how it should be applied in the broader economy and society and in the lives of the customer (Kotler and Keller 2006). It calls for a more cohesive and integrated approach to marketing activities and processes in order to achieve maximum benefits for both the organisation and the customer. According to Kotler and Keller (2006) the approach has four components, namely; internal marketing, integrated marketing, relationship marketing and socially responsible marketing. When these four components are properly coordinated and integrated, they provide an organisation with the opportunity to use them to retain their customers.

By applying these four components of the holistic marketing concept, an organisation is able to coordinate and integrate these activities towards retaining its customers. Through internal marketing, all employees “think of marketing” and have become customer conscious to the extent that they are motivated to deliver quality service to the customers. Treating the employee as a customer, providing adequate training, constant communication and empowering employees, has enables an organisation to think of the customer, satisfy them, thereby retaining them in the process.
An organisation should be able to integrate its marketing activities to offer its customers a total package that communicates value to them. The marketing mix components are not viewed individually, but, as one, with the objective to maintain consistency in the messages going out to customers. This ensures that the products or services, the pricing, place and promotion aspects of marketing are integrated so that they deliver value to the client. When the client is receiving value for their money, they are likely to remain with the organisation that gives them value.

Through relationship marketing, which recognises the value of customers and the need to provide continuing service to existing customers so that they remain loyal, an organisation is able to retain customers by maintaining good healthy relationships with customers. Client relationship managers allocated for key accounts. However, this is not to say that the rest of the customers are neglected, but that, all relationships with customers are valued. Every customer is important to an organisation and they are treated as such, but there is a segment of the customers who are considered to be profitable to an organisation and hence they are allocated client relationship managers to manage the relationships so as to continually get their business. By creating long-term relationships with the customers, an organisation is able to retain them.

In most instances, customers would prefer to conduct their business with an organisation that not only looks after their interests, but is seen to be socially responsible as well. Organisations that invest a lot in the society through various social activities and are also seen to abiding by the laws of the country tend to attract and retain customers. Such actions create a lot of confidence in the market and results in customers wanting to continuously deal with such organisations, because they are aware that they have a trustworthy and dependable partners who have their interests and those of the society and environment at heart.
The unprecedented growth of competition in the banking industry has raised the importance of retaining customers (King, 2005). According to King (2005) retaining customers is much less expensive and difficult than acquiring new customers. In addition to the reduced cost, there is the potential and opportunity value of customers gained over a long period of time. In many banks, for instance, the top 30% of customers (when ranked by profitability can make up 100 to 150% of the total customer profitability (King, 2005). In addition to saving profitable customers, retention programs allow organisations to collect data about their customers, which they can use to better understand, target, market and communicate with the customers so as to customize future interactions with customers.

According to Gee et al (2008) customer retention has a direct impact on the long term customer life time value, which is a more profitable avenue for organisations to pursue growth and sustainability or those that seek to protect themselves from a contracting economy. Given the fact that, the banking service is not a one-time transaction as compared to commodity products, but rather, that it is a continuous service, banks can avail additional services over the length of the customer’s tenure to generate more revenue. Lombard (2009) supports this argument by noting that the pressure on organisations today is to retain customers fuelled by the market where the acquisition is low. Therefore, Dongback, Seo, Ranganathan and Babad (2007) assert that it is very important for organisations to understand the factors that are related to customer retention, such as switching costs, customer satisfaction and demographic factors among others.

The real indication for customer retention is not customer satisfaction but customers’ actions. As explained by Arussy (2004) repeat business, purchasing additional services, recommendations to others, willingness to pay a premium price and frequency of transactions are all indicators of customer retention. Customer retention
has a more powerful impact on profits than market share, scale economies and other variables linked to competitive strategy. According to Hoffman and Bateson (1997) as much as 95% of profits come from long term customers through profits coming from sales, referrals and reduced operating costs. It is five to seven times more expensive to acquire new customers than retaining current customers. Research has also shown that resolving customer problems has a strong impact on customer satisfaction, loyalty and the bottom line performance. According to Zeithalm and Bitner (2003) customers who experience service failures but are ultimately satisfied with the recovery efforts will be more loyal than those customers whose problems remain unresolved.

2.4 THE IMPACT OF THE HOLISTIC MARKETING APPROACH ON CUSTOMER RETENTION

According to Nigam (2011), the holistic marketing enables organisations to produce more profits which in turn are achieved by maintaining loyal customer patronage, generating positive word of mouth recommendation and increasing the time involvement with the client. He further states that, the approach would also influence stakeholders to positively influence the perception of customers and the perceived experiential value can be enhanced for the society. The impact that the holistic marketing approach has on customer retention cannot be over-emphasized as all the variables of the approach that is internal marketing, integrated marketing, relationship marketing and performance marketing all impact positively on customer retention. An organization will benefit with increased customer retention, increased market productivity and thereby increasing profitability. Customer loyalty serves as secure and superior profitability over-time for the organization (Reichheld, 1996; Egan, 2008). The implementation of holistic marketing would ascertain customer satisfaction thereby increasing profits and expanding the revenue base. Customer satisfaction is considered as a necessary condition for customer retention.
Customer retention has been found to be less expensive than customer acquisition and the longer the customers remain with the organization, the more profitable they become to the organization (Reichheld and Sassar, 1990). Zeithalm and Bitner (1996) contend that it has been long recognized that the cost of gaining new customers, especially in mature and slowly declining markets, are often very high. In concurrence Cook (1992), notes that it is five to six times more expensive to recruit a new customer than to retain a customer from the existing customer. The holistic marketing approach puts more emphasis on the organization’s employees and departments working together as a unit to identify the customer’s needs and work tirelessly to satisfy these customer needs, which results in satisfied customers, who will remain loyal to the organization. There is a mutual benefit for both the organization and the customer.

According to Reichheld (1997), in internal marketing, there is a strong correlation of loyalty between the organizations to its employees and the positive outcomes that it has on overall customer loyalty. He further argues that, through the high loyalty of its employees and customers, the organization can increase its customer retention rate which brings significant positive effects on long-term market shares, turnover and overall margins. Employees play a very important role in the delivery of service both internally and externally and hence the need for organisations to ensure that their internal marketing activities are up to date and are robust enough to empower the employee to deliver quality service and value to the customer. According to Kelemen and Papasolumu (2007), the adoption of internal marketing took place because of the increasing realization of the importance of the employees’ role in the service industry. It is clear from this assertion that employees play a pivotal role in the delivery of quality service, which ensures customer satisfaction resulting in organisations retaining customers, which is key to the company’s growth.
Reichheld and Sasser (1990) assert that there is a direct relationship between relationship marketing and customer retention. Gummesson (1999) supports this assertion as he notes that relationship marketing values will promote a more win-win situation and less a win-lose situation. More equal parties will be created and all parties carry a responsibility and can be active in the relationship. In relationship marketing, customer retention has been given prominence than just mere customer acquisition (Gummesson, 1999). According to Swift (2001) and Kincaid (2003), the philosophy of relationship marketing relies on gaining competitive advantage for the organization, due to the retention of the customer for a longer time, among the group of permanent customers of the organization by helping and growing their satisfaction level towards the realized services. Relationship marketing cements customer loyalty which results in repeat sales and referrals leading to growth in market share and revenue. This concept has brought about a new relationship with a customers’ dimension that could not be achieved through the traditional transactional marketing approaches cited earlier. Therefore, relationship marketing emphasizes customer retention and satisfaction rather than a dominant focus on sales transaction. In relationship marketing, the emphasis of creating mutually beneficial relationships with the various stakeholders that impact on the business cannot be ignored, as these relationships ultimately results in the organizations delivering quality service and value to the customer. In the long run this will see the organizations successfully retaining their clients.

Borden (1964) states that with integrated marketing, the objective is for marketers, when deciding for individual marketing activities, to come up with an integrated program, with the purpose of delivering value creation to the customers and communicating the same message. According to Borden (1964), the marketer’s job is to develop marketing activities and set up marketing activities that are fully integrated for the customers. When all the marketing activities are integrated, the organization has the opportunity to make maximum use of available options aimed at acquiring and retaining customers. This is due to the fact that they design their
programs such that they communicate value to the customers which makes the customers want to maintain their existing relationships with organization.

The literature reviewed explored how the holistic marketing approach and the various other marketing philosophies have been adopted and applied in a number of industries but fails to touch on its application in the service industry, particularly in the financial industry. It’s clear from the review carried out that holistic marketing has a positive effect on customer retention but can it be used as a customer retention strategy in the financial industry where customer retention has become a key factor. Therefore this present study will shed light on whether this approach can also be applied successfully as a customer retention strategy in the financial sector and assess its impact on customer retention.

2.5 CONCEPTUAL FRAMEWORK OF THE HOLISTIC MARKETING APPROACH

From the literature review discussed above the researcher came up with a conceptual framework of the holistic marketing concept as shown in Figure: 2.4 below:
2.6 CHAPTER SUMMARY

This chapter discussed the evolution of marketing and the holistic marketing approach as a customer retention strategy and its impact on customer retention was also discussed. The chapter also touched on customer retention, the various customer retention strategies and the importance of customer retention. Various frameworks on the theories were presented and discussed with the researcher finally coming up with a conceptual framework based on the literature review.
CHAPTER 3

3.0 RESEARCH METHODOLOGY

3.1 INTRODUCTION

The purpose of this chapter is to discuss the research design adopted by the researcher. The chapter outlines the research process used and discusses the research philosophy, strategy and data collection methods adopted by the researcher including the rationale behind the approaches and methods selected. The sampling method, research instrument and research procedures used are also discussed. The chapter also details the data analysis methods employed. Finally, the issues of validity and reliability were covered as was the ethical considerations.

3.2 RESEARCH DESIGN

Research design is defined by Hollis (1994) as the plan of the proposed research work. According to Cresswell (1994), research design appears to take place at two levels; the philosophical and practical, that is, methodological and method. Cresswell (1994) states that at the philosophical level, epistemological issues take control while at the practical level; the selections around the specific methods are addressed. Therefore, in designing a research study, choices have to be made at both levels.
3.3 RESEARCH PHILOSOPHY

A research philosophy determines the manner in which information regarding a given phenomenon is collected, evaluated and put into use. The different philosophies of the research approach are found under epistemology (what is known to be true). According to Galliers (1991), two major research philosophies were identified, namely, positivist (sometimes referred to as scientific) and phenomenology (sometimes referred to as interprevetist or anti-positivist). The positivist is usually linked with natural science research whereas phenomenology upholds the idea that subjective thought and ideas are valid. It aims to see the study through the eyes of the people being studied. The research philosophy taken up will include the important assumptions about the way the researcher views the world and these assumptions will underpin the strategy adopted for the research and the methods chosen as part of the strategy.

3.3.1 Researcher’s Choice and Justification

The researcher in this research selected the positivist approach as the main research philosophy because of the need to test the causal relationships, which were being implied by the various theories discussed in the literature review, as this approach provided the platform for this to happen. Furthermore, the need to attain some objectivity on the research necessitated the adoption of this approach, as it is stated that, the attained knowledge through scientific methods exposes greater strength in terms of reliability. This approach also ensured that the results based on a data set were free from bias, which is commonly caused by personal interpretations and values that influence conclusions drawn from the data set.

However, to a certain extent, the researcher also incorporated the interprevetist (phenomenology) approach, due to the fact that it allowed for a rich understanding of
the people being studied who are the customers and employees of CABS in the natural setting. The researcher is not an independent observer, but, is in fact part of what is being observed, hence the incorporation of this approach. This approach enabled the researcher to examine and answer the complex questions that are impossible to answer using quantitative methods. The qualitative survey method was employed in this research as it provided fast, inexpensive, efficient and accurate means of communicating with the respondents. Both the customers and staff questionnaires had sections calling for qualitative and quantitative information.

3.4 RESEARCH APPROACH

3.4.1 Deductive Approach

In this study, the researcher adopted the deductive approach. Wilson (2010) states that a deductive approach is concerned with developing a hypothesis (or hypotheses) based on existing theory and then designing a research strategy to test the hypothesis. In other words, the approach is concerned with deducting conclusions from premises or propositions. According to Barbie (2010), the approach begins with an expected pattern that is tested against observations. It is stated that, deductive means reasoning from the particular to the general. If a causal relationship seems to be inferred by a particular theory, it might be true in many cases. A deductive approach might test to see if this relationship was realised on more general circumstances.

3.4.2 Justification for Researcher’s Choice

The holistic marketing approach is being proposed as a customer retention strategy that banks can adopt to enhance their customer retention capabilities. From the
literature review, after going through the theory around the approach, there is strong reason to believe that the holistic marketing approach can assist organisations in retaining their customers. The researcher's objective, therefore, is to prove that this indeed is true and that; there is a relationship between the holistic marketing approach and customer retention. The deductive approach gives the researcher the platform to carry out the analysis (Barbie, 2010).

3.4.3 Research Methodology

According to Saunders et al. (2006), research can be categorised into either qualitative or quantitative. Whether the research should be qualitative or quantitative depends on the defined problem and the investigated type of data in order to solve the problem.

3.4.3.1 Researcher’s Choice and Justification

The research was predominantly quantitative. However the researcher also incorporated aspects of the qualitative approach to ensure that there was more depth in the collection of the data. This was achieved by using the mixed methods approach, by incorporating data collection methods from both methodologies. The quantitative methodology through the questionnaires, allowed the researcher to study specific variables on a larger number of participants, which enabled the researcher to make a universal generalisation from the results obtained. Furthermore, this approach ensured that there was objectivity and eliminated issues of bias and enabled the researcher to obtain clean results that were not influenced by the researcher’s thoughts or personal feelings. The qualitative methodology allowed the researcher, through the use of the interview guide that was sent to a few selected respondents, to collect as much data as possible, as respondents could further elaborate on their responses.
3.5 RESEARCH STRATEGY

A research strategy is a broad framework or plan that aids the researcher to respond to the research questions in an effective manner and elect a suitable research methodology (Saunders, 2003). A research strategy can be chosen based on the required data and information. The available research strategies include archival research, survey, case study, analysis of academic journals, experiment, action research, grounded theory and ethnography, among others.

Given the nature of the research problem highlighted in 1.3 above, the researcher selected to use the case study approach.

3.5.1 Justification for Researcher’s Choice

The researcher selected the case study approach because it gave depth to the study and offered a holistic view within the natural settings. The case study approach yielded more insight and allowed for deeper analysis of the theory under study and thus enabling the researcher to come up with an objective conclusion about the theory. The approach also offered a platform to use multiple sources of collecting data which enabled the researcher to collect a diverse range of data for use in the research. The researcher was able to make use of company documents such as the annual reports, carry out a survey on the staff and customers, as well as use the company website and archival documents which provided secondary information.
3.6 POPULATION AND SAMPLE

3.6.1 Population

According to Cooper and Schindler (2003), population can be defined as the total collection of elements about which the researcher wishes to explore. Zikmund (1997) expands this definition by attributing some set of characteristics to the set of members. Frankael and Wallen (1996) further explain that, the population can be divided into two categories, the target and the study populations. The target population is the actual population to which the researcher would like to generalise. However, this population is rarely available. Therefore, the study population is the one the researcher is able to generalise about.

In this study, the target population were all banks in the banking industry in Zimbabwe, which were made up of merchant banks, commercial banks, finance houses, building societies and the Post Office Savings Bank (POSB). The study population was CABS, which is the largest building society in Zimbabwe. The study consisted of customers and employees of CABS. CABS was chosen for the study by virtue of it being the largest building society in Zimbabwe and also due to the fact that the researcher is employed by the organisation, making it easy to access data for use in the research.

3.6.2 Sampling

Sampling is defined as the method of choosing a representative subsection of the observations from a population to establish the characteristics of the random variable under study (Wegner, 1999). Saunders et al. (1997) states that, regardless of one’s research questions or objectives, there will be need to collect data to
answer the questions and objectives. In order to attain quality data, the sample must be representative of the population and must allow accurate collection of data and all population units should stand a fair chance of being included. Zikmund (1997), points out that, properly selected samples are sufficiently accurate in most cases.

The sampling technique can be categorised into two broad types. Saunders, Lewis and Thornhill (1996) define sampling technique as different ways of which a sample can be drawn from the study population. These can be categorized into probability and non-probability.

3.6.2.1 Probability Sampling

According to Deming (1950), probability sampling is a process that uses some form of random selection. Each unit is drawn with a known probability or has a non-zero chance of being selected in the sample. Probability samples are the only type of samples where the results can be generalised to the population. In addition, probability samples allow the researcher to calculate the accuracy of estimates obtained from the samples and to specify the sampling error (Fairfax, 2012). Common probability sampling methods include stratified random sampling, cluster sampling, systematic sampling and simple random sampling.

3.6.2.2 Non-probability Sampling

According to Zikmund (2000) non-probability is a technique in which the sample units are selected on the basis of judgement or convenience. Non-probability sampling involves an element of discretion or choice on the part of the researcher at some point in the selection process. It can still retain the aim of generating a
representative sample. Common non-probability sampling methods include convenience sampling, snowball sampling, purposive sampling and quota sampling.

3.6.3 Researcher's Choice of Sampling Methods and Justification

In this study, the researcher adopted the following sampling methods:

3.6.3.1 Stratified Random Sampling

According to Zikmund (1997), in stratified random sampling, a sub sample is drawn using a simple random sample within the stratum. Wegner (1993) states that, stratified random sampling divides the population into segments or strata while Fairfax (2012) asserts that, stratified random sampling involves classifying members of the population into mutually exclusive and collectively exhaustive groups. An independent sample is then drawn from each group. The reason for introducing stratification into the selection process is to ensure that crucial parts of the population are appropriately represented in the overall sample (Black, 1999).

The stratified random sampling method was used to select the customers to participate in the study. The customers were first classified into a number of categories or strata based on the type of account that they hold with CABS. Some customers belonged to the Priority banking which is catered for by CABS Platinum Branches, whilst others were classified as Gold Class, Blue Class and Easy Bank respectively. The Gold Class is catered for by the Gold Class Branches whilst the Blue Class and Easy Bank use the rest of the ordinary branches. Customers were then selected randomly from these categories. This ensured that a balanced view from all the categories of the customers was received.
3.6.3.2 Convenience Sampling

According to Saunders et al (1997), convenience sampling involves selecting the cases which are easiest to obtain from one’s sample. They further explain that, though this sampling method is widely used, it is prone to bias and influence, which is beyond the researcher’s control, as the case only appears in the sample because of the ease of obtaining them. Leedy (1992) states that, the sample is drawn for the convenience of the researcher, and it is not representative of the sample.

The researcher adopted the convenience sampling method in selecting the CABS branches included in the study. CABS has the largest branch network in Zimbabwe with branches scattered all over the country, hence the researcher could not include all these branches in the research. Therefore, the researcher conveniently selected four main branches to include in the research. These were CABS Platinum Northridge Park, CABS Central Avenue, CABS First Street and CABS Centre Bulawayo. These branches were selected on the basis that they are the main branches, which are considered to be the busiest in terms of the number of transactions handled, and they all cater for all the account types and services offered by CABS. Therefore they were considered to be representative of the rest of the branches and customers.

3.6.3.3 Purposive Sampling

Also referred to as judgemental sampling, the purposive sampling method enables the researchers to use their judgement in selecting the sample which will enable them to answer the research questions and meet the research objectives, (Saunders et al, 1997). The researcher attempts to draw a representative sample by using their personal judgement. According to Wegner (1993), the researcher is cautioned that when using this method, they must be confident that the chosen sample is truly representative of the entire population. This form of sampling is often used when
working with very small samples such as case study research and when the researcher wishes to select cases that are particularly informative. The advantage is that it ensures balance of group sizes when multiple groups are to be selected (Black, 1999)

The purposive sampling method was applied to choose the employees and management included in the study. Sampled employees included the regional managers, some members of the Executive Management, middle management and non-management employees. The employees selected were those with more than three months of employment with CABS and were selected based on their knowledge and expertise on the subject matters, their line of duty and their daily interactions with the customers.

### 3.6.5 Sample Size

A sample size must be large enough to reduce standard error. This was further stressed by Saunders et al (1996) who pointed out that, the larger the sample size, the lower the likely error generalisation to the population, and the margin of error should be within acceptable limits.

For the purposes of this study, the sample size was one hundred and twenty (120), which comprised of eighty (80) customers and forty (40) employees, who consisted of managerial and non-managerial staff. The researcher considered this sample size large enough and representative to make reasonable conclusions. According to Saunders et al. (1996), it does not pay to select samples that are excessively large.
3.7 DATA COLLECTION METHODS

According to Burns and Grove (1999:43), data collection is the accurate and systematic gathering of information relevant to the specific objectives and questions of the study. Data collection is a vital aspect of any type of research study. Therefore, it is essential to identify at an early stage in the design process, which variables to measure so as to come up with the appropriate data collection methods. Inaccurate data collection can negatively impact the results and eventually lead to result being invalidated.

3.7.1 Data Sources

The data used in this study was collected through two main sources which are primary and secondary sources.

3.7.1.1 Primary Sources

Data in this study were collected by using structured questionnaires with both closed-ended questions providing pre-determined options and open-ended questions that required written responses. This structured approach was opted for as it allowed the researcher to conduct the research process in an orderly manner in collecting the data and also due to the fact that it is less time consuming given the fact that the respondents are busy people. Data that is to be subjected to statistical analysis must be gathered in such a manner so that it is quantified. The services of an expert statistician were obtained to facilitate the coding and quantification of data from the completed questionnaires. An interview guide was also used to gather additional information from selected staff members. The interview guide acted as a guide to help the researcher to direct the discussion towards the appropriate topics and issues.
3.7.1.2 Secondary Sources

The secondary sources of data to be used in this study included the company documents, which comprised of CABS annual reports, manuals and website; academic journals, authoritative texts, academic research papers, internet and the media. The only drawback with secondary data sources is that some of the information can be misleading; hence there is need for thorough verification before the data can be used to ensure correct data is used.

3.7.2 Research Instrument

A questionnaire was chosen as a data collection instrument. According to Burns and Grove (1993) a questionnaire is a printed self-report form intended to obtain data that through written responses of the respondents. The researcher opted to use the questionnaires because according Burns and Grove (1993):

- They took less time and energy is needed to administer it;
- They offered the possibility of privacy since the respondents were not required to write their names on the questionnaires;
- Chances of bias were minimised, as they were administered in a consistently and given the distance between the respondents and the researcher, the chances of the researcher influencing the respondent’s thinking was non-existent;
- The questionnaire consisted mostly of close-ended questions, making it simpler to assess the answers each time.

Despite the advantages listed above, questionnaires do have some weaknesses. For instance, the issue of validity and accuracy is a big challenge with questionnaires. According to Burns and Grove (1993), the respondents might give
answers that they feel will make the researcher happy and not reveal their true position, resulting in the loss of valuable information.

In this study, two questionnaires were used to collect the data. One was for the employees whilst the other one was for customers of CABS. The questionnaires consisted mostly of closed-ended questions as they provide more diverse detail. With the open-ended questions, the respondents were required to respond in writing, whereas with the closed-ended questions had options which were determined by the researcher. The open-ended questions were included as they allowed the respondents to respond in their own words and provide more detail.

3.7.2.1 Development of the Research Instrument

Two structured questionnaires, one for employees and the other for customers were developed by the researcher for this study. A covering letter with a description of the purpose and importance of the study was attached the questionnaire. The respondents were guaranteed of their privacy and freedom to decide on whether to take part in the study or not. Clear instructions were given to the respondents regarding the completion of specific items throughout the questionnaires. The objectives of the study, the conceptual framework and the literature review guided the researcher in the formulating the questions of the questionnaires. Questions requiring both open-ended and closed-ended responses were included. After consultation with the supervisor and the statistician the questionnaires were ready for pre-testing.

3.7.2.2 Pretesting of the Questionnaires

Before implementing the study, the researcher had to ensure that the measurement procedures and the measurement instrument had acceptable levels of reliability and
validity. A pre-test refers to a trial administration of an instrument so as to identify flaws. According to Polit and Hungler (1995:38), when a questionnaire is used as a data gathering instrument, it is necessary to determine whether the questions and the instructions are clear to the respondents and most importantly, whether they understand what is required from them.

In this study, the researcher pre-tested the questionnaires on ten (10) respondents, that is, five employees and five customers. They were all asked to complete the questionnaires and comment on the questions and instructions given on the questionnaire. They all answered the questions and no problems were identified. Therefore, no further changes were made to the questionnaires following the pilot study.

3.7.3 Data Collection Methods

The researcher identified the self-administered questionnaires and the interview guide as data collection methods appropriate for this study.

3.8 RESEARCH PROCEDURE

3.8.1 Self-administered Questionnaires

Once the pretesting of the questionnaires was done, they were ready for distribution. The customer questionnaires were distributed to the four branches identified for this study; being CABS Platinum Northridge Park, CABS Central Avenue, CABS First Street and CABS Centre Bulawayo. Each branch manager at these four branches was entrusted with the questionnaires to issue out to customers they came into the
banking halls. This was done over a period of one week. The questionnaires were distributed to customers throughout the day and the completed questionnaires were dropped at the enquiries desk and collected by the branch manager at the end of the day. The branch managers then returned the completed questionnaires to the researcher. A total of eighty (80) questionnaires were distributed to the four branches with each branch receiving twenty (20) questionnaires respectively. Ethical issues related to informed consent were observed.

As for the staff questionnaire, the researcher distributed the questionnaires to the selected employees identified for this study. The selected employees comprised of frontline staff from the four branches, back office staff and some members of the executive management. The employees were from different levels ranging from the managerial to non-managerial so as to get a holistic view of the operations. Once completed, the respondents contacted the researcher to come and collect the completed questionnaires. Forty (40) staff members were selected to participate in the study based on their knowledge and expertise on the subject matters, their line of duty and their daily interactions with the customers.

3.8.2 The Interview Guide

The interview guide contained a number of open-ended questions which required detailed answers. This allowed the respondents to provide more detail to their responses. This was also sent out to few selected executive managers to respond and provide more details to the issues which were pertinent to the study. This was done to obtain additional data to collaborate the data collected from the self-administered questionnaires.
3.9 DATA ANALYSIS

Zikmund (1997) states that, when the information-gathering has been completed, the data must then be transformed into a format, which answers the decision maker’s questions. Data processing usually consists of questionnaire coding, data entry and data cleaning.

3.9.1 Data Entry

After data collection, the researcher entered data for analysis. The researcher had an option of using most recommended software packages such as SPSS, Data Entryware, CSPro, Microsoft Access and Epi Info. For this purpose, Microsoft Access was used. The data entry platform was developed and tested before use. Data entry checks and validation was incorporated on the data entry platform to ensure capturing of high quality data. Appropriate measures, such as logging of questionnaires were used to increase data entry accuracy.

3.9.2 Data Cleaning

Subsequently, the entry process was followed by an elaborate data cleaning exercise in order to ensure that the data was in line with agreed guidelines. The researcher accomplished this task by the following activities:

- Removal of outliers – Invalid, impossible or extreme values were removed from the data set. Outlier might also be marked for exclusion for the purpose of certain analysis.
- Labelling of missing variables – this guaranteed accurate bases for analysis.
Exploratory analysis was used to highlight general features of the data set for direct future analysis. This analysis method used numeric and graphical methods to display important features of the collected information, hence pinpointing problem areas with the data set. The researcher inspected such data problems using a statistical package, SPSS.

3.9.3 Data Analysis

Quantitative data was processed using the Statistical Package for Social Scientists (SPSS). Analysis comprised of basic frequencies, correlations testing, cross tabulations and significance testing. A data analysis plan was developed before to ensure that all research questions were adequately addressed. The qualitative data generated by the study was analysed using a thematic approach. Qualitative indicators were assessed through the cross comparative techniques where information was categorised, with content and emerging themes analysed. The findings of the research were presented in the form of bar graphs, tables, line graphs and pie charts. These are important, as they support the facts of the research. Interpretation was done using inductive reasoning which allowed creative reasoning, thereby helping the researcher to diagnose the problem and offer a prescription into the conclusions and recommendations.

3.10 VALIDITY AND RELIABILITY

3.10.1 Reliability

According to Polit and Hungler (1993:445) reliability is the level of consistency with which an instrument evaluates the characteristic it is intended to evaluate. This is supported by Yin (1994) who states that, reliability is concerned with how reliable
and accurate the research methods and techniques for collecting data are. It is a way of measuring how well a method provides the researcher with the same results, if the method was to be used by another person but with the exact conditions.

In this study, the researcher, the supervisor and the statistician assessed the instrument and the homogeneity of the variables before it was used. Reliability was further ensured by conducting a pre-test of the questionnaire before it was used in the study.

3.10.2 Validity

According to Polit and Hungler (1993), the validity of an instrument is the degree to which an instrument evaluates what it is intended to evaluate. Saunders, Lewis and Thornhill (2000) state that, validity is concerned with whether the finding is really about what they appear to be about. In this study, the validity of the research instrument was evaluated for content and construct validity.

3.10.2.1 Content Validity

Content validity refers to the point to which an assessment properly represents the content area it is supposed to measure (Salkand and Rasmussen, 2007). The content validity of the questionnaire used in this study was determined by the literature review and also by the judgement of the supervisor, the researcher in consultation with the statistician.
3.10.2.2 Construct Validity

Construct validity is more concerned with the underlying attribute than with the scores that the instrument produces. Its significance is in its connection with theory and the theoretical conceptualisation (Polit and Hungler, 1993). It involves validation of not only the instrument but also, the theory underlying it. In this study, the holistic marketing concept theory, underlying the research, was linked to the items on the questionnaire. This was confirmed by the researcher, the supervisor and the statistician.

3.11 ETHICAL CONSIDERATIONS

The conducting of research requires not only expertise and diligence, but also honesty and integrity. This is done to protect the rights of the participants to the study. This study was undertaken in a manner which ensured that the respondents felt confident, that their privacy and confidentiality was protected. To render the study ethical, the rights of self-determination, anonymity, confidentiality and informed consent as asserted by Burn and Groves (1993) were observed. Firstly, the researcher obtained permission from CABS to conduct the study.

The respondents’ consent was obtained before completing the questionnaires. Burns and Grove (1993) define informed consent as the prospective respondents’ agreement to voluntarily participate in the study, which is reached after explaining the purpose of the study. The respondents were advised about their rights to voluntary assent or refusal to take part or withdraw participation at any time with a penalty imposed. Respondents were apprised of the objectives of the study, what it intended to achieve, how the data was going to be collected, and how the data was going to be used.
The researcher maintained anonymity and confidentiality throughout the study. Burns and Grove (1993) state that, anonymity, is when the respondents cannot be connected their individual responses. In this research, the researcher ensured the respondents’ anonymity by not revealing their names on the questionnaires and research reports. For this purposes of this study, the researcher maintained confidentiality by and not disclosing the collected information and the identities of the respondents when reporting on the study. Finally, information about the researcher was provided to cater for any enquiries.

3.12 RESEARCH LIMITATIONS

Due the fact that CABS has a very large branch network, with branches scattered all over Zimbabwe, the researcher was not able to include all the branches in the study. However, to overcome this challenge, the researcher selected the four main branches that would be representative of the whole branch network due the number of transactions handled and that all account classes were adequately covered in these branches.

3.13 CHAPTER SUMMARY

This chapter dealt with the research methodology that was adopted for this study. The research design, philosophy, strategy, approach and methodology were discussed. Also detailed in this chapter were the research instrument, research procedures followed and how the data analysis was carried out. Finally the chapter reviewed the issues to do with validity and reliability as well as the ethical considerations that were taken into account during the study. The next chapter will look at the results of the research and discuss the findings.
CHAPTER 4

4.0 RESULTS PRESENTATION, ANALYSIS AND DISCUSSION

4.1 INTRODUCTION

This chapter deals with the presentation, interpretation and discussion of the data collected. The chapter started off by discussing the response rate of the respondents to the study and the internal consistency for the study. This was followed by the presentation, interpretation and discussion of the results in relation to the objectives outlined in Chapter 1. A correlation test was done to establish the relationship existing between the independent and dependent variables as well as between the independent variables themselves.

4.2 RESPONSE RATE

A total of 120 questionnaires were administered which comprised of 80 customer questionnaires and 40 staff questionnaires. Out of these questionnaires sent out, a total of 112 were returned with 40 coming from staff and 72 received from the customers. Table 4.1 below shows a summary of the responses.
Table 4-1: Summary of Responses

<table>
<thead>
<tr>
<th></th>
<th>Questionnaires distributed</th>
<th>Responses received</th>
<th>Percentage Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff &amp; Management</td>
<td>40</td>
<td>40</td>
<td>100%</td>
</tr>
<tr>
<td>Customers</td>
<td>80</td>
<td>72</td>
<td>90%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>112</strong></td>
<td><strong>93.3%</strong></td>
</tr>
</tbody>
</table>

The average response rate at 93.3% is acceptable and sufficient to render validity to the study. Fowler (2002) states that, there is no set standard minimum or maximum for responses. However, the more responses received by the researcher, the more likely that the researcher will be able to draw statistically significant conclusions about the target population. The response rate was high and this was due to the fact that the researcher works for the particular organization under study and therefore was able to get a lot of support and cooperation from the staff and management and hence managed to collect back all the questionnaires that were distributed to staff.

In terms of the customers, the response rate was also high due to the assistance rendered to the researcher by the branch managers who distributed the questionnaires and encouraged the customers to complete them. Most customers were more than willing to complete the questionnaires resulting in the high response rate.

### 4.3 INTERNAL CONSISTENCY

The Cronbach alpha reliability coefficient was used to assess the internal consistency of the entire score. It indicates how well a set of items in a particular set are related to another and it ranges from 0 to 1. The closer the cronbach alpha is to
1, the greater the consistency and internal stability between the measured items (Sekaran, 2003: 308). According to Hair, Anderson, Tatham and Black (1998) the generally agreed lower limit for the cronbach alpha coefficient is 0.70 although this may be lowered to 0.60 for exploratory research.

In this study, the possible composite scores from likert scale variables were calculated in order to measure the average perception of customers and staff. The likert scale variables were first converted into dichotomous variables, distinguishing between those who agree and those who did not agree. Variables were then transformed using the Statistical Package for Social Scientists (SPSS) version 21. The reliability test for each composite score was measured to show the level of internal consistency of the selected variables in this study. The cronbach alpha coefficient was found to be 0.7, which is considered to be an acceptable level on internal consistency for the scale used with this specific study.

4.4 DEMOGRAPHIC ASPECTS

The presentation and analysis below is based on the responses derived from the returned questionnaires. The questionnaires were received from customers (72) and staff from CABS (40).
4.4.1 Customer Demographics

4.4.1.1 Industries operated in by CABS corporate clients

Figure 4-1: Industries operated in by CABS corporate clients

Figure 4.1 above shows the type of customers that CABS has, who consist of corporate as well as individual account holders. From the customers interviewed, 70.9% were corporate accounts which, emanated from different industries as illustrated in Figure 4.1 whilst 29.2% were personal account holders. This clearly shows that CABS caters for a diverse range of clientele depending on what the client requires, resulting in the institution attracting a wide cross section of the industries and individuals.
4.4.1.2 Types of Accounts held by CABS customers

Figure 4-2: Types of accounts held by customers surveyed

Figure 4.2 above shows the different types of accounts held by the CABS customers interviewed. From the customers interviewed the Platinum Club had the highest number of customers at 47.2%, followed by Gold Class with 23.6%, Blue Class with 15.3% and Easybank with 13.9%. CABS have different account offerings depending on the customers’ needs and wants. Each account type has its own conditions and requirements in terms of services charges, account balances and the level of customer relationships.
4.4.1.3 Length of time banking with CABS

Out of the customers surveyed 20.8% have been banking with CABS for more than 10 years whilst 25% have been using CABS’s services for more than 5 years though they have not reached the 10 year mark yet. The results also revealed that 35% have been with the bank for 2 to 5 years with 20.8% having been with the bank for less than two years. These statistics show that not only has CABS been acquiring new customers given the number of new customers that have been added to the growing customer base but it has made tremendous effort to retain its customers. This collaborates the assertion made by Uppal (2010), when he stated that the existence of the bank has little value without the existence of customers and therefore, the main objective of the bank in not only to create and win more customers but also to retain them through effective customer service.
4.4.1.4 CABS customers patronising other banks

Figure 4-4: Customers patronizing other banks

About 44.4% revealed that they also held accounts with other banks whilst 55.6% maintained that CABS was their sole banker. Further analysis revealed that those customers who had indicated that they held accounts with other banks use CABS as the primary banker and the other commercial banks as secondary banks for other services not provided by CABS. This, however, might change soon as CABS takes on some of the services provided by these commercial banks which will see more customers using CABS as its sole banker.
4.4.2 Staff Demographics

4.4.2.1 Gender of Staff surveyed

Figure 4-5: Gender for Staff surveyed

Figure 4.5 above shows the gender balance of the staff surveyed. Out of the staff surveyed 43.9% were male whilst 56.1% were female.
4.4.2.2 Staff Age Groups

Figure 4-6: Staff Age Groups

Figure 4.6 depicts the staff distribution by age. About 78% of the staff surveyed fell in the very active group of between 25 to 40 years with 4.9% having less than 25 years, 9.8% falling between 40 to 50 years and 7.3% being over 50 years old. The two categories of 25 to 30 years and 30 to 40 years have the highest number of employees. These two age groups consist of people still energetic and eager to provide the best customer service. Moreover they are proactive, creative and raring to go and achieve their objectives and more. Such characteristics provide the bank with an advantage as these employees have a lot of energy and zeal to deliver. This is not to say that the other age groups do not contribute at all. In actual fact they do as they also have their own traits which contribute to the overall strategy of the bank.
4.4.2.3 Length of Service for CABS Staff

Figure 4-7: Length of Service for CABS Staff

Figure 4.7 above depicts the length of service of the staff members surveyed. About 19.5% have been with CABS for more than 20 years whilst another 19.5% have spent between 10 and 20 years with the institution. Another 26.8% has spent 5 to 10 years with CABS whilst the balance of 34.1% has less than 5 years with the institution. These results reveal the amount of experience that CABS personnel have, given the amount of time that they have been working for the company. The fact that the majority of the staff members surveyed have been with the company for more than 5 years enhances such elements as the culture of excellence when it comes to customer service. There is a sense of continuity with the new breed of staff less than 5 years being developed in this same culture to ensure continuous excellence in customer service. It can therefore be concluded that the recruitment is a continuous process with the objective of employing people with the right skill, attitude and experience to deliver quality service.
4.4.2.4 Education Level for CABS Staff

Figure 4-8: Education level for Staff

Figure 4.8 shows the educational level of the staff members surveyed. About 7.3% had reached the Masters level, with 58.5% having attained the degree level. Another 22% had diplomas and 4.9% and 7.3% had GCE ‘A’ Level and GCE ‘O’ Level respectively. The results showed the diverse qualifications that staff possessed which enhanced their delivery of service. Further analysis revealed that staff with the Masters fell in the middle to senior management levels and the degree holders made up the cross section of staff surveyed. This means that CABS staff members have the necessary qualifications to be assigned roles of responsibility that are aligned to the company’s overall strategy.
4.5 OBJECTIVE 1: APPLICATION OF THE HOLISTIC MARKETING CONCEPT AS A CUSTOMER RETENTION STRATEGY

4.5.1 Internal Marketing

Table 4-2: Internal Marketing as perceived by Staff

<table>
<thead>
<tr>
<th>Internal Marketing (CABS organizational structure and allocation of resources)</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>CABS executive management value customer relations</td>
<td>87.8%</td>
</tr>
<tr>
<td>All CABS employees at all levels understand the concept of customer satisfaction</td>
<td>58.5%</td>
</tr>
<tr>
<td>All employees play their part proactively in fulfilling customer requests</td>
<td>58.5%</td>
</tr>
<tr>
<td>Both frontline and back-office employees understand the concept of customer service</td>
<td>65.9%</td>
</tr>
<tr>
<td>I am fully knowledgeable of all CABS products and services</td>
<td>68.3%</td>
</tr>
<tr>
<td>CABS allocates adequate resources to create awareness of products and services</td>
<td>46.3%</td>
</tr>
<tr>
<td>CABS allocates adequate resources to cater for key client entertainment</td>
<td>51.2%</td>
</tr>
<tr>
<td>CABS provided appropriate training to empower employees to deliver quality service</td>
<td>61.0%</td>
</tr>
</tbody>
</table>

The average internal marketing score perceived by the staff interviewed was 62.2%. The results reveal that the CABS have laid down the foundations for internal marketing within the institution, though there is a lot more that needs to be done in order to have successfully adopted this approach and ensure that all staff members think about the customer. According to Groonroos (1985), it is only after an
organization has adopted internal marketing that its employees can be influenced most effectively and hence become motivated towards customer consciousness. Further analysis of the results revealed that, according to staff surveyed, product and services awareness is lacking with the majority staff agreeing that not enough resources are being allocated towards this activity and yet it plays a vital role in creating the much needed awareness amongst both customers and staff.

4.5.2 Integrated Marketing

Table 4-3: Perception of integrated marketing by customers

<table>
<thead>
<tr>
<th>Perception of Integrated Marketing by customers</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>CABS offers a comprehensive range of products and services</td>
<td>95.8%</td>
</tr>
<tr>
<td>CABS is proactive and is innovative in providing products and services to customers</td>
<td>79.2%</td>
</tr>
<tr>
<td>CABS has an effective and active marketing function that promotes brand visibility and product awareness</td>
<td>63.9%</td>
</tr>
<tr>
<td>In comparison to other banks, CABS products and services that are competitive</td>
<td>77.8%</td>
</tr>
<tr>
<td>CABS takes time to ask me the products that I require</td>
<td>45.8%</td>
</tr>
<tr>
<td>CABS physical buildings, ATMs are appealing to customers</td>
<td>77.8%</td>
</tr>
</tbody>
</table>
Table 4-4: Perception of integrated marketing by Staff

<table>
<thead>
<tr>
<th>Perception of Integrated Marketing by staff</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>CABS products are competitive in relation to competitors offering</td>
<td>85.4%</td>
</tr>
<tr>
<td>CABS offers a comprehensive range of products and services</td>
<td>73.2%</td>
</tr>
<tr>
<td>CABS asks customers the kind of products they require</td>
<td>40.0%</td>
</tr>
<tr>
<td>CABS is proactive and is innovative in providing products and services to customers</td>
<td>62.5%</td>
</tr>
<tr>
<td>CABS has an effective and active marketing function that promotes brand visibility and product awareness</td>
<td>50.0%</td>
</tr>
<tr>
<td>CABS encourages innovativeness in employees</td>
<td>75.6%</td>
</tr>
<tr>
<td>I am fully aware of all of CABS products and services</td>
<td>75.6%</td>
</tr>
</tbody>
</table>

Integrated marketing as defined earlier is a strategy aimed at unifying the different marketing activities with the objective of complementing and reinforcing the marketing impact of each activity. The study findings revealed that the average perception score by customers for integrated marketing done by CABS was 73.4% whilst that of the staff was 65.5%. This means that customers at 73.4% are satisfied with the integrated marketing approach adopted by CABS whilst staff at 65.5% feels that the company has made some strides towards integrating the marketing activities. About 96% of the surveyed customers do agree that CABS is offering a comprehensive range of products and services. However, the promotion of these ranges of services is not up to the same standard, meaning that the marketing function is not doing enough in terms of brand visibility and product awareness.

Further analysis shows that, the three main services being utilized by the customers were Internet Banking (62.5%), POS machines (48.6%) and Texacash (43.1%) as
depicted in Figure 4.9 below. Most of the services are being used daily (46.5%) and weekly (29.6%).

Figure 4-9: Percentage of customers using CABS’ banking products and services

However, it was noted that customers perceive that CABS should take the time to enquire and assess products that are actually required by the customers as less than half (45.8%) of the interviewed customers indicated that CABS takes time to ask the clients their products of interest. The same sentiment was put across by the staff members as only 40% indicated that the company does take the time to ask clients the products that they require.

This therefore means that CABS is not doing enough in terms of market research so as to find out what the customers actually want and instead are just developing products and services that they think the clients would want and then imposing them on the customers. Moreover, in most cases, as revealed in this study, staff members are not aware of some of these products and only come to know about them when they are already on the market, which makes it difficult for them to market them to the customers when they ask about them.
### 4.5.3 Relationship Marketing

Table 4-5: Perception of Relationship Marketing by customers

<table>
<thead>
<tr>
<th>Relationship Marketing (Service quality)</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>CABS employees are fully knowledgeable of CABS products and services</td>
<td>68.1%</td>
</tr>
<tr>
<td>CABS processes are efficient and ensure timeous service delivery</td>
<td>80.6%</td>
</tr>
<tr>
<td>CABS technology is efficient and effective and promotes organization growth</td>
<td>75.0%</td>
</tr>
<tr>
<td>CABS is reliable in terms on service provision.</td>
<td>83.3%</td>
</tr>
<tr>
<td>CABS has a strong brand and can be trusted in the market</td>
<td>87.5%</td>
</tr>
<tr>
<td>CABS have customer’s interests at heart and provide personalized services to customers.</td>
<td>87.5%</td>
</tr>
<tr>
<td>CABS realizes that customers should be respected and shown courtesy</td>
<td>86.1%</td>
</tr>
<tr>
<td>CABS employees are prompt in handling queries and provide timely feedback</td>
<td>77.8%</td>
</tr>
<tr>
<td>CABS employees are proactive in serving customers</td>
<td>84.7%</td>
</tr>
<tr>
<td>CABS realizes that customers are an asset to the bank and deserve timely and efficient service</td>
<td>93.1%</td>
</tr>
<tr>
<td>CABS employees understands customers’ needs</td>
<td>79.2%</td>
</tr>
<tr>
<td>CABS provides customers with personalized service</td>
<td>81.9%</td>
</tr>
</tbody>
</table>
Table 4-6: Perception of Relationship Marketing by Staff

<table>
<thead>
<tr>
<th>Relationship Marketing (Service quality)</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>CABS processes are well documented and defined</td>
<td>75.60%</td>
</tr>
<tr>
<td>CABS processes are efficient and ensure timeous service delivery</td>
<td>73.20%</td>
</tr>
<tr>
<td>CABS technology is efficient and effective and promotes organizational growth</td>
<td>70.70%</td>
</tr>
<tr>
<td>CABS is reliable in terms on service provision.</td>
<td>87.80%</td>
</tr>
<tr>
<td>CABS takes advantage of opportunities in the market to grow its business</td>
<td>65.90%</td>
</tr>
<tr>
<td>CABS has a strong brand and can be trusted in the market</td>
<td>87.80%</td>
</tr>
<tr>
<td>CABS have customers’ interests at heart and provide personalized services to customers.</td>
<td>75.60%</td>
</tr>
<tr>
<td>CABS realizes that customers should be respected and shown courtesy</td>
<td>85.40%</td>
</tr>
<tr>
<td>CABS employees are prompt in handling queries and provide timely feedback</td>
<td>73.20%</td>
</tr>
<tr>
<td>CABS realizes that customers are an asset to the bank and deserve timely and efficient service</td>
<td>82.90%</td>
</tr>
<tr>
<td>CABS employees are proactive in serving customers</td>
<td>80.50%</td>
</tr>
<tr>
<td>CABS employees understand customers’ needs</td>
<td>73.20%</td>
</tr>
<tr>
<td>CABS provides customers with personalized service</td>
<td>65.90%</td>
</tr>
<tr>
<td>CABS is aggressive in acquiring new clients</td>
<td>53.70%</td>
</tr>
<tr>
<td>CABS has an account plan and client relationship managers for key accounts</td>
<td>80.50%</td>
</tr>
<tr>
<td>CABS seeks to create long-term relationship with all its customers</td>
<td>92.70%</td>
</tr>
<tr>
<td>Customer relationships are important to CABS</td>
<td>90.20%</td>
</tr>
</tbody>
</table>
The average service quality score perceived by the customers was 82% whilst that of staff was 77.3%. This means that CABS has successfully embedded relationship marketing in its operations as both customers and staff perceive this to be working well and customers are satisfied with the service that they are receiving, which would result in them maintaining their relationship with CABS. As explained by Gummesson (1999), relationship marketing seeks to build equally beneficial long-term associations with key constituents in order to earn and retain their business. Therefore, CABS, has gone a long way in cementing long-term relationships with their key clients both individual and corporate so as to retain their business which creates a win-win situation for both the customers and the company.

From the above discussion, it can be concluded that to a very large extent, CABS has adopted the holistic marketing as a customer retention strategy which has already started to yield some positive results for the institution. The three variables of the holistic marketing approach discussed above, are all visibly in place in the organization as revealed by the study findings in which both the customers and staff have produced average scores of more than 60%.

The fourth variable which is socially responsible marketing is not as visible as the other three mentioned above. However, most customers perceive CABS to be ethical and that it has a strong brand that can be trusted in the market and hence they feel their savings and investments are safe with CABS and on that basis they would rather maintain their relationship with CABS. It must be noted however, that there is a lot more that CABS needs to do to make this retention strategy more effective and fully implement it so as to enjoy all the benefits that come with the strategy.
4.6 OBJECTIVE 2: IMPACT OF THE HOLISTIC MARKETING CONCEPT ON CUSTOMER RETENTION IN CABS

Table 4-7: Perception of customers on Customer Retention

<table>
<thead>
<tr>
<th>Customer Retention</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I believe CABS deserves my loyalty</td>
<td>83.3%</td>
</tr>
<tr>
<td>Over the past year my loyalty to CABS has grown stronger</td>
<td>87.5%</td>
</tr>
<tr>
<td>CABS has succeed in making me feel central to its operations</td>
<td>75.0%</td>
</tr>
<tr>
<td>CABS values people and relationships ahead of short-term goals</td>
<td>76.4%</td>
</tr>
<tr>
<td>I am satisfied with CABS service delivery</td>
<td>84.7%</td>
</tr>
<tr>
<td>I will not hesitate to recommend CABS to others</td>
<td>88.9%</td>
</tr>
<tr>
<td>CABS has exceed my expectations in terms of service delivery</td>
<td>81.9%</td>
</tr>
</tbody>
</table>

The average customer retention score perceived by the customers was 82%. This means that most customers interviewed are holding on CABS services. Further analysis revealed that because of the high customer satisfaction level at more than 75%, the majority of the customers surveyed were more than happy to remain loyal to CABS, with 88.8% stating that they would happily recommend CABS products and services to others. The actions taken by the customers that include recommending products and services to others, bringing in more business to the bank and willing to pay a premium price for the service are indicators for customer retention. As explained by Arussy (2004), the real indication for customer retention is not just customer satisfaction but the customer’s actions. Due to the experience that they have had with CABS, 83.3% believe that CABS deserves their loyalty.

Therefore, given the average customer retention score of 82%, it can be concluded that the holistic marketing approach has indeed impacted positively on customer...
retention as most of the customers are not going anywhere but are there to stay at CABS and continue to enjoy the services that they are getting there. They are more than willing to remain loyal to CABS because they are satisfied and their actions indicate so.

4.7 OBJECTIVE 3: IMPACT OF THE HOLISTIC MARKETING CONCEPT ON CUSTOMER SATISFACTION IN CABS

4.7.1 Customer satisfaction

In this study a customer satisfaction index was constructed in order to gauge the levels of satisfaction. The index is expressed as the percentage of the summation of satisfaction variables in this study. On average customers scored 81.9% satisfaction level. The index was further grouped into three levels as shown in Figure 4.10 below:

![Figure 4-10: Customer Satisfaction Levels](image)

As depicted in Figure 4.10 above, the majority of the interviewed CABS customers scored more than 75% level of satisfactions. Further analysis proved that
satisfactions levels are not influenced by either account type (p-value =0.54) type of industry (p-value =0.677), and length of service as a CABS customer (p-value=0.349). The reasons why customers are generally satisfied are outlined in Table 4.8 below:

Table 4-8: Perception of Customer Satisfaction

<table>
<thead>
<tr>
<th>Perception of Customer Satisfaction</th>
<th>Customers Agree</th>
<th>Staff Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you perceive CABS to be an organization that is customer centric?</td>
<td>90.3%</td>
<td>87.8%</td>
</tr>
<tr>
<td>CABS meets customers’ expectations</td>
<td>87.5%</td>
<td>92.7%</td>
</tr>
<tr>
<td>CABS understands the changing needs of customers</td>
<td>80.6%</td>
<td>75.6%</td>
</tr>
<tr>
<td>CABS keeps customers fully informed about market developments</td>
<td>50.0%</td>
<td>37.5%</td>
</tr>
<tr>
<td>Based on your experience with CABS products and services, would you most likely recommend CABS</td>
<td>88.8%</td>
<td>92.7%</td>
</tr>
<tr>
<td>Products/services to others</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The staff members surveyed also felt that customers’ satisfaction levels are high. The T-test statistics (p-value = 0.01) shows that the average customer perception on satisfaction was similar to the average staff perception. This was conducted at 95% level of significance testing. CABS is considered to be customer centric, with 94.4% of the surveyed customers alluding that CABS provides a on stop shop for the all the products and services that the customers want. It was however, noted by both groups of respondents that, the organization is not engaging customers in their market developments, as well as in the development of new products.

Further analysis revealed that the majority of the customers at 66.2% have never been visited or received a call from CABS and neither of the 65.7% of the surveyed
customers had been invited to any of the CABS events which boils down to relationship marketing and if addressed could increase the customer levels of satisfaction. According to Swift (2001) and Kincaid (2003), the philosophy of relationship marketing relies on gaining competitive advantage for the organization, due to the retention of the customer for a longer time, among the group of permanent customers of the organization by helping and growing their satisfaction level towards the realized services.

Overall, it can be concluded from the research findings that the holistic marketing approach has had a positive impact on customer satisfaction in CABS. With a score of more than 75% level of satisfaction, customer satisfaction is continuously growing resulting in more customers remaining loyal to CABS and more recommending CABS services to others and creating long-lasting relationships.

4.8 OBJECTIVE 4: RECOMMENDATIONS TO FURTHER STRENGTHEN THE CURRENT CUSTOMER RETENTION STRATEGIES

As much as both the customers and staff member surveyed were of the opinion that the current customer retention strategies have yielded some positive results for CABS in terms of customer retention, they felt that there some areas that were lacking that needed to be addressed to strengthen these strategies and make them more effective. The customers and staff members came up with the following suggestions that, CABS could take up to address the areas that they are falling short:

- CABS should improve on its communication process and client engagement. The results showed that both the customers and staff members were of the opinion that, the company was lacking in its communication as most customers are not
aware of the changes or developments taking place within the bank which affect them. This is because, these developments or changes are not communicated to them. They feel that they are not being engaged enough. Therefore, this calls for an overhaul of the CABS communication system to ensure that customers are always kept up to date with both market and company developments. Communication is vital in any relationship and helps to strengthen the retention strategies being used by the company.

- CABS should engage more in market research on a continuous basis so as to develop products that the customers require and not what CABS think the customers require. The research findings revealed that customers felt that CABS does not take the time to ask them about the products that they require. Once CABS begins to develop the products and services that customers require, the customer satisfaction levels would increase, which would ultimately result in customer retention. Therefore, it is recommended that CABS should continuously consult its customers on their wants and requirements to ensure that CABS is in a position to cater for these ever-changing needs.

- Staff training is also vital, as it has a bearing on service delivery. Employees are an important component in the delivery of quality service and this can only happen if they are properly trained and empowered to do this. Findings from the study showed that in terms of internal marketing, there are some issues to do with training and staff empowerment that should be improved to enable staff to deliver quality service which would strengthen the customer retention strategies. The staff surveyed felt that, CABS should therefore invest more in training its staff so to empower them and to ensure that all staff members are customer conscious and “think customer”. According to Kotler and Keller (2009), one of the hurdles in internal marketing is to train, motivate and empower the entire staff so that they have the knowledge, tools and authority to provide value to the customers. These activities are geared towards ensuring that the organization has employees who are well prepared and empowered to deliver quality service to the customers.
It was noted by the staff surveyed that most of the customer retention programs and quality service delivery was limited to the premium and corporate customers in most instances. Customer retention programs and quality service delivery should not just be limited to the premium and corporate customers but, in fact should be spread across all the classes of account holders. This would go a long way in enhancing the customer retention strategies currently in place at CABS. This is not to say that they all should be treated in the same manner but some programs such as the Loyalty Program could be put in place for the other groups of customers that are not members of the Platinum Club. Therefore, staff felt that CABS should introduce the Loyalty Program as retention strategy to retain customers in the other classes of accounts that can then be used to reward these customers for their patronage which would keep them loyal to the bank.

4.9 CORRELATIONS OF THE HOLISTIC MARKETING CONCEPT VARIABLES

Table 4-9: Correlations of the variables of holistic marketing

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Customer Satisfaction</th>
<th>Integrated Marketing</th>
<th>Relationship Marketing</th>
<th>Customer Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.567**</td>
<td>0.351**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated Marketing</td>
<td>Pearson Correlation</td>
<td>0.567**</td>
<td>1</td>
<td>0.486**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relationship Marketing</td>
<td>Pearson Correlation</td>
<td>0.351**</td>
<td>.486**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.003</td>
<td></td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Customer Retention</td>
<td>Pearson Correlation</td>
<td>0.431**</td>
<td>0.455**</td>
<td>0.660**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.00</td>
<td></td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
The three independent variables of relationship marketing, integrated marketing and customer satisfaction correlate with each other and the independent variable of customer retention, which implies that the independent variables have a direct influence on the dependent variable. All the three variables are strongly correlated with the dependent variable. All the variables also strongly correlate to each other as shown in Table 4.9 above.

### 4.9.1 Relationship Marketing

Relationship Marketing is positively related to customer retention with a correlation coefficient of $r=0.660$ which is significant at $p < 0.01$. This significance value shows us that the probability of this correlation is not by chance. This result corresponds to the assertion made by Reichheld and Sasser (1990) who stated that, there is a direct relationship between relationship marketing and customer retention. Gummesson (1999) supported this assertion as he noted that relationship marketing values will promote a more win-win situation and less a win-lose situation. More equal parties will be created and all parties carry a responsibility and can be active in the relationship.

### 4.9.2 Customer Satisfaction

Customer satisfaction is positively related to customer retention with a correlation coefficient of $r=0.431$. This is significant at $p < 0.01$, which means that the probability of this correlation to be “fluke” is low. The holistic marketing approach has resulted in high customer satisfaction levels, which have led to customer retention, hence the positive results yielded by the correlation test.
4.9.3 Integrated Marketing

Integrated Marketing is positively related to customer retention with a correlation coefficient of $r=0.455$. This is significant at $p < 0.01$, which means that the probability of this correlation is not by chance. According to Borden (1964), when all the marketing activities are integrated, the organization has the opportunity to make maximum use of available options aimed at acquiring and retaining customers.

4.9.4 Internal Marketing

From the descriptive statistics in Table 4.3 on internal marketing, the researcher inferred that, there was a positive relationship between internal marketing and customer retention, though it was an indirect relationship. This is the case, because when high employee loyalty is present, employees are motivated and geared to deliver quality service all around, which results in customer satisfaction. And when customers are satisfied they remain loyal to the company and they are in turn retained by the company. Reichheld (1997) had stated that in internal marketing, there is a strong correlation of loyalty between organizations to its employees and the positive outcomes that it has on overall customer loyalty. He further argued that through the high loyalty of its employees and customers, the organizations can increase its customer retention rate which brings significant positive effects on long-term market shares, turnover and overall margins. The results produced by the correlation test prove that the internal marketing is positively related to customer retention.

4.10 CHAPTER SUMMARY

This chapter looked at the presentation, interpretation and discussion of the results in relation to the objectives of the study, closely looking at the variables of holistic
marketing and their impact on customer retention. Customer retention which is a function of customer retention was also discussed in the findings. Finally the correlations of the variables to customer retention were discussed. This chapter forms the basis on which the conclusions of the study and the recommendations will be made which will be discussed in Chapter 5.
5.0 CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter discusses the conclusions and recommendations drawn from the research study. These have been arrived at, after the analysis of the findings in Chapter 4.

5.2 CONCLUSION

The following conclusions were made from the research findings:

5.2.1 Customer satisfaction

Holistic marketing has a positive impact on customer satisfaction. When successfully applied, an organisation is able to enjoy and maintain high customer satisfaction levels.

5.2.2 Customer Retention

Customer retention has increasingly gained momentum within organization as an vital tool for surviving in the highly competitive environment and the attainment of business revenue. The survival of the banking business hinges on customer
retention. From the research findings, it is concluded that, to a very large extent, CABS has managed to retain its customers and acquire new ones in the process.

5.2.3 Holistic Marketing Concept

From the study findings, it is concluded that the holistic marketing concept does impact positively on customer retention, as its adoption by CABS has resulted in the society retaining the majority of its customers and acquiring new ones through recommendations and referrals. It is therefore a strategy that organizations can adopt in their bid to retain their customers.

5.2.4 Customer Retention Strategies

From the research findings, it is concluded that there are various ways that CABS can strengthen their current customer retention strategies which could result in, not just the retention of more customers, but also the acquisition of new ones.

5.3 TESTING THE RESEARCH HYPOTHESIS

The research hypothesis was stated as follows:

H0: There is a positive relationship between the use holistic marketing and customer retention in CABS Zimbabwe

H1: There is no relationship between the use of holistic marketing and customer retention in CABS Zimbabwe
The above hypothesis was aimed at determining if indeed there is a positive relationship between the holistic marketing approach and customer retention in CABS. In proving the above hypothesis, the variables of the holistic marketing approach, that is, internal marketing, relationship marketing and integrated marketing were used as the basis of determining the relationship through the questionnaires that were administered to both customers and staff. From the responses generated, the researcher was able to establish at a Pearson correlation coefficient of 0.644, that there is a strong positive relationship between holistic marketing and customer retention.

Therefore, based on the findings above, the null hypothesis is accepted. There is indeed a positive relationship between the holistic marketing approach and customer retention. The scatter plot in Figure 5.1 below clearly shows this positive relationship. Hence this approach can be adopted as a customer retention strategy and yield positive results for the company.

Figure 5-1: Scatter Plot - Relationship between holistic marketing approach and customer retention
5.4 RECOMMENDATIONS OF THE STUDY

The following recommendations have been made:

5.4.1 Continuous Market Research

The majority of customers had indicated that CABS does not take the time to find out the products and services that they actually need, which points to lack of proper market research that is done on a continuous basis, as customers’ needs and wants are constantly changing. It is therefore, recommended that CABS marketing department adopt a proactive approach, where it engages in continuous market research. This would enable the company to find out and clearly articulate the customers’ needs and anticipate any changes that might take place, resulting in CABS developing products and services that customers actually need and require. The end result is a satisfied customer who is bound to remain loyal to a bank that understands him or her and has his or her needs at heart.

5.4.2 Continuous Training of Staff

Employees are an important component in the delivery of quality service and this can only happen if they are properly trained and empowered to do this. It is important that everyone is aware of the concept of customer satisfaction so that everyone realizes that they have a role to play in retaining customers. The study revealed that most of the employees did not fully understand the concept of customer satisfaction and were not properly trained to deliver quality service. It is therefore recommended that CABS put in place training programs in place that will ensure that all employees are made conscious of quality service delivery, as well as the new products and services, so that they are well-empowered when they interact with the customers. The training should be on a continuous basis so as to also cater
for any new employees that come on board, to ensure that everyone is well versed with the requirements. Refresher courses should be conducted to ensure that this concept of customer satisfaction is embedded in the minds of all the employees and because they are empowered with knowledge, they will be motivated to delight the customer.

5.4.3 Effective Communication Procedure

The research findings revealed that effective communication was lacking within CABS. In most cases, customers are not aware of the changes that CABS would have made that affect them as customers. This is because, when these changes are effected, they are not communicated effectively to customers and most customers only come to know of these changes, such as increase in bank charges, when they come to the bank to transact, which leaves many of them angry and definitely not satisfied. As mentioned earlier, an unhappy customer can end up defecting, which is bad for the bank, as it cannot afford to lose any customers. Therefore, CABS should put in place an effective communication procedure, where a mode of communication is chosen that ensures that all customers are made aware of any changes or development, regardless of whether they are premium customers or not. This procedure should be communicated to all the areas that deal with the customers so that there is uniformity and clarity. By adopting such a procedure, CABS would ensure that the right messages are getting out to all customers and on time, resulting in satisfied customers.

5.4.4 Brand visibility and Product Awareness

The respondents in both categories of customers and staff commented that CABS offers a comprehensive range of products which they considered to be very competitive in relation to competitors’ products. The only down-side was that, the
marketing function was not doing enough to promote these products and make the brand more visible, which was unfortunate because it meant that CABS was losing out on prospective customers who were not aware of such products. In view of this, it is recommended that CABS adopt a more aggressive marketing strategy that will ensure that the company’s products and services are put out there for all to see, read and adopt them. Such a strategy will ensure that both existing and prospective customers are aware of what the company is offering and the benefits of coming on board at CABS. The end result is existing customers taking up additional products and services and new customers being acquired, because they are now aware of what CABS is offering. This will in turn boost the customer retention figures and build onto the customer base with new acquisitions coming on board.

5.4.5 Quality Service all round

Every customer regardless of what type account they hold should feel that they are central to the bank’s operations and that they are part of the bank family and one way of achieving this is through providing quality service all round. CABS should ensure that employees are properly trained to understand the value of customers. Moreover, the bank should make use of the elements of the SERVQUAL model to identify any gaps between the customers’ expectations and their usual perception of good service delivery when compared to their actual experiences. A favourable atmosphere should be constantly maintained in all the banking halls and employees should be prepared to respond to customers in a manner that corresponds with the service promised. The outcome is a satisfied customer who is prepared to place their trust with the bank to provide them with the best financial products and services.
5.5. AREAS OF FURTHER STUDY

This study was conducted during a period of political uncertainty as the country was facing the harmonized elections scheduled for the 31st of July 2013, resulting in a lot of scepticism regarding the future of the country. This could have seen customers deciding to remain with the status quo until they see the direction the country is heading after the outcome of the results. Therefore, this could have affected the results of the study, in that; they may be reflecting current sentiments given the current situation and not the true picture had the situation been somewhat different.

It is against this background, that I recommend that the same study could be carried out in a few years’ time when the political environment has changed and there is stability in the market to determine whether similar results will be obtained or that they will be a total deviation from the initial results received from the first study.
REFERENCES


CABS Website (2013) [www.cabs.co.zw](http://www.cabs.co.zw)


Salerno, N. (2006). *Gobble up your competition: Start with the basics, add a pinch of research and a dash of common sense*.


APPENDICES

APPENDIX 1: QUESTIONNAIRE FOR CABS CURRENT CUSTOMERS

UNIVERSITY OF ZIMBABWE
GRADUATE SCHOOL OF MANAGEMENT

MASTERS IN BUSINESS ADMINISTRATION (MBA)

My name is Linna Mfarinya and I am a final year MBA student at the Graduate School of Management, University of Zimbabwe.

As part of my dissertation studies, I am undertaking a study on “The Adoption of a Holistic Marketing Concept as a Customer Retention Strategy and its impact on customer retention in the banking industry – A Case Study of CABS Zimbabwe”.

Kindly assist me with information by completing the attached questionnaire. Please note that this research is purely for academic purposes and I assure you that all the information given and opinions expressed will be treated in strict confidence.

Thank you for your co-operation.

Yours sincerely

Linna Mfarinya (Miss)

Cell: 0772 256 105
Tel: 883823 – 51
Email: linahm@oldmutual.co.zw
Instructions

1. Please tick the appropriate box to indicate your response. Where appropriate, write your answers in the spaces provided.

SECTION 1

Customer Profile

1. Please state type of accounts held

   Platinum ☐   Gold Card ☐   Blue Card ☐   Easybank ☐

2. Do you have other bankers; Yes ☐ No ☐

3. Optional: please state banks you hold accounts with.

   __________________________________________________________________________
   ______

4. Please tick the applicable answer in the space provided.

   Please state industry

   Manufacturing ☐ Retail ☐
   Transport ☐ Education ☐
   Hotel & Tourism ☐ Distribution ☐
   Other ☐ Personal account holder ☐

5. How long have you been a CABS customer?

   Less than 2 years ☐ 2 to 5 years ☐
   5 to 10 years ☐ more than 10 years ☐
6. Please tick all the products/services that you use from CABS?

- Textacash  
- Mortgage  
- Point of Sale  
- SME Loan Package  
- Personal Loans  
- Bill Payment  
- CABS Unit Trusts  
- Business Loans  
- Internet Banking  
- CABS Bancassurance  
- Cash Passport  
- Agri-trade

7. How often do you typically use these products/services?

- Daily  
- Weekly  
- Monthly  
- Yearly

SECTION 2

(1) being  Strongly disagree  ,  (2) being  disagree  ,  (3) being  agree  and  (4) being  strongly agree

Please tick your preferred answer in the spaces provided

<table>
<thead>
<tr>
<th>Customer Satisfaction</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do you perceive CABS to be an organization that is customer centric?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. CABS meets my expectations</td>
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<td></td>
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<tr>
<td>3. CABS understands the changing needs of customers</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>4. CABS keeps me fully informed about market developments</td>
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<tr>
<td>5. CABS provides a one stop shop for all the products that I require?</td>
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<td></td>
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</tr>
<tr>
<td>6. Based on your experience with CABS products and services, would you most</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
likely recommend CABS products/services to others

<table>
<thead>
<tr>
<th>Integrated Marketing (Product offering)</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. CABS offers a comprehensive range of products and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. CABS is proactive and is innovative in providing products and services to customers</td>
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</tr>
<tr>
<td>9. CABS has an effective and active marketing function that promotes brand visibility and product awareness</td>
<td></td>
<td></td>
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<tr>
<td>10. In comparison to other banks, CABS products and services are competitive</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>11. CABS takes time to ask me the products that I require</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. CABS physical buildings, ATMs are appealing to customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relationship Marketing (Service quality)</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. CABS executive management value my business and take time to understand my business and concerns</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. CABS employees are fully knowledgeable of CABS products and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. CABS processes are efficient and ensure timeous service delivery</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CABS technology is efficient and effective and promotes organization growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. CABS is reliable in terms of service provision.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. CABS has a strong brand and can be trusted in the market</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. CABS has customers’ interests at</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
heart and provides personalized services to customers.

19 CABS realises that customers should be respected and shown courtesy

20 CABS employees are prompt in handling queries and provide timely feedback

21 CABS employees are proactive in serving customers

22 CABS realizes that customers are an asset to the bank and deserve timely and efficient service

23 CABS employees understand customers' needs

24 CABS provides customers with personalised service

<table>
<thead>
<tr>
<th>Customer Retention</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 I believe CABS deserves my loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26 Over the past year my loyalty to CABS has grown stronger</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27 CABS has succeed in making me feel central to its operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28 CABS values people and relationships ahead of short-term goals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29 I am satisfied with CABS service delivery</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 I will not hesitate to recommend CABS to others</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 CABS has exceeded my expectations in terms of service delivery</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
32 How frequently do you get a visit or call from CABS representatives?

Never ☐
Once a month ☐
Once a quarter ☐
Half yearly ☐
Once a year ☐

33 How often do you get invited to events such as CABS Golf Day, Sponsored walks, Economic Briefings, rugby or cricket school tournaments, musical shows, cocktails etc?

Never ☐
Once a month ☐
Once a quarter ☐
Half yearly ☐
Once a year ☐

SECTION C

30 What do you think CABS should do in general to enhance your satisfaction and patronage?

---------------------------------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------------------------------
--------------------------------------------------------------------------------

Thank you for taking your time to complete this questionnaire.
APPENDIX 2: QUESTIONNAIRE FOR CABS STAFF AND MANAGEMENT

UNIVERSITY OF ZIMBABWE
GRADUATE SCHOOL OF MANAGEMENT

MASTERS IN BUSINESS ADMINISTRATION (MBA)

My name is Linna Mfarinya and I am a final year MBA student at the Graduate School of Management, University of Zimbabwe.

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Thank you for your co-operation.

Yours sincerely

Linna Mfarinya (Miss)
Cell: 0772 256 105
Tel: 883823 – 51
Email: linahm@oldmutual.co.zw
SECTION 1

Instructions

Please tick the appropriate box to indicate your response. Where appropriate, write your answers in the spaces provided.

A. Gender: Male [ ]   Female: [ ]

B. Period with current employer

More than 20 years [ ] 10 to 20 years [ ] 5 to 10 years [ ] less than [ ] years

C. Age Group

Less than 25 years [ ] 25 to 30 years [ ] 30 to 40 years [ ]
40 to 50 years [ ] over 50 years [ ]

D. Highest Level of Education

Masters level [ ]
Degree level [ ]
Diploma Level [ ]
GCE ‘A’ Level [ ]
GCE ‘O’ Level [ ]
SECTION 2

On a scale of 1 to 4 with:

- 1 being strongly disagree
- 2 being disagree
- 3 being agree
- 4 being strongly agree

Please annotate your answers

<table>
<thead>
<tr>
<th>Customer Satisfaction</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CABS is successful at managing client relationships and is customer centric</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. CABS values customer satisfaction and has an objective of ensuring that customer satisfaction is achieved</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3. I believe that CABS customers are loyal to the CABS brand</td>
<td></td>
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<td>4. CABS understands the changing needs of customers</td>
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<td>5. CABS customers are fully informed about market developments</td>
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<tr>
<td>6. CABS works closely with customers in developing new products</td>
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<td>7. CABS hosts key business account holders (luncheons, functions, sports)</td>
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<table>
<thead>
<tr>
<th>Integrated Marketing (Product Offering)</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
<tr>
<td>8. CABS products are competitive in relation to competitors’ offerings</td>
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<tr>
<td>9. CABS offers a comprehensive range of products and services</td>
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<td>10. CABS asks customers the kind of products they require</td>
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<td>11. CABS is proactive and is innovative in providing products and services to customers</td>
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<td>12. CABS has an effective and active</td>
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marketing function that promotes brand visibility and product awareness

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<tr>
<td>13. CABS encourages innovativeness in employees</td>
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<tr>
<td>14. I am fully aware of all of CABS products and services</td>
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</tbody>
</table>

**Internal Marketing (CABS organizational structure and allocation of resources)**

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<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
<tr>
<td>15. CABS executive management value customer relations</td>
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<td>16. All CABS employees at all levels understand the concept of customer satisfaction</td>
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<td>17. All employees play their part proactively in fulfilling customer requests</td>
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<td>18. Both frontline and back-office employees understand the concept of customer service</td>
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<tr>
<td>19. I am fully knowledgeable of all CABS products and services</td>
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<tr>
<td>20. CABS allocates adequate resources to create awareness of products and services</td>
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<tr>
<td>21. CABS allocates adequate resources to cater for key client entertainment</td>
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<td>22. CABS provides appropriate training to empower employees to deliver quality service</td>
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**Relationship Marketing (Service Quality)**

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<th>Strongly disagree</th>
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<th>Strongly agree</th>
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<tr>
<td>23. CABS processes are well documented and defined</td>
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<tr>
<td>24. CABS processes are efficient and ensure timeous service delivery</td>
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<tr>
<td>25.</td>
<td>CABS technology is efficient and effective and promotes organizational growth</td>
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<td>26.</td>
<td>CABS is reliable in terms of service provision.</td>
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<td>27.</td>
<td>CABS takes advantage of opportunities in the market to grow its business</td>
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<td>28.</td>
<td>CABS has a strong brand and can be trusted in the market</td>
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<td>29.</td>
<td>CABS has customers interests at heart and provides personalized services to customers.</td>
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<td>30.</td>
<td>CABS realizes that customers should be respected and shown courtesy</td>
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<td>31.</td>
<td>CABS employees are prompt in handling queries and provide timely feedback</td>
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<td>32.</td>
<td>CABS realizes that customers are an asset to the bank and deserve timely and efficient service</td>
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<td>33.</td>
<td>CABS employees are proactive in serving customers</td>
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<td>34.</td>
<td>CABS employees understand customers’ needs</td>
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<td>35.</td>
<td>CABS provides customers with personalized service</td>
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<td>36.</td>
<td>CABS is aggressive in acquiring new clients</td>
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<td>37.</td>
<td>CABS has an account plan and client relationship managers for key accounts</td>
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<td>38.</td>
<td>CABS seeks to create long-term relationships with all its customers</td>
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<tr>
<td>39.</td>
<td>Customer relationships are important to CABS</td>
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SECTION 3 – ADDITIONAL INFORMATION

1 Do you think CABS’s current retention strategies are working? Explain your answer.

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2 What more should CABS do to enhance customer retention?

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Thank you for taking your time to complete this questionnaire.
APPENDIX 3: ADDITIONAL QUESTIONNAIRE FOR KEY STAFF
(Executive Management)

1. Why do you believe customers choose CABS over others?

2. How would you describe the type of relationship that CABS has with its customers?

3. Does CABS place more weight on keeping existing customers or attracting new ones?

4. How does CABS handle dissatisfied customers?

5. Are there routines for handling complaints? In such cases, do you believe it has led to increased customer loyalty and satisfaction?
6. Is everyone in CABS aware of the strategies used to create customer satisfaction and loyalty?

7. Have the customer retention strategies adopted led to increased customer retention?

8. Does CABS monitor its customers in any way? Please explain your answer.