Bindura University
of Science Education

FACULTY OF COMMERCE

DEPARTMENT OF BANKING AND FINANCE

THE EFFECTIVENESS OF CUSTOMER RETENTION STRATEGIES EMPLOYED BY COMMERCIAL BANKS IN ZIMBABWE.

BY

B192099B

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR A BACHELOR OF COMMERCE (HONOURS) IN BANKING AND FINANCE. 2019-2023

RELEASE FORM

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DEGREE TITLE	:	BACHELOR (HONOURS) IN BANKING AND FINANCE.
YEAR OF COMPLETION	:	2023

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The undersigned certify that they read and recommended to Bindura University of Science Education for acceptance, a research project entitled "assessing the impact of human capital retention strategies on organisational perfomance in a public sector: a case of Zimbabwe Revenue Authority.", submitted in Partial fulfilment of the requirements of Bachelors in Human Capital Management.

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DEDICATIONS

‘To my parents’, who have always been my biggest supporters and have encouraged me to purse my dreams. Your love, guidance and unwavering belief in me have been my anchor throughout this journey and driving force behind my academic success. I am forever grateful for everything you have done for me. I love you

ABSTRACT

The aim of the research was to investigate customer retention strategies that could be used by commercial banks in Zimbabwe to gain a competitive advantage. The study used a descriptive research design and targeted a population of eligible bank customers and employees of commercial banks in Zimbabwe in Harare. Stratified random sampling was applied to select customers from all customers of commercial banks. Primary data was collected through questionnaires.The findings revealed that most commercial banks in Zimbabwe are not meeting customer expectations in terms of service quality. The dimensions of service quality, including reliability, responsiveness, assurance, empathy, and tangibles, were assessed and most banks failed to meet consumer expectations. According to the research findings the banks' product innovativeness results in improved customer banking experience. The research revealed that retaining customers can lead to benefits such as increased market share and profit. A positive relationship between customer relationship management strategy and customer retention was also reviewed.To win customer loyalty in the current Zimbabwean economy, banks need to go beyond their desks to search for important service attributes that customers look for. They should invest more in improving the identified attributes and monitor changing customer needs and preferences to hedge against competition. Banks should continuously make use of product innovativeness to retain their customers.

ACKNOWLEGEMENTS

I am immensely grateful to The Almighty God for his blessings throughout my academic journey

I express my sincere gratitude to my project supervisor, Mr. Jonas, for his valuable input and constructive suggestions during the planning and development of this research project. I appreciate his willingness to give me his time generously. I also extend my thanks to my friends for their advice and assistance in keeping me on schedule.

I am especially grateful to the staff of the Department Banking and Finance at Bindura University of Science Education for their patience and assistance in creating a conducive environment for me to achieve my goals. I would like to extend my gratitude to all the commercial bank customers who answered the questionnaires and also the management staff of commercial banks in Harare for allowing me to study their banks. Lastly, I would like to thank my parents for their unwavering support and encouragement throughout my studies.

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LIST OF ACCRONYMS

CRS	Customer Retention Strategies
SERVQUAL	Service Quality
RATER	Responsiveness, Assurance, Tangibility, Empathy, Responsiveness
CRM	Customer Relationship Management
ATM	Automated Teller Machine
CRM	Customer Relationship Management

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The banking sector in Zimbabwe is highly competitive and customer retention is a key factor for banks to remain competitive. This study seeks to show the effectiveness of customer retention strategies employed by commercial banks in Zimbabwe and it has chapter one to five. For a business to survive it should rely on the company's ability to grow, acquire and retain good customers (Paul, 2018). In support of this (Ouma, 2013) goes on to say that if banks are able to attract and retain customers with a sustainable blend of superior customer service and also with diversified offerings, they will be able to succeed in the economy. Customer. retention strategies are used by banks to maintain and increase the number of customers.

The first chapter encompasses of the background to the study, the problem statement, research questions and objectives, limitations, delimitations, assumptions of the study as well as the significance of the study.

1.2 Background to the study

To stay competitive, banks must prioritize customer retention as the main factor. Firms have introduced various strategies to address these challenges and meet customer demands, as stated by Kibera and Waruingi (1998). According to Muchira's (2005) study, the current business environment has significantly impacted the market economy by increasing consumer options, reducing costs and profit margins, and changing global infrastructures. Additionally, investments in transitioning from analog to digital, telecommunications infrastructure, and increased expectations have forced firms to make strategic adjustments in their business operations and customer interactions, as noted by Siboe (2006).

Globally the service delivery strategies of the banking sector have improved. There has been a lot of changes in the way financial services are being offered in this industry. All commercial banks offer products and services that are similar which are easy to copy which makes the banking industry to be highly competitive. The banking industry has been affected by competition as each bank is striving to gain market share (Anbazhagan, 2020). For banks to survive in this industry they have to offer competitive prices as well as quality services. Internet banking has emerged which is an advantage to both the corporate as well as to customers. Due to technical advantages the banking industry has changed a lot. Due to the transformation of the banking sector across the globe some banks are passing through many phases of transitional development to transform their traditional banking services towards the virtual banking services (Alghusain , 2018) .In the financial sector mobile apps , mobile banking, mobile pay , big data as well as automated wealth managers are some of the are the most dominating trends of digital transformations (Newman , 2019).

A very significant impact has been made on the lives of consumers as technological advancement is now more of a critical requirement for survival (Halaiqah and Ghannam, 2020). On the other hand, some banks are failing to retain their customers. Banks can be able to retain their customers if they continue operating. Signature Bank and Silicon Valley Bank are some of the banks that collapsed recently. The government managed to seize and sell off First Republic Bank being the first bank to fail in 2023 after Signature Bank and Silicon Valley Bank collapsed (Karl and Christine, 2023). They also reviewed that there is now fear of fallout for the whole industry due to the collapse of Signature Bank and Silicon Valley Bank.

Regionally Auniel and Mokaya (2018) carried out regional studies in Tanzania on factors that affect consumer retention in commercial banks. Positive results were highlighted in the studies between consumer retention and consumer relationships and also between service delivery and consumer retention.

Commercial banks in Zimbabwe have to make efforts to survive as they are facing aggressive competition. The number of financial and non-financial institutions that are competing with commercial banks have increased. By year ended 2018 commercial banks were 19 and microfinance institutions were 207 (BSAR, 2018). By year ended 2020 the number of commercial banks remained unchanged at 19 but Microfinance Institutions increased to 239 (BSD, 2020). The worst part is that the services they are offering are the same services being offered by commercial banks. (Cvent,2013) stated that Banks are now losing their clients and it is now difficult for them to acquire new ones because many Micro finance companies have emerged and they are actually offering people as well as vendors' favorable loans.

Customer retention and service quality is the most substantial challenge for a business (Premkumar and Rajan, 2017). Customers have lost confidence in banking. Customers have complained about failure to access funds, unauthorized debits whereby one can receive a message that their account has been debited by a certain amount without their approval and also closure of FCA accounts, (rbz 2021). The service quality of commercial banks has decreased. Customers are having withdrawal limits, cash shortages, long queues to collect money and the interest rates have increased rapidly. Trends from 2018-2022 shows that the rate of commercial banks interest rates have increased. By year ended 2022 it increased to more than 200 % and this has affected customers from borrowing funds thereby affecting the retention of customers in commercial banks.

1.3 Problem Statement

The banking sector in Zimbabwe is facing a significant challenge of customer retention due to the increasing competition among commercial bank. In the commercial banking sector, the quality-of-service delivery has fallen and this is evidenced by cash shortages, customers have to wait for long hours in long queues in order to withdraw their money and also severe power cuts rendering ATM's nonfunctioning thereby affecting customers from accessing their funds. Despite the implementation of customer retention strategies, the banking sector is still struggling to retain existing customers and attract new ones. This study seeks to assess the effectiveness of customer retention strategies employed by commercial banks in Zimbabwe.

According to (The Reserve Bank of Zimbabwe ,2018), commercial banking institution's clients reported a number of complaints. Failure by banks to settle PUPS, system related, high interest rates and unauthorized debts were the majority of the complaints.

1.4 Objectives of the study

1.1.4 MAIN RESEARCH OBJECTIVE

The main objective of this study is to assess the effectiveness of customer retention strategies employed by commercial banks in Zimbabwe.

1.4.2 SUB RESEARCH OBJECTIVES

- To examine the effect of product innovation on customer retention of commercial banks in Zimbabwe.
- To explore the impact of service quality on customer retention of commercial banks in Zimbabwe.
- To assess the impact of customer relationship management on customer retention of commercial banks in Zimbabwe.

1.5 RESEARCH QUESTIONS

1.5.1 MAIN RESEARCH QUESTION

How effective are the customer retention strategies employed by commercial banks in Zimbabwe?

1.5.2 SUB RESEARCH QUESTIONS

- ➢ What is the effect of product innovation on customer retention of commercial banks in Zimbabwe?
- ➢ What is the impact of service quality on customer retention of commercial banks in Zimbabwe?

- How is customer relationship management related to customer retention in Zimbabwean commercial banks?

1.6 SIGNIFICANCE OF THE STUDY

To commercial banks

The research is of paramount importance because commercial banks in Zimbabwe will be able to understand the effectiveness of customer retention strategies. They will also be assisted by recommendations in the study developed by the researcher to remain competitive in the environment as well as to remain afloat since it will develop strategies to beat competition. Bank managers will also be assisted in formulating more strategies to retain their customers as well as attracting new ones.

To policy

To add on, other stakeholders such as customers, regulators and policy makers will be able to understand the effectiveness of customer retention strategies.

To academia

The research was carried out in partial fulfilment of the requirements of the Bachelor Honours Degree in Banking and Finance, hence being of paramount importance. The research is going to contribute immensely to the existing body of knowledge. The study will also be a good foundation for future researchers as well as giving them hands on experience of carrying out detailed researches. The future researchers will also be equipped with insights and approaches to customer retention which are valuable which will assist in commercial bank performance.

1.7 JUSTIFICATION OF THE STUDY

The findings of this study will have significant advantages to various stakeholders, including business corporations, universities, future researchers and the government. The study will assist these groups in assessing their choices regarding customer retention as they are directly influenced by this trend.

1.8 Limitations

- Some of the respondents were reluctant to give information due to the fact of time
- Environmental issues affected the research as the researcher had no control over the Institutional policies, cultural and traditional norms and values observed in some of the study sights.
- The study was limited to commercial banks in Zimbabwe only.

1.9 Delimitations

- The study will focus on the customer retention strategies employed by commercial banks in Zimbabwe.
- Most of the research will be done online due to technological advances.

1.10 Assumptions of the study

- During the research process the respondents corporate and contributed to the research without bias.
- The respondents were ready to share the information they had and they were readily available.
- The researcher had sufficient time to carry out the research in order to complete the assessment.
- The resources needed for gathering all the information needed were sufficient.

1.11 STRUCTURE OF THE DISSERTATION

Chapter one (Introduction)

This chapter provides information about the background of the study, the research problem, research questions / delimitations, limitations and also explains the importance of the study. To summarize the, the chapter only briefly touched on what will be included in the entire research.

Chapter two (Literature review)

Chapter 2, which is the literature review, will mainly focus on examining relevant literature obtained from scholars. Specifically, it will address the research objectives and incorporate theories to provide explanations.

Chapter three (Research Methodology)

For the third chapter, the focus will be on reviewing literature from scholars that is relevant to the research objectives. The chapter will also incorporate the use of theoretical frameworks to explain the research.

Chapter four (Data presentation and Analysis)

This chapter mainly focuses on presenting and analyzing the data collected based on the research objectives.

Chapter five (Conclusion and Recommendations)

This chapter concludes the research findings and provides recommendations to address the research problem.

1.12 CHAPTER SUMMARY

In brief, the first chapter provided an overview of the study background, problem statement, research inquiries, aims, study assumptions, as well as scope and constraints. The next chapter will explore the researcher's examination of literature on the efficacy of retention tactics in Zimbabwean commercial banks.

CHAPTER II

LITERATURE REVIEW

2.1 Introduction

This chapter examines both theoretical and empirical literature on the topic of customer retention strategies in Zimbabwean commercial banks. The focus is on ways to enhance service delivery in these banks.

2.2 Theoretical Literature Review

2.2.1 The Gaps model

In 1984 Gronroos developed a model known as the service quality model or the Gaps model. It includes the following five gaps that can occur in the delivery of a service as shown below:

1. The first gap pertains to the difference between what customers expect and what management thinks they expect.

2. The second gap is the difference between what management thinks customers expect and the actual quality of services provided.

3. Gap 3 refers to the gap between the quality of services specified and the actual delivery of those services.

4. Gap 4 is the gap between what is promised to customers and what is actually delivered.

5. The fifth gap is the difference between what customers expect and what they perceive they actually received in terms of service quality.

The study is to identify and address the five gaps in service quality that exist in the banking sector. These gaps include a lack of understanding of customer expectations, the need for a service quality management system, regular monitoring and measuring of service quality, clear and consistent communication with customers, and managing customer perceptions. By addressing these gaps, banks can improve their customer retention and gain a competitive advantage in the market. The study recommends that banks invest in market research, receive customer feedback, and regularly monitor service quality to reduce the gaps. Additionally, banks should use customer satisfaction surveys to manage customer perceptions and expectations.

The Gronroos model of service quality can assist service providers in identifying areas for service quality improvement by analyzing gaps in service delivery. The banking sector can utilize this model to evaluate service quality from the customer's perspective. By identifying the five potential gaps between service provider and customer expectations, banks can determine areas requiring improvement.

2.2.2 The Kano model

The Kano model, developed by Noriaki Kano in the 1980s, has gained widespread adoption in the service industry. It offers valuable insights into the service quality attributes that are most important to customers, which can help organizations prioritize their efforts to improve service quality for maximum impact. The Kano model of service quality is a popular approach to understanding customer satisfaction and involves categorizing service quality attributes into three categories: basic, performance, and excitement.

According to this model, basic attributes are those that customers expect as a given and only notice when they are not present. Performance attributes are those that customers explicitly state they want and are willing to pay for. Excitement attributes are those that customers do not necessarily expect, but which delight them and can lead to increased loyalty.

The Kano model is a valuable tool for evaluating customer satisfaction and priorities in the banking sector. It enables banks to tailor their services and processes to align with customer needs and preferences by identifying three types of customer requirements. Must-have requirements are basic expectations that customers anticipate, while performance requirements can elevate satisfaction levels. Delighters refer to unexpected services and contribute to customer joy. By classifying requirements into each category and understanding customers' preferences, banks can determine the types of improvements that will have the most significant effect on customer satisfaction and loyalty, and allocate their resources accordingly. The Kano model's versatility allows for monitoring changes over time and measuring progress against industry competitors.

2.2.3 The Servqual model

Zeithaml, Parasuraman and Berry (1985) developed the Servqual model as an important tool to analyze service quality. When this model was developed it was based on based on ten dimensions of service quality which were reliability, responsiveness, courtesy, access, credibility, competence, security, communication, knowing the customer and tangibles. After some initial study Zeithaml, Parasuraman and Berry decided to reduce the ten dimensions to five dimensions which were assurance, responsiveness, tangibles, reliability and empathy. This mode is the one mostly used by scientists as well as researchers. They tried to come up with a new way of measuring service quality by trying to cover the weaknesses of the Nordic model. The Servqual model can be used by managers as an analytical tool in identification of gaps between variables affecting the quality of the services (Seth, Deshmukh and Vrat , 2015).

Despite its usefulness in the service industry, the Servqual model has been criticized. There is reasonable tool for the measurement of expectations, henceforth customers do not use expectations to evaluate services (Buttle, 1895). It also does not focus on the outcome of service but only on the service process (Babakus and Boller, 1982). The Servqual model is based on disconfirmation paradigm. In support of this Cronin and Taylor, (1992) states that rather than being based on attitudinal model, it is based on disconfirmation model.

2.2.4 FAIRSERV MODEL

Carr (2007) proposed the Fairserv model as an extension to the Servqual model, which emphasizes the importance of fairness in determining customer reactions to services. The model suggests that customers evaluate the fairness of service procedures, outcomes, and interactions, and may compare their experiences to multidimensional norms of fairness, including procedural, distributive, informational, and interpersonal fairness. Customers rely on their knowledge and compare how others are treated by the same service provider, and may feel cheated if they perceive others receiving higher quality services.

Carr (2007) introduced the Fairserv model, which expands on the Servqual model by emphasizing the importance of fairness in the service evaluation process. The model identifies four dimensions of fairness that customers use to evaluate services.

- Procedural fairness refers to the fairness of the processes and policies leading to normatively acceptable outcomes. This dimension emphasizes the need for unbiased application of service procedures to all customers. Interpersonal fairness is concerned with the treatment of individuals, including civility and politeness.
- Distributive fairness relates to the perceived fairness of outcomes, and customers' cognitions, emotions and behavior may be affected if they perceive outcomes as unfair.
- Informational fairness involves providing knowledge or information about procedures and demonstrating regard for customers' concerns.
- The overall judgment of fairness or unfairness emerging from perceptions of these four dimensions is called systematic fairness.

2.2.5 HIERARCHICAL MODEL

Brady and Cronin (2001) proposed the hierarchical model, which consists of three main dimensions: interaction quality, physical environment quality, and outcome quality. The first two dimensions, interaction quality and physical environment quality, were derived from Gronroos' Nordic model (1984), which emphasizes the importance of assessing service quality based on the interactions between service employees and customers, as well as customer evaluations of outcomes. In addition, each of the three primary dimensions has three sub-dimensions, as illustrated below:

Interaction quality (Attitude, behavior and expertise)

Physical environment quality (ambient conditions, design and social factors)

Outcome quality (waiting time, tangibles and valence).

Customers will initially evaluate the three sub-dimensions of interaction quality, physical environment quality, and outcome quality before assessing the primary dimensions, which ultimately lead to an overall perception of service quality (Brady and Cronin, 2001). The hierarchical model is a comprehensive way of measuring service quality, which takes into account different service dimensions and customer experiences at various levels. This model can be beneficial to service providers, including banks, as it can help them identify issues in the primary stage of their service delivery (Pollack, 2009). Additionally, it can provide a better understanding of customer perceptions of service quality. The hierarchical model, through the provision of high-quality service, can help managers identify service weaknesses and customer needs simultaneously to improve the customer experience and perception of service quality.

2.3 EMPIRICAL EVIDENCE

OLIVER AND SEDINA (2020)

In their research titled: The Influence of Customer Retention Strategies on the Organizational Performance of Commercial Banks, Oliver and Sedina (2020) concentrated on commercial banks in Thika Town, Kenya. The primary aim of the research was to investigate the impact of customer retention strategies on the organizational performance of commercial banks in Thika. The research was conducted using a sample population of 121 respondents, but not all respondents participated. The questionnaire was completed by 98 respondents, resulting in a response rate of 80.99%. The study revealed that to enhance customer retention, banks can employ internet banking and mobile banking, as the most preferred banking channels.

The study found that the method of service delivery employed by the organization has a significant influence on customer satisfaction. The use of distribution channels was found to be important in meeting the preferences of customers, and managing customers according to their preferred channels is crucial. In terms of service quality, the study found that addressing customer issues and providing effective first call resolution and turnaround time were effective in most banks in Thika. The study also highlighted the importance of customer retention strategies in creating a bond between customers and commercial banks, thereby improving customer retention. The researchers also explored how corporate image affects customer retention and concluded that high-quality service distribution channels have a positive impact on the performance of commercial banks in Thika.

JUSTICE (2021)

Justice (2021) conducted a research study on the relationship between customer retention strategies and the performance of commercial banks. The study found a positive correlation between product diversification and bank performance predictors such as customer growth and customer retention. Additionally, the study revealed a positive correlation between service quality delivery and bank performance predictors, including customer retention rates, customer growth, and operational costs. The respondents of the study agreed that Equity Bank has competitive pricing compared to other banks and that product pricing is the most significant measure in determining business banks. Furthermore, they agreed that Equity Bank's lower-priced products add value, which leads to a competitive advantage and an increase in customers' behavioral intentions.

Justice and his team (2021) conducted a study which found that customers agreed that the products and services offered by the bank met their needs and that the bank had diversified its ability to offer services through the use of latest technology. The study also highlighted that effective consumer complaint handling is a strategy that ensures full satisfaction of clients in the event of mistakes. The link between handling client enquiries and complaints and service delivery was also emphasized in the study.

EMMAH.OGUTU AND SIXTUS (2015)

Emmah, Ogutu, and Sixtus (2015) conducted a study on the effectiveness of customer retention strategies in Kenya. The study aimed to determine the retention strategies adopted by commercial banks in Kenya and to assess the management's perception of the effectiveness of such strategies. The study adopted a descriptive research design and targeted all 44 commercial banks in Kenya, with a sample size of 44 managers involved in strategy implementation. Primary data was collected through a semi-structured questionnaire composed of three sections, and a five-point Likert scale was used to measure customer satisfaction. Data was analyzed using SPSS package. The study found that commercial banks applied product innovativeness, employee training, and customer relationship management to a great extent, with employee training and product innovativeness perceived as effective. The researchers recommended banks to analyze their customers before devising retention strategies. They also suggested that it is important for banks to incentivize their sales force for retaining customers and that organizations should strive to provide value to their customers.

GERALD AND OBSORN (2019)

Gerald Munyoro and Osborn Nyeremhuka (2019) conducted a study, The contribution of customer relationship management on customer retention. Their research focused on the Zimbabwean banking sector. 500 respondents were used to carry out the study and their study showed that customer relationship management exists in the banking sector. Focus groups and interviews were used to carry out the research. According to their study there is a positive relationship between CRM and customer retention. 84% of the participants agreed that CRM exists in the Zimbabwean banks. The study showed that Customer relationship management leads to better performance.

Their study also reviewed that banks should keep in touch with their clients on a daily basis rather than relaxing and assuming that their customers know where to find them because the moment they keep silent the closer rivals will be busy trying to get the heart of those customers. The researchers of this study recommended the Zimbabwean banking sector to effectively communicate customer relationship management practices, policies and its importance to all the employees. To add on, another significant finding was that for bank employees to fully embrace CRM applications and software effectively, the Zimbabwean banks should train their employees.

RAJESHVARY (2019)

Rajeshvary (2019) conducted a study that evaluated service strategies impact on customer retention in local commercial banks. The study focused on commercial banks, and primary data was collected using questionnaires. A total of 85 questionnaires were completed by employees and customers.

Based on the research findings there was a positive relationship between service quality strategies and customer retention by analysis tangibility, reliability, responsiveness, empathy and assurance. The study also reviewed that a bank can differentiate itself from its competitors through effective customer relationship management despite the challenges that may hinder some areas of service quality. Rajeshvary et al (2019) reviewed that if customers are treated well, they will find it difficult to switch from their bank to another. The customers of Investrust bank Plc are experiencing good relationship with their staff, being offered good customer services hence finding it difficult to switch from their banks. This study also showed that for banks to remain competitive and enhance customer retention they should improve on all dimensions and conduct customer satisfaction surveys periodically.

TINASHE AND EUSTINA (2015)

Tinashe and Eustina (2015) carried out research on customer retention strategies and their impact on customer satisfaction and customer loyalty. Simple random sampling was used to select respondents and seventy-five respondents were selected from the bank staff and customers of five commercial banks. Questionnaires and interviews were used to collect primary data. It was shown that in terms of the RATER (reliability, assurance, tangibles, empathy and responsiveness) scale most banks are performing below the expected standard. According to this research there is a bearing effect of customer retention on profitability. Customer retention increases profitability. Their study also reviewed that mutual trust can be built between the bank and the clients if the bank keeps its customers for a long time. Another element brought out from this research was that the bank staff does not know a large number of customers and it does not provide direct contact with its customers and also that most customers are attracted to banks that provide quality services.

This research reviewed that to enhance satisfaction banks should practice customer retention strategies so that customers will not switch to the competitors. It was found that demographic factors of bank staff and customers like level of formal education, age and gender have no impact on customer retention. However, it was reviewed that, to improve service delivery the best customer retention strategies were: attending to customer queries, advancing in technology, provision of quality products and services and staff training. The research also reviewed that some of the strongest efforts of customer retention were corporate image creation, provision of quality services and maintaining customer satisfaction.

RICHARD AND ASANTEWAAH (2014)

Richard and Asantewaah (2014) conducted a study on the impact of service quality on customer retention in the Ghanaian banking industry, utilizing Asokore Rural Bank Limited as a case study. The SERVPERF model, which includes the five dimensions of reliability, tangibility, assurance, responsiveness, and empathy, was used as the basis for their research. Both primary and secondary sources of data were used to achieve their objectives. Questionnaires were used to collect primary data, and convenient sampling was used to obtain 20 responses from bank employees and 100 responses from bank customers.

The researchers investigated the relationship between independent and dependent variables and to do this they used multiple and correlation regressions. According to their correlation results the dimensions of customer retention and service quality a positive correlation was indicated. Their regression test results showed that offering services with quality has a positive impact on the retention of customers. Their research reviewed that in customer retention, responsiveness and empathy are the dimensions that plays the most important role being followed by assurance and tangibility and finally the reliability of the bank. According to the research findings, offering high quality services results in an increase in customer retention of an organization which will then result in a high level of commitment of customers and customer loyalty. This study recommended Asokore rural bank limited employees to pay more attention on being responsive and empathetic when delivering their services to retain their customers.

BARNES AND HARIPERSAD (2018)

Another empirical evidence is research carried out by Barnes and Haripersad (2018). Their study was on key towards sustaining competitiveness in commercial banking in South Africa. Their study focused on factors considered by customers when switching from their current bank for a competitor. They also focused on describing and making recommendations on customer retention strategies. The nature of the research design was qualitative. The researchers used a population of individuals leaving their banks for the competitor. Information about those individuals was obtained from the director of a bank where one of the researchers was employed. The researchers used a purposive sampling of non-probabilistic.

In this research semi-structured interviews were used to collect data. The thematic analysis method was used to analyze and transcribe the data so that the hierarchical relationships of the themes could be represented. The researchers created a theme code book which contained the definitions of the major themes. Sub-themes were developed from the major themes. According to their empirical findings, Haripersad and Barnes (2018) showed that if special attention is paid to customers by the banks, retaining customers in those banks will succeed. Their findings also suggested that customers sought experience which made them feel valued and special.

MAGDALENE (2016)

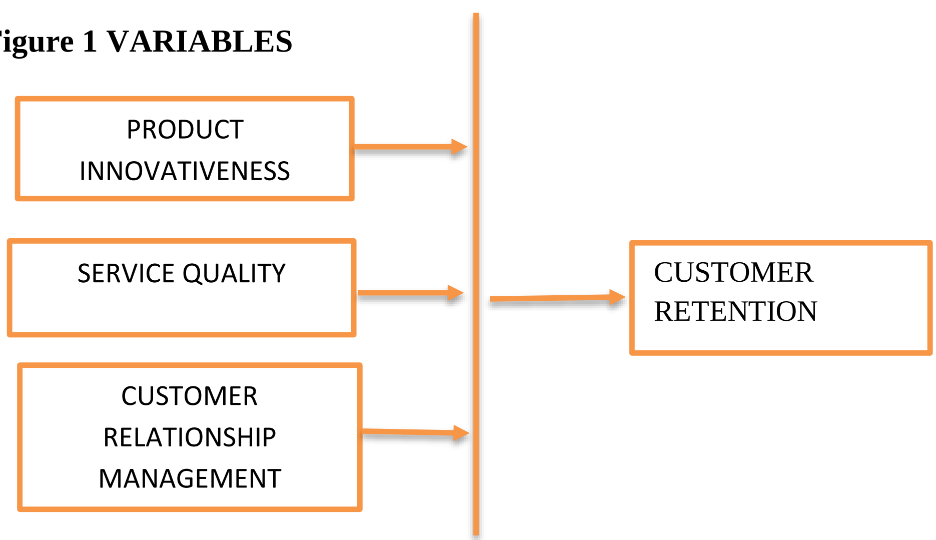
Magdalene (2016) conducted research on the impact of customer retention strategies on the performance of organizations in the banking industry in Kenya. The study aimed to analyze the perceived information of retention strategies from customer relationship managers and the effect of retention strategies on customer retention. The study focused on three retention strategies; customer relationship management, perceived pricing tactics and relationship marketing. The research used a descriptive design approach and involved surveying 43 banks, with customer relationship managers as the respondents. Data was collected through questionnaires and analyzed using correlation analysis.

Magdalene's (2016) research concluded that there is a significant positive correlation between Customer Relationship Management (CRM) and customer retention, while the relationship between pricing tactics and customer retention was found to be weakly positive. The study also found a very weak positive correlation between relationship marketing and customer retention. The research recommends that managers in the banking industry should continue to prioritize customer relationship management as it enhances customer retention. The study concludes that in industries where prices and products are similar, customer retention is largely influenced by customer relationship management.

2.4 Conceptual Framework

Elisa (2019) explains that a conceptual framework is a group of linked concepts that collectively offer a thorough comprehension of a phenomenon. It is crucial in clarifying, justifying and describing methodological choices. The diagram below shows a conceptual framework

Figure 1 VARIABLES



2.4.1 Product Innovation and Customer Retention

Product innovation is the creation of new products or the upgrading of existing products with upgrading features (Sara, Chris and Robin, 2022). They explained that for products to be innovative they do not have to be new only but they should also create a new market or fill the gap in a market which already exists. Innovation is producing an idea or in the invention of goods and services which creates a value which is enough for consumers to want to buy. It is about the creation of products and services which are unique and also marketing those products before your competitors can benefit (Indeed Team, 2022). To add on they say that being innovative is not just about producing new products but also taking the already existing products and improving their versions to enhance their functionality. When something new is introduced from new products or services, processes and also having incremental improvements to already existing things, that is innovation (Diana, 2021). She states that improvement or development of products should try to be problem solvers for consumers, the society or companies at large.

According to (Sara et al, 2022) there are three stages of product innovation which are market research, product development and feasibility assessment. On the market research stage companies create market segments by identifying their potential customers. They can make use of focus groups to obtain feedback from customers. After obtaining data, they use it to brainstorm or to come up with ways of improving their products. The second stage which is product development involves testing the viability of a product after creating its photo type. By so doing managers will be able to determine how a product can be successful in the long term. The third stage is feasibility assessment. When a product is introduced in the market, there are financial and legal constraints that a company may come across. A feasibility study is done to come up with potential constraints and this may be in form of sales forecasts and also the overall costs of production.

Zimbabwean banks have managed to retain their customers through product innovation. Customers are now able to make payments on smartphones known as online payments. The first visible form of electronic innovation in Zimbabwe was when Central Africa Building Society (CABS) and Standard Chartered Bank in the 1990's installed (ATMs) Automated Teller Machines. Electric Funds Transfer System (EFT), Personal Computer (PC) Banking, Telephone Banking and

Internet Banking are the other electronic innovation forms that are now in Zimbabwe. (Mavaza, 2019).

2.4.2 Service quality and Customer Retention

To gain an edge in a highly competitive and similar banking industry, banks are utilizing service quality as a tool for achieving differentiation and retaining customers. According to Loanna (2002), the practice of using service quality has become a means of gaining a competitive advantage. For banks to maintain their customer base, they should focus on the quality aspects of their products and establish quality control systems to ensure that the services they offer exceed customer expectations. Additionally, banks should go beyond providing core and expected services and offer additional and potential service features that customers will remember and distinguish them from their competitors, as suggested by Chang et al (1997).

Julie Mohr (2005) suggests that various service quality variables impact customers' choice of a bank, including service range, rates, fees, interest, and pricing. Thus, customer service, which refers to the interaction between staff and customers, is not the only factor determining customer satisfaction. The cost of banking services is crucial and may even be more important than service and relationship quality. It is crucial for banks to recognize the significance of developing and maintaining customer relationships and to appreciate the positive impacts that such relationships provide. To encourage customer loyalty, many banks now offer loyalty and prestige programs that reward customers for their continued patronage. For example, some banks may introduce products specifically designed for certain customer segments, such as accounts with minimal charges for retirees or student accounts with higher interest rates on minimum savings balances than standard accounts. Banks must strive to provide services that meet the needs of their customers. Phelps and Graham (2004) recommend that organizations that aim to retain customers should enable customers to receive what they want, when they want it, and fulfill their promise of providing customer-centric services.

To retain customers, earn higher profits and develop brand loyalty, banks depend highly on service quality (Khan and Fasih ,2014). To measure customer loyalty and satisfaction in the banking industry the SERVQUAL scale was employed in this research because it is customer focused and provides a comprehensive framework for measuring and improving service quality. A crucial relationship exists between these two which results in customer retention. The dimensions of service quality are explained below.

Determinants of service quality/Service quality dimensions

Parasuraman (1988) refined their research which they did in 1985 on the dimensions of service quality. They collapsed the ten original dimensions into five dimensions namely responsiveness, reliability, assurance, tangibles (tangibles compromised if the original competence, communication, credibility, security and courtesy) and empathy (which compromised of the original knowing/understanding customers and access). The five dimensions of service quality measured by the Servqual instrument are explained below:

Tangibility

It is the appearance of the personal, physical features, equipment and communication materials. This model refers to the physical appearance of the bank, such as the cleanliness of the premises, the appearance of the staff, and the bank's physical facilities. In the banking sector, this model is crucial as customers' perception of the bank's physical evidence plays a role in building their trust and confidence. Zeithaml explains that this dimension relates to the physical environment in which the service takes place. Customers make judgments about a business based on the appearance of its facilities, equipment and staff. The author notes that the tangibles dimension is particularly important in-service industries such as hospitality, healthcare, and financial services, where customers may be more sensitive to these cues.

Reliability

When the service providers are able to perform the service, they have promised dependably and accurately, that is called reliability. The company will be delivering what it has promised: promises about service provision, about delivering pricing and problem solutions. Companies should be aware of their customers' expectations in terms of reliability. Companies that are able to keep the promises are the ones that customers are willing to do business with. These promises may be about core service attributes and the service outcomes. Customers also need to be provided with the core service, and if companies do not do so they will disappoint their consumers in a direct way.

Zeithaml notes that reliability is often the most important dimension of service quality as customers see it as a fundamental expectation. Meeting expectations in this area can lead to customer loyalty, while failing to meet them can erode trust and damage the firm's reputation.

Responsiveness

This is the willingness to provide services that are prompt and to help customers. This dimension emphasizes promptness and attentiveness when dealing with customer complaints, problems, requests and questions. Customers are communicated to through responsiveness by the length of time that they have to await attention to problems, answers to problems as well as assistance. The notion to ability and flexibility to customize the service to the needs of customers is captured by responsiveness. Zeithaml notes that customers often have a sense of urgency when requesting service, and responsiveness is critical to meeting these expectations and building customer satisfaction.

Assurance

It means to inspire confidence and trust. Assurance is defined as the ability of the firm's employees and the firm to inspire confidence and trust and knowledge of courtesy that the employees have. Confidence and trust can be embodied in people who link customers to the company for example the department of marketing. Thus, employees are able to know the significance to create confidence and trust from the consumers to gain customers' loyalty and competitive advantage. This dimension relates to the knowledge, professionalism, and trustworthiness of the firm's employees. Zeithaml notes that customers are likely to judge a service provider based on the perceptions of its employees

Empathy

It means providing individualized attention which is caring that the firm provide its customers. In banks providing individualized attention is essential so that the customers may be convinced that the company is doing their best to satisfy their needs. Day after day customer's requirements is rising in this competitive world. For the customer's demands to be met, the companies have to perform their duties to their maximum. If customers do not receive enough individual attention they will search elsewhere. Zeithaml notes that empathy can be a differentiator for firms in competitive markets, where customers may value personalized attention and service.

The Service Triangle

The service triangle is a widely recognized model in service marketing. According to this model, service quality is achieved through the interaction between three key elements - the service provider, the customer, and the service organization. This model is also known as the "Service Profit Chain" and is commonly used by businesses to improve their service quality and customer satisfaction. The service triangle, also known as the service-profit chain, was introduced by Harvard Business School professors James L. Heskett, W. Earl Sasser Jr., and Leonard Schlesinger in 1994. The service triangle is a framework for understanding the relationships between internal service quality, employee satisfaction, customer loyalty, and business performance. The three elements of the service triangle are explained below

1. Internal Service Quality: This refers to the quality of support services provided to employees within a company, such as HR, IT, and facilities management. High-quality internal service leads to greater employee productivity and overall business performance.

2. Employee Satisfaction: This is a key driver of organizational success and is closely tied to internal service quality. When employees are satisfied, they are more engaged and committed, leading to reduced turnover rates and lower costs associated with recruiting and training new employees.

3. Customer Loyalty: This is the ultimate driver of business success and is directly linked to employee satisfaction. When employees are satisfied, they are more likely to provide excellent customer service, leading to increased customer satisfaction and loyalty. Loyal customers contribute to increased revenue and profitability for the business.

The concept suggests that improving internal service quality results in higher employee satisfaction, leading to greater customer loyalty, increased revenue, and higher profits. Internal service quality pertains to the quality of support services provided to employees within an organization, such as HR, IT, and facilities management, which are important in creating a positive work environment. Employee satisfaction is closely linked to internal service quality and is a crucial factor in organizational success. When employees feel valued and supported, their job satisfaction increases, leading to greater engagement and commitment to the organization, resulting in lower turnover rates and reduced costs associated with recruiting and training new employees. Ultimately, customer loyalty is the most significant driver of business success, and it is directly connected to employee satisfaction.

2.4.3 Customer Relationship Management and customer retention

Customer Relationship Management (CRM) is a business strategy that involves managing interactions with customers to improve, satisfaction, loyalty and retention. According to Buttle's (2015) definition, CRM seeks to create, develop and enhance relationships with specific customers to maximize, customer value, corporate profitability and shareholder value. The ultimate goal of CRM is to build long-term relationships with customers by understanding their needs and preferences and providing them with personalized and relevant products and services.

Customer relationship management (CRM) can be defined as the process of managing interactions with customers to develop long-term and profitable relationships by anticipating customers' needs and exceeding their expectations (Parvatiyar & Sheth, 2001).

To establish a strong bond with customers, the role of front-line staff is crucial. The customers' perception of the business depends on the interpersonal skills of the staff they communicate with and the relationship-building or damaging policies of the bank. Hence, to enhance the relationship between the bank and its customers, it is vital for banks to recognize the impact of their employees on the efficiency of customer relationship management methods. (Rootman, Tait & Bosch, 2008)

Rootman, Tait, and Bosch (2007) found that there is a correlation between the positive attitude and the knowledge of employees in executing banking policies, procedures, products, and services, and a bank's customer relationship management. Therefore, it is crucial for businesses to have a clear understanding of the expectations they create in customers and strive to meet those expectations, whether they pertain to core products and services such as price and quality, or relationship factors such as making the customer feel valued (Bhatty, Skinkle & Spalding 2001:18). Firms can get the opportunity to cross -sell, gain more repeat business as well as obtain customer data which is rich for future customer relationship management efforts through loyalty programs (Liu, 2017).

Customer retention is a crucial benefit of CRM. When a business implements an effective CRM strategy, it can enhance customer satisfaction and loyalty, resulting in increased customer retention rates. As per Kumar and Reinartz (2016), CRM initiatives can help retain customers, boost customer loyalty, and increase the lifetime value of customers. By understanding their customers' preferences and needs, businesses can tailor their products and services to meet those needs, establish long-term relationships, and retain their customers. In summary, CRM and customer retention are interrelated, as CRM can assist businesses in retaining their customers by offering personalized and relevant products and services that cater to their needs.

2.4.4 Customer retention

According to Lews, Bidgerand Bridson(2021), customer retention can be defined as the ability of a company to keep customers and engaged with the brand over time. It is the act of a business retaining its existing customers and keeping them engaged with the brand by providing value and personalized experiences that meet their needs and expectations. It involves developing strategies to encourage customers to continue using a company's products or services and to remain loyal to the brand. retaining customers is defined by Waterfield (2006) as the ability to keep customers coming back, and Nirmala (2009) suggests that retaining customers for more than five years is a sign of success. This leads to positive growth for financial institutions and the economy as a whole. Nowadays, customer retention is a top priority to keep customers from switching to competitors. It involves firms concentrating on maintaining a good relationship with their existing customers to sustain their business.

Customer retention is all about focusing on existing customers so that the company can have long-term relationship with them so that the business will continue to operate. Attracting new customers may be more costly than retaining existing ones. Competition is very high in the banking industry as well as in other financial institutions (Dawkins, 2015). Henceforth acquiring new customers as well as replacing those who may have left is more costly than retaining existing customers. ln every organization the first organizational assets are customers and they must well take care of. Customer retention has been understood within the dimensions of customer loyalty (Payne and

Frow , 2015) .There are valuable resources that influence consistent and reliable standards which have been established by competitive forces and consumer loyalty is one of them (Yaqab , Halim and Shezad).For banks to yield more economic benefits they should focus on appropriate customer retention strategies , therefore organizations that are associated with higher customer retention rates are likely to enjoy faster growth as well as higher margins.

2.4.5 Customer satisfaction, loyalty and retention

For an organization to have customer retention and loyalty it should satisfy its customers. Sharma and Patterson (2000) stated that consumer satisfaction has a very significant impact on consumer loyalty.

Ali Cudby (2020) states that there are five things you should clarify in your organization to cultivate loyalty across your organization; why loyalty matters, how to target loyal customers, what you need to do to enhance loyalty, who will be responsible for customer loyalty and where you put it all together.

Customer satisfaction contributes to the long-term success of the business. Satisfied consumers are loyal to the business, are less influenced by competitor’s attacks and are not concerned with price. The higher the customer satisfaction and service quality, the higher the customer loyalty (Lim, 2016). If a customer is satisfied with the service, they are offered there is a very high possibility that they will stay and also attract other potential consumers. Due to improvements in technology nowadays customers can just make use of social media. If a customer is not satisfied, they can post about it on Facebook and that can ruin a business. Conversely an organization may benefit when customers post something positive about its products and services. Organizations can be able to retain their customer if they satisfy and are loyal to them but this is not always the case. Sometimes customers may not be satisfied but choose not to switch because the costs of switching may be too high. They may as well choose to stay because of the long-term relationship they have established with the organization. In Zimbabwe customers are complaining about poor quality services from their banks such as ZB bank, CBZ but they are not switching because of the relationships they have built with their suppliers.

2.4.6 Customer retention and business growth.

Business growth does not happen when a company acquires new customers only but when it retains already existing customers also (Yash, 2022).

Some businesses seek growth to increase profits, increase market share, increase power and status, to increase economies of scale as well as to reduce risk of being a takeover target (Peter,2011). Customer retention strategies can lead to higher customer lifetime value (LTV). The amount of money that consumers are expected to spend on the products and services of an organization during their lifetime is known as LTV. An organization's LTV can skyrocket if it has solid retention strategies in place. A company can earn more referrals through the use of customer retention strategies. In the long-term customers become loyal and are more likely to spread the good news about your organization to their friends which will attract them. Customers are more likely to recommend a company's products and services to others if they have been with that company for a long period of time, an organization can achieve more sales by using customer retention strategies. It is difficult to attract new customers than to just sell more to already existing customers because they already embrace the products. Offering upgrades of products and services and also additional features can assist a company to make more profitable sales.

2.5 Gap Analysis

Studies that have investigated the effectiveness of customer retention strategies in banking environments such as in Zimbabwe are scarce. To address this knowledge, gap this study was conducted.

2.6 CHAPTER SUMMARY

The chapter included the conceptual framework, which serves as a guide to readers on the main research issues, the theoretical framework, which utilized a theory to address the research objectives, and the empirical literature, which presented information on previous studies related to the research topic. The following chapter will present the research design, data collection instruments, sample size, and sampling technique.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Introduction

The chapter offers a comprehensive description of the research methodology, including the steps taken to collect, analyze, and present the data for the final research report. It delves into the research approach, design, and data analysis model. The regression model is discussed in detail, explaining how the explanatory factors are used to forecast the response variable. Additionally, the chapter covers the different data categories and their sources, as well as the estimation approach used to prepare the data for analysis. Finally, a brief overview of the various techniques and steps used throughout the study is provided in conclusion to the chapter.

3.2 Research design

The process and techniques used to collect and analyze data on specified variables in a research study is referred to as a research design (Matheson, 2019). The purpose of a research design is to gather information to determine the current state of the situation being studied. In this particular research, a descriptive research design was utilized to determine the when, how, what, why, and who of a phenomenon. Descriptive approaches were used to gather, present, interpret, and summarize the data. The descriptive research method was chosen because it allows the researcher to objectively obtain data by describing the current state of the situation.

3.3 Total Population of the Study

The population can be defined as a specific group of individuals or objects that possess common identifiable attributes that are the subject of study. Typically, all the individuals or objects within this population share a common characteristic or trait. The target population refers to a genuine set of people, events, or objects that the research generalizes to theoretically derive conclusions.

In this study, the target population consisted of 5,000 bank customers and 45 employees. To obtain a representative sample, the stratified sampling approach was used. The researcher had to limit the population to well-qualified clients because of several limitations.

3.4 Sample size

The Y amane of 1967 was used by the researcher to calculate the sample size of the population for both the employees and customers. The formula is shown below:

n=N/ [1+ (N*(0.01)]

N=Total population, n=Sample size,

The total population in this study was 45 for bank employees and 5000 for bank customers.

n=45/ [1+(45*(0.01)]

thus, n=31employees

n=5000/ [1+5000*(0.01)]

thus, n=98

Therefore, total sample size is: 98+31=129

3.5 Sampling Technique

Sampling is the process of selecting a representative subset of a population that can be used to draw conclusions about the whole population. The sampling plan outlines the sampling unit, the sampling frame, the sampling procedures, and the sample size of the study. The sampling frame is a list of all the population units from which the sample will be drawn. Researchers use sampling because studying the entire population or testing every individual is usually not practical. For effective sampling, the sample size should be adequate and representative of the population under study. The process involves the methodical selection of a limited number of individuals who represent a subgroup of the population to be used as a data source for observations or experiments. Saunders, Lewis, and Thornhill (2016) recommend that the selection of specific elements from the target population, which represent the entire population, should be done by people who have knowledge of the research variables to achieve an unbiased outcome.

The objective of utilizing stratified sampling was to guarantee that all segments of the population were represented in the sample. The population was divided into distinct segments based on variables relevant to the research, such as gender, age, to replicate the population's statistical features on a smaller scale. This approach overcomes the weaknesses of random sampling by dividing the population into segments and selecting subjects from each segment.

Stratified random sampling is a sampling technique that involves dividing a diverse population with varying characteristics into distinct strata or groups with similar characteristics. In this study, the target population consisted of 5,000 bank customers staff and 45 employees. To obtain a representative sample, the stratified sampling approach was used to select respondents from the target population, including bank clients and staff. The respondents were selected randomly from each stratum to ensure that the sample represents all types of bank staff and customers. Stratified random sampling employs a systematic approach to select respondents from each stratum

3.6 Sources of data

According to Daru (2015), there are two main sources of data used in research, namely primary and secondary data sources.

3.6.1 PRIMARY DATA

The first-hand collection of data for a specific purpose is referred to as primary research (Taherdooost, 2016). The primary data source is a method that is specifically designed to extract information directly from respondents. Primary data refers to information that is gathered directly from the source for a specific research purpose. This can be achieved through a range of methods including surveys, interviews, observations, experiments, and focus groups. Primary data collection has advantages as it is customized to suit the research question, which enhances the relevance and precision of the data.

Collecting primary data can be costly and time-consuming, as per Malhotra (2017). Primary data is data that is collected specifically for a research study, and is particularly useful when there is little or no existing information available on a research topic, or when the secondary data available is inadequate or unreliable. Examples of primary data sources include customer feedback surveys, observational studies, and experiments. For example, a bank may conduct a survey to gather data on customer satisfaction levels and preferences.

3.6.2 SECONDARY DATA

Secondary data is information collected by others that researchers can use for their research. It can be sourced from books, journals, reports, and online databases. Babin and Zikmund (2015) define secondary data as information previously gathered for purposes other than the current research. Government reports and academic articles are examples of secondary data sources. Hair et al. (2019) describes secondary data as previously collected data that researchers can use for their studies, and it can provide a broader perspective on the research topic. Using secondary data can be cost-effective and time-saving, but researchers should be careful about the quality of the data they use. They must ensure that the data is relevant, reliable, and accurate before using it in their research.

3.7 RESEARCH INSTRUMENTS

Creswell (2014) defines research instruments as tools or devices employed to collect data from research participants. These instruments, whether structured or unstructured, are utilized to fulfill research objectives. Examples of research instruments include questionnaires, surveys, interviews, observations, and experiments. The researcher in this study used questionnaires as the research instrument.

3.7.1 QUESTIONNAIRES

The researcher used questionnaires in this study as a primary research instrument. A questionnaire provides written information to respondents in a format that is specific to the research question being asked. The questions were designed to be impartial, straightforward, and direct by the researcher. The Non-Probability Sampling technique was used to distribute the questionnaires to research participants. The researcher opted to use questionnaires as they offer several advantages.

The use of a questionnaire in this research allowed the researcher to guide participants towards examining the effectiveness of service delivery strategies adopted by commercial banks. The self-administered nature of the questionnaire enabled respondents to complete it at their own convenience, giving them enough time to carefully reflect on each question. This approach was intended to elicit meaningful and thoughtful responses, which in turn increased the validity of the findings.

The utilization of questionnaires has some drawbacks, such as the possibility of vagueness or confusion among the participants leading to incorrect feedback. Furthermore, respondents may choose not to respond to some of the questions, which could decrease the sample size and create sample bias. To alleviate these concerns, the researcher used two solutions: Firstly, the researcher provided definitions of some words in the questionnaire to guarantee that respondents understand the meaning of each word. Secondly, the researcher urged participants to answer all questions.

3.8 Likert scale

According to Malone, Nicholl, and Coyne (2016), a Likert scale is a tool that measures the level of agreement or disagreement of respondents towards a particular idea, system, program, or situation. The scores are calculated by summing up the responses.

Table 1 Likert Scale

STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE
1	2	3	4	5

Source; Malone et al (2016)

The Likert scaling method was chosen by the researcher because it was an efficient and economical way to create questions that measured attitudes. This type of question was well-suited for most attitude measurement situations, and it provided a clear and dependable assessment of attitudes when the scales were properly structured.

3.9 Validity and Reliability of Research Instruments

3.9.1 VALIDITY

The accuracy of research findings is referred to as validity which determines if the values provided by an instrument precisely represent the attributes being measured. Validity is a measure of the phenomenon that the instrument was created to measure. The instrument should measure what it is intended to measure. According to Taherdoost (2016), validity is based on research measuring instruments that help discover principles and facts that clearly explain the phenomena being measured. Context validity and sample validity are two types of validity. Context validity refers to whether the samples are an appropriate sample of the overall population. Sample validity refers to whether a sample of test items represents the content that is to be measured by the test.

3.9.2 RELIABILITY

In research, reliability pertains to how consistent or dependable the test is in measuring the intended attribute. Taherdoost (2016) explains that reliability refers to the capability of a data collection or analysis method to provide consistent and dependable research findings. A dependable instrument should produce accurate and reliable results to a significant extent, making the information trustworthy. Moreover, for the research findings to be trustworthy in representing economic and business phenomena, the research instruments must produce accurate and consistent results.

3.10 Ethical Considerations

In research, ethical considerations are concerned with moral principles and standards. Farnsworth (2019) emphasizes that ethical considerations include providing participants with comprehensive information about the study, safeguarding their privacy, and ensuring their anonymity. The researcher also ensured that all participants felt free to provide honest and genuine answers. The same ethical considerations apply to questionnaire respondents. All data collected is for research purposes only and kept confidential. The researcher clarified the survey's purpose to the respondents to establish trust, which would increase the likelihood of obtaining accurate information.

3.11 DATA ANALYIS AND PRESENTATION

Data analysis is a methodical approach that utilizes statistics and/or reasoning to depict and exemplify data, assess and condense data, and lessen the quantity of data. The initial stage of the data analysis procedure was to physically fill out the questionnaires. Subsequently, the investigator sifted through the data, excluding irrelevant information and consolidating pertinent data. The aim was to facilitate the identification of the most significant observations from all the data gathered in the field.

3.12 SUMMARY

The chapter gave an introduction to the research methodology, which included an examination of the tools used in the study, and a discussion of the ideas of validation and dependability of research instruments. It also explained the steps taken for data collection, such as selecting the respondents, dispensing and gathering questionnaires, and the advantages and disadvantages of research instruments, as well as the practical ways of collecting data. Lastly, the chapter analyzed the data and the presentation process, which is expected to expand the current knowledge on the topic in the next chapter.

CHAPTER IV

DATA PESENTATION, ANALYSIS AND DISCUSIONS

4.0 Introduction

In this chapter, the researcher presents and analyze the raw data collected from the field using questionnaires. She used tables, charts, and graphs to better understand the key information in the data and make it easier to interpret.

4.1 Research findings

4.1.1Response rate

The rate at which respondents answer research questionnaires helps determine the credibility of the results by ensuring that there are enough replies for accurate analysis. The high response rate in this study was achieved through hand-delivering and collecting the questionnaires, as well as conducting interviews. Therefore, based on this high response rate, the collected data was analyzed and interpreted. The corresponding rates are presented in the table below:

Table 2: Questionnaire Responses from bank staff and customers

Respondents	**Number of questionnaires distributed**	**Number of questionnaires responded to**	**Response rate (%)**
Bank customers	**98**	**70**	**71%**
Bank staff	**31**	**27**	**87%**
Total	**129**	**97**	**75%**

Source: Raw data (2023)

Table 4.1indicates that 27 out of 31 questionnaires were completed by bank staff and returned within the specified time frame. Therefore, the response rate was 87 % which is considered favorable according to the data presented in table 4.1. The employees who did not respond to the questionnaire were busy and could not meet the collection deadline. For the bank customer questionnaire, 70 out of 98 distributed questionnaires were successfully completed and the responses were collected in a timely manner, resulting in a favorable response of 77 %. Mugenda and Mugenda (2003) suggests that a response rate of 50 %is sufficient for data analysis and reporting, while a rate of 60 % is considered good and a response rate of 70% or more is excellent. Based on this criterion the response rate for this study is suitable for data analysis and reporting.

Table 3 Statistics' Reliability

Number of items	Cronbach's Alpha
0.978	**25**

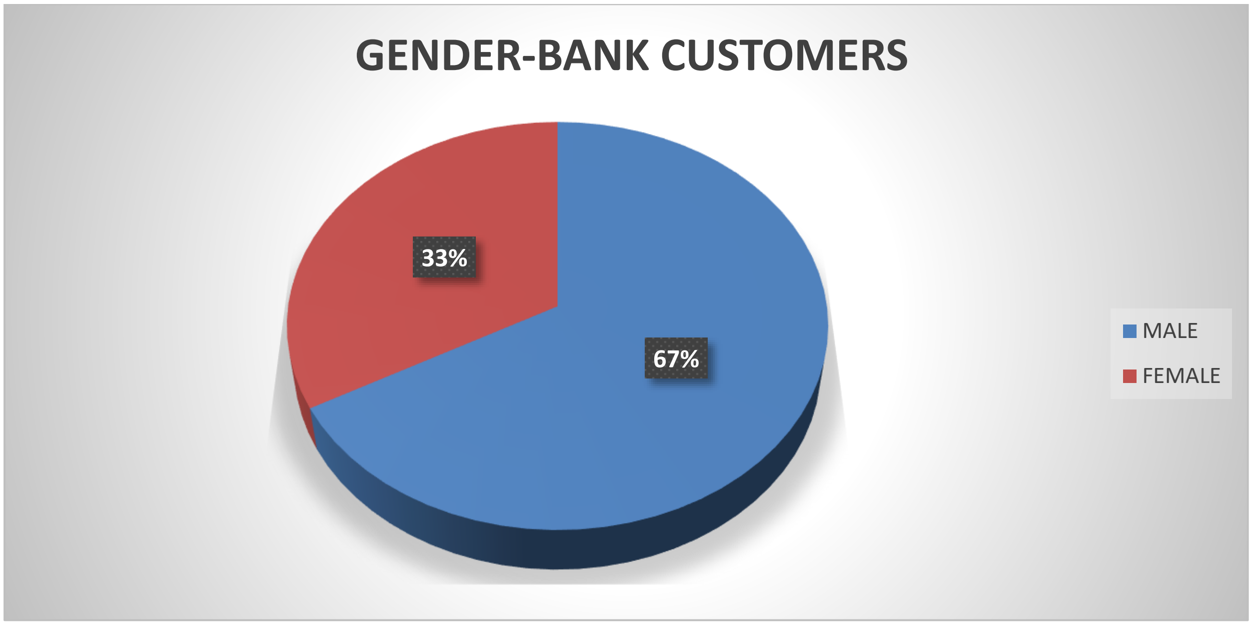
According to George and Mallery (2003), a reliability which is less than or equal to 0.5 is unacceptable, greater than or equal to 0.5 is poor, greater than or equal to 0.6 is regarded as questionable, greater than or equal to 0.7 is acceptable ,0greater than or equal to 0.8 is good and lastly 0greater than or equal to 0.9 is excellent. As presented above, the research variables' reliability (0.978) was excellent.0

4.3 DEMOGRAPHICS

4.3.1 GENDER OF RESPONDENTS

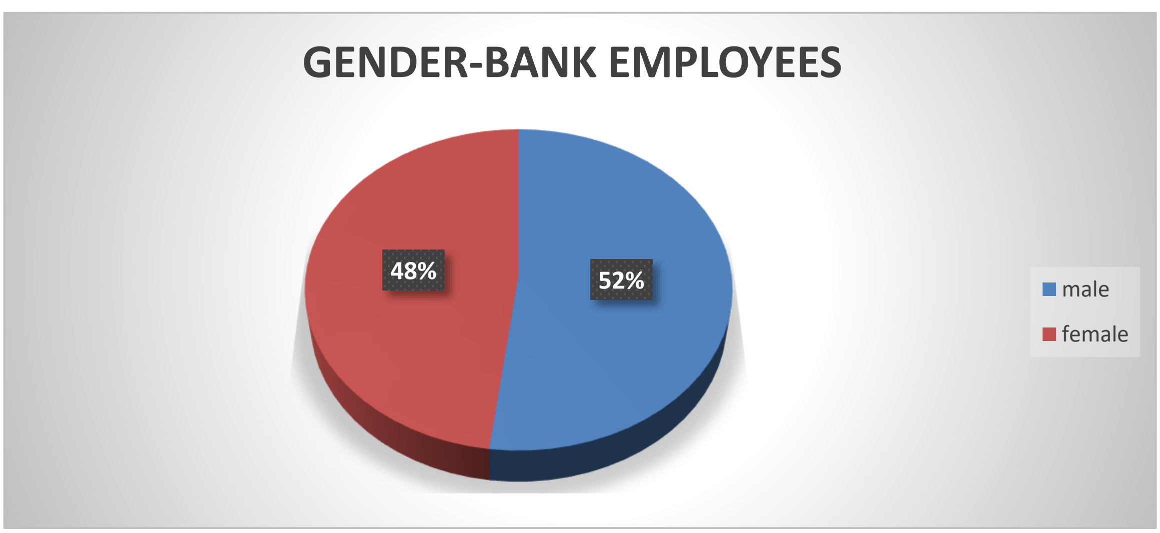
The following diagrams represent the respondent's gender of the study for both bank customers and bank employees in form of pie charts.

Figure 2 GENDER BANK CUSTOMER



Based on the data presented in figure 4.2, it can be observed that the majority of the bank customers in commercial banks are male with 67% being male and 33% being female. The finding is consistent with Eustina's (2015) research which revealed that the response rate of male commercial bank customers was higher than female response rate.

Figure 3; ***GENDER BANK EMPLOYEES***



According to figure 4.3 the response rate of male employees to the study was at 52% compared to female employees at 48%. This suggest that commercial banking is a field that is dominated with both genders (male and female) and the work performed is flexible enough to be performed by both men and women. Additionally, the data implies that the rate of recruitment of women in commercial banks is almost the same as men, as there is no much difference between their numbers.

4.3.2 Age of respondents

Table 4;Age of respondents

AGE-STAFF

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30 YEARS	6	22.2	22.2	22.2
	30-40YEARS	8	29.6	29.6	51.9
	40-50 YEARS	9	33.3	33.3	85.2
	50 AND ABOVE YEARS	4	14.8	14.8	100.0
	Total	27	100.0	100.0	

From the findings shown above, 22.2% of the bank employee's respondents were aged between 20-30 years, 29.6% were aged between 30-40 years, 33.3% were aged 40-50 years and 14.8% were aged 50 years and above.

Table 5: Age of Bank Customers

AGE-BANK CUSTOMERS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30 YEARS	9	15.0	15.0	15.0
	30-40YEARS	13	21.7	21.7	36.7
	40-50 YEARS	21	35.0	35.0	71.7
	50 AND ABOVE YEARS	17	28.3	28.3	100.0
	Total	60	100.0	100.0	

As shown by the findings above, 15% of the customer respondents were aged between 20-30, 21.7% of them were aged between 30-40 years and 35% comprised of customers from 40-50 years and lastly 28.3% of the customer respondents were 50 years and above.

4.4 Customer retention strategies

4.4.1 PRODUCT INNOVATION

Table 6: Product Innovation

Statistics

		Satisfied with products and services introduced	Switching to other banks	Recommendations to others based on PI	Gaining experience due to using innovative products
N	Valid	60	60	60	60
	Missing	0	0	0	0
Mean		4.25	3.65	4.02	3.87
Std. Deviation		.895	1.294	1.066	1.081

According to the results shown above a large number of customers agreed that they are satisfied with the new services and products introduced by their banks for the past decade. This is shown by a high mean of 4.25. In the questionnaire customers were also asked about their possibility of switching to other banks if their current banks do not provide innovative products. Table 4.5 above shows the customers agreed as indicated by a mean of 3.65. The table above also shows that out of the 60 bank employees that returned the questionnaires, a large number agreed that they would recommend the new products or services introduced by their banks to other people as shown by a mean of 4.02. According to table many respondents also agreed that the introduction of innovative products by their banks has improved their overall banking experience, a mean of 3.87 represents this.

4.4.2 Customer Relationship Management

Table 7: Customer Relationship Management

Statistics

		strong personal relationship	Recommendations to other customers based on CRM	Resolving issues timely	Often reaches to customers
N	Valid	60	60	60	60
	Missing	0	0	0	0
Mean		2.03	2.85	2.15	3.83
Std. Deviation		.974	1.246	1.205	1.291

According to the results presented in table 4.6 above the respondents disagreed that they have a strong personal relationship with their bank as shown by a low mean of 2.03. The table also shows that most bank customers are neutral about recommending their banks to others based on their customer relationship management. This is evidenced by a mean of 2.85. Some customers agreed to recommend because but others disagreed because they were not being satisfied by their relationship with their banks. As part of the questions in the questionnaire, bank customers were asked if their banks resolve issues in a timely manner. A larger percentage of the respondents disagreed with this as presented by a low mean of 2.15. As presented in table 4.6 by the researcher, the customer respondents agreed that their banks often reach out to them to provide information about new products and services as shown by a mean of 3.83.

4.4.3 SERVICE QUALITY

The purpose of this section of the questionnaire was to assess how customers rated different aspects of service quality. The graphs below display the responses given by customers in relation to the performance of the banks.

4.4.3.1 Tangibility

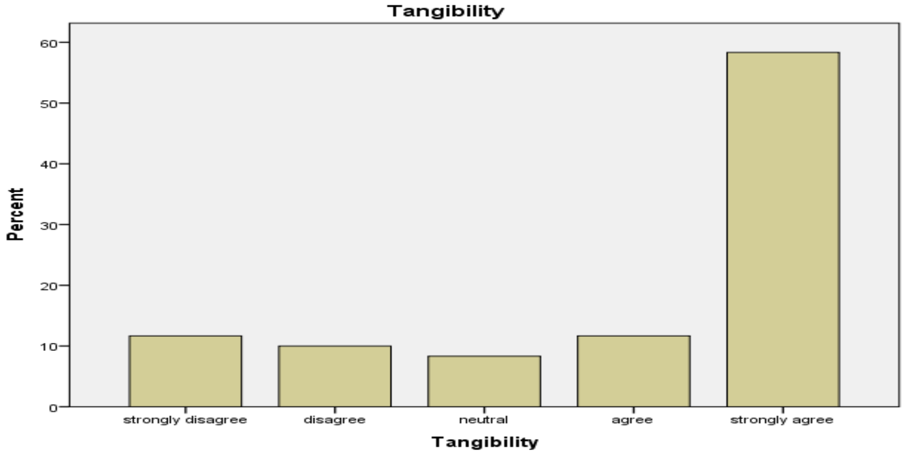


Figure 4 Tangibility

Although banks struggle to meet customer expectations regarding reliability and responsiveness, they have made progress in improving the appearance of their banking halls. Based on the 21% disagreement on tangibles (combining disagree and strongly disagree), it appears that most banks have made their services tangible. The majority of customers, 70% (combining agree and strongly agree), are satisfied that banks are meeting the requirements for tangibles. This shows that banks are attempting to improve the appearance of their services to meet customer needs.

4.4.3.2 Reliability

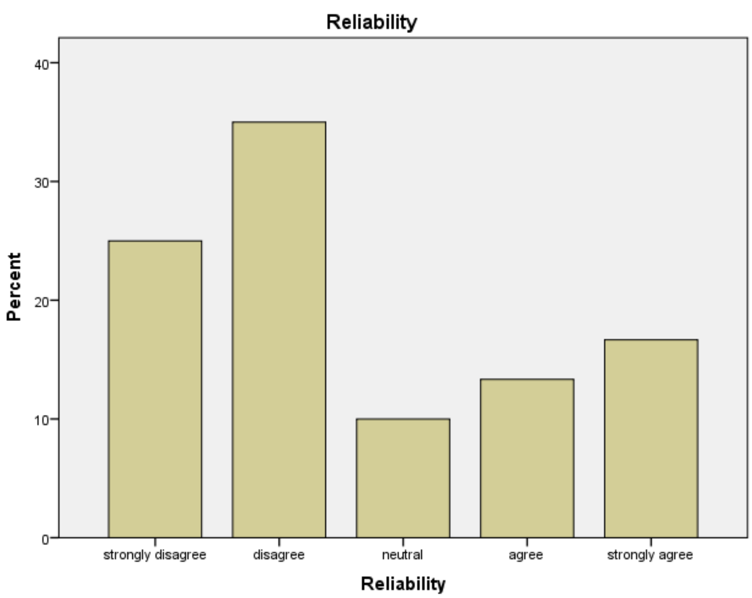


Figure 5: Reliability

This indicates the performance level of the bank regarding specific duties, such as delivering promised services, handling customer issues dependably, providing services accurately, delivering services on time, and maintaining error-free records. Both institutional clients and individual clients provided their opinions. The graph above displays the reliability of services offered by commercial banks in Zimbabwe.

Based on the information provided, it is clear that the reliability of bank services is generally disagreed upon by the majority of customers. A relatively high percentage, 35%, disagreed with the reliability and also a percentage of 25% strongly disagreed, 16.7% strongly agreed with the reliability of services offered by banks. Combining all of the clients who are dissatisfied with the reliability of bank services, it is apparent that the majority of clients are dissatisfied with this aspect. When taking into account the clients who range from strongly disagree to indifferent, 60% of the total sample size disagrees with the reliability of services offered by commercial banks in Zimbabwe.

4.4.3.3 Empathy

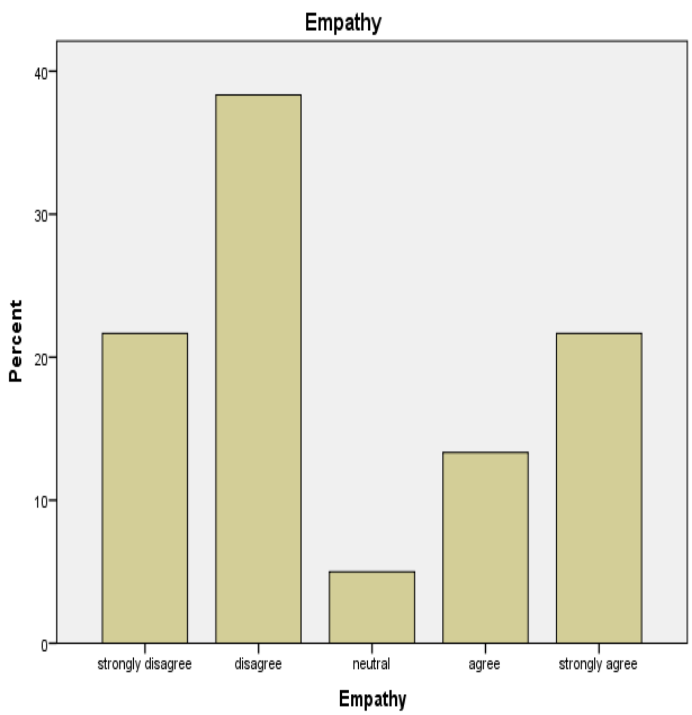


Figure 6: EMPATHY

The questionnaire was created to encompass all aspects of access, understanding, communication, and courtesy, which were integrated into the service quality dimension called empathy. Empathy can be defined as the ability to feel for the customer and put oneself in the customer's position. The research findings revealed that bank employees provide little empathy towards their customers, as shown in the graph below. While 35% of the sample size felt that bank employees were satisfactorily taking care of them, the majority, 60% of the entire sample size, disagreed with this idea, indicating a lack of empathy from bank employees towards their clients.

4.4.3.4 Responsiveness

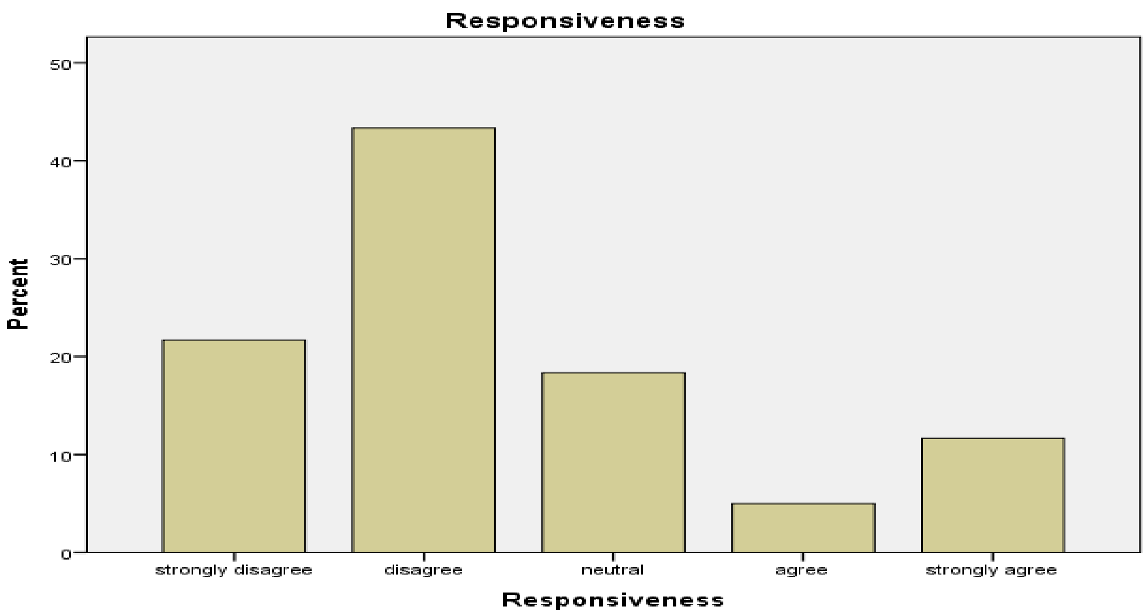


Figure 7: Responsiveness

This study focused on the attributes of bank employees' responsiveness to clients, including keeping customers informed about service timelines, promptly serving customers, showing willingness to assist customers, and quickly responding to customer requests. The questionnaires revealed the following results. The majority of bank employees are taking more time than necessary to serve their clients, as indicated by a high percentage who are against the existents of responsiveness in commercial banks as recorded in this research. When we take into account both supporting and opposing views of the responsiveness of bank employees, 65% are against while only 17% are for and 18% were neutral.

4.4.3.5 Assurance

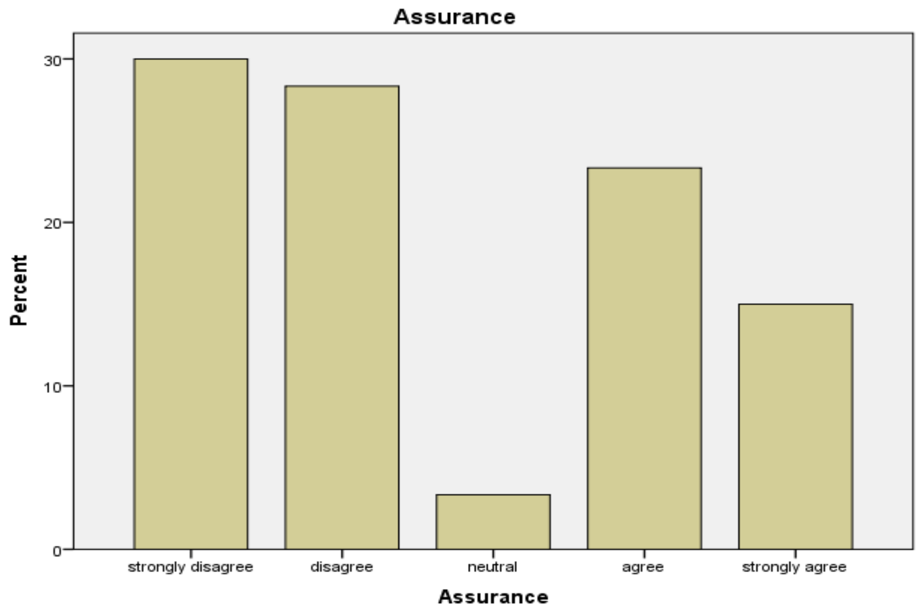


Figure 8: Assurance

This section of the report broke down three different dimensions of service quality - Security, Credibility, and Competence - to create the broader category of Assurance. Assurance is defined as the level of confidence that clients have in the banking sector. The responses from customers reflected that customers have lost confidence in their banks which was shown by a relatively high percentage, with 30 % of the sample size strongly disagreeing, 28.3% disagreeing, a very low percentage of 3.3 being neutral, 23 % agreeing and 15 % strongly agreeing. Based on the information provided, it can be concluded that clients are no longer confident about placing their trust and investing their money in the banking sector. However, if prompt actions are taken to address any concerns, clients may regain their trust in the sector.

Following thorough research, the author ranked the five service quality dimensions based on their perceived importance to customers. Reliability was ranked most important by clients, followed by Responsiveness, Assurance, Empathy, and Tangibles receiving. These findings are consistent with those of previous research conducted by Parasuraman et al (1988) on the same five service quality dimensions. These results suggest that banks should prioritize improving their reliability first and then focus their efforts on improving responsiveness to clients, instilling confidence in the bank among clients, improving empathy, and lastly, working on tangibility.

4.5 Customer retention strategies and their existence in commercial banks

4.5.1 Customer relationship management strategy

Figure 9: Customer Retention Management

The finding that 37% of bank staff agrees that customer relationship management (CRM) exists in commercial banks and also improves customer retention, with 25.9% also agreeing, is supported by a study by Margadalene (2016) that examined the impact of CRM on customer retention in the Malaysian mobile phone industry. In this study, Margadalene found that CRM practices were positively related to customer retention. Specifically, she found that CRM practices such as customer understanding, customer empowerment, and customer value creation were positively related to customer retention. These findings are consistent with the importance of CRM in improving customer retention and overall business performance, which has been widely recognized in the literature. Organizations that implement effective CRM strategies are more likely to achieve higher customer satisfaction, loyalty, and profitability (Margadalene, 2016).

4.5.2 Product Innovativeness strategy

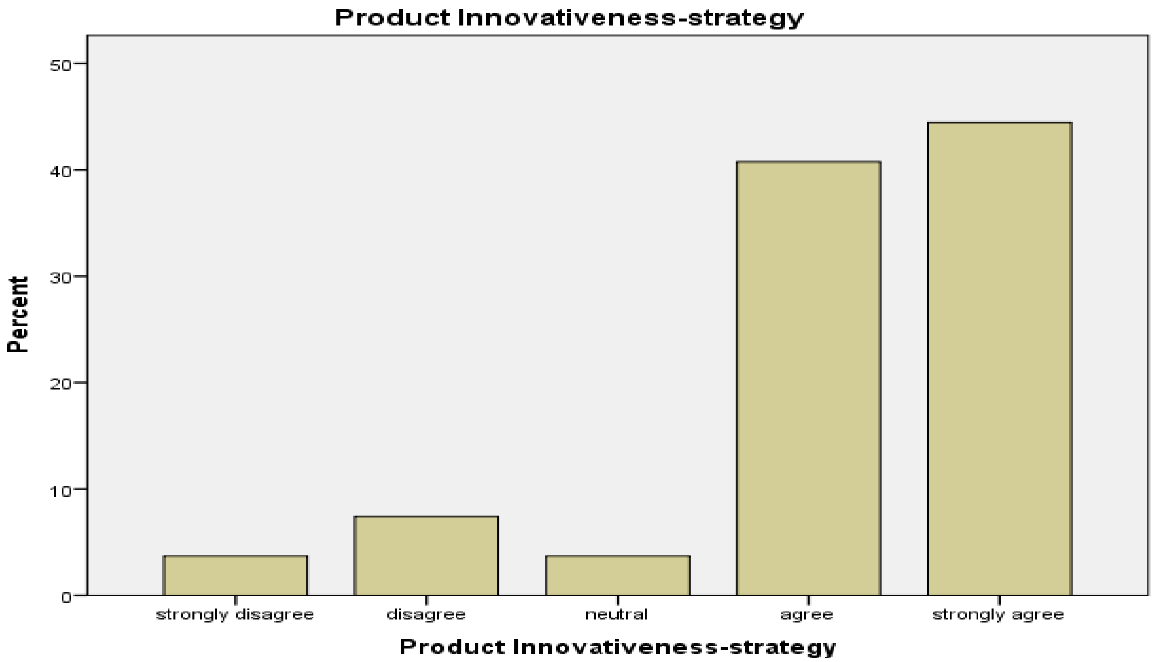


Figure 10: Product Innovativeness- Strategy

The finding that 40.7% of bank staff agrees that product innovativeness improves customer retention, with 44.4% strongly agreeing, is supported by a study by Kemantu, Martin, and Ondieki (2015) titled: Effects of Product Innovativeness on Customer Retention in Commercial Banks in Kenya. In this study, Kemantu, Martin, and Ondieki found that product innovativeness had a positive impact on customer retention in commercial banks. Specifically, they found that product innovation positively influenced customer satisfaction, which in turn led to higher customer retention rates. The finding of 3.7% neutral, 7.4% disagreeing, and 44.4% strongly disagreeing with the existence of product innovativeness in commercial banks may suggest that some bank staff members are not aware of the product innovation practices in their organizations, or may not fully understand the concept of product innovation. Overall, the importance of product innovation in improving customer retention has been widely recognized in the literature, and organizations that implement effective product innovation strategies are more likely to achieve higher customer satisfaction, loyalty, and profitability (Kemantu et al., 2015).

4.5.3 Service Quality strategy

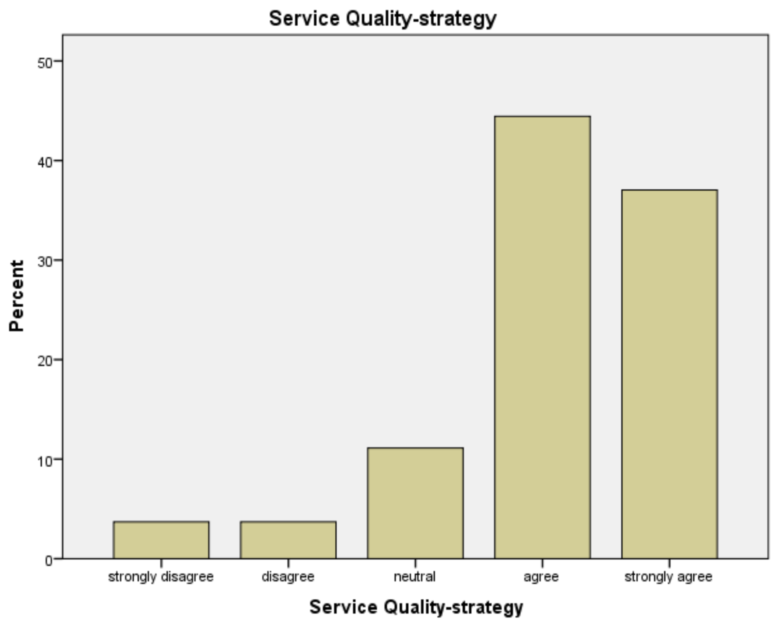


Figure 11: Service Quality Strategy

The finding that 44.4% of bank staff agrees that service quality improves customer retention of commercial banks, with 37% strongly agreeing, is supported by a study by Richard and Asantewaah (2014) titled Service Quality and Customer Satisfaction in the Ghanaian Banking Industry. In this study, Richard and Asantewaah found that service quality had a significant positive effect on customer satisfaction in the banking industry. They also found that banks that provided high levels of service quality were more likely to retain customers and gain a competitive advantage in the market. The finding of 11.1% neutral, 3.7% disagreeing, and 3.7% strongly disagreeing with the existence of service quality in commercial banks may suggest that some bank staff members are not fully aware of the importance of service quality in the banking industry. The importance of service quality in improving customer satisfaction and retention in the banking industry has been widely recognized in the literature, and organizations that prioritize service quality are more likely to achieve higher levels of customer satisfaction, loyalty, and profitability (Richard and Asantewaah, 2014).

4.6 Effects of customer retention

4.6.1 Increased profits

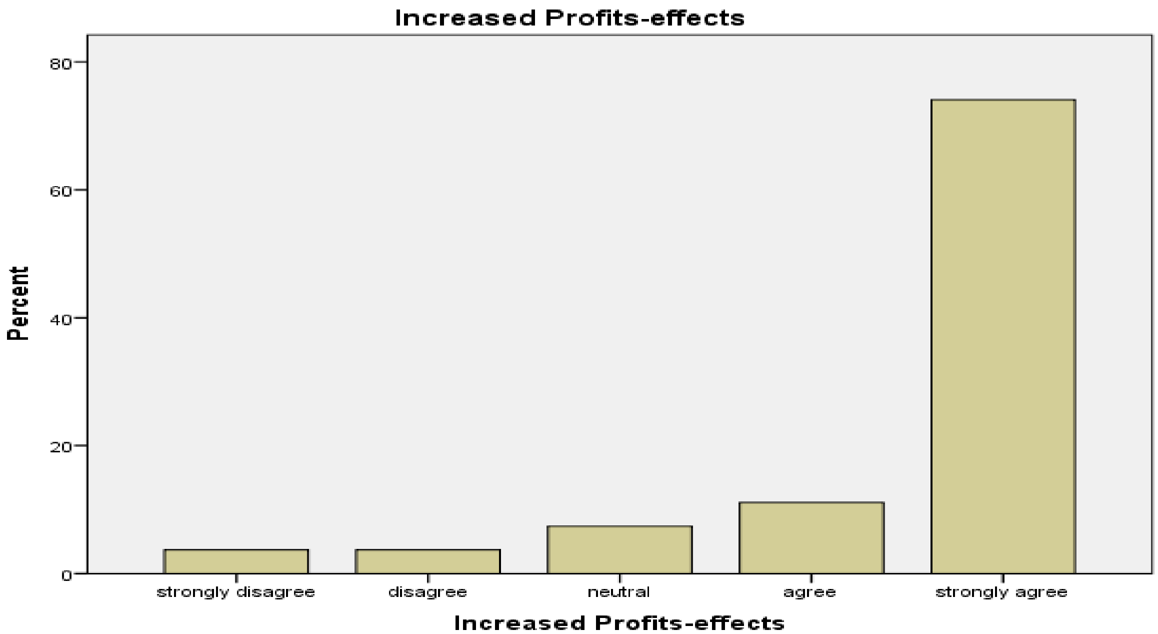


Figure 12: Increased Profits

The finding that 74% of bank staff strongly agrees that customer retention strategies result in increased profit and 11% agrees resulting in a total of 84 % is supported by a study by Tinashe and Eustina (2014) titled: The Impact of Customer Retention Strategies on Profitability in the Banking Industry in Zimbabwe. In this study, Tinashe and Eustina found that customer retention strategies, such as improving customer satisfaction, providing quality services, and building strong customer relationships, had a positive impact on profitability in the banking industry. Specifically, they found that customer satisfaction was positively related to profitability, and that customer retention was a significant predictor of profitability. The finding of 11.1% agreeing, 3.7% strongly disagreeing, and 3.7% disagreeing with the idea that customer retention strategies result in increased profit may suggest that some bank staff members are not aware of the positive impact of customer retention on profitability, or may not fully understand the concept of customer retention.

4.6.2 Increase in market share

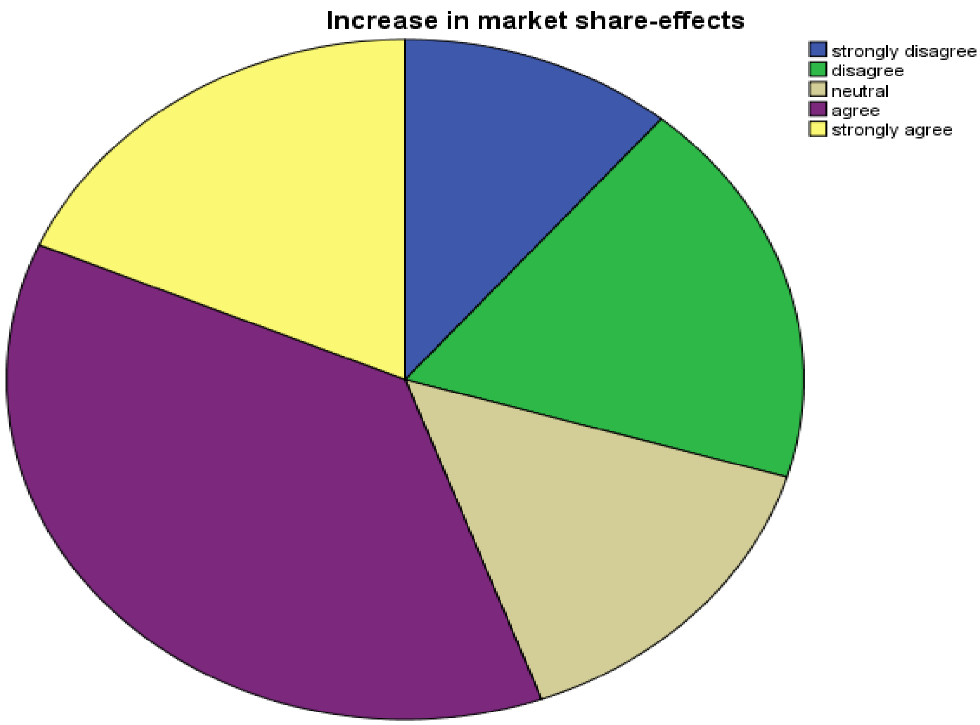


Figure 13: Increased in market share

The data provided suggests that a majority of bank staff (55%) either agrees or strongly agrees that customer retention strategies result in increased market share. However, it is worth noting that a significant minority of bank staff (29.8%) either disagrees or strongly disagrees with the statement. This suggests that there may be some skepticism or uncertainty among bank staff about the effectiveness of customer retention strategies. Further research may be needed to explore the reasons for this skepticism and identify ways to address it.

4.7 Discussion of results

According to the results above, the researcher found that customer relationship management improves customer retention of commercial banks in Zimbabwe and this was supported by Margdalene (2016). The researcher also found that there is a positive relationship between product innovativeness and customer retention which was supported by Kemantu, Martin and Ondieki (2015). A positive impact of service quality on customer retention was also reviewed by the researcher. This was supported by research done by Richard and Asantewaah (2014). The researcher also reviewed that customer retention results in increased profits and this was supported by Tinashe and Eustina (2014). The researcher brought out that customer retention results in an increase in market share as well.

4.8 Chapter summary

This chapter involved analyzing, interpreting and presenting the study's data to arrive at its findings. The study's results indicate that a significant number of commercial banks are unable to meet their customers' expectations. The following chapter will provide a summary of the study's findings, conclusion, recommendations for addressing the issues identified and suggestions for future research.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

In this chapter, the inquiry topic, the various tactics adopted by commercial banks to maintain their stability and customer retention, the study methodologies, and research outcomes were discussed. The findings are summarized, conclusions are drawn, recommendations are given, and potential avenues for further research are identified.

5.1 Summary

In this chapter, the inquiry topic, the various tactics adopted by commercial banks to maintain their stability and customer retention, the study methodologies, and research outcomes were discussed. The findings are summarized, conclusions are drawn, recommendations are given, and potential avenues for further research are identified.

In this study, the aim was to investigate the strategies implemented by commercial banks in Zimbabwe to retain their customers and remain competitive. The literature review examined the works of various authors who had studied the same topic before, using both theoretical and empirical data. The research design was appropriate for the data collection process, as a descriptive research design was utilized to ensure that the data was interpreted and analyzed appropriately. The author collected raw data from the field after the literature review. A research sample of thirty bank customers was selected using stratified random sampling for the purpose of this study. The data collection methods were questionnaires. The researcher analyzed the data collected to draw conclusions about the quality of service provided by commercial banks in Zimbabwe. The findings indicated that commercial banks are still struggling to provide satisfactory service to their customers. The only area where they seemed to excel was in tangibles, which was ranked as the least important service quality dimension. Based on these findings, the researcher drew conclusions and made recommendations for future research**:**

The majority of customers (84%) indicated that commercial bank customers are satisfied with the new services or products introduced by their banks for the past decade, while a small percentage (6%) reported dissatisfaction. The remaining customers were neutral (10%).

Commercial banks are concentrating more on tangibility and less concentration on responsiveness, reliability, empathy and assurance.

The research revealed that retaining customers can lead to benefits such as increased market share and profit, as evidenced by response rates of 55% and 84% respectively. Thus, the study confirmed that implementing customer retention strategies can enhance the performance of banks.

The research findings indicated that banks are focusing on customer relationship management (63%), product innovation (84%), and service quality (81%) as their primary strategies for customer retention. This suggests that banks are increasingly putting in more effort to retain their customers.

The study showed that if commercial banks introduce new products or services, their customers are likely to recommend those new products and services to others, this was evidenced by the 75% of the respondents which agreed and an insignificant percentage of 10 disagreeing and 15% being neutral.

The study also indicated that customers can switch to other banks if their banks do not offer innovative products like other banks as shown by 25% of respondents which strongly agreed, 30% giving a total of 55%, 10% strongly disagreeing ,15% disagreeing and 20% being neutral. This shows that customers are attracted to innovative products and services, therefore banks should focus on innovativeness to retain their customers.

According to the research findings the banks' product innovativeness results in improved customer banking experience. This is shown by 35% of the respondents which strongly agreed ,30% agreed, 25% being neutral, a small percentage of 7 disagreed and 3% strongly disagreed.

The majority of bank customers indicated that they are in a weak personal relationship with their banks. This was shown by 25% of the customer respondents which strongly disagreed that they have a strong personal relationship with their banks, 30% disagreed, 20% were neutral, 15% agreed and 10% strongly agreed. Commercial banks should therefore improve personal relationships with their clients.

According to this study 40% of the respondents of customers were neutral about recommending their bank to others based on their customer relationship management. However, a small percentage of 13% disagreed ,20% strongly disagreed 15% agreed and 13% strongly agreed. The highest percentage is shown on neutral which implies that bank customers are not really decisive on what exactly they should do that is recommending customers or not.

The findings indicated that commercial banks do not resolve issues in a timely manner. This was shown by 65% of the customer respondents which disagreed that banks resolves issues in a timely manner and 25% agreeing and 10% being neutral.

According to the findings of this research, 40% of the respondents strongly agreed that their banks often reach out to them to provide their customers with information about new products and services.30% also agreed, 12% were neutral,8% strongly disagreed and 10% disagreed.

5.2 CONCLUSION

Due to the highly competitive nature of the banking industry, customer retention has become a key focus in ensuring the success of a bank. The study has shown that the use of customer relationship management (CRM) has been effective in retaining customers. The findings have revealed that product innovativeness, for example in the form of mobile apps and online banking, has been successful in providing customers with a more convenient and efficient banking experience. Additionally, product innovativeness has also been found to be an effective strategy in retaining customers as customers agreed that if their banks do not offer innovative products they can switch although some did not agree with this. Banks that offer innovative products or services that meet the changing needs of customers have a competitive advantage in retaining customers which shows that customers are attracted to innovative products and services. The study also revealed that if banks introduce new products or services, their customers are likely to recommend them to others which makes this strategy very important.

Furthermore; service quality has emerged as a critical factor in customer retention. Customers expect high-quality services from their banks, and banks that fail to meet these expectations risk losing customers. There is also lack of quality service causing dissatisfaction among customers, with reliability being ranked as the most critical service quality dimension followed by responsiveness and then assurance, empathy and lastly tangibility. The findings of this study demonstrate that there is a need for improvement in customer retention strategies within the banking industry. The weak relationship between banks and their customers was revealed. This study has also shown that customers are not satisfied with how their issues are handled as commercial banks do not resolve issues in a timely manner.

From the study it was revealed that customer retention strategies such as customer relationship management, product innovativeness and service quality can result in increased profits. Besides this bank should also make use of customer retention strategies as they can result in increased market share. A firm can as well experience reduction of operating costs and price premiums if it practices customer retention strategies.

5.3 RECOMMENDATIONS

Based on the findings of this study, several recommendations can be made to improve customer retention in the banking industry. Firstly, banks should invest in customer relationship management (CRM) technologies to better understand and meet the needs of their customers. This could involve implementing personalized marketing campaigns, improving customer service through faster response times and more knowledgeable staff, and using data analytics to identify and address customer pain points.

As a recommendation, banks should focus on developing innovative products and services that meet the changing needs of their customers. This could involve leveraging emerging technologies like mobile banking, digital wallets, and artificial intelligence to offer more convenient and personalized banking experiences.

Banks should also prioritize service quality and reliability in all their operations. This could involve investing in better technology infrastructure to minimize downtime and improve system performance, as well as training staff to be more responsive and empathetic to customer needs. The dimension of reliability should be given highest priority according to the ranking, followed by responsiveness, assurance, empathy, and lastly, tangibility. It is crucial to consider these dimensions in order to enhance service delivery and retain customers. By implementing these recommendations, banks can build stronger relationships with their customers, improve customer loyalty, and ultimately retain more profitable customers over the long term.

5.4 Suggestion for future research

The study identified several strategies that commercial banks can use to gain a competitive edge. However, there is still room for improvement regarding customer satisfaction. The researcher recommends that future studies should focus on addressing the factors that affect the acceptance of internet banking and how to enhance its effectiveness. Additionally, the next research should explore ways to improve internet banking services to reduce the risk of hacking when using the service.

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APPENDICES

APPENDIX ONE

QUESTIONNAIRE FOR BANK CUSTOMERS

SECTION A: (DEMOGRAPHICS)

GENDER:

MALE ☐ **FEMALE** ☐

AGE GROUP:

Less than 30 years	☐	41-50 years	☐
31-40 years	☐	above 50 years	☐

SECTION B

(PRODUCT INNOVATION)

How would you rate the following statements using the following scale?

(*1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree and 5-Strongly Agree)*

	1	2	3	4	5
You are satisfied with the new service or product offerings introduced by your bank for the past decade.					
You would consider switching if your current bank did not offer innovative products.					
You are likely to recommend the new service or product offerings introduced by your bank to others.					
The introduction of innovative products by your bank has improved your overall banking experience.					

SECTION C

SERVICE QUALITY

To what extent do the following models of the Servqual model exist in commercial banks?

	1	2	3	4	5
Tangibility (The physical facilities, equipment and appearance of personnel).					
Reliability (The ability to perform the promised service dependably and accurately).					
Empathy (The provision of caring , individualized attention to customers).					
Responsiveness (The willingness to help customers and provide prompt services).					
Assurance (the knowledge and courtesy of bank employees and their ability to convey trust and confidence to customers).					

SECTION D

CUSTOMER RELATIONSHIP MANAGEMENT

How would you rate the following statements using the following scale?

(*1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree and 5-Strongly Agree)*

	1	2	3	4	5
You are likely to recommend your bank to others based on their customer relationship management.					
Your bank resolves issues in a timely manner.					
Your bank often reaches out to you providing information about new products and services.					
You have strong personal relationship with your bank.					

RESEARCH QUESTIONNAIRE FOR BANK STAFF

DEMOGRAPHICS

GENDER:

MALE ☐ **FEMALE** ☐

AGE GROUP:

20- 30 years ☐ 41-50 years ☐

31-40 years ☐ 51 and above ☐

CUSTOMER RETENTION

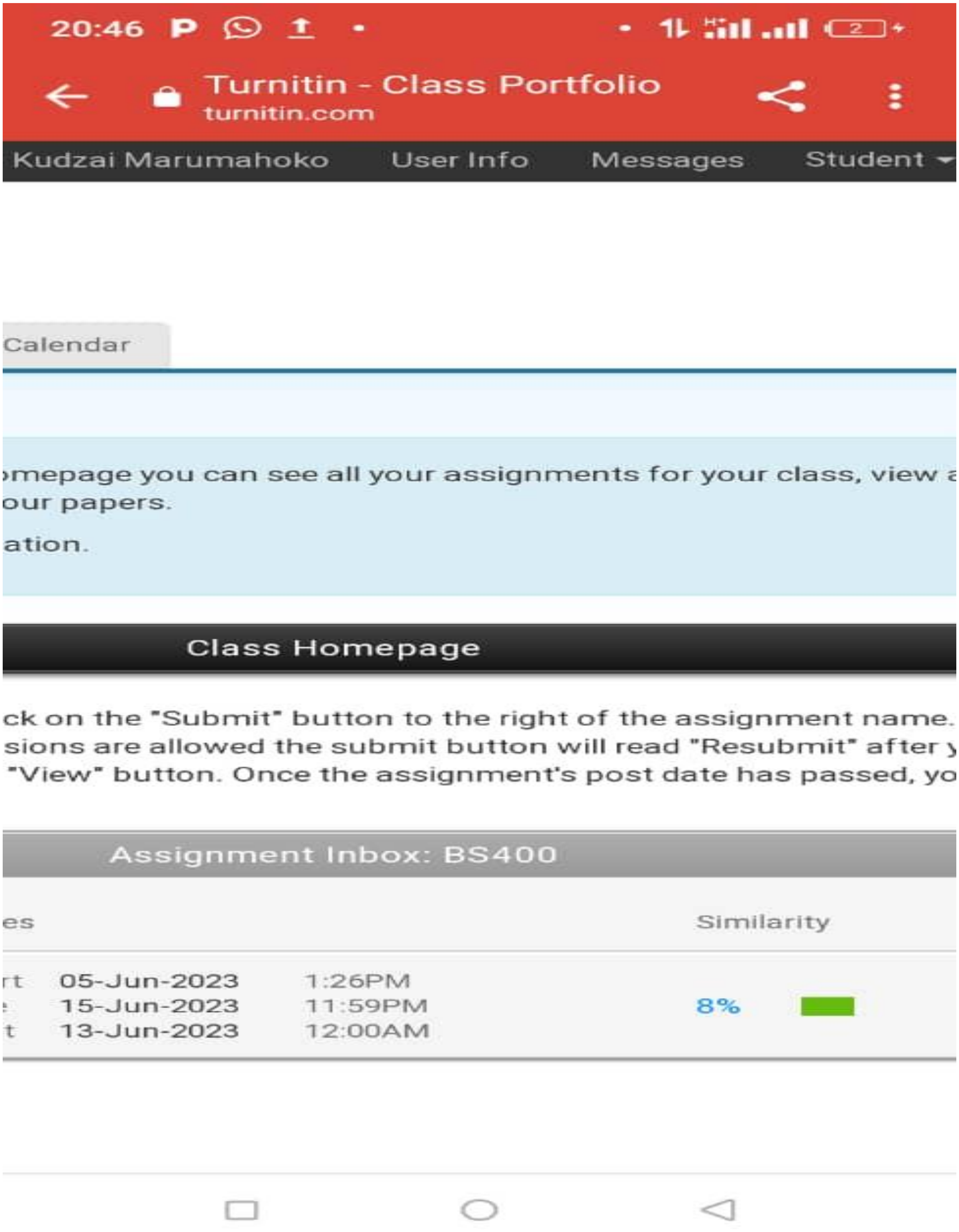
(*1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree and 5-Strongly Agree)*

6) To what extent do the following strategies improve your customer retention?

	1	2	3	4	5
Customer Relationship Management					
Product Innovativeness					
Service Quality					

7) To what extent do customer retention strategies result in the following?

	1	2	3	4	5
Increased profits					
Increase in market share					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