Digitisation of self-service channels in emerging markets as a growth strategy

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ABSTRACT

A lower cost of acquisition and cost of servicing consumers in emerging markets equates to economic benefit for organisations using digital self-service channels as a platform for consumer engagement. The challenge faced by these companies is the need to become more digitally inclusive by distributing their products and services through digital self-service channels and benefit economically through the consumer adoption of these channels. In the context of consumer adoption, this exploratory research study investigates the barriers to customer acceptance and customer adoption and how organisations can leverage digital self-service channels to their advantage.

The research study presents an opportunity to explore challenges such as overcoming barriers to customer acceptance, adoption, satisfaction, retention and cost-efficiency gains that leads to the full scale adoption of digital self-service channels.

The research study was conducted in Gauteng with senior management and industry experts representing South African based companies. Data for the study was gathered through ten semi-structured interviews using the long interview method. The subjects of the study were selected using a non-probability purposed sampling technique.

The results suggest that the cost of sale and the cost of service are lower than that of traditional channels. Organisations acknowledge that customer insights, seamless internal processes and social influences are key components in the customer life-cycle journey. The results reveal that the barriers to customer acceptance and adoption are shared with customer education, engagement, knowing the customer needs, and perceived value. When these are resolved, customer adoption is achieved.

KEYWORDS

Digitisation

Self-service channels

Customer adoption

Customer acceptance

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirement for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other university. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

1.1.   Research title

Digitisation of self-service channels in emerging markets as a growth strategy

1.2.   Research problem

New technology platforms such as the internet, mobile smart phones, kiosks and the advancement of computers, have not only dominated but also transformed the manner in which emerging market companies operate (Scherer, Wünderlich, & Wangenheim, 2015). As new technology platforms are introduced in consumer markets, the customer journey that leads to consumer adoption needs to afford the consumer the path to least resistance, whilst offering transparency to the user, convenience, time and cost benefit, and to fulfil the task for which is it designed for (Fuchs & Horak, 2008).

A comparative study done by Barrett, Davidson, Prabhu and Vargo (2015), argue that consumer adoption of digitisation within developed knowledge driven economies have been economically beneficial to organisations' self-service channels through a phased approach towards technology and service innovation adoptions (Barrett, Davidson, Prabhu, & Vargo, 2015). Knowledge based economies are differentiated by having a high impact of digital technology on communication, servicing, productivity and growth (Barrett et al., 2015).

Barret et al. (2015) further argue that emerging market economies aspire to evolve into knowledge based economies. This is achievable through the large scale adoption of digital self-service technologies (SST – refer to annexure E) to fast-track the growth process and circumvent the business to business (B2B) and business to consumer (B2C) distribution challenges (Barrett et al., 2015).

Barrett et al. (2015), found that emerging market economies in comparison to knowledge based economies, have not had the full exposure and benefit of digitisation through the technology adoption model of Davis (1985) as a medium of consumer engagement with

organisations (Barrett et al., 2015; Davis, 1985). The technology adoption model (TAM) originally described by Davis (1985) is relevant because it embodies the various stages of new technology adoption and experience, irrespective of the consumer market being examined (Davis, 1985). According to this model, perceived usefulness (PU) and perceived ease of use (PEOU) are the two primary determinants of new technology adoption (Davis, 1985).

Barret et al. (2015) view on emerging markets is substantiated by Prahalad, Di Benedetto and Nakata (2012) who state that the disadvantages faced by emerging market economies are usually characterised by resource constraints such as high levels of adult illiteracy, shortage of skilled labour, limited access to finance, lack of technological infrastructure such as electricity, high speed broadband coverage, and limited access to computers outside of formal institutions such as schools and universities (Prahalad, Di Benedetto, & Nakata, 2012).

Hung, Yen and Ou (2012), and Khanna and Gupta (2015) list global self-service technologies - such as online banking services, e-commerce and self-services available on the world wide web, mobile device applications, integrated voice recording systems (IVR), airline self-check in, self-service kiosks, retailer check out systems, and chat bots as examples (Hung, Yen, & Ou, 2012; Tandon Khanna & Gupta, 2015). Hung et al. (2012) and Khanna and Gupta (2015) argue that the global adoption of SST by businesses has transformed the manner in which businesses operate in the 21st century by offering an alternate medium to the sell and service touch-points, as well as the availability of these services which are always connected and processing in real-time, (Hung et al., 2012; Tandon Khanna & Gupta, 2015).

Further to the advantages mentioned by Hung et al. (2012) and Khanna and Gupta (2015) above, Graupner, Melcher, Demers and Maedche (2015), list additional advantages such as increased convenience, independence from space and time constraints through twenty-four-seven service availability on the Internet and other applications such as a mobile app (Graupner, Melcher, Demers, & Maedche, 2015). Hung et al. (2012) outline these benefits of digital transformation of self-service channels as a complimentary channel offering to existing traditional or omni-channels of promoting and doing business. This enables businesses to better track, and understand the individual customer journey or life-cycle (Hung et al., 2012).

The ability to for businesses to understand their customer lifecycle journeys is important for businesses to acquire new customers, and cross-sell products to existing customers and retain customers by remaining relevant to their audience's needs (Barrett et al., 2015).

The challenge faced by organisations doing business in emerging markets via the implementation of digital self-service channels lies in their ability to convert existing customer bases, penetrate new customer markets, and reach mass adoption over a given or limited time-period considering the initial capital investment and pay-back period of setting up the alternate digital channel (Anitsal & Schumann, 2007; Barrett et al., 2015; Bitner, Ostrom, & Meuter, 2002; Prahalad et al., 2012). The research study presents an opportunity to explore organisational strategies such as overcoming barriers to customer acceptance and adoption, growth of existing and new markets, customer satisfaction, retention and cost-efficiency gains that leads to the full scale adoption of digitised self-service channels in contrast to traditional channels within emerging markets (Bitner et al., 2002).

Gulati and Soni (2015) refer to traditional channels that are based around pre-existing customer behaviour where a client would engage a service or purchase from a business primarily via a face to face interaction where little or no initiation was done from the consumers perspective using a digital or technological device or channel (Gulati & Soni, 2015). Examples of the traditional channels referred to by Gulati and Soni (2015), include retail branch network, on site auctioning, call centre, and retail cashier store format.

The effectiveness of digital self-service channels is dependent on the information technology services, operational functionalities, people, processes, data and warehouse management facilities must also be in synch in order to effectively meet the demands of the consumer from a pull/demand perspective (Gulati & Soni, 2015). Gulati and Soni (2015) list these internal and external systems as core to the customers' digital experience, and touch points that a company can offer to the market and its existing customer base. The touch points can either be exclusively digital or follow a multi channelled omni-channel approach in the customer journey or engagement lifecycle (Gulati & Soni, 2015).

1.3. Research motivation

The fundamental question this research aims to answer is: *"Should companies effectively use digital self-service channels as a growth strategy?"*

The aim of this research study will be to contribute to the existing knowledge base that draws on research done by Bitner et al. (2000), Campbell, Frei (2010), Gensler, Leeflang, Skiera (2012), Scherer, Wünderlich, Wangenheim (2015), Collier, and Kimes (2012) who argue that cost-efficiency gains are made through self-service channels (Bitner, Brown, & Meuter, 2000; Campbell & Frei, 2010; Collier & Kimes, 2012; Gensler, Leeflang, & Skiera, 2012; Scherer et al., 2015). This is further supported by Bitner et al. (2002), Cuesta, Ruesta, Tuesta, Urbiola (2015), Khanna, Gupta (2015) who advocate digital self-service channels for its ability to penetrate and leverage new customer market segments through mass customer adoption. The research study aims to build on existing research in order to qualify the findings within emerging markets ((Barrett et al., 2015), (Bitner et al., 2002), Tandon Khanna & Gupta, 2015).

In addition, the research study aims to provide valuable insights to learners and leaders, in evaluating and understanding the viability of channel digitisation in emerging markets.

1.4.   Research objectives

The following are the main questions or objectives of the research:

- Research question 1: Is the cost of sale and cost of service through digital self-service cheaper than traditional channels?

- Research question 2: What are the retention effects and customer satisfaction rates for those using digital self-service?

- Research question 3: How do digital channels overcome barriers to customer acceptance, and adoption?

- Research question 4: How do digital channels assist in penetrating new market segments?

1.5. Research significance

The research study aims to fuse the different threads of research information available in order to gain a deeper understanding on how organisations should maximise the benefits of effectively implementing full scale digitisation of customer self-service channels by understand and thereafter overcoming the barriers to customer adoption.

CHAPTER 2: LITERATURE REVIEW

2.1. Introduction

According to Bandi, Angadi and Shivarama (2015), digitisation is the process of creating an electronic version of a real world object, service or event, that enables the object to be stored, displayed and/or manipulated on an electronic device and distributed over digital mediums, interfaces or networks (Bandi, Angadi, & Shivarama, 2015). Meuter, Ostrom, Roundtree and Bitner (2000) define self-service technologies (SST) are technological interfaces that enable customers to produce a service independent of direct service employee involvement (Meuter, Ostrom, Roundtree, & Bitner, 2000).

Gulati and Soni (2015) note that organisations willingness and readiness to digitise their products, services and channels due to the evolving competitor landscape and the changing needs of the customer (Gulati & Soni, 2015). There is sufficient motivation for companies to aspire to compete in an environment where the consumer perceives the digital self-service and experience as better than the traditional channels due to: ease of use; seamless interactions through the digital channel; avoidance of service personnel such as human resources; saved time; saved money; and convenience (Bitner et al., 2000; Kelly, Lawlor, & Mulvey, 2010).

The theory reviewed in this research study is broken up into the following sections:

2.2. Cost benefits and efficiency

Collier and Kimes' (2012) research claims that self-service technologies (SSTs) can help organisations to improve their net profit by reducing their operating costs while providing additional mediums of sell, service and convenience to clients (Collier & Kimes, 2012). Collier and Kimes (2012) defined operating costs as labour costs allowing better utilisation of resources; staff training; physical amenities such as office space, desks, computers, telephone lines; Collier and Kimes (2012) explained that for the organisation to maximise the benefit of the digital channel offering, consumers must buy into the full service alternative first, meaning that the consumer must be fully immersed into the digital channel offering by engaging and interacting with the organisation in that way only

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and not be a partial user of the digital channel offering (Collier & Kimes, 2012).

Gulati and Soni (2015) research proposed that the traditional methods of product sale, distribution and service have transcended into digitisation of self-service channels where digitisation multiplies the benefits of customer engagement and connectivity which translates into economic growth for an organisation (Gulati & Soni, 2015). By adding the digital lens to the customer engagement model, the organisation is able to increase the touch points and methods of communication, thereby increasing the opportunities for meaningful customer engagement which lowers the overall cost to sell, service and retain (Gulati & Soni, 2015).

Gensler, Leeflang, and Skiera (2012) propose that customer profitability is influenced by the cost-savings generated by online or self-serviced clients as well as the cost to serve which ultimately defines the organisations strategies for online or self-service channels (Gensler et al., 2012). Gensler et al. (2012) supported their findings with a study of retail customers who revealed that online or self-service interactions by consumers improves customer profitability by increasing customer revenue and decreasing cost to serve by means of reduced labour and input costs to the organisation (Gensler et al., 2012). The cost beneficiation of a digital self-service channel, can reduce cost of sale and the operational cost of service which improves the income statement bottom line (Gensler et al., 2012).

Citing research done by Inversini and Masiero (2014), and Jin and Phua (2016) on online booking and check-in for airline passengers and hotel, have reduced the need for a human to perform the check-in on behalf of the traveller. Historically, airlines and hotels used to sell their services primarily via travel agents, but since the advancement of the internet and self-service, digitisation has allowed airlines and hotels to bypass travel agents and sell directly to the consumer. The change in the business model, meant that a lower volume of commission is paid to the travel agent due to the lower trading volume of bookings done through them. This has had a negative impact on the travel agencies since their services of procuring airplane tickets and reserving hotel bookings have become redundant (Inversini & Masiero, 2014; Jin & Phua, 2016). The net effect of the digitisation advancement on these industries has meant higher profit margins for the hotels and airlines, whilst a reduced need for travel agencies leading to a reduced demand for travel agents as resources (Inversini & Masiero, 2014; Jin & Phua, 2016).

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According to Prahalad et al. (2012), emerging markets are synonymous with high unemployment levels, in comparison to developed economies (Prahalad et al., 2012). According to Stats South Africa report 2016, South Africa currently has a 26.7% unemployment rate and income inequality, as low commodity prices, a weak global economy and power shortages constrain growth (Stats South Africa, 2016). As a organisations impose a digital bias upon its customer base, its dependency on fixed labour is lessoned as in the example of reducing a bank's branch network. Digitisation does not grow the economy by increasing the mass labour work force since the resources required to build and maintain such a channel are mostly skilled information technology specialists (European Commission, 2014).

2.3.   Perceived value and customer needs

Literature by Barret et al. (2015) state that digital self-service innovation also enables customer value creation through services offered on a digital self-service platform and this has a positive effect in digital service ecosystems, usage and adoption (Barrett et al., 2015).

A research study by Lin and Lu (2015) suggest that perceived value of an online product, service or channel is the most pertinent aspect of user acceptance and user adoption, in the psyche of the consumer (Lin & Lu, 2015). Lin and Lu (2015) go further to state that because the customer's perceived value arises from a certain type of experience, product or service, by analysing only the properties of the product or service (positive or negative) can the formation of value to the consumer be understood better (Gupta & Zeithaml, 2006; Lin & Lu, 2015).

Scherer, Wunderlich and Wangenheim (2015) describe customer value and perceived value as what the business has to offer the client and what the client benefits by (Scherer et al., 2015) while a literature study by Hseih (2005) suggest that digital self-service needs to be an extension of customer value and that customer value must be a solution that is derived from customer needs (Hsieh, 2005).

2.4. Customer satisfaction and retention

Referencing a customer satisfaction and retention definition used by Oliver (1993) is further considered where customer satisfaction a transaction-oriented element is the outcome of a post purchase judgment or a disconfirmation effect, which is the discrepancy between the expected and experienced impact of the same product (Oliver, 1993).

2.4.1. Customer satisfaction

Customer satisfaction with a product or service is directly influenced by the effort used and convenience to acquire the product, and the expectations regarding the product (Cardozo, 1965). Using the definition adopted by McDougall and Levesque (2000), customer satisfaction and retention is observed as the customer's overall assessment of the service provider while future intentions are the stated likelihood of returning to the service provider (McDougall & Levesque, 2000). According to Gupta and Zeithaml (2006), customer satisfaction and retention are prominent measurement indicators or metrics, because of their association with all types of products and services independent of the industry sector being assessed (Gupta & Zeithaml, 2006).

Adapting customer satisfaction metrics of Gupta and Zeithaml (2006), together with post purchase criteria of Oliver (1993), the customer satisfaction and retention analysis of customers using digital self-service channels can be assessed, bearing in mind that as per Kelly (2010), there is limited customer contact throughout the service delivery process leaving fewer opportunities for early detection and prohibition of complaints and chances for service recovery which supports the customer retention theories and actions (Barrett et al., 2015; Gupta & Zeithaml, 2006; Kelly et al., 2010; Oliver, 1993).

2.4.2. Customer retention

Gupta and Zeithaml (2006) propose that digitisation empowers the customer to be able to communicate his or her post purchase judgement either directly to the organisation, online reviews or indirectly via the social web comprising of a global audience (Gupta & Zeithaml, 2006). The benefit being consumers start to fulfil their own previously unmet needs and wants (Gupta & Zeithaml, 2006).

The findings by Gupta and Zeithaml (2006) are further supported by Campbell and Frei (2010) whose study found that the ease of access and consumer convenience of digitised self-service channels increase the total transaction volume due to an increased demand for transactions in the online channels (Campbell & Frei, 2010). The customer engagement capability, coupled with the findings from Davis (1985) of perceived ease of access and perceived ease of use are contributing factors to customer retention (Davis, 1985).

Buell, Campbell and Frei (2010), research observation studied the effects of customer satisfaction and switching costs as the drivers of customer retention amongst customers who are engaged in digital self-service (Buell, Campbell, & Frei, 2010). Literature from Buell et al. (2010) tracked channel usage, overall satisfaction and actual retention in their study, and found that for relative face-to-face (F2F) service, customers who use digital self-service channels for majority of their digital transactions are no more or less satisfied with the service they receive due to customers being comfortable and accustomed to the experience and manner of engagement (Buell et al., 2010).

The research by Buell et al. (2010), go further to state that a measurement metric can be further extended to customers who are not engaged in a company's digital channel, and to customers who are partially engaged as defined by fulfilling certain moderate needs and resolving other needs more frequently by either a traditional or omni-channel engagement (Buell et al., 2010). The literature findings from Buell et al. (2010) support the use of customer satisfaction metrics to measure an omni-channel customer experience or satisfaction (Buell et al., 2010).

A number of studies in literature about services have recommended that digital self-serviced customers are more devoted or loyal than their traditionally serviced equivalents

(Campbell & Frei, 2010). There are two opposing explanations for why this might be the case. One explanation is that digital self-service offers benefits over traditionally full-service channel offerings that seeks to improve customer satisfaction, and by extension, promotes customer loyalty. The alternative explanation is that self-service increases switching costs, due to the customer experience of the sale or service digital channel. By providing an improved digital channel customer experience, the barrier to switching improves retention by making it more difficult for customers to defect to competitors. The concluding research by Campbell and Frei (2010), Buell at al. (2010), Gupta and Zeithaml (2006) suggest that digitisation promotes customer satisfaction and customer retention.

2.5. Customer acceptance and adoption

The researcher has chosen the following two theoretical models to explain the consumer adoption of digital self-service. The theoretical models include:

1. Technology Acceptance Model (TAM), (Davis, 1985)
2. Theory of Planned Behaviour (TPB), (Ajzen, 1991)

Bitner, Meuter, and Ostrom (2002) first coined the term 'self-service technologies' as technological interfaces that enable an organisation to produce a service independent of direct service employee involvement or enable a customer to consume a service or product without direct human engagement (Bitner et al., 2002). Bitner et al. (2002) findings were limited to e-commerce websites, ATMs, and online banking which were the paramount technologies available at that time when online e-commerce channels had reached a saturation point in the online retail economy, in the early 2000's (Bitner et al., 2002). The term self-service technology, is extended to encompass digitisation.

2.5.1. Technology adoption model

Figure 1 : Technology adoption model, Davis (1989)
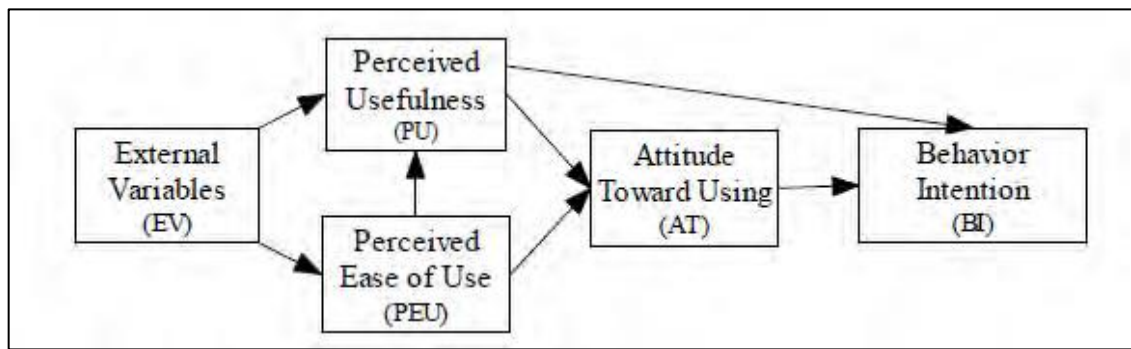
Davis 1985, first introduced a theory to specifically predict the adoption of information technology or technology acceptance (Davis, 1985; Wentzel, Diatha, & Yadavalli, 2013). Davis (1985) Technology Acceptance Model (TAM) explained and predicted the behavioural intention and the use of information technology by users in a workplace environment. According to Davis (1985), the TAM introduced two factors that determine user's acceptance or rejection of information technology, the emergence of technology-enabled services such as automated teller machines, self-service check out and check-in, and interactive voice recording software, have the potential to bring services to customers who are unable to access those using traditional channels (Davis, 1985). The technology platforms such as internet, computers, smart phones, and other devices are now more easily available to emerging market consumers than they were previously (Barrett et al., 2015).

An extended version of TAM, referred to as TAM2 included social influence processes such as subjective norm, voluntariness and image (hubris), and cognitive instrumental process such as job relevance, output quality, result demonstrability and perceived ease of use (Wentzel et al., 2013).

2.5.2. Theory of planned behaviour (TPB)

The Theory of Planned Behaviour suggests that in addition to the social influences such as attitude and social influences, a third element, perceived behavioural control, also influences intentions and consequently the actual behavioural outcome (Ajzen, 1991). The development of the TPB is an important element in the evolution of the TAM by further understanding the drivers of customer adoption process.

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Figure 2 : Theory of planned behaviour, Ajzen (1991)
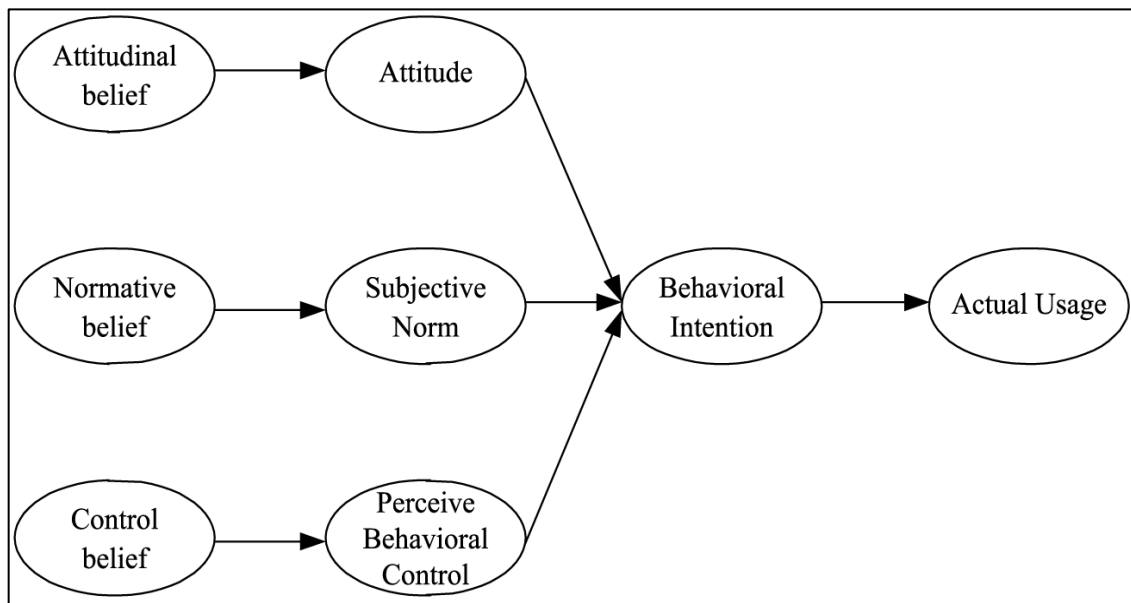
Taylor and Todd (1995) built further on the TPB (Ajzen, 1991) to develop a Decomposed Theory of Planned Behaviour (S. Taylor & Todd, 1995). According to Ajzen (1991), a person's attitude towards the technology and subjective norms influences technology adoption. However, an additional construct, Perceived Behavioural Control was added to TPB to understand factors that increase or decrease difficulty of performing the behaviour (Ajzen, 1991).

Taylor and Todd (1995) decomposed each construct of the TPB; attitude, subjective norms and behavioural control to develop the Decomposed Theory of Planned Behaviour. Decomposing the beliefs structure into multidimensional constructs or inputs improves the understanding between belief structures and determinants of intention (Taylor & Todd, 1995). The figure 3 below shows the TPB model with an extension from multidimensional constructs to form the revised Decomposed Theory of Planned Behaviour.

Figure 3 : Decomposed theory of planned behaviour, Taylor & Todd (1995)
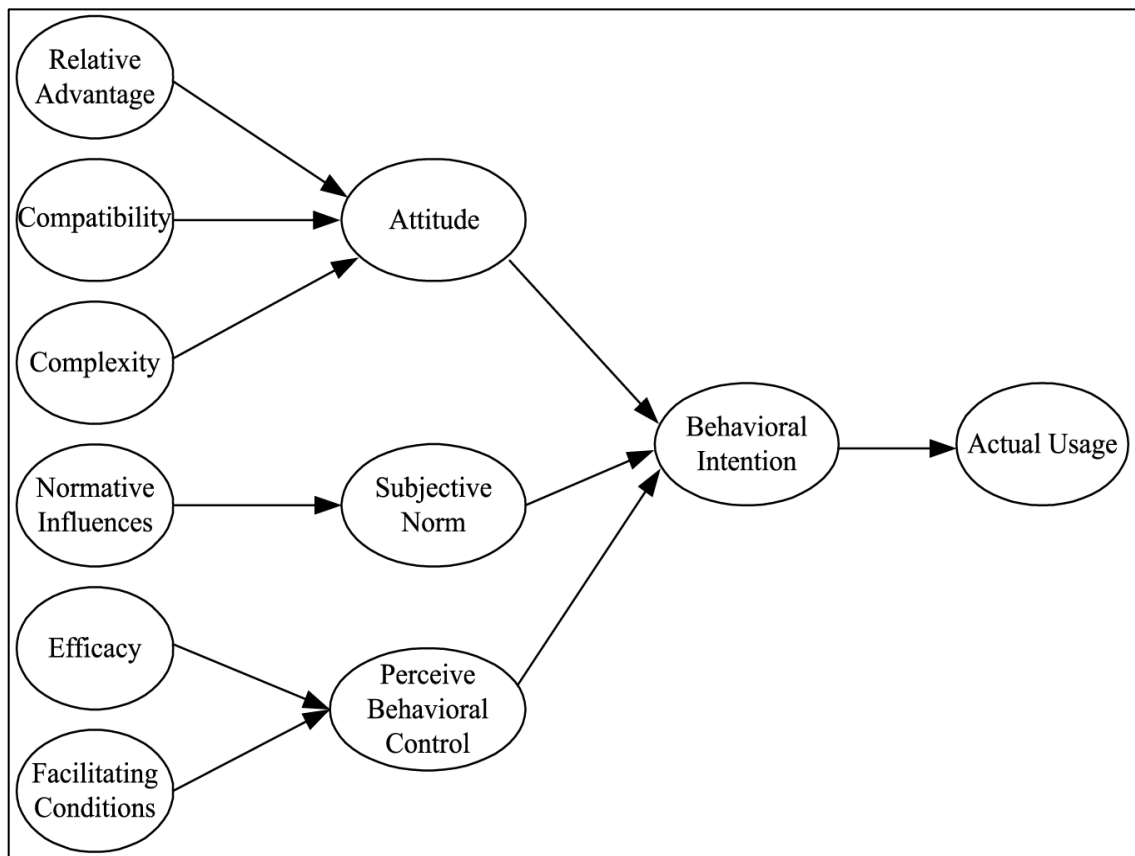
2.5.3. Customer adoption

Gulati and Soni (2015), further proposed that in order for companies to become leaders in the digitisation of their sales and distribution models, there has to be a shift in the company's business, commercial and operating model where all interactions between the internal system and the external participants must synthesise or work in a collaborative manner that orchestrates to maximise customer value and gain the necessary levels of customer adoption which leads to economic benefit to the organisation (Gulati & Soni, 2015).

Customer value is the post purchase net benefit to the customer based on the customers buying decision (Gulati & Soni, 2015). Gulati and Soni (2015), go further to explain that customer value is either the basic or added benefit or a combination of basic and added benefit that is afforded to the buyer based on the transaction concluded with the seller (Gulati & Soni, 2015).

Research by Campbell and Frei (2010), found that customer adoption is associated with the following principle steps:

(1) Substitution, primarily from incrementally more costly self-service delivery channels (automated teller machine and integrated voice response unit);

(2) Augmentation of service consumption in more costly service delivery channels (branch and call center);

(3) A substantial increase in total transaction volume;

(4) An increase in estimated average cost to serve resulting from the combination of points (1)–(3);

(5) A reduction in short-term customer profitability.

2.5.4. Customer acceptance

Research by Campbell and Frei (2010), suggests that customers interacting through online channels, based on their online serviceable needs may not incur opportunity costs (e.g., time) that stem from, traveling to a retailer, purchasing tickets for shows, bank branch or ATM and waiting in queues (Campbell & Frei, 2010). Campbell and Frei (2010) study further found that the ease of access and consumer convenience of digitised self-service channels increase the total transaction volume due to an increased demand for transactions in the online channels which offset the reduction in transactions in traditional channels (Campbell & Frei, 2010).

Bitner, Brown and Meuter (2002) SST Adoption Model is recognised as a consumer decision process, proposed as a conceptual model including six stages namely, awareness, investigation, evaluation, trial, repeated use and commitment (Annexure – F) . The results of in-depth interviews conducted by Bitner et al. (2002) on a healthcare company which was in the process of trying to implement a voice response ordering system for prescription refills showed that firstly, the customers needed to be aware that the SST existed, and then they collected additional information on the basis of which they made an evaluation (Bitner et al., 2002). Bitner et al. (2002) research into the outcomes, then found that a positive evaluation meant that the customer was likely to try

the SST of which the trial outcome would then determine if the usage was repeated which ultimately meant adoption (Bitner et al., 2002).

Research done by Kelly, Lawlor and Mulvey (2010), extended the findings of Bitner et al. (2002) by examining seven key factors, namely perceived risk, trust, perceived ease of use, perceived usefulness, technology readiness, preference for personal contact and demographic variables (Bitner et al., 2002; Kelly et al., 2010). Those factors were chosen because of their frequent inclusion in SST adoption research projects. Kelly et al. (2010) research covered a review of SST literature from the past 10 years preceding 2010 and identified 60 publications relating to research into SST adoption factors. This review produced 29 different SST adoption factors and their paper suggests that there is no evidence of a widely agreed SST model of adoption (Kelly et al., 2010).

The findings by Kelly et al. (2010), contradict Davis (1985) model of the technology acceptance which supports the notion that perceived ease of use and perceived usefulness will drive usage and adoption (Davis, 1985).

2.5.5. Customer engagement and customer experience

Bhardwaj and Vohra (2016) define customer engagement to be the result of interactive experiences between the subject and the object, with the context in which these interactions take place defining the form and scope of engagement (Bhardwaj & Vohra, 2016). The theory of customer engagement puts customers at the core, and the prime focus of this construct within the customer's lifecycle journey. Bhardwaj and Vohra (2016) go on to define partial versus fully engaged customers as part of their research. According to Bhardwaj and Vohra (2016) fully engaged customers represent a 23 percent share of wallet, profitability, revenue and relationship growth (Bhardwaj & Vohra, 2016). A partially engaged customer is less profitable on the other hand (Bhardwaj & Vohra, 2016).

2.5.6. Customer education

Cole, Sampson and Zia (2010) claim that there is no credible evidence that supports literacy programs in the adoption or acceptance process (Cole, Sampson, & Zia, 2011). Cole et al. (2010) state that an education program has modest effects in stimulating demand within less financially literate households, whereas a proper incentive program such as a monetary incentive for using a digital channel has a positive influence in stimulating customer acceptance and adoption (Cole et al., 2011).

Research done by Graupner et al. (2015) on customer acceptance, found that customers first require information about the service and channel, its inherent delivery steps and their sequence to consume it appropriately (Graupner et al., 2015). According to Graupner et al. (2015) the educational element is key to customer acceptance and thereafter mass customer adoption (Graupner et al., 2015). To further support the theory of customer acceptance, Graupner et al. (2015) further state that the customer's process experience positively impacts the intended digital process use (Graupner et al., 2015).

2.6.   Using digital channels to acquire market share

2.6.1. Emerging markets

The focus of this research paper is on the emerging market economies whilst emerging markets such as Mexico, Brazil, Russia, India, China and South Africa are characterised by high income inequality or GINI co-efficient, increasing economic growth and industrialisation are representative of two-thirds of the world population. Emerging markets contribute to nearly 30% of world GDP and account for 70% of the world's total population (Bhardwaj & Vohra, 2016).

2.6.2. Social influences in adoption

Literature research by Amblee (2011) suggests that electronic word of mouth (e-WOM) can be used to convey the reputation of a product, the consumer or purchasing experience, the reputation of a brand, and the reputation of complementary goods (Amblee, 2011). Amblee (2011) suggest that electronic word of mouth technologies such as community based social forums, social media influence of networks, online reviews

and blogs should be considered by shoppers as the first and perhaps primary source of social buying experience (Amblee, 2011).

Research by Dhal (2014) suggests that social behaviour promotes consumer consumption when consumers imitate or mimic others within their social network (Dahl, 2014). This form of mimicking or imitation suggest that persons with influence on networks and communities pursue hedonistic behaviours such as pleasure seeking or self-indulgence by making their actions known to their social network (Dahl, 2014). Organisations pursuing digital self-service channels need to be socially inclusive as this has a positive effect on acquiring and servicing customers, while the role of social comparison among consumers, the use of consumption to enhance one's status, and the effects of the use of online social networks on the self-esteem and self-control of consumers are also contributing factors to acceptance and adoption (Dahl, 2014).

The research findings by Wentzel et al. (2013) state that the social factors over and above the perceived usefulness (PU), can serve to meet the needs of potential bottom-of-the-pyramid consumers whom an organisation has targeted for adoption (Wentzel et al., 2013).

A study by Vannoy and Palvia (2010), suggest that the adoption of a new technology such as digital channels is an influenced behaviour that is embedded in a society of networks such as social and community influences. (Vannoy & Palvia, 2010). The influenced behaviour that Vannoy and Palvia (2010) refer to is

Furthmore, Taylor, Voelker and Pentina (2011), suggest that the adoption of digital services such as mobile app usage is an organic process driven by peer to peer social influencing (D. Taylor, Voelker, & Pentina, 2011). Taylor et al. (2011) results suggest that the adoption and usage of mobile apps increases with their use by the consumer's strongest relationship partner within the social network of friends and acquaintances of similar demographics (D. Taylor et al., 2011).

2.6.3. Penetrating new customer segments

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The penetration of consumers using mobile devices into consumer markets have enabled over 2.5 billion users globally to access the internet which has elevated the need for digitisation as competitive or growth strategy for an organisation (Broeders & Khanna, 2015). According to Cuesta, Ruesta, Tuesta and Urbiola (2015), the average penetration rate of mobile phones worldwide is approaching 70%. The mobile phone has become the most widely used platform for new technology developments such as mobile apps which are used beyond just social communication (Cuesta, Ruesta, Tuesta, & Urbiola, 2015).

Using the banking sector as a reference point for digital channel penetration and adoption, a global survey done by Bain & Company (2014) of digital consumers from 22 countries, utilisation of mobile banking apps grew by 19 percentage points over 2013 and 2014, whereas usage of computer-based banking services remained virtually unchanged (Bain&Company, 2014). According to the results from Bain & Company's 2014 survey , respondents under the age of 35 were more likely than older customers to bank via mobile devices, whereas the share of customers aged 65 and older who use mobile is a substantial 30%; roughly 60% of customers used a combination of digital and physical channels (Bain&Company, 2014).

2.6.4. Customer demographic bias

Referencing an emerging market example, research done by Panchasara and Bharadiya (2011), the mobile banking app M-Pesa was adopted by over 13 million people over a 5 year period in Kenya, which has since expanded the basic banking services into remote areas within Kenya where traditional banking organisations were not able to penetrate or geographically reach (Panchasara & Bharadiya, 2011).

According to a report compiled by Mas, Radcliffe, Bill and Melinda foundation (2010), M-Pesa was developed by Vodafone and launched commercially in Kenya by Safaricom (Mas, Radcliffe, & Foundation, 2010).

According to the research article by Mas et al. (2010), M-PESA's market success can be attributed to the following three sets of factors:

(i)   pre-existing country conditions and a dire customer need that made Kenya a conducive environment for a successful mobile money deployment;

(ii)   a service design that facilitated rapid adoption and early capturing of social network effects; and

(iii) a business execution strategy that helped M-PESA rapidly reach a critical mass of customers, thereby avoiding the adverse problems that afflict new digital banking and new to market payment systems (Mas et al., 2010).

According to Panchasara and Bharadiya (2011), the M-Pesa solution which enables microfinance through mobile technology as the strategy to bank a previously unbanked and penetrate a new market, has proven to be successful given Kenya's limited infrastructure such as access to branch banking and limited resources available to the mass market (Panchasara & Bharadiya, 2011). Panchasara and Bharadiya (2011), go further in saying that the adoption of M-Pesa is spread across the age groups and does not lean towards the under 35 year old age band as Bain and Company (2014) survey would suggest, since there are limited options given the construct of Kenya's economic ecosystem (Bain&Company, 2014; Panchasara & Bharadiya, 2011).

The literature of Panchasara and Bharadiya (2011), did not emphasis the important contributing factors listed by Mas et al. (2010) that the mass adoption of M-PESA was also attributed to the government's usage of the platform to administer social grant pay-outs; brand alignment of the mobile operator Safaricom to M-Pesa in order to build brand equity and trust; the consumer education initiatives Safaricom on the product (Mas et al., 2010; PANCHASARA & BHARADIYA, 2011b).

2.6.5. Conclusion

The theories explored in chapter 2 form the basis for the research study as the researcher aims to fuse the different threads of research information in order to gain a deeper understanding on how companies grow their customer base using digital self-service channels. Chapter 2 provides a sufficient theory base to support an organisations journey of digitising their self-service channels.

The biggest challenge faced by an organisation with a digital channel is the ability to penetrate a new market segment or grow an existing market segment; gain customer acceptance; overcome the barriers to mass adoption; and benefit economically from the low cost to service and low cost to sell as compared to traditional channels.

There is an economic benefit to the organisation in the form of low cost of sale and low cost of service via a digital self-service channel. Customers will utilise the most easily accessible and convenient channel available, being a digital self-service channel provided the channel meets the customers' perceived value and needs are addressed; and that there is a time and cost benefit to the consumer.

There is no certainty that a specific demographic is likely to fully adopt the digital self-service channel in the absence of reliable and resilient traditional channels. The elements of education and social influence were found to be significant in the trial of new products or services. Customer engagement and customer experience are key drivers to customer acceptance and customer adoption, as well as to the customer satisfaction and customer retention metrics.

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CHAPTER 3: RESEARCH HYPOTHESES AND QUESTIONS

3.1. Introduction

In order to explore the benefit of digitisation of self-service channels as a growth strategy, the research objectives are combined with the literature reviewed and, therefore, the following research questions are used:

3.2. Research question 1

Is the cost of sale and cost of service through digital self-service cheaper than traditional channels?

The research objective seeks to clarify the cost benefits and efficiency gains if any, by engaging consumers through digital self-service channels. Understanding the benefits gained, and opportunity cost will serve as a motivation for future strategic growth.

3.3. Research question 2

What are the retention effects and customer satisfaction rates for those using digital self-service?

The research objective seeks to understand the effectiveness of digitisation channels retention and satisfaction amongst its users, as well as the company's net promoter score for its digital self-service customer client base.

3.4. Research question 3

How do digital channels overcome barriers to customer acceptance, and adoption?

The objective seeks to understand which SST model attributes the organisation applies from a strategic design perspective, in order to gain customer acceptance, overcome barriers to mass adoption, or increase usage of the digital channel offering. The objective extends further by gaining insight into how successful organisations transcend their customers from being primarily face to face servicing to offering full scale digital self-service channels; as well as how to migrate consumers from traditional channels to digital self-service channels.

3.5.   Research question 4

How do digital channels assist in penetrating new market segments?

The objective seeks to understand if there exists a specific demographic bias in the consumer adoption of digital self-service channel usage. Does the organisations intent of penetrating new consumer markets correlate with the actual consumer markets on boarded?

CHAPTER 4: RESEARCH METHODOLOGY

4.1.　Introduction

The aim of chapter 4 is to explain why the proceeding research approach and method chosen was most appropriate in order to answer the research question posed. The design of the chosen methodology was based on the need for qualitative interviews in order to distil the research from within industries experts. The field of digitisation within self-service channels although spread across various industries, is still relatively new and requires a mix of broad and narrow focused questions in order to understand the gaps that exist.

4.2.　Research design

Saunders, Lewis and Thornhill (2012) argue that the research methods reviewed in the literature suggested that exploratory studies should be used where a research problem requires exploration, or where a researcher aims to discover new information about a topic or when researching a new phenomenon (Saunders, Lewis, & Thornhill, 2012).

Saunders et al. (2012) define exploratory research as a method that advances itself to seek and define a new phenomenon or aims to gain new understandings or insights on an existing research problem (Saunders et al., 2012). The exploration of digital self-service is a relatively new phenomenon with little existing theory, an exploratory research approach was deemed fit and appropriate. The study was conducted through qualitative research methodology because quantitative research would not provide the level of granularity that was required to uncover the details surrounding the success or failure of digital self-service channels (Saunders et al., 2012).

Exploratory research is well suited to a qualitative method such as interviewing (Saunders et al., 2012), which would give the respondents an opportunity to give a perception of their environment and allow the researcher to enrich the data analysis through the use of thick or loaded descriptors (J. Creswell & Miller, 2000). This method adds credibility to the research study (J. Creswell & Miller, 2000). This is further supported by Creswell (2014), who states that one of the main reasons to choose a

qualitative approach is if there is limited research written on a topic or if the study is exploratory (J. W. Creswell, 2014).

The decision between choosing between qualitative and quantitative research methods, is due to qualitative research place more emphasis on the study of the concept or phenomenon from the perspective of the researcher and participants in the study (J. W. Creswell, 2014). Quantitative research generalises the findings whilst being independent of the phenomenon (J. Creswell & Miller, 2000).

4.2.1. Research method

Once the need for an exploratory, qualitative research method has been established, the most appropriate means of a data collection for this research was identified as individual, semi-structured, in-depth interviews, using the long interview method, as the researcher sought to understand a relatively new area of research study (McCracken, 1988; Saunders et al., 2012). The use of semi-structured interviews allowed the researcher a degree of flexibility where the research finds that the questions are too complicated for the respondent, the researcher can opt to change the order of the questions or probe further into certain questions depending on how the respondent answers (Saunders et al., 2012). The ability to probe questions further allow the researcher in-depth information on a specific topic or theme (Saunders et al., 2012).

The researcher at his discretion, opted to not ask a specific question if found to be irrelevant, time constrained or immaterial to the respondent (Saunders et al., 2012). The semi-structured approach, allowed the researcher to further explore a topic or theme that may not have been previously identified in the literature review, or omit a question where the question was deemed to be irrelevant to the respondents current work environment or particular context (Saunders et al., 2012). In contrast to group interviews, the individual interview approach allowed the respondents the freedom to speak freely, and without prejudice of co-workers, with the exception of the researcher's last interview which was joined by a colleague. During the last interview, the participant suggested that the co-worker join the discussion since the co-worker was very familiar with digital channel adoption based on other projects that the co-worker had been involved in.

According to McCracken (1988), the long interview is one of the most powerful methods in a qualitative study (McCracken, 1988). The long interview method takes the researcher into the mental world of the respondent and provides the researcher with an opportunity to see the world from the perspective of the respondent and to better understand their respective environments (McCracken, 1988). The insights gained from the long interviews may either affirm or contradict the literature under study. A discussion guide was designed to assist the researcher during the process of the interview sessions.

Saunders et al. (2012) suggest that the discussion guide be reviewed after each interview discussion and adapt the questions based on the discussion points or outcomes from the previous interviews, if necessary. This approach allows the researcher the opportunity to include additional questions regarding themes identified inductively during prior interviews. This method can also be to establish a saturation point as the researcher is forced to review the results of the interviews as and when they are completed (Saunders et al., 2012).

4.3. Unit of Analysis

In order to answer the hypotheses stated earlier, the unit of analysis for the research will be the customer not engaged, partially engaged, and fully engaged in a digital self-service channel. The unit of analysis made up of different levels of engagement, will allow the researcher to infer and make conclusions to the research questions since differing assumptions may underpin different customers, some who are either fully, partially or not engaged with a business's digital self-service channel. A customer who is partially or not engaged might be utilising a digital channel as and when he or she needs to. This provides an opportunity to engage with the client and migrate them onto the organisations digital channel offering.

4.4. Universe and population

Defining the universe of the sample needed for the requirements of this study was limited to South African corporate institutions across various industries. The limitation of the sampling bias was due to the researcher not having contactable persons from companies that operate in other emerging markets. The South African corporate companies chosen,

have already developed their respective digital self-service channels and have a captive audience or a share of the South African consumer market, through the use of digitised distribution, and self-services channels such as the ability to purchase either a retail product online or short-term and long-term insurance online which is usually associated to a face-to-face engagements or in-branch sale.

The population construct consisted of senior managers, heads of departments, and c-level executives who are accountable and responsible for their respective organisations digital self-service channels and customer strategies, from implementation to business as usual. The collective intellectual property and institutional knowledge that this population holds will be distilled into granular threads of information which aims to answer the questions and refine the objectives that this research paper has set out to achieve.

4.5.   Sampling method

The two techniques of non-probability sampling that was used were purposive sampling where the researcher uses his or her judgement to choose sample participants. This method is preferred over probability sampling since it allows deliberate participant selection in order to produce enriched and valuable data from the research questions which proves favourable over probability sampling (Denscombe, 2010). In some instances, the researcher interviewed more than one senior representative from the same organisation were the outcome of his interview where the initial respondent was felt to be unsatisfactory.

Snowball sampling technique was integrated into the sampling technique used in this research. The snowball technique used existing study subjects to recruit future subjects from their network of acquaintances (Saunders et al., 2012, pg. 133). The advantage of the snowball technique was realised by the time and effort saved in sourcing additional respondents in order to attain the researcher's target sample size. Zikmund (2012) pointed out that respondents who recommend respondents similar to themselves may lead to bias (Zikmund, 2012). The researcher did not interview all the respondents referred to him, but selected the respondent based on the diversity of the potential respondent's company background. Non-probability sampling is done without the

knowledge of whether those included in the sample are representative of the whole population (Saunders et al., 2012, pg. 134).

4.6.   Sample size

McCraken (1988) states that with qualitative research, it is not an issue of generalisability but that of access, and that it is more important to work longer with fewer respondents than casually with many respondents (McCracken, 1988). McCraken (1988) goes further to state that eight interviews are sufficient enough to harness ones findings, whiles Saunders et al. (2012) maintain that most texts recommend an inductive approach to establishing the number of interviews, alternatively until data saturation has been reached (McCracken, 1988; Saunders et al., 2012).

Based on the time and resources available, the sample selection for the study comprised of at least ten business representatives from the defined universe. The establishment of the first few respondents was done by the researcher using his preconceived notion of companies with digital self-service channels and made contact with the key individuals responsible for their digital channels. The researcher was able to complete his interviews within a period of 6 weeks. As the research had approached his tenth interview, the researcher noted that nothing substantially new was discovered given the amount of data captured by that point and the variety of industries interviewed, the researcher did not seek any further interviews.

The respondents mainly described themselves as key individuals to their organisations management team responsible for their respective digital self-service channel. During the interviews, the respondents identified themselves as being either senior management, head of functional areas, head of department, or chief executive officer.

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Table 1 : Interview summary

Order	Date	Initials	Designation	Industry
1	05/08/2016	TC	Head of digital	Insurance
2	18/08/2016	FS	CEO	Insurance
3	19/08/2016	VC	Head of commercial	Telecoms
4	29/08/2016	RL	Head of digital	Entertainment
5	29/08/2016	OM	Senior Manager	Insurance
6	30/08/2016	PL	Commercial executive	Entertainment
7	02/09/2016	SV	Head of digital	Banking
8	19/09/2016	AV	Head of digital	Banking
9	23/09/2016	JE	Divisional CIO	Banking
10	04/10/2016	TD	Director of consulting	Technology

4.7. Research instrument

4.7.1. Introduction

The exploratory approach, together with the semi-structured interviews, using open-ended questionnaires were used as the research instrument. The advantage being that the interviews had a certain degree of flexibility were further probing was required to explore the objectives in greater depth, as well as the benefit of asking specific questions on the topic of study. This approach although time consuming due to arranging of appointments and going out to physically meet with the participants; recording and documenting the interview sessions; ensuring that there are sufficient back-ups of the recorded sessions; analysing the notes, recordings and thereafter coding the data.

4.7.2. Pilot test

The researcher undertook a pilot or trial test on the discussion guide, to ensure that the questions were understood by the intended audience, and properly constructed with a coherent flow. The objective of the pilot was to test if the questions in the discussion guide, meet the research study objectives (Saunders et al., 2012). The chosen participants for the pilot trial test were specifically selected to comprise individuals who are either directly or indirectly responsible for their company's digital self-service from a technology, channel or customer strategy perspective.

This varied selection allowed the researcher to test the flow and ease of understanding of the discussion guide. The trial test also allowed the researcher the chance to examine the participants understanding and their understanding of the questions. The feedback received from the participants were included into the final discussion guide. The question structure was amended to produce a more qualitative and less of a quantitative approach; and suggestions that were taken to formulate the questions to be less ambiguous and finally, the use of appropriate language given the subject matter that was used.

A pilot study was conducted with two respondents, and feedback from each of the respondents was incorporated into the final questionnaire that was used for this research. This involved the completion of the questionnaire with a small pilot group of individuals, who were asked to provide the researcher with notes regarding the questionnaire (Zikmund, 2012). The profiles of the individuals that were selected were similar to the sample profile under study. Zikmund (2012) explained that conducting a pre-test in the form of an informal pilot study allows the researcher to identify issues regarding routing errors and wording problems that may exist in the questionnaire (Zikmund, 2012). Conducting a pre-test also allows the researcher to identify the existence of any leading questions and prejudice due to the order of the questions (Zikmund, 2012).

Interviews were conducted with the individuals of the pilot group to establish the approximate length of time it took to complete the questionnaire. The response from the pilot group showed that the length of the questionnaire was sufficient for the study. Furthermore, feedback from the pilot group did not indicate any wording issues, leading questions or misinterpretation problems. The pre-tests also showed that the questions posed in the questionnaire were sufficient to answer the hypotheses of the research study.

After receiving and evaluating the feedback from the pilot group, the questionnaire was carefully adopted and thereafter deemed acceptable to be used and was distributed to the sample for data collection.

4.7.3. Discussion guide

A discussion guide (Annexure C refers) was created in order to provide consistency and guidance on the questions being asked to both the researcher and the respondent. The discussion guide was intended to achieve the research objectives of study. The discussion guide was preluded by a consent form (Annexure B) which provided the research process and respondent the privacy and anonymity clauses, confirmation of the purpose of the research, and finally the contact details of the researcher and the supervisor. The discussion guide questions were open-ended in order to stimulate deeper and substantial responses from the participants. The research delved deeper into certain questions by probing further for specific strands of information linked back to the research objectives.

The discussion guide was created to show the link between the literature review and the research questions. The discussion guide was structured into four parts. The first part focussed on the respondent, the company or employers current digital self-service offering, industry trends, customer target market and customer demographics;

The second part concentrated on the cost benefit and efficiency, customer satisfaction levels, NPS and resolution rates between digital self-service and traditional channels.

The third part concentrated on the effectiveness of the organisation to gain customer acceptance and mass adoption, as well as challenges faced in implementing a digital self-service channel.

The forth part concentrated on the capability of a digital channel to penetrate new markets and grow existing market share, as well as the future of digital self-service.

4.8. Data gathering

The study used primary data of information. Primary data was collected through interviews using surveys and questionnaires, semi structured with both open ended and

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close ended questions. Data collection was completed through the following approach, qualitative semi-structured interviews to further explore the perceptions of the value of digital channels. Semi-structured interviews are believed to be one of the mostly frequently interview types used in business research (Myers, 2013). Semi-structured interviews allows the researcher to not only uncover pertinent themes from a prepared list of questions but it also allows for degrees of flexibility in the ordering of the questions and the option to remove or add questions as and when required (Myers, 2013; Saunders et al., 2012). Secondary data from company integrated reports was not acquired during the data gathering phase, as previously anticipated.

4.9. Data analysis

4.9.1. Method of analysis

All interviews were voice recorded, captured onto Microsoft Excel for a brief analysis, and a content and frequency analysis was done once all interviews were concluded. Saunders et al. (2012) prescribe the following steps to analyse data qualitatively:
1) develop categories or codes; 2) decide on the unit of data to which to attach to the categories; 3) code the units of data based on the codes (Saunders et al., 2012, pg. 194). Any obvious themes or patterns will emerge from the sample explored.

Based on the review of the theory, Creswell (2014) recommends that a coding table should be developed first which will allow for fluidity as the codes develop and change as additional information is exposed during the data analysis process (J. W. Creswell, 2014). Creswell (2014) suggests a process of using a mix of both deductive and inductive approaches to coding the data.

The researcher decided to adopt the dual approach and develop an initial coding table for the purpose of deductive coding, which was used during the first two coding passes. It was decided that any codes that were created inductively would be identified separately from the deductive codes.

4.9.2. Transcript preparation

The researcher had transcribed the interviews by himself as opposed to using an outsourced transcription service. The interviews were fully transcribed sequentially based on interview date, once all the interviews were completed. All transcripts were formatted in the same manner to facilitate the use of the analysis tool provided by ATLAS.ti, such as auto-coding, code-occurrence, code co-occurrence and the codes-primary documents table.

To protect the identity of the respondents, the respondents were anonymised by the use of their initials. This was adopted whenever they are referred to. The transcripts have been checked and sanitised for any reference to the respondents' names, as well as the company whom the respondent represented. The researcher did not record nor request information such as the respondents' age, gender, religion, race, or education level as this information was not relevant to the research study. A detailed account of the transcription process followed has been documented in Chapter 5.

4.10. Research limitations

4.10.1. Researcher bias

Exploratory research is subjective and the viewpoints and bias of the researcher can be influential to the process at hand. The researcher acknowledges the importance of potential biases, and the potential influence they may have in interpreting the findings of the research (J. W. Creswell, 2014; Saunders et al., 2012). It must also be stated that the researcher has experience in digital self-service channels, which therefore can lead to a blind spot towards discovering certain findings as a result of themes and categories being obvious to the researcher (McCracken, 1988). The result of the researcher being experienced in the field of digital self-service channels, may have biased some of the questions and answers given by the respondent or the researcher may have unintentionally placed too much emphasis on a specific theme or area of focus.

4.10.2. Sampling bias

The researcher acknowledges the challenges faced with using a technique such as snowball sampling were a number of the respondents referrals were from the same industries – five of the ten respondents were from financial services and more specifically, four out of the five were from the banking industry. The financial service industry although well-regulated with compliance and legislation prescribed to the organisations such as Financial Advisory and Intermediary Services Act (FAIS) and Financial Intelligence Centre Act (FICA), it is advancing in the digitisation of its customer channels. This may limit the transferability of this research to industries that are not as competitive and well-regulated as the financial services sector.

4.10.3. Respondent's bias

All the respondents showed high levels of comfort during the discussion guided interviews with the exception of one respondent raising a concern about his company's customer strategies and any intellectual property that might become privy to the readers of this research study. The respondent was assured that his name and that of his company would remain anonymous. The respondent was further assured that the research findings would be kept generic so as to not comprise his company strategy or benefit direct competitors of his.

The research study was concentrated to the South African corporate institutes who engage with their clients via digital self-service platforms. This might pose the following limitations:

- Qualitative, or exploratory research is by its own nature preliminary, or sometimes used to explore new concepts or ideas. This needs to be followed up with a more detailed research (quantitative analysis - descriptive and causal) to provide more dependable results (Saunders & Lewis, 2012).

- The surveys were limited to majority large, JSE-listed institutions and a few smaller start-up South African companies with new and existing digital self-service channels.

- The research study only focused on digital self-service channels from a business to consumer perspective. The research study did not cover business to business and person to person or peer to peer digital self-service channels.

- The researcher conducted all the semi-structured interviews himself thereby making it complex to avoid subjectivity and bias.

- The participants of interviews working in the banking industry were aware that the researcher is also working in the banking industry and thus the responses might have been guarded.

- The research survey did not take into account the end user's or client's perspective but assed the experience from the company's perspective, based on customer adoption, retention, satisfaction, loyalty and advocacy.

- Companies might not necessarily separate fully engaged users of digital channels from users who are partially engaged in digital channels. The lack of differentiation can cause vagueness in the respondents' answers to adoption, profitability, feasibility, usage and engagement factors in the respondents' digital channels.

- The research study assumed that the companies whom the respondents represented, were familiar with and had quantified the cost benefit between traditional and digital self-service channels.

- The benefit of a digital channel might be deemed as a nice to have and not used as a strategic competitive advantage.

- Digital marketing and having a digital presence are seen as acquisition enablers for products and services offered through digital self-service channels. Digital marketing is not implicitly the same as digital self-service from a construct and

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conceptual point of view. The interviews did not cover digital marketing and the respondents chosen, were not from a digital marketing background.

4.11. Reliability and validity

Data collection methods require reliability and accuracy with respect to what they are intended to measure. An extract from Saunders and Lewis (2012) describe the concept of validity as the "extent to which data collection methods accurately measure what they intended to and the research findings are about what they profess to be" (Saunders et al., 2012, pg.127). In order to accomplish this, the researcher had confirmed that the research findings are reliable and can be trusted in safeguarding that the research design and analytical procedures were thorough and comprehensive. However it must also be noted that the researcher was the primary instrument for the data collection, and that the researchers own biases and shortcomings could have potentially impacted the research discussions and findings.

Saunders et al. (2012) refer to content validity which is the questions that were used in the gathering of the information in order to answer the research questions and construct validity refers to the degree to which the data collection method measures what it was designed to measure and research findings are what they state they are (Saunders et al., 2012, p.142).

The researcher notes that the sample selected for the research study was limited to South African companies and hence the incompatibility to deduce and generalise the findings, implies that the validity of the research study may not apply to all emerging market economies. However, the researcher did attempt to maintain a degree of acceptable validity by carrying out the pilot test prior to guarantee there was a general and reasonable association between the research problems stated earlier, literature review, research question and the research design. In addition, as multiple methods were used in the data collection process namely observation of participant and immediate environment, notes taken during the interview, voice recordings, resulting in the improved validity of the findings.

4.12. Ethics of the research design

During the course of the research study, all respondents were given ethical considerations prior to starting the discussions. The ethical considerations were essential for the respondents, given that they represented their organisations and might be seen as divulging their organisations respective competitive advantages or customer strategies. The researcher maintained his honesty and integrity throughout the process, and was open, honest and transparent in the technique and procedure that was used in the research study (Saunders et al., 2012). Ethical clearance was confirmed by the researchers academic institute of study (Annexure A).

The main ethical issues that were considered included the participant's consent, preservation of the individual's confidentiality, preservation of the intellectual property of the respondents' employer, anonymity of the organisation that the respondent represented, research and participant relationship and preserving high standards of honesty and integrity in the course of the academic research study (Saunders et al., 2012) .

Respondent consent

Prior to the commencement of respondent interviews, the researcher emailed the potential participants the participation consent letter (Annexure C) enclosed within an email body that explained the purpose, objective and nature of the research study.

The participation consent letter was signed and collected either during the face to face interviews or signed, scanned and emailed to the researcher post the telephonic interviews. These processes, although laborious, ensured that the researcher maintained ethical principles at all times, as well as offered the participants the surety and peace of mind that the information gathered during the interviews would be used solely for academic purposes and not prejudice the interviewer nor the organisations that each of them represented.

Confidentiality

The participation letter and the consent form included confidentiality and anonymity clauses to preserve the protection and privacy of the participant and the organisation that he or she represented. During the interview, the researcher assured the participants that all the information shared would be protected and only disclosed given their consent. Refer to Annexure B.

Research and the participant relationship

Orb, Eisenhauer and Wynaden (2000) argued that in a qualitative research study, the co-relationship between the researcher and the participant is that of an ethical bond and that an ethical principle must always be maintained (Orb, Eisenhauer, & Wynaden, 2000). In keeping with the ethical code of conduct prescribed by Orb et al. (2000), the researcher further maintained that no personal or evasive questions were asked during the interview process (Orb et al., 2000). The researcher further maintained that no company or competitor specific issues were directed at the respondents that would either make them uncomfortable or cause them reputational harm or cause them to withdraw from the interview process (Orb et al., 2000). The researcher maintained this principle during the interview by ensuring that the focus was kept on the research itself and not on any potential conflicts of interest, given that the researcher has an extensive career in financial services with a vested interest in developing a digital self-service channel offering for his current employer and potentially for future employers.

The researcher had conducted five out of the ten interviews as face to face discussions. These interviews were conducted as the business premises of the respondents at a time and date that suited them.

The remaining five interviews were conducted telephonically, due to availability, last minute changes in the diaries of both the respondent and the researcher, and logistical challenges faced by the researcher. The telephonic interviews were conducted using the researcher's cell-phone which posed challenges such as recording of the interview, network signal, clarity of the voice, and cost of communication.

4.13. Limitations of the study

It is important to note that the qualitative nature of the research study in itself poses many limitations. The study could potentially be impacted by the researchers biases and shortcomings since the researcher is positioned as the primary instrument for data collection, gathering and analysis (J. Creswell & Miller, 2000). The perspective covered in the research study, focuses primarily on the business's perspective of the digital self-service channels, and not directly from the end customer's view-point. The use of non-probability sampling implies that the sample is not illustrative of the entire emerging market population (Saunders et al., 2012). It is important to further the timing of the study since it was done at a particular point in time of the development, maturity and adoption of digitisation, hence it cannot be fully representative of the ongoing digital channel landscape. The research study had covered a few South African and multi-national companies within a limited number industries and sectors, and therefore cannot be fully extended to all industries, and sectors across the all emerging market countries as a basis of truth.

4.14. Conclusion

The purpose of chapter four was defend the researcher's rationale and to explain in detail, the method, design and construct of the research study that was used to extract the responses from participants in order to achieve the research objective of answering the research questions, given the limitations, reliability, significance and validity considerations within the research study.

CHAPTER 5: RESULTS

5.1. Introduction

In this chapter the outcomes of the research study are presented based on the 10 interviews that were conducted across different companies and industries that engage customers directly using digital self-service channels. The data collection method was done using semi-structured telephonic and face-to-face interviews across the sample of South African company representatives. The sample included representatives from a mixed set of medium to large corporate companies, technology service providers, and start-ups. The companies that were included in the sample offer a mixed of B2B and B2C customer offerings, but the respondents were specifically from company divisions that offer B2C products and services via digital self-service channels.

A mapping exercise was used to structure and present the finding of the research study. This was achieved by linking the research objectives and the research questions to the discussion guide questions. Most of the discussion guide questions were linked to a specific research question and the theme that each research question sought to answer was used to present the research results.

The four research questions are stated below for ease of reference:

- Research question 1: Is the cost of sale and cost of service through digital self-service cheaper than traditional channels?

- Research question 2: What are the retention effects and customer satisfaction rates for those using digital self-service?

- Research question 3: How do digital channels overcome barriers to customer acceptance, and adoption?

- Research question 4: How do digital channels assist in penetrating new market segments?

5.2. Summary of interviews and respondents

Table 2 : Summary of the interviews

Description	Quantity
Number of interviews	10
Duration of the interviews	6 hours and 54 minutes
Average interview length	45 minutes and 08 seconds
Longest interview duration	58 minutes and 12 seconds
Shortest interview duration	33 minutes and 44 seconds

Table summary 2 shows the mean, average and mode of the duration of the interviews, as well as the total talk time incurred during the research interview process.

Table 3 : Respondent list

Order	Designation	Coding
1	Head of digital – Retail insurance	B1
2	Chief Executive Officer	A1
3	Head of commercial	B2
4	Head of digital	B3
5	Senior Business Development Specialist	C1
6	Commercial executive	B4
7	Head of digital channels	B5
8	Head of digital technology	B6
9	Divisional CIO	C2
10	Director of consulting	C3

The respondents are listed in table 3 in order of the interview schedule. The respondents were not divided into categories or grouped further as the respondent's level of seniority within their respective organisation was deemed irrelevant to the research discussions. The sample selected were all senior management were are responsible for the profit and loss of their organisations respective digital self-service channels. The final coding tables for each question can be found on Annexure F.

Should the researcher's sample had included participants from differing levels of seniority then only for ease of reference and differentiation of the interview feedback, the researcher would have grouped the respondents accordingly.

5.3. Findings for research question 1

Research question 1:

Is the cost of sale and cost of service through digital self-service cheaper than traditional channels?

This research objective is designed to clarify the cost benefits and efficiency gains if any, by engaging consumers through digital self-service channels. Understanding the cost benefits gained, and opportunity cost will serve as a motivation for future strategic growth.

Table 4: Themes for question 1

Rank	Themes	TC	FS	VC	RL	OM	PL	SV	AV	JE	TD	Count	Total
1	Cost benefit and efficiency	12	6	4	7	2	2	5	1	8	3	10	50
2	Social influence	3						1			1	3	5
3	Human touch needed		1	1			2					3	4
4	Company strategy										4	1	4
5	Innovating for future				3							1	3
6	Age bias		1	1								2	2
	Total	15	8	6	10	2	4	6	1	8	8		

5.3.1. Cost benefit and cost efficiency

Results from table 4, show that Cost benefit and efficiency as having featured prominently amongst all the interview respondents.

The types of digital mediums, channels and interfaces that the respondents noted most frequently were, online, mobile app, kiosks, USSD, and mobi. The theme that was most prominent was the cost benefit or cost efficiency of engaging clients through a digital self-service channel.

Nine out of the ten respondents stated that the cost of servicing their clients through the various digital mediums available such as online, mobile app and integrated voice recording as compared to traditional channels of customer engagement, such as branch, call centre, broker, and retail stores, was significantly cheaper. A total count of 35 mentions across all research participants were made during the research interviews, indicating that digital self-service channels are cheaper from a sales and or servicing perspective.

> *"The development cost of an app is very much more expensive as it must cater for a number of different phones, Android, OS, phone make, screens, and different forms testing, man-power goes up. A .coza is a one size fits all approach. USSD needs to be tested across different networks. Most networks are standardised. Look I can tell in terms of branch, USSD is a few cents compared to branch. We have an SLA charge to a product charge. Levy gets charged to a product house."*
> JE

Another respondent JE who supports the finding that digital is cheaper, also stated that the cost to develop a mobile app and to make it smartphone agnostic incurs a huge cost outlay. Development, testing, marketing and hosting costs of the app in some cases do not recover the capital expenditure due to the short life-span of mobile apps. The average life span of mobile apps was noted as being 6 months from the time of release.

> *"In our call centre, all digital leads cost R500 per sale loaded cost to acquire, by placing the ad on google or other. There is no way we will pay R500 per sale via digital. We seek the drivers towards that channel to get people to click on that page. There will be cost displacement by moving away from call centre. Banks have done us an injustice cos they tell their clients everything is cheaper via an ATM for example, were as in insurance, there is an expectation that it is cheaper to the clients but realistically it isn't always true. Customers must feel not only convenience but also value for money to them then there is an opportunity there."*
> OM

One respondent noted that by positioning a product or service cost reduction via digital channels creates an expectation within other industries that a reciprocal cost reduction is possible across all digital self-service channels. The example cited was the use of a banks' ATM network versus the bank branch network, were customers are encouraged to use the ATM network with the benefit of reduced costs to manage cash and 24-hour availability. The expectation that the digital self-service channel can deliver a cheaper product in the insurance industry were distribution, risk and persistency are priced into the product are not always possible.

"The economics are favourable on digital; customers are more profitable via digital channels. It is cheaper via digital on a cost per sale and cost per lead basis; as a benchmark we have driven our cost efficiencies very well." TC

Three respondents noted that digitisation has created efficiencies and made their organisations more scalable. These factors are contributing factors to the positive sentiment regarding the cost benefit and cost efficiencies that are a result digital self-service channels.

The respondents also noted that the cost of a branch network, its associated infrastructure and human resources required make the traditional model very costly to establish and maintain.

"The cost of servicing the customer digitally is a fraction of the cost based on call centre, branch or sales infrastructure. On a per unit basis it is fractional." FS

"If we get a million customers onto our app or website it doesn't mean much whereas a company like Google for example, a million customers is great. For needs based and transaction based. For needs based, like yellow pages if you get a million searches, that is great. Some people are chasing app downloads, total number of transactions, IVR usage. In our case, we look at IVR usage, app downloads/usage. How has self-service decreased usage in the call centre, and if so self-service increases." RL

The benefit of an increase in digital self-service channel usage, potentially means a decrease in the customer engagement through the organisations traditional channels. Due to the high cost of the traditional channels, a low usage of such equates to a cost saving provided the clients are switching to the digital self-service option available.

The cost benefit was apparent as a key theme in support of the digitisation of self-service channels. All ten respondents confirmed that overall, their digital self-service channel was a cheaper medium of client interaction as compared to the traditional channels.

Eight of the ten respondents conceded that within their respective organisations, digital self-service is cheaper to acquire and service clients through while one respondent who stated that the cost to acquire via digital had attributed his high acquisition cost of digital advertising through his company's respective advertising agency. The remaining tenth respondent confirmed that his organisation had not reached the stage of acquiring clients through digital at the time of the interview.

> *"Cost to acquire and cost to sell are much higher in branches than on digital platforms. Branch requires infrastructure investment and need to hire people on an ongoing basis. Cost in branches are much higher than digital. Our costs on the digital platform are much lower."* SV

> *"We measure ourselves in terms of cost per sale/lead as a benchmark; we have driven our efficiencies very well in terms of overall cost of sale and cost of service."* TC

> *"About R150 per customer per query, fully loaded cost in branch. Under R1 for digital queries and scalability is not an issue. To open a branch costs infrastructure."* JE

All respondents conceded that cost to service and cost of sale on a per unit basis is cheaper than traditional channels. USSD as a channel medium was noted as the cheapest and most ineffective way to communicate to clients. USSD was also noted as being used most frequently by low-income earning customers due to it being cell-phone agnostic, low cost to the consumer as well as the simplicity to use.

> *"R30 per call in the call centre versa vie R0.50 for servicing via digital. Across the different digital platforms, the cost to serve is R0.50 and it is a lot cheaper from the company perspective but the customer feels different but it is good for our bottom line. For now, servicing only, in future full acquisition cradle to grave."* RL

The perceived ultra-low cost of acquisition and servicing in comparison to traditional channels, appears to be a consistent with the theme of a cost benefit across the interview respondents. The cost benefit has become a significant motivating factor to encourage organisations to pursue a digitisation strategy, as companies seek cost effective and efficient ways of doing business. A cost benefit is a fit for purpose growth strategy as growth and bottom line profit become priority to an organisation to remain relevant and competitive.

The growth or company strategy that the participants mentioned, is to migrate clients onto the digital platforms or focus a significant amount of time, money and resources on acquiring or servicing clients via a digital self-service channel. The growth strategy of pursuing a digital channel strategy must resonate with its customer base in order to gain acceptance and adoption.

> *"We have changed our business model to serve our clients due to internet and mobile becoming pervasive. To be digital, you need to be more human."* TD

> *"We put a lot of effort when speaking to customers. The first option is to go digital first. The bank strategy is to go self-service. We are good at what we do and our customers are tech savvy. Our customer demographics are tech savvy which plays in our favour unlike other banks."* JE

The respondents noted that it is the company's prerogative to pursue a digital self-service channel. Respondent TD notes that being digital means being more human whilst respondent JE states that their customers are already tech savvy which works in their favour as a digitally focused organisation.

In some instances, the growth strategy of driving digitisation may not necessary resonate with the customer strategy which may in some instances impede the customer acceptance and mass adoption, since the digitisation may be viewed as forced channel participation.

> *"I think that when it comes to acquiring new markets, we have done that very well. The digital business in our organisation ensures that we use digital for retention. There is a strategy to get customers onto digital. We are doing a number of things like improving the quality of our app and to make it easy for them to migrate over or enrol."* SV

> *"Biggest challenge is rate/speed of delivery. Firstly, internally, executives want it tomorrow and you have to plan and you already have a roadmap which you build for the year. That is one of the major challenges. The rate of innovation lags behind rate of delivery. The omni-channel strategy which is great and will solve a lot of problems for the organisation but the problem is getting it implemented so we started breaking it down bit by bit. The second major challenge, from an exec perspective, everything is digitisation and their opinion is that it must solve everything at a service centre or call centre. In reality it won't replace traditional channels. The two must be complimentary and provided you put it together properly. For us it's about repurposing people who you hired in those roles. For us it's not about reducing head count and some a responsibility perspective, it doesn't help to cut heads. There's the idea that this is the silver bullet, but it's more important to manage expectations"* RL

According to respondent RL, there is a misconception that digitisation will solve everything, and hence the sense of urgency for implementation. Respondent RL is adamant that digital won't replace traditional channels, as traditional is a significant contributor to the organisations omni-channel client strategy.

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5.3.2. Other notable themes

Efficiency and scalability

Five respondents had noted that digital self-service had paved the way for business and operational efficiencies, whilst also allowing for scalability without the need for added infrastructure such as human resources and in some instances brick and mortar such as retail branches or office space which are costly to an organisation. The respondents noted actual examples of highly efficient and adopted digital self-service channels such as the South African Revenue Services electronic filing system (SARS e-filing).

> *"We have driven our efficiencies down very well."* TC

> "The experience at SARS (e-filing), for me it takes away back-office process, streamlines efficiently and quickly." OM

> *"Under R1 for digital queries and scalability is not an issue; to open a branch costs infrastructure."* JE

> *"In our digitisation journey, the biggest problem is the culture were the organisation is accustomed to doing things in a certain way were they apply a proven method over time and now you tell them you are going to do something unproven and in a different direction. Also a lack of knowledge in the journey. Systems need to be upgraded because they do not support the digital requirements. Clients have been demanding that the organisation moves in the digital way."* SV

Older and more established companies do suffer from legacy fatigue but with the implementation of digital self-service channels, the organisations are having to move away from legacy and develop systems and processes for future purpose.

People are starting to work across functions, breaking down silos in order to provide customers with an end to end digital experience, which require back end processes to support the digital customer journey. Digitisation is leading with the initiatives to

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modernise systems and processes which in most cases should ease the legacy but not remove it completely as a short to medium term goal.

5.3.3. Summary of research question 1

The key finding is that economic value gained is evident across all respondents who claim that the unit cost of sales and cost of service is much cheaper than that of traditional channel engagement. The efficiency and potential for scalability were also noted as key themes derived from the research discussions while less evident themes such as the element of social influence and human touch were also noted in the qualitative comparative analysis.

5.4. Findings for research question 2

Research question 2:

What are the retention effects and customer satisfaction rates for those using digital self-service?

This research objective is designed to understand the effectiveness of digitisation channels retention and satisfaction amongst its users, as well as the company's net promoter score for its digital self-service customer client base in relation to the rest of the organisations customers.

Table 5: Themes for question 2

Rank	Themes	TC	FS	VC	RL	OM	PL	SV	AV	JE	TD	Count	Total
1	Human touch needed				10				1			2	11
2	Digital is consistent	2	1	1	3			1	1			6	9
3	Customer experience	1						3		2		3	6
4	Measured manually						1			2		2	3

5	NPS subjective			1	1							2	2
6	Age bias					2						1	2
	Total	4	3	2	14	2	3	5	2	4	1		

5.4.1. Net promoter score (NPS)

The net promoter score did not appear to be a consistently popular measurement criteria amongst some of the companies who maintained successful digital self-service channels. Out of the 10 respondents, two indicated that they did not know their companies net promoter score or customer satisfaction scores, while another two respondents acknowledged that their companies did not differentiate its Net Promoter Score and Customer Satisfaction on digital channels from the traditional channels.

> *"Touch-point NPS higher on digital channels; it is hard to compare like for like across channels."* VC

> *"We look historically as what the channels have done and we try and correct certain aspects of the channels that customers are complaining about. We don't separate the traditional channel customer for NPS from the digital customer NPS. With NPS we look at the typical customer across channels and how satisfied he is as a whole regardless of which channel and try and correct whatever aspect."* SV

Respondents SV and VC noted that their digital channel is not being measured separately from traditional channels. This indifference means that it is not possible to distinguish the NPS of a digital self-service channel versus a traditional channel within the same institution.

> *"We don't look at NPS too much because it is too subjective. By asking how you would recommend this product to friends or family. We might be providing the best service. You will rate the service negatively if you had a bad experience on the whole even though your issue was resolved."* RL

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> *"We have just done customer satisfaction test and net promoter score but no stats available as yet for branch vs broker vs digital"* TC

Respondent RL noted that their organisation views the Net Promoter Score (NPS) as being too subjective hence they only refer to a Customer Satisfaction index only. While respondent TC could not provide the results at the time of the interview, as his organisation had just completed doing its NPS and CSAT surveys.

> *"Inherently, because the customer experience is consistent in digital so the NPS is always high as compared to traditional. All digital banking in transactional led and not really service capability built. Digital doesn't solve queries in general."* JE

Respondent JE firmly pointed out that the customer experience is inherently consistent on digital channels therefore the NPS is consistently high, although digital is not at the stage where is can solve customer complaints and issues.

5.4.2. Customer satisfaction (CSAT)

Six of the respondents noted that the customer experience is consistent in digital self-service channels so the NPS for customers using digital is always high as compared to traditional channels.

> *"We do not have scoring systems; our staff and outlets interact with the customers to gauge happiness"* PL

Respondent PL indicated that their customer satisfaction is measured by using retail consultants to measure the satisfaction levels. This is done in a manual way by discussing the happiness factor amongst their customer base. This method is highly subjective since the dependency lies with the person asking the questions which also poses a number of bias within it, as does not fit an end to end digital self-service strategy.

> *"Still early days. I can't really tell you what the ongoing level of satisfaction is. Those who have purchased are overwhelm happy and rating 4 to 5 out of 5. This is the way it should be"* FS

Respondent FS uses post purchase questionnaire as a rating scale and is confident that the digital sales and service that his company provides yields a consistently high satisfaction ration.

> *"We are measuring against specific items such as IVR, service centre, call centre etc. That is our major measure from a corporate objective perceptive with a target of over 80% by the end of the next financial year. On self-service our CSAT was very high. Call centre does have a higher CSAT than self-service but our call centre is that good and 90% of the time the experience is that phenomenal. You don't have that facility with self-service."* RL

Respondent RL statement affirmed that CSAT is very high over their IVR, walk-in service centre and call centres which constitute traditional channels. This finding does not align to the feedback provided respondents SV, VC, FS, JE, AV, and OM as they did not mention the dominance of a call centre or human interaction as part of the CSAT results.

The high CSAT results for traditional channels overrides the assumptions that the researcher made regarding the CSAT results for digital self-service channels which are synonymous with a consistent customer experience.

5.4.3. Human touch needed

Referencing Table 5, the theme of the human touch was noted as the key enabler for achieving the highest rates of customer retention and customer satisfaction as compared to a digital self-service environment.

The next prominent theme is that customer retention and customer satisfaction indexes are highest when there is a human interface or warm body experience. The human touch is key to customer retention, which requires a degree of empathy and only a human interface is capable of providing consumer empathy, therefore usually call centres have a higher customer retention ratio than digital self-service channels. Some of the traditional channels that were noted include walk-in service centres, branch network and call centre, as key role players in driving customer retention.

> *"Branch drives activity and sales. Costs tend to shift from an infrastructure brick and mortar, and people perspective to an advertising and marketing perspective."* FS

> *"*Someone comes onto traditional to cancel their subscription on self-service and we say thanks for letting us know. On traditional, an email is sent to the retentions team who picks up the phone and retains the customer. The retentions team are incentivised. The fact that you're speaking to a warm body and there is empathy and in any environment banking, medical aid, telecoms etc the retention ratio is higher through call centre than self-service." RL

According to respondent RL, retention is highly dependent on a human touch through the use of a service centre or call centre, whilst respondent FS also noted that branches have the capability to drive servicing and sales activities.

> *"Based on a previous study done 2 years ago that we have done, as to why customers call the call centre as opposed to using the self-service channel, people want a warm-body to speak to. That is a learnt behaviour."* RL

Respondent RL goes further to say that the warm body experience that the customer desires or has an affinity to, is a learned behaviour. A warm body experience is a complete contradiction to the strategy and overall intention of driving a digital self-service channel. The point raised by RL, leaves the question of whether the two channels should live together, support each other.

Expanding on the theme of human touch, it appears that as digital self-service channels become more pervasive, they need to become more humanised if the growth strategy is to drive down the infrastructure costs of traditional channels.

5.4.4. Customer experience and consistency

> "Showing value; it comes with having that piece of insight that customer insight. You need to know customers moments of truth and knowing customers buying decision patterns and seeing were you can plug into that gap; Journey is consideration, evaluate the purchase, then you actually make the purchase, then you move back into it; With a loyalty loop, you remove the consideration and evaluation processes. Know the customer moments of truth. It is classic customer strategy of which you place a digital lens on top of." TC

> "Inherently, because the customer experience is consistent in digital so the NPS is always high as compared to traditional." AV

Consistency of the digital self-service experience was noted as a positive aspect of the customer experience, were the experience is not dependent on a human interface which is linked to human behaviour and at times inconsistent.

The overall consensus and most pertinent theme is that digital channels create a consistent customer experience so the net promoter score or customer satisfaction levels are usually high as compared to traditional channels. An exceptional customer experience is built on customer insights which means understanding the customer journey and customer moments of truth. These moments of truth are defining moments in captivating the users experience to ensure satisfaction and retention.

5.4.5. Other notable themes

Other themes that emerged from this research question were:

Customer engagement

> *"We look historically as what the channels have done and we try and correct certain aspects of the channels that customers are complaining about. We don't separate the traditional channel customer for NPS from the digital customer NPS. With NPS we look at the typical NB customer across channels and how satisfied he is as a whole regardless of which channel and try and correct whatever aspect."* SV

> *"We are measuring against specific items such as IVR, service centre, call centre etc. That is our major measure from a corporate objective perceptive with a target of over 80% by the end of the next financial year. On self-service our CSAT was very high. Call centre does have a higher CSAT than self-service but our call centre is that good and 90% of the time the experience is that phenomenal. You don't have that facility with self-service."* RL

Respondents SV and RL noted that enriched engagement is used to strengthen the customer relationship. This in turn improves the retention and satisfaction levels of their customers.

> *"When you develop something and you trying to get customer feedback, the very first element is education and tell customers that we know it doesn't work 100% and tell us where the deficiencies are. We rather deliver at 90% and help us get to the 100%. We have found that the uptake on that is a limited audience but we get a greater buy in due to them being part of the process. Its not the kind of project that people see and automatically decide that this is better."* PL

Customer engagement and customer feedback are also themes that were noted in the research interviews by RL and SV. Customer engagement and feedback allows the organisation to analyse and correct certain aspects of the channels that customers are unhappy about. Respondent PL affirmed the view of respondents RL and SV of high customer engagement and to create and management expectations through the customer life-cycle journey.

5.4.6. Summary of research question 2

In general, customer satisfaction ranks as a positive indicator for customers using digital self-service channels although customer retention and high levels of customer satisfaction are achieved using the human element as part of the engagement process; motivating customer retention and customer service through digital self-service is achieved by maintaining a consistent customer service and customer experience model of engagement. The human element cannot be assumed to be irrelevant in the customer's lifecycle journey. The concluding evidence in research question 2, appears to recommend that digital and traditional channels must co-exist and there is still a need for the traditional channel.

5.5. Findings for research question 3

Research question 3:

How do digital channels overcome barriers to customer acceptance, and adoption?

The objective is designed to understand what strategic or tactical initiatives organisations have implemented, in order to gain customer acceptance, overcome barriers to mass adoption, or increase usage of the digital channel offering.

The objective extends further by gaining insight into how successful organisations transcend their customers from being primarily face to face acquiring and servicing to offering full scale digital self-service channels; as well as how to migrate consumers from traditional channels to digital self-service channels.

Table 6: Themes for question 3

Rank	Themes	TC	FS	VC	RL	OM	PL	SV	AV	JE	TD	Count	Total
1	Customer needs	6			7	1	1	3	5	2	3	8	28
2	Cost benefit and efficiency		2	2	5				1	6	2	6	18
3	Perceived value	3	1	2	2	1	1	1	2	4		9	17

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#	Theme												
4	Education			2	2		3	3				4	10
5	Social influence	1	4	1	1	1						5	8
6	Customer journey	2			1		1		1			4	5
7	Limitations of apps	1	1	1						1		4	4
8	Brand trust		1			1				1		3	3
9	Human touch needed			2	1							2	3
	Total	13	9	10	18	4	6	7	9	14	5		

5.5.1. Customer needs

The theme of customer needs was highlighted by at least 8 of the respondents with 28 mentions through-out the interviews. The customer needs appears to be central to the acceptance and adoption needs of the organisation.

> *"If people don't buy into the value proposition then people won't use it. First time use is very limited, and if it doesn't work the first time, people will immediately disengage. This is where your value proposition must be so much stronger. You must have something that will make them comeback."* JE

> *"The biggest problem is that we have reached a point in society that when we launch something everything is expected to work 100% the first time. If the Wright brothers had engaged the stakeholders long enough there would have been a need for bigger engine, need for food, more cabin space etc. they would have given up. There were alternative forms of transport already available. They just wanted to prove 1 thing that they could fly a plane. In 2016 society would not be happy in 2011 because they know it would fly but disagree on where they would be sitting on it. So the expectations are a lot higher now."* PL

According to two respondents, it is vital that a client's first time experience is compelling and satisfies the clients need, otherwise the client could become completely disengaged and the opportunity of acceptance will be foregone.

> *"Showing value; it comes with having that piece of insight that customer insight. You need to know customers moments of truth and knowing customers buying decision patterns and seeing were you can plug into that gap; Journey is consideration, evaluate the purchase, then you actually make the purchase, then you move back into it; With a loyalty loop, you remove the consideration and evaluation processes."* TC

Respondent TC noted that customer insight is key to understanding the customer buying decision patterns as well as predicting the repeatability of the customer. In respondent TC's response, it was important that customer gaps or needs were addressed in the journey as part of the customer decision making process.

5.5.2. Perceived value and customer needs

In addressing the research question above, a few themes featured prominently within this research discussion objective. Firstly the customer value proposition appears to be the most important aspect in increasing customer interactions and gaining mass adoption.

A relevant customer value proposition addresses the customer needs, customer insights, maintains customer engagement and creates a customer experience which will ensure customer acceptance and adoption thereafter.

> *"We haven't migrated the transaction and not the customers. We have not solved for the customers' needs and burning issues."* AV

Respondent AV was adamant that adoption fails due to the organisation only meeting the transaction need of the customer and not necessarily solving the burning customer needs.

> *"Know the customer moments of truth. It is classic customer strategy of which you place a digital lens on top of."* TC

Respondent TC on the other hand spoke strongly of showing the customer value, but value with customer insights which lead to customers having moments of truth. In respondent TC's customer journey narrative, it was imperative that customer gaps or needs were addressed in the journey as part of the customer decision making process.

> *"From the customer, it is about getting them to buy into the channel. Need to translate the brand trust into conviction, belief and trust in using the future channel."* OM

> "*High success of USSD in mass-market; USSD has been around for a while and is platform agnostic; there are more downloads amongst mass-market customers due to a wider penetration of smartphones into mass-market.*" VC

Respondents VC noted that smartphones are a key enabler in their organisations target market, more specifically mass market consumers, whilst respondent OM believes that the mass market consumer needs to establish trust and belief in the brand first without even considering the smartphone accessibility of the mass market consumer.

5.5.3. Customer education

The educational factor was counted at ten occurrences by four of the respondents. Education as a driver towards adoption needs to be embedded in the customers' journey according to the following respondents.

> *"Smartphone is the driver together with education; need to build an eco-system that forces the customer to act online."* VC

> *"We are trying to inform our clients in advance about a feature that is coming. We drive through education and prepare them. Education is done through emails, website etc. when your functionality is coming online. We also involve our customers. We talk about co-creation so we involve them. We talk to groups of customers."* SV

> *"Customers are saying it was fantastic and they will do it again. Getting it right is an education process."* FS

> *"When you develop something and you trying to get customer feedback, the very first element is education and tell customers that we know it doesn't work 100% and tell us where the deficiencies are. We rather deliver at 90% and help us get to the 100%."* PL

Respondents VC, FS, SV and PL noted that an educational process or element is required during the customer journey or life cycle in order to get adoption right. Respondent SV noted that education is filtered down the customer using email and online prior to the functionality going live. Respondent FS further notes that educational process is fundamental to getting the process of adoption right. Respondent PL noted that education is the first element of the customer lifecycle journey pre and post customer on-boarding.

5.5.4. Social influence

Five respondents indicated that a social influence via social media was a key driver due to the low cost medium of customer communication and advertising. Total mentions of statements related to social influence were counted at 6. Ease of use, simplicity and transparency were included in the social influence due to the role they have on being positive social drivers and contributing to social influence.

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> *"I need to solve the customer problem or push content. Now we are on digital media and social media. We are attracting a younger market and it is preferred through the social media channels."* RL

> *"If we want customers to trust us then our social media presence must be elevated."* OM

> *"Young consumers are living in a social media world were the strongest recommendation is not made by TV adverts but made by your peer group. Displaying that to other consumers. Stronger validation. If you go onto a website and see, it is brilliant. Facebook is used by 14million South Africans. There is definitely a bias. We are building our business to specifically attract the digital savvy customer and not the old granny living in northern Kwa-Zulu/Natal."* FS

> *"Made us much more efficient; Ease, simplicity and transparency; acquiring clients via Facebook; geo locate; matching existing customers on Facebook"* TC

> *"Social media platforms such as twitter, Facebook etc. have made it much easier for customers to interact with the organisation. Due to the always present or on nature of digital, organisations have to think about how to keep their customers engaged by running competitions etc. through these channels. The interactions are now much richer."* SV

Respondents OM, RL, SV, TC, and FS were adamant that the future of digital channels lies in the organisations ability to socially drive and influence behaviour of existing and would be customers. Companies are designing for the future and the future they refer to is social media and being highly socially engaged by creating networks of influences in their adoption and customer life-cycle journeys.

The respondents mentioned the promotion of customer engagement and transparency through social influence with only one of the five respondents noting the younger age

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demographic as a link to social influence, whilst the other respondents did not liken any age demographics to social influence.

5.5.5. Customer journey

The customer journey was mentioned five times by four of the respondents.

> *"The adoption lifecycle is a lot slower than we like it to be. We had this initial idea, if you build it they will come. We had a feature rich offering. We didn't pay attention to the customer needs, so that enabled us to go back and learn what the customer wants from a product self-service mix. We did not push hard enough cos we don't feel that we have the best solution yet. It is mostly organic growth. Once customers find out that self-service works for them then they stick and rarely go back to call-centre. The trick is getting them there."* RL

> *Customers are slow adopters. Solve the adoption problem slowly, very slowly."* AV

> *"Customers will adopt very slowly."* TD

Three respondents TD, AV, and RL noted explicably that in their experience, the customer adoption journey is a slow process, as it is the customer who is adapting to the organisations strategy. It is not the organisation that is adopting to its consumer base. The three respondents asserted that emerging market digital self-service channel adoption is slow and can only be done at a slow pace unlike developed markets which adopt at a faster rate.

> *"In our digitisation journey, the biggest problem is the culture were the organisation is accustomed to doing things in a certain way were they apply a proven method over time and now you tell them you are going to do something unproven and in a different direction. Also a lack of knowledge in the journey. Systems need to be upgraded because they do not support the digital requirements. Clients have been demanding that the organisation moves in the digital way."* SV

Respondent SV noted that the organisations culture and internal working mechanisms such as systems, people and processes will need to adapt to the digital strategy. The cultural changes together with clear communication and change management are required. Respondent SV also stated that their systems which include internal processes needed to be aligned to support a digital strategy in order to become more effective. According to respondent SV, the digital strategy is a result of his clients demanding change, unlike other companies who enforce the digital strategy onto their clients.

> *"We have restructured the way we interact. Banking acquiring strategies are now 100% digitally focused."* TD

Respondent TD affirmed the comment by respondent SV by stating that their organisation had to be restructured in order to be an effective role player in their digital self-service channel. The restructuring appears to be paramount for an existing organisation were fundamental changes in systems, processes, and people are required to synergise and effectively integrate with a digital self-service product, service, or channel. According to respondent TD, they are focusing their digital strategy on acquiring and not on servicing.

> *"Adoption is a big challenge because in a digital business if you build it customers will pour into purchase." "Building awareness of the brand, proposition and trust in the brand. Driving traffic towards your website through various digital marketing techniques. Implementation of a multi-channel approach. If the customer comes to my website and chooses not to purchase, can I follow up with the customer with a special offer via email or a call centre call. Our challenge is to drive a multi-touch model whereby we will touch the customer a number of times with an appropriate offering in an attempt to increase our sales outcomes. That needs to be a deliberate design and process. They will build some process that's kind of new, launch and not get the traction. At the end of the process we ask customers to rate us and overall customers are liking the experience. Customers are saying it was fantastic and they will do it again. Getting it right is an education process."* FS

The adoption process is integrated with the customer's lifecycle journey. Respondent FS noted that as part of the customers' journey, he or she must build awareness and trust in the brand, while also understanding and being educated on the process, product and channel. Respondent FS was very adamant about offering a multi-channel approach to customers or omni-channel approach which serves to drive a multi-touch client model. This action increases the customer engagement which is a key retention tool as stated in section 5.5.1. Cost benefit and cost efficiency and section 5.6.5. Other notable themes. Increasing the number of engagements leads to an increase in sales, according to respondent FS.

> *"Human being or a customer who needs insurance; tailor the customer experience according to the product needs; Product should be insightful; Customer loop based on emotional connection based on customer insights"* TC

Respondent TC on the other hand, emphasises that an emotional connection is needed within the customers' journey. The respondent goes further to mention the creation of a bespoke experience, as well as being insightful to the customers' needs.

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Respondent TC refers to customer insight in the form of addressing the customers burning needs which leads to an emotional connection. The emotional connection leads to customer retention due to repeated purchase.

5.5.6. Summary for research question 3

The barriers to overcome customer acceptance and adoption challenges are noted by the following key themes that were described by the respondents: The customer needs are fundamental to overcoming these barriers; the digital self-service must be ingrained in the company's strategy so that digital self-service can be supported without internal friction; The customer needs must align to the customer value proposition that is being positioned to the client; the process of adoption is achieved through the themes mentioned within section 5.7 as well as reinforced by a strong educational drive; followed by social influence and embedded into the customer journey

5.6. Findings for research question 4

Research question 4:

How do digital channels assist in penetrating new market segments?

The objective seeks to understand if there exists a specific demographic bias in the consumer adoption of digital self-service channel usage. Does the organisations intent of penetrating new consumer markets correlate with the actual consumer markets on boarded?

Table 7: Themes for question 4

Rank	Themes	TC	FS	VC	RL	OM	PL	SV	AV	JE	TD	Count	Total
1	Social influence	2	2		4	5		2		1		6	16
2	Customer value proposition	2	2			2	1	6				5	13
3	Customer experience				1			2	4	1		4	8

4	Innovating for future		2				3					2	5
5	Age bias			1	1	1						3	3
		4	6	1	6	8	1	13	4	2	0		

5.6.1. Social influence

Firstly the social influence appears to be the biggest contributor to growing market share or penetrating a new target market via the digital self-service channel.

> *"Like Michael Jordaan talks to people on Twitter unlike how we communicate in a scripted way. There is no social connection with non-transactional things with our customers. We have a lot of catching up to do. If we want customers to trust us then our social media presence must be elevated."* OM

Respondent OM noted the influence of organisational representatives on social media. The discussions led by these individuals, does not need to be transactional led but can be on the company, product or channel under discussion.

> *"Acquiring clients via Facebook; using geo-location; matching existing customers on Facebook"* TC

Respondent OM noted that in order to penetrate a new market like the youth market, the organisation must start speaking the language of the youth across their digital and social media marketing.

> *"I think that the customer is not as yet choosing a bank based on the banks digital offering. They bank at the same bank as their boss cos that's where the money gets paid from."* AV

Respondent AV noted a different point of view to the social influence from an Africa perspective from respondents TC and OM. Respondent AV noted that within their African business units, employees tend to bank at the same bank as their employer. This phenomenon leads one to assume that either the employee has no other choice or is simply assuming a quicker payment of salary or wage transfer by banking with the same bank.

5.6.2. Customer value proposition

The second theme that was prominent was that the respondents mentioned having a strong value proposition in order to penetrate a new market.

"We need to keep showing value" TC

Respondent TC noted that in order to continuously engage and retain clients, the digital channel must keep showing the customer value. This means constant evaluation of the customer value proposition in order to remain relevant and competitive.

"I think that when it comes to acquiring new markets, we have done that very well. The digital business in our organisation ensures that we use digital for retention. There is a strategy to get customers onto digital. We are doing a number of things like improving the quality of our app and to make it easy for them to migrate over/enrol. We regularly inform them of digital channels." SV

"Now we are on digital media and social media. We are attracting a younger market and it is preferred through the social media channels. Not essentially a new market per say in SA." RL

The value proposition must speak to the desired market. As stated by SV, the proposition needs to be constantly communicated to the customer base. SV also noted that their strategy is to use digital as a retention tool, although respondent RL notes that in Section

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5.6.5, that the traditional channels are better suited for retention with a proven higher retention rate than that of digital self-service channels.

5.6.3. Customer experience

Customer experience was counted eight times from four different respondents.

> *"We are trying more to enhance the experience of our existing customers using digital channels so that we can communicate more effectively, regularly and that influences the individual's circle of friends. We rather use it as a tool to enhance the experience and a result is the influence of customers over others."* PL

The customer experience as a theme was highlighted by respondents AV, and PL were it became clear that customers are less forgiving of a bad experience over a digital self-service channel than they are over a traditional channel.

> *"Customer experience is becoming more critical and can count against you. Customers are becoming less tolerant of the old processes and systems. No seamless integration of platforms."* AV

5.6.4. Innovating for the future

> *"Here it is just another channel; we just want a seamless way of interacting across all channels including traditional channels; Back end processes must support digital channel"* VC

> *"The middle markets, the average person want to be called during office hours. Our target market wants to do business 4:30am. That is the advantage of a self-service model; available 24/7, 365, you do it when it suits you. That is the type of consumer that we hope to reach and our solution speaks to those markets."* FS

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> *"We have restructured the way we interact. Banking acquiring strategies are now 100% digitally focused."* TD

The theme of innovating for the future was adopted from the theme of "cost benefit and efficiency", were the respective respondents organisations are focused on innovating for the future were they believe the market will evolve into.

Respondent VC noted that the digital channel must be supported by frictionless back-end processes, while respondent FS noted that their digital self-service channel is built for the customer in the 3 to 5 year horizon as the market becomes more accustomed and familiar with digital self-service as the method of purchasing and being serviced as a consumer.

5.6.5. Demographic bias

The age bias has surfaced as a theme amongst existing users of digital self-service channels according to respondents PL, SV and OM within their respective organisations.

> "The younger the more tech savvy clients are enjoying the electronic display of information; the older clients have a greater trust in paper and are not as self-service savvy; The difference is based on age;" PL

Respondent PL noted that older aged clients have a greater trust in paper based systems and not swayed by the capabilities of a digital offering. Respondent OM noted that their organisation needs to adapt to the younger market.

> *"The key there is the youth market that I spoke about earlier who will become critical for us. For us to talk to them, we need to speak their language. We cannot continue to sell the benefits of funeral or life cover in the traditional manner, it must excite and appeal to that market. We must come up with clever ways of engaging with them and showing them the value of having protection in terms of insurance."*
> OM

The language barrier was noted as imported to respondent OM since the organisation needs to start engaging the youth market in a manner that they can relate to. Respondent OM's organisation is specifically targeting the youth market which will be a new segment to the organisation.

> *"We're seeing a new, younger generation of consumers who are technologically savvy and highly adapted to the online world. This is particularly true in emerging markets, where 90 percent of the population is under age 30. In Africa, for instance, nearly half the population is under 19, and most young adults have mobile phones. It used to be that banks were always chasing "credible" digital-banking solutions. Now those solutions are here. We're already seeing banks differentiate themselves through digital innovation. They are offering customers single-click access to loan applications and account information. They are tailoring their products to individual customers' needs. In particular, mobile adoption of these kinds of services will be breathtakingly fast, and no one wants to be left behind." Mike Murphy*

An interview done for Mckinsey and Co. by Sven Blumberg and Christian Stüer with Standard Bank's Mike Murphy (April 2016) affirms that there is a market potential of under 30 years of age within emerging markets of adults who are smartphone users, making this a future market for a company like Standard Bank to penetrate.

5.6.6. Summary for research question 4

The sentiments that emitted from researching the capability of digital self-service to penetrate new market segments focused on the following key themes: the organisation needs to apply a significant degree of social influence; create a strong customer value

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proposition that speaks to the needs of the new or untapped market; and the ability to create an exceptional digital customer experience were internal processes supporting the digital channel must be seamless to the consumer.

5.7. Significance of findings

The results in chapter five are based on the following: the frequency of the key findings, mentions and themes that were analysed, calculated and presented in Tables 3, 4, 5, and 6 the results emerging from the four research questions are deemed as being significant. The relevance and significance of the researcher's findings are discussed in greater detail in Chapter 6.

5.8. Validity and reliability

Validity, rationality and reliability in the research process itself, was achieved through a level of consistency and standardisation of the data analysis methodology.

5.9. Conclusion of findings

The main purpose of this chapter was to present the findings of the qualitative analysis that was performed. The research from the four questions yielded results of significance, validity and rationality which confirmed support of the existing literature around digitisation of self-service channels, and also provided factors that were not significantly highlighted previously.

The research findings also shows the key contributors to digital channel customer acceptance and customer adoption, as well as the positive effects of a digital self-service channel.

The research extends further to also highlight the adverse impact of such an initiative for a company that is considering migrating from traditional channels to digital self-service channels.

Table 8: Summary of pertinent findings according to each research question

Research question 1: Is the cost of sale and cost of service through digital self-service cheaper than traditional channels?	The economic viability and feasibility of digital channels are described by the four main themes below: 1. Cost benefit was the highest ranked theme that supported the economic viability of digital self-service channels 2. Social influence was the second theme which was highlighted as having a strong link to customer acceptance and adoption 3. Human touch needed
Research question 2: What are the retention effects and customer satisfaction rates for those using digital self-service?	The effectiveness of digital channels in promoting retention and driving customer satisfaction are attributed to the four main themes below: 1. CSAT and NPS are used to ascertain the retention and satisfaction levels of customers 2. Human touch needed for retention and satisfaction 3. Consistency and experience that digital offers 4. Customer experience
Research question 3: How do digital channels overcome barriers to customer acceptance, and adoption?	The barriers to increasing interactions, overcoming customer acceptance and adoption is described by the following five key themes: 1. Customer needs was the highest ranked theme as described as a factor to overcome the barriers 2. Cost benefit and efficiency 3. Perceived value and customer needs 4. Education 5. Social influence
Research question 4: How do digital channels assist in	Penetrating new markets or expanding existing market share can be attributed by the following four themes: 1. Social influence 2. Perceived value and customer needs

penetrating new market segments?	3. Customer experience

The chapter that follows, aims to comprehensively discuss the findings from the qualitative analysis.

CHAPTER 6: DISCUSSION OF THE RESULTS

6.1. Introduction

In chapter five, the results of the research process which involved ten in-depth qualitative interview discussions were presented. The basis of the interviews was to explore how companies should effectively use digital self-service channels as a growth strategy. In this chapter, the research findings are further analysed and interpreted using the literature review on customer acceptance, customer adoption, customer satisfaction, customer retention, cost benefit, education, and new market penetration. Existing literature was explained in chapter two.

The aim of chapter 6 is to critically evaluate the existing literature as described in chapter two against the interview results to establish validity or disprove existing theories or alternatively extend the existing literature of new findings. The results from chapter 5 are summarised in table 8. A consistency matrix covers the research questions and corresponding theories that will be evaluated (Annexure D).

The four questions that are discussed include the following:

- Research question 1: Is the cost of sale and cost of service through digital self-service cheaper than traditional channels?

- Research question 2: What are the retention effects and customer satisfaction rates for those using digital self-service?

- Research question 3: How do digital channels overcome barriers to customer acceptance, and adoption?

- Research question 4: How do digital channels assist in penetrating new market segments?

The results contained in this research study, serve to contribute to the existing academic literature on digital self-service channels and its link to overcoming mass adoption.

6.2. Research question one

Research question one focused on seeking to clarify the cost benefits and efficiency gains if any, by engaging consumers through digital self-service channels. Understanding the cost benefits gained, and opportunity cost will serve as a motivation for future strategic planning.

6.2.1. Cost benefit and efficiency

Literature by Campbell and Frei (2010), suggests that customers who interact through digital self-service channels, do so to save time and money by not incurring the opportunity cost of commuting to retail stores or branches and waiting in queues (Campbell & Frei, 2010). Respondents were generally not specific about the time and money saved by the consumer, but were strongly in favour of the convenience and opportunities that digital self-service offers to their organisation's existing and future client base. Campbell and Frei (2010) findings support the research of Wentzel et al. (2013) where the customer acceptance and adoption theory on behavioural acceptance and attitude toward technology adoption (Campbell & Frei, 2010; Wentzel et al., 2013). These findings build on Davis (1985) research on technology adoption through perceived ease of use (PEOU) and perceived usefulness (PU) by creating customer convenience and showing perceived value whilst addressing the consumer needs, as the respondents pointed out.

The literature from Collier and Kimes' (2012) claims that self-service technologies (SSTs) can help organisations to improve their net profit by reducing their operating costs such as fixed infrastructure amenities and resources by providing alternate digital sell, and service channels to clients (Collier & Kimes, 2012). The qualitative data presented also emphasised the beneficiation of a digital self-service channel in the form of reduced cost of sale and cost of service-improving the bottom line for organisations.

Literature by Gensler, Leeflang, and Skiera (2012) propose that customer profitability is influenced by the cost-savings generated by online or self-serviced clients as well as the cost to serve which ultimately defines the organisations strategies for online or self-service channels (Gensler et al., 2012). The cost beneficiation of a digital self-service channel as affirmed by all respondents, can reduce cost of sale and the operational cost of service which improves the income statement bottom line.

The cost benefit and cost efficiencies were confirmed amongst the respondents interviewed with the feedback being unanimous on the matter of unit cost of sale and cost of service being a fraction of the cost of sale and service through traditional channels. This supports the argument by Gulati and Soni (2015) as well as Gensler et al. (2012) views on cost efficiencies of digital self-service channels.
All respondents were unanimous in their responses that traditional channels incur significantly higher operating and infrastructure costs to the organisation than digital self-service channels.

The literature from Gulati and Soni (2015) noted that the success of a digital self-service offering is dependent on the company changing its operating model were all interactions between the internal system and the external participants must work in a collaborative manner that orchestrates to maximise customer value and gain the necessary levels of customer adoption which leads to economic benefit to the organisation (Gulati & Soni, 2015). This finding was consistent with at least four of the participants who noted the need to commercialise and adopt their operating model to accommodate the needs of the customer and the self-service channel.

"We have changed our business model to serve our clients due to internet and mobile becoming pervasive. To be digital, you need to be more human." TD

6.2.2. Social influence

The literature on social influence by Amblee (2011), Dhal (2014), Vannoy and Palvia (2010), Taylor, Voelker and Pentina (2011) suggest that social influences are key to modern consumer adoption of product, service or channel (Amblee, 2011; Dahl, 2014;

D. Taylor et al., 2011; Vannoy & Palvia, 2010). The social influences that Taylor et al. (2011) specifically noted were that peer to peer influences drive digital channel adoption. The social influences that the literature suggests are social media, community networks, friends and acquaintances with similar demographics.

Five of the respondents indicated that a social influence was a key driver of adoption. Ease of use, simplicity and transparency were included in argument for social influence. These five respondents have already established their companies digital eco-systems which resonates with the literature presented above. The respondents also noted that social influence gives them leverage to penetrate a younger market, as well as a previously untapped market. The social influence that two of the respondents refer to, also mentioned having enriched customer interactions and customer engagement through social influence. The five respondents shared a strong sentiment about the future of digital channels being in the organisations ability to socially drive and influence behaviour of existing and would be customers which supports the literature of Amblee (2011), Dhal (2014), Vannoy and Palvia (2010), Taylor, Voelker and Pentina (2011).

> *"The omni-channel strategy which is great and will solve a lot of problems for the organisation but the problem is getting it implemented so we started breaking it down bit by bit. The second major challenge, from an exec perspective, everything is digitisation and their opinion is that it must solve everything at a service centre or call centre. In reality it won't replace traditional channels. The two must be complimentary and provided you put it together properly. For us it's about repurposing people who you hired in those roles. For us it's not about reducing head count and some a responsibility perspective, it doesn't help to cut heads. There's the idea that this is the silver bullet, but it's more important to manage expectations"* RL

> *"If we want customers to trust us then our social media presence must be elevated."* OM

6.2.3. Human touch needed

The literature of Bitner, et al. (2002) proposed that 'self-service technologies' are enablers that are capable of producing a service or action that requires no direct human engagement (Bitner et al., 2002). The literature study by Gulati and Soni (2015) are not fully supportive of exclusively digital self-service as the only point of customer engagement (Gulati & Soni, 2015). Gulati and Soni (2015) propose that customer touch points can either be exclusively digital or follow a multi channelled omni-channel approach in the customer journey or engagement lifecycle (Gulati & Soni, 2015).

> *"Social media platforms such as twitter, Facebook etc. have made it much easier for customers to interact with the organisation. Due to the always present or on nature of digital, organisations have to think about how to keep their customers engaged by running competitions etc. through these channels. The interactions are now much richer."* SV

The omni-channel approach is strongly supported by at least four of the respondents who are adamant that a multi touch client approach is needed within the context of the South African markets. The omni-channel approach appears to cater for a wider range of client needs and serves to act as a support to the digital channel. The respondents' feedback supports the literature from Gulati and Soni (2015) and contradicts the key findings in the literature from Bitner, et al. (2002).

The human touch was a prominent theme that featured in the customer retention and customer satisfaction indexes, meaning that they are highest when there is a human interface or warm body experience. According to majority of the respondents, the human touch is key to customer retention, which requires a degree of empathy and only a human interface is capable of providing consumer empathy, therefore usually call centres have a higher customer retention ratio than digital self-service channels. Some of the traditional channels that were noted include walk-in service centres, branch network and call centre, as key role players in driving customer retention.

> "Branch drives activity and sales. Costs tend to shift from an infrastructure brick and mortar, and people perspective to an advertising and marketing perspective." FS

Respondent RL goes further to say that the warm body experience that the customer desires or has an affinity to, is a learned behaviour. A warm body experience is a complete contradiction to the strategy and overall intention of driving a digital self-service channel. The point raised by RL, leaves the question of whether the two channels should live together, support each other.

> "Based on a previous study done 2 years ago that we have done, as to why customers call the call centre as opposed to using the self-service channel, people want a warm-body to speak to. That is a learnt behaviour." RL

Expanding on the theme of human touch, it appears that as digital self-service channels become more pervasive, they need to become more humanised if the growth strategy is to drive down the infrastructure costs of traditional channels. The sentiment of a multi-channel approach is supported by the literature study by Gulati and Soni (2015) which displaces the theory found in the literature of Bitner, et al. (2002).

6.3.   Research question two

Research question two focused on seeking to understand the effectiveness of digitisation channels retention and satisfaction amongst its users, as well as the company's net promoter score for its digital self-service customer client base in relation to the rest of the organisations customers.

6.3.1. Customer satisfaction and NPS

According to Gupta and Zeithaml (2006), customer satisfaction and retention are prominent measurement metrics, because of their association with all types of products

and services independent of the industry sector being assessed (Gupta & Zeithaml, 2006). The findings of Gupta and Zeithaml (2006) are consistent with six of the respondents who noted the consistency of customer experience in digital self-service channels. In general, the respondents linked their customers' experience with high levels of customer satisfaction. Respondent RL had a differing view on customer satisfaction due to having observed higher satisfaction rates on their walk-in service centre and call centres which constitute traditional channels as opposed to their digital channels which customers are engaging through.

Literature from Kelly (2010), states that there are limited customer interactions during the digital service delivery process leaving fewer chances for early detection of complaints and opportunities for service recovery (Barrett et al., 2015; Gupta & Zeithaml, 2006; Kelly et al., 2010; Oliver, 1993). The theory proposed by Kelly (2010) did not link to the respondents' feedback, since there was no mention of digital channels being an inhibitor to detect early service failures, although it was noted that the human touch is preferred for customer retention and exhibits a higher customer satisfaction by some of the respondents.

6.3.2. Human touch

Refer to section 6.2.4

6.3.3. Customer engagement and customer experience

The literature on customer engagement by Bhardwaj and Vohra (2016) puts the customer at the core of all interactions, and the prime focus of this construct within the customer's lifecycle journey (Bhardwaj & Vohra, 2016). According to the respondents, customer engagement and feedback allows the organisation to analyse and correct certain aspects of the channels that customers are unhappy about. The customer engagement deepens the relationship between the customer and the organisation which leads to an enhance customer experience.

According to Bhardwaj and Vohra (2016) fully engaged customers represent a 23 percent share of wallet, profitability, revenue and relationship growth (Bhardwaj & Vohra, 2016). The respondents did not distinguish between fully digital and partially digital engaged customers.

The research published by Gulati and Soni (2015) proves that through the digitised customer engagement model, the organisation is able to increase the touch points, thereby increasing the opportunities for meaningful customer engagement which lowers the overall cost to sell, service and retain clients (Gulati & Soni, 2015). Two respondents noted that enriched engagement is used to strengthen the customer relationship. This in turn improves the retention and satisfaction levels.

6.4. Research question three

Research question three focused on seeking to understand the strategic or tactical initiatives organisations have implemented, in order to gain customer acceptance, overcome barriers to mass adoption, or increase usage of the digital channel offering.

6.4.1. Customer acceptance and adoption

Literature by Campbell and Frei (2010), found that the ease of access and consumer convenience of digitised self-service channels increase the total transaction volume due to an increased consumer demand for transactions in the online channels which offset the reduction in transactions in traditional channels (Campbell & Frei, 2010). The findings from Campbell and Frei (2010) are strongly supported by respondent FS, RL, TC, OM, and SV while the rest of the respondents support the theory to a moderate degree of acknowledgement.

Campbell and Frei (2010) validated the adoption of the digital self-service channel through the perceived ease of use and perceived usefulness as described by Davis (2010) Technology Adoption Model (Campbell & Frei, 2010; Davis, 1985).

Bitner et al. (2002) SST Adoption Model is recognised as a consumer decision process, proposed as a conceptual model including six stages namely, awareness, investigation, evaluation, trial, repeated use and commitment which was evident in the response from respondent TC who explained the customer journey from his organisations perspective.

Research done by Kelly et al. (2010), extended the findings of Bitner et al. (2002) by examining seven key factors, namely perceived risk, trust, perceived ease of use, perceived usefulness, technology readiness, preference for personal contact and demographic variables (Bitner et al., 2002; Kelly et al., 2010). The findings by Kelly et al. (2010), do not fully support Davis (1985) model of the technology acceptance which favours the concept that perceived ease of use and perceived usefulness are the primary drivers of digital technology usage and adoption (Davis, 1985; Kelly et al., 2010).

An extended version of Davis (1985) TAM, by Wentzel et al. (2013) included social influencing processes such as subjective norm, voluntariness and image or appearance (hubris), and cognitive instrumental process such as job relevance, output quality, result demonstrability and perceived ease of use (Wentzel et al., 2013). In comparing Wentzel et al. (2013) findings against the respondents' interviews, all of key factors mentioned were mentioned by the respondents with the exception of the subjective norms such as voluntariness and hubris factors in their explanations of customer acceptance and customer adoption.

6.4.2. Cost benefit and efficiency

Refer to section 6.2.1

6.4.3. Perceived value and customer needs

The literature review of Barret et al. (2015), Scherer, Wunderlich and Wangenheim (2015) revealed that customer value and perceived value as what the business has to offer the client and what the client benefits by (Scherer et al., 2015) while a literature from Hseih (2005) suggest that digital self-service needs to be an extension of customer

value and that customer value must be a solution that is derived from customer needs (Hsieh, 2005).

The literature findings are aligned to the respondents' views of customer needs and perceived value which are highlighted as critical success factors in gaining customer acceptance and adoption. Four of the respondents were adamant that the customer needs must align to the customer value proposition or customer perceived values as the customer must feel that maximum benefit is derived from the engagement, interaction or transaction during or after the event. The respondents further noted that there must be clear alignment between the customer needs and customer value or perceived value. The customer needs appear to be central to the acceptance and adoption needs of the organisation.

> *"Showing value; it comes with having that piece of insight, that customer insight. You need to know customers moments of truth and knowing customers buying decision patterns and seeing were you can plug into that gap; Journey is consideration, evaluate the purchase, then you actually make the purchase, then you move back into it; With a loyalty loop, you remove the consideration and evaluation processes."* TC

The literature studies by Gupta and Zeithaml (2006) and Lin and Lu (2015) on perceived value through digital or online self-service outline the importance of perceived value as key to the customer acceptance process. It was noted that customer insight or need is key to understanding the customer buying decision patterns as well as predicting the repeatability of the customer. One of the respondents noted that it was important that customer gaps or needs were addressed in the journey as part of the customer decision making process. The gaps that the respondent noted is the customer need that relates to the perceived value that will be derived either during or after purchase or service through the digital self-service channel.

6.4.4. Customer education

The research done by Graupner et al. (2015) on customer acceptance, found that customers first require information about the service and channel, its inherent delivery steps and their sequence to consume it appropriately (Graupner et al., 2015). Graupner et al. (2015) research is strongly supported five of the respondents who mentioned education.

The literature of Cole, Sampson and Zia (2010) claim of low correlation between literacy programs and education in the adoption or acceptance process (Cole et al., 2011) contradicts the finds of the respondents who noted the key importance of education as part of the customer adoption phase within the customer life-cycle.

> *"Customers are saying it was fantastic and they will do it again. Getting it right is an education process."* FS

> *"We are trying to inform our clients in advance about a feature that is coming. We drive through education and prepare them. Education is done through emails, website etc. when your functionality is coming online. We also involve our customers. We talk about co-creation so we involve them. We talk to groups of customers."* SV

The customer educational element is supported by at least four of the respondents whom have implemented successful digital self-service channels whilst attaining their desired levels of customer adoption.

6.5.   Research question four

Research question four focused on understanding if there exists a specific demographic bias in the consumer adoption of digital self-service channel usage. Do the organisations intent of penetrating new consumer markets correlate with the actual consumer markets on boarded?

6.5.1. Social influence

Refer to section 6.2.2

6.5.2. Perceived value and customer needs

Refer to section 6.4.3

6.5.3. Customer engagement and customer experience

Refer to section 6.3.3

6.6.   Conclusion

The results of the research study show that there is significant cost benefit and cost efficiency to both the customer as well as the organisation that uses a digital self-service channel for acquisition and/or servicing, as compared to utilising a traditional channel of business. To achieve efficiencies such as scalability and low cost of sale and service, the company's operational functionalities, internal systems, processes and people must support the digital channel.

The results for customer satisfaction and retention is found to be significantly high provided the digital channel self-service channel can provide enriched customer engagement and an exceptional and consistent customer experience. The digital channel however cannot fulfil the gap of the human touch which involves high degrees of empathy from the customer agent to the consumer. It is therefore recommended that the human touch is used for satisfaction and retention. Digital self-service can co-exist with traditional channels and advantages the customer by offering a multi-channel or omni-channel approach when needed. To support customer satisfaction and retention, the digital channel must be highly geared towards client engagement whilst offering a frictionless and exceptional customer experience.

The results for overcoming the barriers to customer acceptance and adoption has found that complementing the customer need with high degrees of perceived value through deep customer insights yields a positive customer acceptance. To extend the customer journey from acceptance to full scale adoption, the digital channel must offer the consumer a time and cost benefit, convenience, exceptional customer experience, as well as enriched customer engagement to drive education and consumer attitude whilst being able to address the immediate and long term customer need.

The results for penetrating or expanding market share through the use of digital self-service channels is dependent on the organisation having a significant social presence and influence; offering the potential clients or new market, a strong customer value proposition that addresses the consumer needs, supported by active customer engagement.

CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

7.1. Introduction

Chapter 7 is the conclusion of the research findings, research objectives, and recommendations with the aim of establishing whether the outcomes of the research study were consistent with the research aims. The aim of this chapter is to provide a reviewed assessment of the findings in the preceding chapters.

7.2. Research background and objectives

This research study sought to validate the cost benefit or cost efficiency of a digital self-service channel; evaluate the retention and customer satisfaction levels; address the customer acceptance and customer adoption challenges; validate the strategic capability of enabling new market penetration. The research considered that if the barriers to customer acceptance and customer adoption were mutual – by implication this would mean that mass adoption could be significantly improved. The key findings discussed in Chapter 6 are summarised in the principle findings below.

7.3. Principle findings

7.3.1. Summary of the findings of this research paper

The research paper has explored the success and consumer adoption of business to consumer model of self-service digital channels in emerging markets. The research covered interviews with South African based companies and multi-national companies who at the time of the interviews either had an established digital self-service channel, or in the process of expanding their digital self-service channel offerings. The research findings centred on the following four focus areas: Firstly, the cost of sales and cost of servicing a customer via a digital self-service channel of which the general feedback is that it is cheaper as compared to the traditional channels of brick, mortar and human resources or call centre to sell or service a product. Secondly, the effect of digital self-

service channels on customer retention and satisfaction. Thirdly, driving customer acceptance and customer adoption which leads to mass adoption. Finally, the ability of digital self-service to penetrate a new market segment.

7.3.2. Main findings and contributions to the literature

A framework for companies using digital self-service in emerging markets as a growth strategy is presented in figure 4. The framework has adopted the main themes that have arisen from the research discussions as interpreted by the researcher as well as the theories that have been evaluated in research paper. The framework has identified customer acceptance and full scale adoption as the key contributing factors to companies using digital self-service as a growth strategy in emerging markets. The barriers to overcoming customer acceptance and customer adoption have been highlighted by respondents in chapter 5 and tested against theories in chapter 6.

The framework ultimately demonstrates to academics, organisations and leaders the relation between customer full scale adoption and the organisations growth strategy by enclosing common contributory factors, benefits and barriers. The framework offers insights for companies needing to overcome barriers to mass customer adoption as they pursue a digital self-service channel strategy.

Figure 4: Summary of main findings
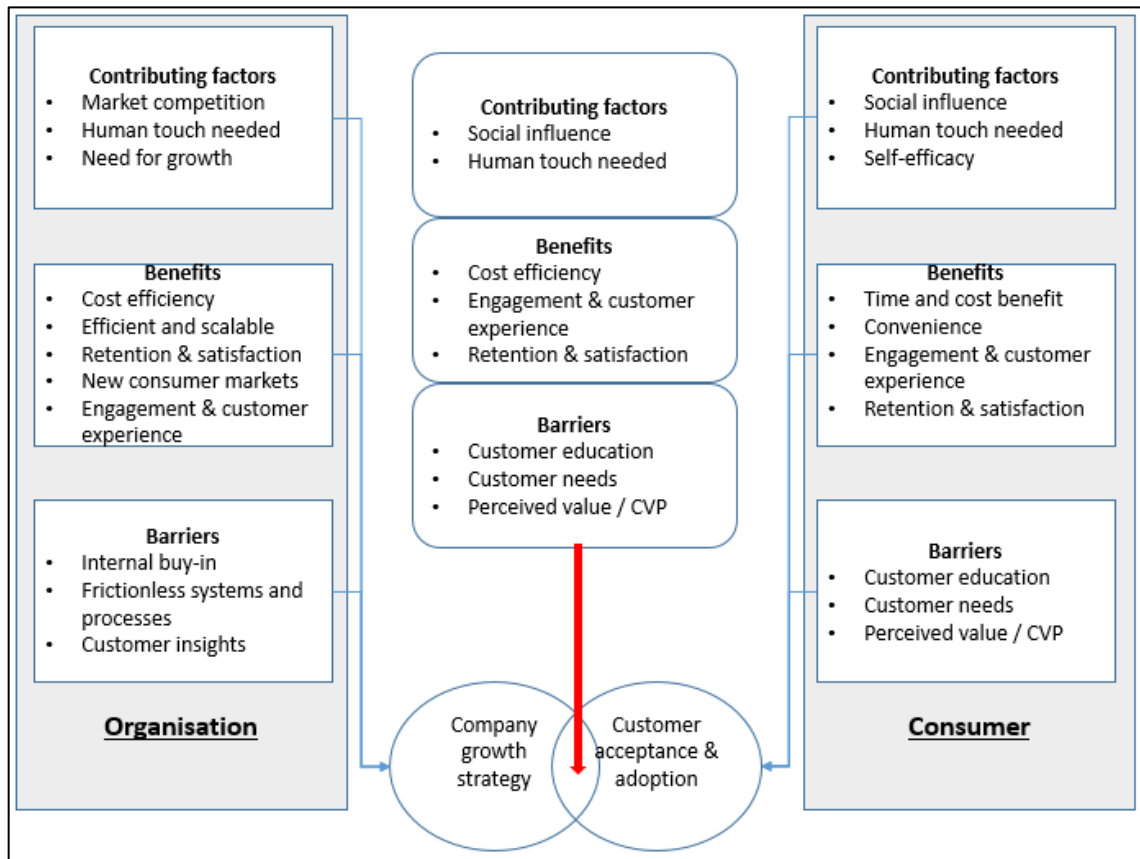
The researcher has incorporated the communalities from the framework into Wentzel et al. (2013) revised technology adoption model (TAM). The researcher has found that Wentzel et al. (2013) revised TAM model although newer than the preceding iterations of the Davis (1985) TAM model had neglected theoretical aspects of consumer driving factors such as consumer need and perceived value as acceptance and adoption motivators. The revised TAM of Wentzel et al. (2013) shows a clear understanding of the adoption intention of potential customers for technology-enabled banking services, however the researcher opted for a more universally adaptable model since the interview participants were from various industries and the researcher opted to not confine his findings to a specific industry.

The enhanced TAM model by Wentzel et al. (2013) incorporated social factors, self-efficacy, fun, trust and task as additional constructs in the TAM (Wentzel et al., 2013). The incorporation of these constructs in addition to Davis (1985) TAM included perceived ease of use (PEOU), perceived usefulness (PU) and attitude allows a better

understanding of the adoption intention of potential customers for technology-enabled banking services. Wentzel et al. (2013) found that attitude was the most significant factor in the model, followed by perceived ease of use (PEOU), while social factors and technology self-efficacy were the least significant.

From the discussions of the findings of this research regarding the literature already presented in Chapter 6, the following contributions to the literature on digitisation of self-service channels have been identified and shown in figure 5. The researcher has found that certain key factors from the TAM of Wentzel et al. (2013) did not feature prominently in the research outcomes in tables 3, 4, 5, and 6.

Figure 5 : Customer adoption model

The researcher revised the technology adoption model TAM (Wentzel et al., 2013) which is specific to technology adoption. The revised model includes some of the prominent themes discussed in chapter 5 which are customer need, value proposition or perceived value, education, customer adoption and customer acceptance in place of "Usage".

The green arrows represent entry points or consumer triggers into the customer usage, acceptance or adoption process. In order for customer adoption to be achieved, the customer experience journey must be accepting of the digitised channel, product or

service being offered. Customer adoption is not achieved through a single iteration of customer engagement, as repeated use of the service of channel is needed for adoption together with an exceptional customer experience. The value proposition offered to the consumer must include enriched customer engagement which is used to drive the educational and attitudinal element of the consumer behaviour. The customer adoption then becomes the result of an iterative process of the consumer engaging the organisation where short, medium and long-term customer needs are fulfilled.

7.3.3. Barriers to customer acceptance and adoption

The first main finding revealed that customer education, perceived value or customer value proposition, and customer needs are the primary barriers to consumer full scale adoption of a digital self-service channel. It was concluded that unless these barriers are addressed, customer acceptance and full scale adoption would not be achieved by the organisation.

7.3.4. Barriers to a company's growth strategy

The second key finding showed that the barriers that prevent the organisation from growing their client base is gaining internal buy-in, alignment of internal systems and processes to support the digital self-service channel, deep tactic knowledge around customer insights and understanding the customer needs. It was further concluded that in order for an organisation to achieve growth using its digital self-service channel, these barriers will need to be resolved.

7.3.5. What is the customer adoption model?

The third key finding was that there is an interrelated relationship between an organisations intention to grow using its digital self-service channel and the consumers' intention to accept and fully adopt the digital self-service channel offering during the customers' life-cycle journey. Both processes share challenges and by addressing this overlap, a framework was designed. The framework (figure 4) together with the adoption

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model (figure 5) as presented in chapter 7 could be used as a referencing tool to overcome the barriers to customer adoption of self-service channels.

7.4. Recommendations

7.4.1. Recommendations for organisations

The research has shown that there is a cost benefit and efficiency gain to the organisation with the added benefit of scalability. There is a need for organisations to understand the impact of social behaviour and influences on digital self-service consumer markets, and well as having a solid sense of the customer needs that address short, medium and long-term needs of the client. In order to gain the mass customers' adoption, the customers' behaviour needs to be migrated and not just an instance of a transaction.

Whilst the process or acceptance and adoption are slow, the customer needs education in the form of enriched engagement and an experience that surpasses the equivalent offering from a traditional channel. The organisation must consider that not all customer touch-points need to be digitally enabled, since the customer complaints or customer retention human resources can still be offered through the use of the human touch as an example. The human touch should not be completely removed from the customer's lifecycle journey as there is still a role for the human aspect to perform in the process.

The time and cost benefit to the customer must be explicit and communicated together with the customer value proposition as this feeds the perceived value or benefit using engaging with the digital self-service channel.

7.4.2. Recommendations for future research

The subject matter on digital self-service channels has been found to have limited academic research that explains the concepts of mass adoption and customer acceptance as key drivers for channel profitability and economics within emerging

market countries. The research paper has identified future research in the following areas:

- Measuring the success based on respondents views
- Extending the research study to companies with a presence in emerging markets, outside of South Africa.
- Extend the research to a wider variety of industries in order to diversify the findings in the research study
- A research study could have been done from a customer point of view in order to confirm the findings made in this research document.
- Extend the research to include a business to business digitisation enablement.

7.5. Limitations

Limitations based on the research methodology are detailed in Section 4.12 and refer to the use of non-probability sampling and the choice of the researcher's target population which may be a similar or homogenous sample. The research study presented was limited to South African companies based on the sample presented and hence the findings are constricted to the South African environment as an emerging market.

7.5.1. Conceptual limitations

Digitisation in South Africa and other emerging markets are constrained by their infancy and slow market take up or adoption amongst the various industry representatives that were interviewed.

7.5.2. Researcher bias

As stated in chapter four, the exploratory research approach is subjective and influenced by the researcher's perspectives. The researcher acknowledges the potential biases that the context may impose on the interpretation of the findings within the research (J. W. Creswell, 2014; Saunders et al., 2012). It must be further stated that the researcher is experienced in the field of developing and implementing digital self-service channels across three South African JSE listed multi-national organisations. This may have biased

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some of the answers given by the respondents or may have placed too much emphasis on specific themes.

7.5.3. Sampling bias

Through the use of snowball sampling technique, a number of respondents from the financial services sector made up more than half of the sample of respondents interviewed – six out of ten respondents were from financial services, and four out of the six were from the banking sector. The bias of the respondents towards financial services may limit the transferability of this research to other industries that are most likely not as well-regulated as the financial services industry in South Africa.

Five out of the ten respondents represent multi-national organisations that have a presence in other emerging market countries including South Africa. The bias of the companies represented may further limit the transferability of this research to other companies in countries from within emerging markets.

7.6.   Concluding remarks

The objective of the research study sought to determine how companies from within emerging markets gain mass adoption of their digital self-service channels. This objective was addressed by obtaining an understanding of the barriers to mass adoption and customer acceptance as entrenched in the research guide questions.

A framework presented as Figure 4 provides companies with a holistic view of the barriers that influence mass customer adoption and customer acceptance and can be used as a future reference tool to develop a company's digital self-service channel. A digital self-service channel is generally a platform designed to improve the customer experience and engagement with the organisation.

The outcomes highlighted in the research study confirmed that the objective of the research study was achieved and the research study contributed to the existing

academic literature pertaining to companies in emerging markets using digitisation of self-service channels as a growth strategy.

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Annexure A – Ethical clearance

Dear Mr Prian Subban

Protocol Number: **Temp2016-01530**

Title: **DIGITISATION OF SELF-SERVICE CHANNELS IN EMERGING MARKETS AS A GROWTH STRATEGY**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

Adele Bekker

Annexure B – Informed consent letter

I am conducting research digitisation of self-service channels in emerging markets as a growth strategy. Our interview is expected to last about an hour, and will help us understand how companies use digitization or digital platforms as a growth and retention strategy. Your participation is voluntary and you can withdraw at any time without penalty. I assure you that all data will be kept confidential. If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher Name: Prian Subban

Email: prian.subban@gmail.com

Phone: 0829277661

Signature of participant: _____

Date: _____

Research Supervisor Name: Robert Levin

Email: rob.levin2@gmail.com

Phone: 0824136544

Signature of researcher: _____

Date: _____

Annexure C - Discussion/Interview Guideline

The exploratory discussion will begin as follows:

Interviewer to thank the interviewee for his/her time, and thereafter progress to an introduction of the researcher, covering his background and disclose the purpose of the interview. Interviewer will then explain the interview process and confirm if confidentiality or anonymity is required by the interviewee.

1.   What is your role at your organisation?

2.   How long have you been in your current role and in the organisation?

3.   What are the various digital self-service channels available to your customers and what are the trends in your industry?

4.   Please describe your client segments or target markets.

5.   Are there any pertinent differences between customers using older and more traditional service channels versus those who use digital self-service channels?

a.   Probe for differences in cost per sale and cost of service

b.   Probe for differences in Net Promoter Score (NPS), customer satisfaction levels and resolution rates between the different types of channels

6.   From your experience in both past and present roles/organisations, how has digitisation transformed the manner in which organisations acquire, interact and engage with clients?

a.   What defines the success of a digital self-service channel?

7.   What challenges does/has the organisation faced in their digitisation journey?

a.   How was internal buy-in achieved

b.   Probe for customer adoption life-cycle and utilisation of the digital channels

8.   How has the organisation effectively used digital channels to acquire new or alternate markets?

9.   Were there any new or innovative products that were spawned due to the success of your digital self-service channel?

Annexure D - Consistency Matrix

Research questions	Literature review	Data Collection	Analysis
Research question 1: Is the cost of sale and cost of service through digital self-service cheaper than traditional channels?	(Bitner et al., 2002); (Gensler et al., 2012); (Collier & Kimes, 2012);	One on one semi-structured interviews	Content analysis on open-ended questions
Research question 2: What are the retention effects and customer satisfaction rates for those using digital self-service?	(Buell et al., 2010; Gupta & Zeithaml, 2006; Kelly et al., 2010); (Oliver, 1993);	One on one semi-structured interviews	Content analysis on open-ended questions
Research question 3: How do digital channels overcome barriers to customer acceptance, and adoption?	(Collier & Kimes, 2012); (Campbell & Frei, 2010); (Bitner et al., 2002; Kelly et al., 2010); (Wentzel et al., 2013)	One on one semi-structured interviews	Content analysis on open-ended questions
Research question 4: How do digital channels assist in penetrating new market segments?	(Cuesta et al., 2015); (Panchasara & Bharadiya, 2011); (Bilodeau, Hoffman, & Nikkelen, 2011); (Broeders & Khanna, 2015)	One on one semi-structured interviews	Content analysis on open-ended questions

Annexure E – Model of SST adoption
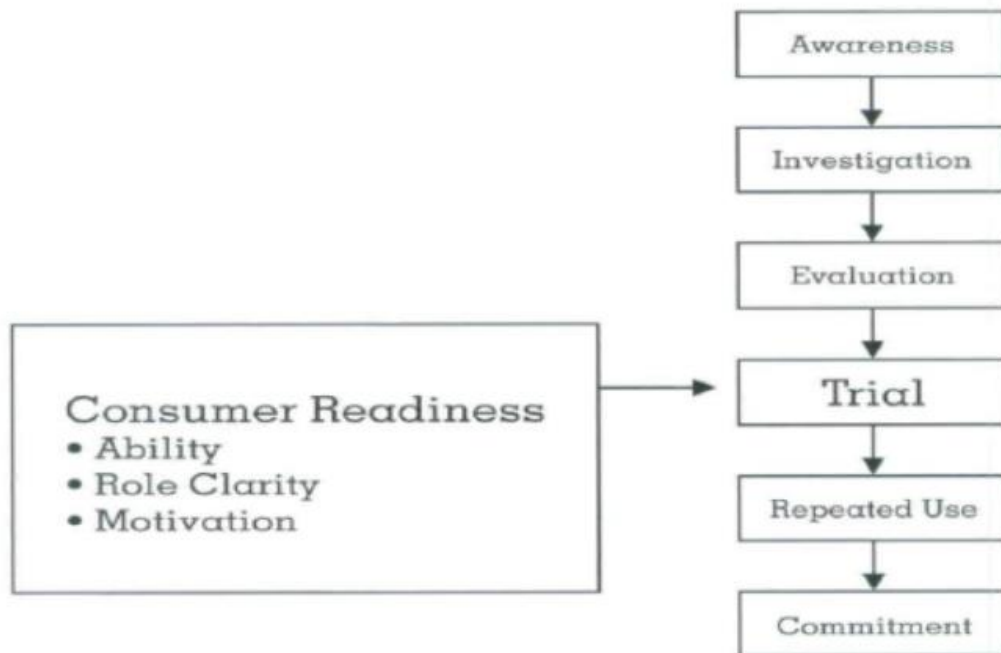
Source: Bitner, M., Brown, S. and Meuter, M.(2000) Technology Infusion in Service Encounters, Journal of the Academy of Marketing Science, 28(1), pp.138-49.

Annexure F - Final coding scheme

Question 1

Themes	Codes
Cost benefit	Digital is cheaper and customers are more profitable
Efficiency	Made us much more efficient and scalable;
Cost benefit	Costs tend to shift from an infrastructure brick and mortar, people perspective to an advertising and marketing perspective.
Social influence	Social media platforms have made it much easier for customers to interact with the organisation. Ease, simplicity and transparency
Company strategy	Acquiring strategies are now digitally focused because it is cheaper
Innovating for future	In future full acquisition cradle to grave.
Age bias	High value customers use an app as opposed to going in-store - definitely a bias
Efficiency	People are starting to work across functions, breaking down silos.
Human touch	Satisfy both traditional and digital
Not applicable	Customer base is too small
Human touch	Branch drives activity and sales
	when you have a call centre, customers use the free call service;
Cost benefit	Development cost of an app is very much more expensive

Question 2

Themes	Codes
Human touch	Retention-empathy and human interface; call centre higher csat than self-service.
Digital is consistant	customer experience is consistent in digital so the NPS is always high as compared to traditional.
Not available	I don't know or we don't have a separate csat/nps
Not available	csat or happiness index is measured traditionally;
	There is a financial metric and the Customer metric.
Not applicable	NPS is too subjective
Age bias	Youth market are saying that they don't want to speak to an advisor.
Customer experience	The first option is to go digital first. We are good at what we do and our customers are tech savy.
Human touch	Digital doesn't solve queries and a bad experience leads to low NPS

Customer experience	Customer loop based on emotional connection based on customer insights
Customer engagement	Due to the always present or on nature of digital, organisations have to think about how to keep their customers engaged
Customer feedback	We look historically as what the channels have done and we try and correct certain aspects of the channels that customers are complaining about.
Customer feedback	With NPS we look at the typical NB customer across channels and how satisfied he is as a whole regardless of which channel and try and correct whatever aspect.

Question 3

Themes	Codes
CVP	keep the customer engaged through a compelling vp
Org strategy	The bank strategy is to go digital self-service, not the customers journey.
Customer experience	Once customers find out that digital self-service works for them, then they stick and rarely go back to call-centre. Behaviour is learnt
Education	Education is done through emails, website etc when you functionality is coming online; Education is key to the role out of the various platforms.
Customer insight	co-create with customers and have customer insight/MOT
Customer needs	We have not solved for the customers' needs and burning issues.
Org strategy	We are building our business to specifically attract the digital savy customer were smartphone is the driver
	apps have a limited life-span; 1000 apps available 247
Brand	translate the brand equity and trust into conviction, belief and trust in using the future channel.
Customer journey	adoption is a slow process
Social influence	Young consumers are living in a social media world were the strongest recommendation is not made by TV adverts but made by your peer group.
Social influence	Stronger validation needed
Human touch	people want a warm-body to speak to; traditional is still needed
Customer journey	Journey is consideration, evaluate the purchase, then you actually make the purchase, then you move back into it;
Org strategy	if you build it they will come.

	Young consumers are living in a social media world were the strongest recommendation is not made by TV adverts but made by your peer group.
Age bias	

Question 4

Themes	Codes
Social media	Social media platforms have made it much easier for customers to interact with the organisation.
Captive audience	Captive audience required
Customer needs	need to solve the customer problem
CVP	Keep showing value; quality; feature rich
Pricing	Cheaper customer engagement is now possible from companies
Convenience	convenience and availability
Social media	Push content/digital media
Captive audience	We are attracting a younger market
Innovating for future	I think that digital platforms bridge the gap between the organisation and the targeted market.
Innovating for future	We are definitely designing for the next ten years rather than forming market today.
Customer experience	We are doing a number of things like improving the quality of our app and to make it easy for them to migrate over/enrol.
Not applicable	Not essentially a new market per say in SA.
Not applicable	We cannot continue to sell the benefits of funeral or life cover in the traditional manner,