

# THE RELATIONSHIP BETWEEN SELECTED MARKETING MIX ELEMENTS AND OVERALL CUSTOMER SATISFACTION IN SOUTH AFRICAN BANKS

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## **Abstract**

*Yoo, Donthu and Lee (2000:208) conducted a study in the product market industry to determine what effect various selected marketing mix elements might have on brand equity. The findings indicated that to enhance the strength of a brand, organisations should invest in advertising, distribute through retail stores with a good image, increase distribution intensity and reduce price promotions. This research document attempted to follow a similar approach by exploring the relationship between selected marketing mix elements and the customer experience in a financial services environment. The study was based on Berry's (1999:200) Service Branding model. This model indicates that the customer's experience of a service influences brand meaning, and that brand meaning influences brand equity. The marketing mix elements tested were functional design (physical evidence), employee's appearance and responsiveness (people and process) and transaction fee charges (price).*

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Factor analysis was performed to summarise the variables used into a smaller number of factors (Zikmund, 2003:586). Initially the study was based on using five factors, as indicated in the questionnaire. The factor analysis indicated that the five factors' eigen values were too low (below 0.3) to be meaningful factors, therefore all five factors were combined into one factor, called corporate identity. None of the original hypothesis could be tested as a result of this. To compensate for the inability to test the original hypotheses, various demographic aspects were used to test for possible differences in perceived service delivery. The results showed that various profiles of cultural and gender groups view brand image differently. This conclusion lead to a troublesome question as to what actually forms part of corporate or bank image and when do those factors not form part of corporate or bank image. Although the literature review indicated that various factors influence customer's perception of service delivery, the results indicated the contrary.

## INTRODUCTION

One of the directions for future research identified by Yoo et al (2000:208) was "*generalisability of the findings can be enhanced by replicating this study with more product categories, including services, different types of subjects and other cultures.*" In response, this study explored

the relationship of selected marketing mix elements and overall customer satisfaction in a service environment. Berry (1999:200) presents a service-branding model in which a company's presented brand directly influences brand awareness, external communication indirectly influence brand awareness and brand meaning, and the customers' experience of the service directly influence brand meaning. Following that, brand awareness and brand meaning directly influence brand equity. For the purpose of this study, only the customers' experience of the service and the subsequent influence on brand meaning were investigated and tested.

This study proposes a framework in which three service marketing mix elements are linked to the customers' experience of the service. The service marketing mix elements that were tested are physical evidence, people and price. The physical evidence was tested in terms of the importance of functional design to customers' experience of the service. People were tested in terms of the influence of employee's appearance and responsiveness on customers' experience. Price was tested in terms of the influence of transaction fee charges on customers' experience of the service. Although there are various channels of contact with customers available in retail banks, such as ATM, Internet banking, telephone banking and cellular phone banking, for the purpose of this research document, only direct contact through branches were tested. Data was collected on a personal one-on-one basis in the form of a communication survey. A non-probability sampling technique, namely a convenience sample was used to approach 240 respondents through mall and street interception. Of the 240 completed surveys, 231 were useful. The sample population was equally distributed between four specified ethnic groups (black, coloured, Asian and white), with equal male and female participants.

## PROBLEM STATEMENT

As brand equity has emerged as a marketing imperative, so too has the need to understand and manage brand associations (O'Cass & Grace, 2003:453). The result has been the development of conceptual models by various academics. Keller (2003a:60) developed the Brand Knowledge model; Berry (2000:130) developed the Service Branding model and de Chernatony and Dall'Olmo Riley (1998:1085) developed the Double Vortex Brand model. These models have been beneficial in simplifying brand complexity into a manageable number of components (O'Cass & Grace, 2003:453). None of these models, however, indicate which marketing mix elements influence customer experience and brand image. This knowledge could assist management to optimise marketing spend and to enhance positive customer experience in branches of retail banks.

Aaker (1991:93) stated that brand equity is important from a behavioural point of view to create points of differentiation that increase competitive advantage, which is non-price related. According to Berry's (2000:130) Service Branding model, customer experience has a primary impact on brand meaning, which in turn has an impact on brand equity.

While brand modelling to date has provided greater understanding in terms of brand associations, what is meaningful and important in branding is how consumers formulate brand

image, and the extent to which specific brand associations are important to consumers and how these associations influence their attitudes and usage patterns. The findings of this study should provide valuable insight into which of the marketing elements tested, have the biggest influence on customers' perception of service delivery in branches. This information can be used to determine how marketing activities might be controlled to generate and manage brand image in a financial service environment. Marketing managers should be able to use the information to increase competitive advantage. The specific associations that might be identified through this study can provide meaningful implications for both marketing practice and theory.

## **RESEARCH OBJECTIVES**

The purpose of this study was to determine the relationship between selected marketing mix elements and customer's experience of the service delivery in retail banks, and whether customer experience influence brand image of that service. The marketing mix elements used was employee's responsiveness and appearance (people), transactional fee charges (price) and functional branch design (physical evidence). The study attempted to achieve the following specific research objectives:

To determine the influence of employee's appearance and responsiveness on customers' service delivery experience within the bank.

To determine the influence of transaction fee charges on customers' service delivery experience with in the bank.

To determine the importance of the functional design to customers, and the subsequent influence of the functional design on the customers' service delivery experience within the bank.

To determine whether customers' experience with the bank's service delivery influence the brand image of that bank.

To identify which of the selected service marketing mix elements have the biggest influence on customers' perception of service delivery within the branch.

To determine the difference between race, gender and age in terms of their perception of service delivery in a branch.

Unfortunately most of these objectives could not be tested due to the inability to analyse the obtained results. This was due to the various correlations that were all extremely high – therefore no significant difference between the various constructs could be found.

## **LITERATURE REVIEW**

The first section explores services branding and the dimensions of service quality. The second section describes the service marketing mix elements that were tested, namely physical evidence, people and price.

### **Services branding**

One of the main differences between products and services is that services are intangible in nature. One consequence of this intangibility is that consumers may have difficulty forming

their quality evaluations and may end up basing those evaluations on considerations other than factors directly related to their service experience (Keller, 2003a:744). Branding plays a special role in service companies because strong brands increase customers' trust of the invisible (Berry, 1999:199).

**Keller (2003a:744) identified a number of dimensions of service quality:**

Tangible: Physical facilities, equipment, and appearance of personnel

Reliability: Ability to perform the promised service right the first time (standardised facilities and operations)

Responsiveness: Willingness to help customers and provide customer service

Competence: Knowledge and skill of employee

Trustworthiness: Believability and honesty (ability to convey trust and confidence)

Empathy: Caring, individualised attention

Courtesy: Friendliness of customer contact

Communication: Keeping customers informed in a language they can understand and listening to what they say

This study investigates customers' experience of service delivery in branches of the four major banks in South Africa. Two elements related to Keller's (2003a:744) identified service dimensions were used as guidelines in this study: tangibles in terms of physical environment and responsiveness in terms of employee actions.

**Customer satisfaction with service delivery**

Customer satisfaction can be considered the essence of success in today's highly competitive world of business (Jamal & Naser, 2002:146). Customers' actual experience with a company contributes to brand image, especially with repeat customers. If customers' service experience differs from the advertising message, customers will believe their experiences and not the advertising. Therefore marketing actions are wasted without superior performance in the store. Customers' disappointment with the experience closes the door that traditional brand marketing helps to open (Berry, 1999:202). Customer satisfaction is the feeling or attitude of a customer towards a product or service after it has been used (Jamal & Naser, 2002:147). Based on this knowledge, this study investigated service delivery within a branch to determine the effect on customers' overall experience with the particular bank.

**Brand image**

O'Cass and Grace (2003:453) indicated that brand terminology is confusing in that various academics (Biel (1992); Aaker (1991); Keller (1998) and Berry (2000) as in O'Cass and Grace, 2003: 453) use different terminology for the same concept. Biel refers to brandscapes, Aaker to brand personality, Keller to brand image, and Berry to brand meaning, most of which have conceptual similarities and are often referred to synonymously within the literature. In his Service Branding model, Berry (2000:130) used brand meaning to describe the customer's dominant perception of a brand. Based on the confusion in brand terminology usage, as highlighted by O'Cass and Grace (2003:453), the assumption is made that brand meaning is similar to brand image, which is the term used for this study.

According to the research done by Berry (2000:130) there is a positive relationship between brand meaning and brand equity. Brand meaning refers to the customer's dominant perception of a brand – their snapshot impression of the brand and its associations (Berry, 2000:129). Creating brand meaning involves establishing a brand image and what the brand is characterised by and should stand for in the mind of customers (Keller, 2003b:48). According to Berry (2000:130) brand meaning of two given brands will always differ because one of the major influences on brand meaning is customers' past experience. Brand meaning is made up of two major categories of brand associations that exist in customers' minds, brand performance and brand imagery. These brand associations can be formed directly – from a customers' own experiences and contact with the brand – or indirectly – through the depiction of the brand in advertising or by other sources such as word-of-mouth (Keller, 2003b:48). This paper only focussed on the direct brand associations and the possible relationship with customer experience.

To determine whether customer satisfaction with the bank influence the brand image of that bank, respondents were asked to state their overall satisfactions with the bank on a scale of one to ten.

To test brand image, a scale developed and tested by Bloemer, de Ruyter and Peeters (1998:281) was used. This was the most appropriate scale found that tested a bank's image. Unfortunately some of the scale items overlapped with the other aspects measured in the survey. This might have had an influence on the reliability of the scale, which resulted in the differences between the constructs to be insignificant. This assumption can only be proven correct if this study was repeated using a different scale to measure brand image in branches of retail banks.

### **The services marketing mix**

Various researchers (Low & Tan, 1995:38; McDonald, De Chernatony & Harris, 2001:268; Moorthi, 2002:259 and Zeithaml & Bitner, 2000:18) mentioned the fact that the four Ps of marketing identified by McCarthy (1960:122) are not relevant for services marketing, but that it has to be expanded to more Ps. The services marketing mix elements that were used in this study was: price, people and physical evidence.

The structure used for this study is a combination of Berry's (2000:130) service-branding model and the selected service marketing mix elements. The three marketing mix elements were associated with customer experience according to descriptions and associations made by various researchers (Berry, 2000:129; Low & Tan, 1995:39; O'Cass & Grace, 2003:458; Moorthi, 2002:260; De Chernatony & Segal-Horn 2003:1100; Grace & O'Cass, 2002:103 and Dibb & Simkin, 1993:25).

The next section describes the three marketing mix elements in more detail.

### ***The importance of employee's responsiveness and appearance in service delivery***

In this study, people refer to all employees delivering the service to customers. Customers' experience of service delivery by such people was therefore investigated. The actions of customers and their influence on service delivery were not addressed in this study.

Service providers make or break a brand, for the customers' actual experience with the service always prevails in defining the brand for them. Berry (2000:135) recommends that organisations should internalise their brands. Internalising the brand involves explaining and selling the brand to employees. The more providers internalise the concept and values of the service, the more consistently and effectively they are likely to perform. Employees will not feel part of, nor act out, the brand unless they understand it and believe in it. Low and Tan (1995:44) indicated that personnel are key to the creation of a service, because they are the only component in the firm who can deliver the service. De Chernatony and Harris (2000:268) as well as De Chernatony and Segal-Horn (2003:1102) stated that employees play a crucial role in the brand building process and that they need to know what is expected of them and how they can contribute to the brand's identity through their behaviour.

Zeithaml and Bitner (2000:289) identified five dimensions of service quality based on the SERVQUAL scale (Parasuraman, Berry & Zeithaml, 1991:448): reliability, responsiveness, assurance, empathy and tangibles. Although the debate concerning the validity of the SERVQUAL model has been going on for years (Newman & Cowling, 1996:3), no substantial evidence could be found that the dimensions identified by this model are not valid. Therefore this study uses the dimensions of the SERVQUAL model, and specifically two dimensions, namely tangibles and responsiveness. In the following section these dimensions are related to the brand performance attributes identified by Keller (2003b:82) in his customer-based brand equity model. The logic behind this is to link the two dimensions with brand performance, which in turn is related to brand image. Brand image on the other hand is, according to the service-branding model of Berry (2000:130), influenced by customer experience. Front-line employees directly influence customer perceptions of responsiveness through their personal willingness to help and their promptness in serving customers (Zeithaml & Bitner, 2000:289). Service efficiency, according to Keller (2003b:83), refers to the manner by which services are delivered in terms of speed and responsiveness. Based on the above information, the assumption is made that service efficiency and responsiveness are addressing the same behaviour and therefore service efficiency can be associated with the behaviour of front-line employees.

Employee appearance and dress are important aspects of the tangibles dimension of quality of service delivery (Zeithaml & Bitner, 2000:289). Style and design, according to Keller (2003b:83), refer to the more aesthetic considerations of services. The assumption can thus be made that the tangible dimension and the style and design attributes refer to the same principle of service delivery.

From the above description the conclusion is drawn that the two service quality dimensions, as identified by Zeithaml and Bitner (2000:289) are driven by employees' behaviours. Questions for the survey were therefore taken from the tangible and responsiveness dimensions of the SERVQUAL model.

### ***The influence of transactional fee charges on service delivery***

According to Lovelock (1996:362) price plays a role in communicating the quality of a service. In the absence of tangible clues, customers associate higher prices with higher levels of performance on service attributes. Although price does not directly reflect the product's function

or service performance (O’Cass & Grace, 2003:455), price has been identified as an important association in brand image evaluation and a strong quality indicator (Arora & Stoner, 1996:29; Lassar, Mittal & Sharma, 1995:13; Rao & Monroe, 1989:355). In the contrary though, O’Cass and Grace (2003:460), conducted a study to determine the relationship between customers’ perceptions of value for money in relation to service delivery meeting their expectations. The study indicated that receiving value for money only becomes important when the service delivery did not meet customers’ expectations. When customers are satisfied with the service delivery, receiving value for money has an impact on their choice of service provider.

Pricing in the banking environment is different from most other services in that customers’ don’t consciously pay a fee every time they perform a transaction, thus prices are not visible to customers. Often customers know only about the rate of return and not the costs they pay in the form of fees (Zeithaml & Bitner, 2000:433). It can be assumed that consumers feel helpless to do anything but pay the banking fees. In other words, customers accept the fees as part of the service, and not as something they need to ‘shop around’ for or something they can do anything about.

IDS Financial Services (Zeithaml & Bitner, 2000:433) conducted a study to determine how much customers know about what they pay for financial services and how important price is in the customers’ value assessments of the service. The study revealed that customers did not understand what they were paying for and very few actually knew what they paid for the services. Another interesting outcome of the survey was that customers ranked the importance of price very low in a value assessment.

The study conducted by IDS Financial Services does not directly indicate how much price in financial services influence the customers’ experience. Varki and Colgate (2001:234) conducted a study to test the influence of price perceptions on overall customer satisfaction in the banking industry. Data for the study was obtained in the United States and in New Zealand. The United States data showed that price perceptions do not have a significant effect on overall customer satisfaction. In the New Zealand data, price did have a strong, significant influence on overall customer satisfaction. They indicate that the difference in the findings might lie in the way price perceptions were measured in the two countries (Varki & Colgate, 2001:237). They used questions to test price perceptions in terms of the influence of transaction fee charges on the customers’ experience of the service.

### ***The importance of functional design within the branch***

Zeithaml and Bitner (2000:20) described physical evidence as the environment in which the service is delivered and where the firm and customer interact, which in this study were the bank branches. Yoo *et al* (2000:199) refer to store image as an important factor influencing perceived quality of a service. Aesthetics play an important part in how customers perceive the quality of a service, especially when consumers have little on which to judge the actual quality of the service (Zeithaml & Bitner, 2000:20).

*Baker, Berry and Parasuraman (1988: 33) conducted a study in which they determined the importance of branch design to customer experience. Baker et al (1988:33) stated that for cus-*

tomers, service delivery facilities, décor and the people within the facilities are the visible part of an otherwise more or less invisible service experience. Therefore, the bank's service facility can affect the customers' satisfaction with the service. In this study, customers rated privacy during financial transactions as important for service satisfaction. An interesting outcome of the study was that customers don't want banks to spend too much money on the aesthetics of the branch facility, for it creates the impression that the customers are paying more service fees to cover the décor costs. Baker et al (1988:35) grouped the variables used in their study into five categories. The categories used were ambient conditions, aesthetics, privacy, efficiency and convenience and social conditions.

These categories are similar to the environmental dimensions used by Zeithaml and Bitner (2000:267) and Bitner (1992:64), namely ambient conditions, spatial layout and functionality and signs, symbols and artefacts. Ambient conditions include background characteristics of the environment such as temperature, lighting, noise, music and scent. Spatial layout and functionality refers to the ways in which machinery, equipment and furnishings are arranged, the size and shape of those items and the special relationships among them. Functionality refers to the ability of the same items to facilitate performance and to accomplish goals. Lastly signs, symbols and artefacts serve as explicit and implicit signals to customers (Bitner, 1992:64). Baker et al (1988:35) refined these categories used by Zeithaml and Bitner (2000:267) and Bitner (1992:64) to suit the branch environment. For the purpose of this study the efficiency and convenience category of Baker et al (1988:39) was used. Efficiency and convenience are described as functional design factors that foster productive behaviour (transaction areas that are easy to find, directional signs etc). Customers rated this dimension highest of all the dimensions.

The research conducted by Baker et al (1988:40) suggests that the physical environment created in bank branches can be a powerful marketing tool. The assumption is made that if the physical environment is important to customers, it can be used to enhance the customers' experience at the branch.

Marjamaa (2003:77) indicated that a new trend in the service industry is to draw customers to new pod-like stations, rather than channelling them through a teller line. These pod-like stations provide seating areas and reading sections to waiting customers. As a result of this information, one of the questions included in this study asked customers whether comfortable seating areas in branches influence overall perceptions of service delivery. The other questions were taken from the study performed by Baker et al (1988:39).

## RESEARCH METHODOLOGY

The main purpose of this study was to identify the relationships among research constructs as perceived in consumers' minds through the use of a descriptive study. The study was a quantitative, exploratory study, in the form of a communication survey where the data was collected on a personal one-on-one basis. An ex post facto design was used where the researcher didn't have any control over the variables in the study and thus could not manipulate them. This was



a cross sectional study, which was carried out once and it only represents a snapshot of the possible relationships at one stage at a time. The research took place under field settings, under the actual environmental conditions and within the subject's modified routine.

A non-probability sampling technique, namely a convenience sample was used to approach 240 respondents through mall and street interception. The sample size was equally distributed between four specified ethnic groups (black, coloured, Asian and white), with equal male and female participants. The fieldworkers had to approach 30 males and 30 females of each specified ethnic group. Because this study was a non-probability study, and the target population was anyone present in the various suburbs on the specific Saturday the research was conducted, no scientific method was found to be appropriate to determine the required sample size. Of the 240 completed surveys, 231 were useful. In spite of low reliability of a convenience sampling technique, this method was used due to time, funding and resource constraints. One of the implications for using this sampling method was that the results will not apply to any other population than the one tested – which in this case are the residents in the various neighbourhoods approached on the specific Saturday morning the data was collected.

The questionnaire was in the form of either a personal interview questionnaire or as a self-completion questionnaire, with clear instructions to the interviewer and participant. The participants were given the choice between the two methods of completion. The questionnaire was pre-tested and relevant changes were made during a pilot study before fieldworkers used it. Data was collected through street and mall intercept interviews conducted by eight field workers. The field workers were trained an hour before they started their fieldwork. The training document addressed aspects such as the type of respondents each interviewer should approach; the issue of cheating; dealing with refusals and the importance of the qualifying and demographic questions. Field workers were also given the opportunity to practice completing the survey on each other. Respondents were asked three qualifying questions, in the form of multiple-choice questions, before continuing with the rest of the interview. To test most of the constructs, summated Likert scale questions were used. The Likert scale was a five point scale, with anchors of 1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree and 5 = strongly agree. To test the overall satisfaction of respondents, a single item, ten point numeric scale was used, ranging from 1 = dissatisfied and 10 = satisfied. Lastly three multiple-choice questions were asked to obtain demographic information.

The BMDP statistical package was used to perform a factor analysis. The factor analysis specified the Direct Quartimin oblique rotation of the original factor matrix. The reliability of the Likert scale was estimated by using Cronbach's Alpha method by testing the degree to which the instrument items were homogeneous and reflect the same underlying constructs (Cooper & Schindler, 2001:216). To test the validity of the content of the Likert and the multiple choice scales, a panel of independent persons were used to judge how well the various questions meet the set standard. The set standard was to accurately test the various constructs through the set hypotheses. Factor analysis was performed to summarise the variables used into a smaller number of factors (Zikmund, 2003:586). Initially the study was based on using five factors, as indicated in the questionnaire. The factor analysis indicated that the five factors'

eigen values were too low (all below 0.3) to be meaningful factors, therefore all five factors were combined into one factor, called corporate identity. This factor showed a satisfying correlation ( $r=0.69435$ ) with overall customer satisfaction. Two questions (V16 - perceive the bank's service fees as high; V17 – perceive the bank's loan rates to be high) were removed from the analysis. Analysis of variance was used to determine the perception of service delivery in branches. The significance criteria to test the hypotheses was set at  $p<0,05$  (95%) reliability.

## RESEARCH RESULTS

None of the original hypothesis could be tested because the original constructs could not be retrieved through factor analysis. Anova was used to test the effect of age, gender and race of respondents on corporate identity. Firstly the influence of race, gender, age and corporate identity was tested on customers overall perception of service delivery, and secondly the influence of race, gender and age on corporate identity. Anova was used with service delivery as dependant and race, gender, age and first order interactions as effects.

Due to a low response rate in the first two age groups (<20 and 21 – 30), they were combined into one segment. Post hoc comparisons were performed by using least square means (LS-Mean). LSMeans were used instead of the normal mean values due to inequality of the size of the different groups. Superscript was used to indicate differences in significance levels. LS-Means with different superscript indicates a significant difference on the 5% level. Corporate identity was added as a cofactor because a Pearson correlation of 0.69 indicated a moderately positive relationship between corporate identity and overall satisfaction. Significant differences were found for the gender race interaction ( $f=3.18$ ;  $p=0.0251$ ) and age ( $f=3.95$ ;  $p=0.0207$ ) groups with regard to overall satisfaction.

Table 1: Race gender interaction with overall satisfaction

| Race ; Gender    | LSMean Overall Satisfaction |
|------------------|-----------------------------|
| Black Males      | 8.3 <sup>a</sup>            |
| White Males      | 7.5 <sup>b</sup>            |
| Coloured Males   | 7.1 <sup>b</sup>            |
| Asian Males      | 7.0 <sup>b</sup>            |
| Black Females    | 7.1 <sup>b</sup>            |
| White Females    | 7.7 <sup>ab</sup>           |
| Coloured Females | 7.3 <sup>b</sup>            |
| Asian Females    | 6.8 <sup>b</sup>            |

Table 1 shows that Asian females were least satisfied with service delivery in their banks, with black males and white females most satisfied with overall service delivery.

Table 2: Age interaction with overall satisfaction

| Age      | LSMean Overall Satisfaction |
|----------|-----------------------------|
| <20 – 30 | 7.3 <sup>a</sup>            |
| 30 – 40  | 7.0 <sup>b</sup>            |
| 40 +     | 7.7 <sup>a</sup>            |

Table 2 indicates that respondents between the age of 30 and 40 are less satisfied with overall service delivery within branches.

With corporate identity as the dependant, the following significant differences were found for gender race interaction ( $f=3.17$ ;  $p=0.0254$ ).

Table 3: Race and gender interaction with corporate Identity

| Race; Gender     | LSMean Corporate Identity |
|------------------|---------------------------|
| Black Males      | 3.7 <sup>c</sup>          |
| White Males      | 3.4 <sup>a</sup>          |
| Coloured Males   | 4.1 <sup>b</sup>          |
| Asian Males      | 4.3 <sup>b</sup>          |
| Black Females    | 4.1 <sup>b</sup>          |
| White Females    | 3.2 <sup>a</sup>          |
| Coloured Females | 4.3 <sup>b</sup>          |
| Asian Females    | 4.2 <sup>b</sup>          |

Table 3 indicates that white males and females rated the corporate identity of their respective banks lower than all other race and gender groups. Second lowest was black males, with the rest of the respondents rating their bank's corporate identity as high.

With overall satisfaction as the dependant, without taking corporate identity into account, the following significant differences were found for race interaction ( $f=11.07$ ;  $p<0.0001$ ).

Table 4: Race interaction with corporate identity

| Race     | LSMean Corporate Identity |
|----------|---------------------------|
| Black    | 7.6 <sup>a</sup>          |
| White    | 6.2 <sup>b</sup>          |
| Coloured | 7.9 <sup>a</sup>          |
| Asian    | 7.7 <sup>a</sup>          |

Table 4 indicates that there is a definite race interaction where white respondent rated the overall satisfaction the lowest and coloured respondent's rated overall satisfaction the highest. This interaction did not show with any of the other analysis.

From the above it becomes evident that when race, gender, age and corporate identity are compared with overall satisfaction, there is an interaction between race and gender. When corporate identity is taken out of the analysis, there is only an interaction between races. The assumption can therefore be made that corporate image causes interaction between genders, therefore that corporate image differ in importance for different genders.

## DISCUSSION

Through the factor analysis it became evident that there is no difference between the constructs regarding customer's opinion of the various service delivery aspects used in a branch. The assumption can be made that customers don't differentiate between service delivery factors but

experience all the factors as one influence on their perception of service delivery. Therefore one factor won't necessarily influence their perception of service delivery. For example an unprofessionally dressed employee will not influence a customer's perception of service delivery. What did come out in this study is that there is a definite difference between gender, race and age groups in terms of their experience of service delivery. Results showed that in general the Asian and coloured respondents were less satisfied with service delivery in branches than their white and black counterparts. What was interesting was that black males and white females were more satisfied than all the other groups.

Further analysis was performed where only the overall satisfaction was analysed against race. The results showed that overall, white respondents are less satisfied than the other ethnic groups. Respondents rated the overall service delivery experience as relatively high – most items scored above 3 (out of 5), which might be an indication that customers are happy with current service delivery in branches.

## IMPLICATIONS FOR MANAGEMENT

The study showed that various ethnic groups experience service delivery within branches differently. Management should take that into consideration when targeting different ethnic and gender groups. This can also help management to implement subtle changes within branches situated in neighbourhoods populated by different ethnic groups. This study also indicated that customers don't view one factor as having a more substantial influence on their perception of service delivery than another, but rather a combination of factors. This makes it more difficult for management for they have to ensure the total service delivery package is of a high standard to ensure customer satisfaction.

### Limitations of the study

Unfortunately there was no clear indication as to which specific service delivery elements have an influence on the various respondent groups. Management will have to apply a combination of the various marketing mix factors to ensure customers have a positive service delivery experience. This study was only based on service delivery within retail branches of banks, not taking into account Internet, telephone or cellular phone banking, which forms an important part of modern banking. Only people that were present in the various neighbourhoods when the fieldwork was conducted were approached. These respondents based their responses on the banks available in their neighbourhood, which might have caused the unexpectedly high satisfaction rate received. Another reason could be that they were not exposed to other banks and therefore could not compare their current service with any other experience.

### Future research

This study can be replicated with more of a focus on the difference between various race and gender groups in terms of their perceptions of service delivery within branches. This study can also be expanded to include other banking mediums such as Internet banking, telephone banking and SMS banking. Through this study it became evident that customers don't know, or

perhaps don't really care about the difference in service fees of the various banks. This might be an interesting field to explore in future research. Another topic to explore is the difference in perceptions of what forms part of bank or corporate image. Linked to this it should be determined which measurement instruments are best suited to measure corporate image in banks.

## CONCLUSION

The literature review indicated that customers view the various service delivery aspects used in this study as separate aspects influencing perceptions of service delivery within a branch. The results of this study indicated that customers don't view those aspects as separate, but as a holistic influence on their perception of service delivery. Various factors could have caused this finding. It is possible that a different measurement instrument could provide different results, because the instrument used in this study resulted in respondents viewing most of the factors as equally important causing an inability to retrieve the separate factors through a factor analysis. Another reason could be that respondents possibly did not understand the questions asked and therefore viewed all the factors as equally important.

To compensate for the inability to test the original hypotheses, various demographic aspects were used to test for possible differences in perceived service delivery. It seems that various profiles of cultural and gender groups view brand image differently. This conclusion lead to a troublesome question as to what actually forms part of corporate or bank image and when don't these factors form part of corporate or bank image. Based on the result obtained from this study, the perception was formed that it is risky to measure image especially because it seems that very few measurement instruments can actually test corporate or bank image successfully.

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