

**INVESTIGATING THE IMPLICATIONS OF BANK PRODUCT DEVELOPMENT ON  
CUSTOMER ACQUISITION AND RETENTION. A CASE OF XAPIT MOBILE  
BANKING SERVICE AT ZANACO.**

**BY**

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Requirements for the Award of the Degree of Master of Business Administration in  
Management Strategy**

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## DECLARATION

I, **Mary Malamula** do hereby declare that this is my original work achieved through personal reading and research. This work has never been submitted to the University of Zambia or any other universities. All sources of data used and literature on related works previously done by others, used in the production of this dissertation have been duly acknowledged. If any omission has been made, it is not by choice but by error.

Signed.....

Date.....

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## APPROVAL

This dissertation by **Mary Malamula** approved as fulfilment of the requirement for the award of the degree of Master of Business Administration in Management Strategy .

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## ABSTRACT

Product development is the presentation of a good or service that is new or altogether improved with respect to its qualities or planned uses; remembering critical upgrades for specialized determinations, parts and materials, fused programming, ease of use or other utilitarian attributes. This research was aimed at investigating how the Xapit mobile banking service has affected the bank's customer acquisition and retention. The research embraced a quantitative research structure. Primary and secondary data was explicitly gathered and analyzed so as to accomplish the research objectives. A sample of 162 was randomly selected. The data was gathered through questionnaires. The data which was collected was analyzed by the SPSS. From the 162 questionnaires distributed, only 117 were successfully filled up and returned to the researcher. This gave a response rate of 72.23% which is significant considering 50% is viewed as satisfactory. The findings of the study through correlation analysis conducted on the study variables found that both the study variables (customer acquisition and Customer retention) had a negligibly positive relationship ( $r=0.033$ ;  $P < 0.0226$ ;  $r=0.006$ ;  $P < 0.045$ ) with Xapit product. Therefore, Xapit mobile banking service has positively affected the bank's customer acquisition and retention. The results resonated with the findings by Rathi and Sruthi, (2016), Ogongo (2014) and Caldeira & Ward (2001) that a well-developed product positively influences customer acquisition and retention. The study further more discovered that customers find Xapit safe to use which as a result has attracted more customers as indicated by an average ranking of 4.45 with a standard deviation of 0.856. Additional unique factor that made respondents get attracted to Xapit services was a result of friends and colleagues' recommendation as indicated by a mean of 4.33 and standard deviation of 0.743. The study also found that customers are retained on Xapit as a result of among others; lower cost of doing any transaction, secure and easier to use. In conclusion, the study recommends the followings; the marketing team of the bank should do a wider and more detailed market research to determine what else needs to be done to improve Xapit banking services so that it gains more market share. The bank should make Xapit more affordable and user friendly. The bank needs to identify gaps and loopholes in the existing Xapit services in order to improve the services which will ultimately enable it acquire and retain more customer.

**Key Words :** *Xapit, Customer Acquisition, Product development and Customer retention*

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## **DEDICATION**

I dedicate this work to my late father who has always been my cheerleader even in death. I will always love you FM.

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## **ACRONYMS AND ABBREVIATION**

<b>ATM:</b>	Automated Teller Machine
<b>CAC:</b>	Cost of Customer Acquisition
<b>CA:</b>	Customer Acquisition
<b>CR:</b>	Customer Retention
<b>LTV:</b>	Lifetime Value
<b>MNC:</b>	Multi-National Corporations
<b>MNOs:</b>	Mobile Network Operators
<b>NPD:</b>	New product development
<b>PLC:</b>	Product Life Cycle
<b>ZANACO:</b>	Zambia National Commercial Bank

## CHAPTER ONE:

### INTRODUCTION

#### 1.1 Background of the Study

The quest for competitive advantage is at the core of the acquisition and retaining of consumers and the basis of sustainable competitive advantage has been an important area of research in the field of product growth and strategic management (Rathi and Sruthi, 2016). Today, in certain phases of their manufacturing or delivery, nearly all goods produced or processed need such novelty packages such as value addition and packaging; such packages are typically seen as essential parts of their marketing campaigns at the early stages of the strategic organization's overall marketing plans that will cause competitive advantage in order to retain and acquire more customers. Innovation of products is also a key element deciding the performance or failure of a particular product (Murray and White, 2013). In conquering with Rathi and Sruthi (2016), Gluck (2012) states that to be competitive and gain the interest of the consumer, the bank's product must satisfy their expectations and retain the promise of the brand. Product consistency is not the only factor that consumers are searching for in today's industry. Often very relevant are the price, feature and status of the commodity. Prior to delivering the latest goods to the consumer, appropriate testing and strategic planning are required. Bottom-line financial results will benefit in many ways from the launch of new goods (Bayus et al., 2011). Beyond increased demand, by approaching high-margin markets, businesses will boost their profit margins and reduce their costs by engaging their existing clients with "fresh and upgraded" goods instead of just acquiring new customers.

Product creativity, however, is broadly seen as an integral component of competitiveness incorporated within an organization's corporate framework, procedures, products, activities, and facilities. Product and service creativity are some of the basic methods of development strategy to reach new markets, raise current market share and have a strategic advantage for the Bank (Sugget, 2014). That being said, this segment attempted to introduce the analysis and its meaning. The chapter would explain the key and basic aims, rationale and nature of it in the wider context and the importance of this study in a very important way for the reader and writer, henceforth this chapter was the basis of this study.

The banking sector has undergone significant changes since the turn of the millennium. With the rapid increase in technology and reduction in brick-wall banking, banks have had to come up with innovative ways to appropriately serve the 21st century customers. Banks have learnt new ways to offer new products and services to clients and customers. Yet banks exist in a competitive industry in which products and services provided to customers are almost always homogenous. Fong and Ramayah (2013) affirm that in such a competitive environment, the path to create and develop new products is a series of difficult trials. They indicate four types of new product development factors, namely firm image, brand strength, product innovativeness and new product quality as positively related to new product performance at attracting new customers and retaining old ones.

New product development has implications for customer acquisition and retention which researchers have perhaps underestimated in consideration for organizational performance. It has been hypothesized that the purpose of developing new products in any business is to attract new customers and retain old one's while being competitive and remaining sustainable (Rathi and Sruthi, 2016). While research and theory have considered new product development in terms of firm diversification and survival, the foundation is to have more customers with the business.

The growth of the banking sub-sector in Zambia in recent years has seen the introduction of services that are customer oriented with a focus on reaching the unbanked individuals. The introduction of enhanced technology and associated products is perceived to have potential for more financial inclusion than during the years of traditional physical banking. The Bank of Zambia (BOZ) has adopted strategies to foster an environment that would promote the use of technology-based banking platforms and other branchless banking initiatives of which mobile banking is most significant. Most banks and Financial Service Providers (FSPs) have put in place products and services with orientation towards use of mobile technologies (BOZ, 2013). Mobile phones have become a tool for everyday use, which has created an opportunity for the evolution of banking services to reach the previously underbanked/unbanked population [Consultative Group to Assist the Poor (CGAP), 2016]. Mobile banking provides cost-saving, convenience, expedience and swiftness to customers and has been seen to deliver prospects to banks to enlarge market diffusion through mobile services.

Past studies have indicated that many organizations have experienced high product failure rates of new products at 65 per cent (Adams, 2014). Euchner (2008) argues that new products fail to attract an extensive, large and prolonged customer following for the reasons that they are unattractive and are introduced to meet the firm's needs rather than those of the customers. It is well established that not every product is successful on the market. This requires firms to take adequate research into the design and delivery of the product on the market.

Zambia currently boasts of 18 commercial banks and 3 Mobile Network Operators (MNOs). The first integrated mobile banking solution was introduced by Zambia National Commercial Bank PLC (Zanaco) in 2008 called Xapit. Malakata, (2008) reports that to ease payment procedures for its account holders, Zanaco launched the first mobile banking service dubbed Xapit, which allows customers to make payments via cell phone. Xapit enables mobile bill payments, airtime purchases and fund transfers and cardless withdrawals.

Zulu (2018) reports that Zanaco's latest product is the 2017 mobile banking application which will significantly transform how its over 500,000 active customers conduct their banking transactions. The Zanaco mobile banking app is now available for download on Google Play and App Store. The launch of the app is in response to the customers who are rapidly moving to demanding better convenience and quicker access to their cash. This is a major step towards transforming Zanaco into a digital bank to meet the needs of its customers and achieve extended financial inclusion. In 2016, the majority of the banks had already implemented mobile banking solutions and all the MNOs have what they call mobile money solutions for their customers. Zanaco provides mobile banking products including: Mobile banking on USSD and Mobile App, Internet Banking, Bill Muster, Payflexi, Point of Sale for Merchant sales as well as Agency banking and Automated Teller Machines (Zulu, 2018).

## **1.2 Statement of the Problem**

Innovative product development is a key component of business as seen in most sectors, including the banking sector. Ethangata (2015) states that one of the biggest challenges for banks is customer acquisition and by implication customer retention. The fact that it is relatively easy to switch accounts from one bank to another has meant that while IT can assist in customer lock-in, it can also encourage disloyalty among customers as observed by Israel (2015). Therefore,

banks have turned to innovative banking with customer relationship management to learn more about their existing customer base and to identify who, among non-customers, might be worth targeting (Asingo, 2012). With enhanced technologies, banks have significantly reduced branch-based services to customers in preference for online and mobile banking services (Galande and Fuente, 2013). Banks have accordingly developed new ways of providing services to customers in an attempt to get new customers and retain existing ones.

In Zambia, banks such as First National Bank (FNB), ABSA, Atlasmara and Access Bank have come up with innovatively branded products and services in conformity to the BOZ strategy of enhancing financial inclusion through technology-based banking platforms and this has seen Zanaco's number of customers using Xapit product reduce by more than 10.23 percentage according to Henk Mulder former managing director for Zanaco cited in Finscope, (2015). Zanaco is one bank that has pioneered new products on the Zambian market, among them its mobile banking product, Xapit. Although the development of this product has yielded customer-oriented benefits such as cost-saving, convenience, expedience and swiftness, it has not been empirically established, from the bank's point of view, to what extent Xapit accounts for customer acquisition and retention (Finscope, 2015). Xapit was developed as a tool to reach the unbanked and underbanked and over the years since 2009, there has been a significant increase in the number of subscribers from about 100,000 to 500,000 over a period of ten years. However, Finscope (2015) alluded that indications are that over the years, the rate at which new accounts (customer acquisition) are being opened has declined by 8.5% indicating that more customers are allured by the competitors. This may also indicate a near market saturation or that fewer people are opting for Xapit indicating the need to improve the product in order to acquire new customers. There is evidence that under the prevailing competitive conditions, Zanaco, being one of the oldest banks risks to lose out much on its clientele base if it does not improve its products and services as cited by Finscope (2015). There is need to review the product lifecycle of Xapit mobile banking and establish how the bank can respond by renewing the product with new additions and whether this has influenced customer acquisition and retention. This study therefore aimed at establishing how Xapit has achieved the objective of customer acquisition and retention, considering it as one of the products developed specifically by Zanaco with new features included to it from time to time.

### **1.3 Aim of the study**

The aim of the study was to investigate the implications of bank product development on customer acquisition and retention. A case of Xapit mobile banking service at Zanaco.

### **1.4 Objectives of the Research**

This study was conducted in line with the following primary and secondary objective.

#### **1.4.1 Primary Objective**

The primary objective of the study is to investigate how the Xapit mobile banking service has affected the bank's customer acquisition and retention.

#### **1.4.2. Secondary Objectives**

In order to achieve the primary objective of the study, the following secondary objectives of the research were considered:

1. To examine factors of Xapit mobile banking services that make it acquire customers
2. To establish the attributes of Xapit mobile banking services that make it retain customers
3. To determine the relationship between Xapit Banking services and customer acquisition and retention.

### **1.5 Research Questions**

1. What are the factors of Xapit mobile banking services that make it acquire customers?
2. What are the attributes of Xapit mobile banking services that make it retain customers?
3. How is the relationship between Xapit mobile Banking services and customer acquisition and retention?

### **1.6 Ethics Statement**

This study was conducted within the acceptable norms and standards of an academic research work. All relevant permissions for conducting the study will be obtained from the institutions to be involved, including Zanaco and the University of Zambia. All respondents were included by individual consent without compulsion. As a matter of confidentiality, no information was

divulged to any other people, in any form, that would compromise the identity and reputation of any participants in the study, whether institutional or human. The study was conducted only within its scope and no part of the study will fall under biasness or plagiarism.

### **1.7 Justification of the Study**

Conducting this study would be a valid undertaking as it will be of significant importance to various stakeholders, such as the regulators and policy makers in the Zambia financial sector, Zanaco Bank, other commercial banks and financial institutions; commercial entities; public consumers; academicians and students. To the regulators and policy makers such as government and the Central Bank, this study will provide valid information about how products developed by commercial banks fit into the overall goal of financial inclusion and growth of the financial sector through new product development. To Zanaco, the findings of the study will give a valid trace of how the product has developed over time and how its added new features have enhanced customer acquisition and retention, from the customers' point of view. The study will provide recommendations for the improvement of the bank's financial products. Other banks and commercial entities will obtain empirically tested evidence that will affect their product development. To academicians and students, this study will add to the already existing and growing body of literature on new product development, customer acquisition and customer retention. It will also provide a basis for future research in the financial sector.

It is apparent that conducting this study will significantly assist to bridge the gap in knowledge as it will bring together the aspects of product development and customer acquisition/retention to show their relationship and application in the banking sector. The study will confirm whether Xapit mobile banking and its new features added from time to time have been of significance in acquiring new customers and retaining existing ones. The study findings will be validated from the point of view of the bank customers using Xapit and the officials at Zanaco. The results of the study will be applicable to the entire population of bank customers and bankers/financial institutions engaged in developing new products for the purposes of attracting and retaining customers.

## **1.8 Scope of the Study**

This study was a case study of Zanaco, one of the eighteen commercial banks in Zambia. The study did investigate only three major variables, namely new product development, customer acquisition and customer retention. The study was conducted among active customers of Zanaco using Xapit services over a period of at least two years (2016-2018), including those who have been on Xapit for longer. Zanaco's Xapit has been a pioneering product on the market since 2009 and some of its latest features are new for other banks. The study focused exclusively on the perspectives of bank customers of Zanaco in the provision of mobile banking services to customers in Lusaka. The data collection was by means of questionnaires and analyzed statistically.

## **1.9 Propositions of the Study**

### ***Hypothesis 1***

**H<sub>0</sub>:** There is no relationship between Xapit mobile banking and customer acquisition at Zanaco Bank.

**H<sub>1</sub>:** There is a relationship between Xapit mobile banking and customer acquisition at Zanaco Bank.

### ***Hypothesis 2***

**H<sub>0</sub>:** There is no relationship between Xapit mobile banking and customer retention at Zanaco Bank.

**H<sub>1</sub>:** There is a relationship between Xapit mobile banking and customer retention at Zanaco Bank.

## **1.10 Limitations of the Study**

There are various factors that constrained the conduct of this study. Some respondents were hesitant to provide information to the researcher concerning their banking practices. At the institutional level, the bank did not disclose protected information on their banking services to the researcher. In terms of covering the study on a wider scale, the study was constrained by limitations of resources since the researcher used personal finances and time which was not adequate to cover a country-wide study. There are a wide range of new products that various

banks are introducing on the market and it is not possible to account for customer acquisition and retention on most of them. The use of questionnaires did slow the data collection process as some respondents took long to return them and the return rate was not 100%.

## **1.11 Organization of the research chapters**

The study chapters are organized as follows;

### **1.10.1: Chapter One: Introductory Chapter**

The Introduction, Background Information, Statement of the Issue, General and Specific Research Goals, Scope of the Analysis, Discussions of Study Issues, and Justification of the Study are included in Chapter One (1) of this study. In addition, the research theory, the nature of the study and study shortcomings were also illustrated. Finally, the arrangement of the research chapters, ethical concern and a chapter overview were covered in the chapter.

### **1.10.2 Chapter Two: Literature Review**

Both theoretical and observational verification of the thesis was explained in Chapter two of the review. It offered different views from numerous writers on the subject being discussed. A summary of the conceptual framework which formed the basis of this research was also provided in the study chapter.

### **1.10.3 Chapter Three: Research Methodology**

In chapter three of the report, the research approach, which is a road map of this research, was presented. Science philosophy, research environments, research architecture, research procedures, sampling strategies, study population, study sample size, data collection methods, data interpretation, models, experiments and software were among the related questions discussed in this chapter. The chapter further explains the matrix of research architecture and ultimately a description of the chapter was given similarly.

#### **1.10.4 Chapter Four: Presentation of Research Findings**

The results of the analysis from the collected knowledge were discussed in Chapter four of the study. The results of the research were described in the form of tables, figures and charts in this chapter. The findings were then translated to give the figures presented in the data analysis a brief summary and significance and the chapter was eventually summarized by pointing out the related issues addressed by this chapter.

#### **1.10.5 Chapter Five: Discussion of Research Findings**

In chapter five, the research results presented in chapter four were further explored in depth. Relation was made to the literature examined while analyzing the results of the report, thereby drawing distinctions and parallels. In addition, the chapter was summed up by emphasizing all of the key topics explored in the chapter.

#### **1.10.6 Chapter Six: Conclusion and Recommendation**

A description of the analysis was given in Chapter six of the report. Not just that, but conclusions were also taken on the grounds of the study's results. Finally, with a chapter overview as the last part to be looked at, recommendations for potential study were also made clear in this chapter.

#### **1.12 Chapter Summary**

Chapter one of this report offered a screen shot of what the analysis was all about and what the study covered. That is, the first chapter of this report offered valuable information on the introduction of the project, the background to the study, the problem statement, the purpose of the study, research objectives, research concerns, the importance of the analysis, the research hypothesis, the nature and location of the study, the study limitations and, finally, the structure of the chapters of the study and the organization of the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

Literature review talks about distributed data in a specific branch of knowledge, and some of the time data in a specific branch of knowledge inside a specific timespan. Every research is based on all of the relevant thinking and researches that have preceded it. In other words, this research study is built around the foundation of the hard work, academic dedication and findings of earlier researchers and writers in the field. This chapter looked at among others; Product Development, Stages of Product Development, Product Life Cycle, Customer Satisfaction, Product Development in the Banking Sector, Customer Acquisition, Customer Acquisition Methods, Customer Acquisition in the Banking Sector, Customer Retention, Empirical Literature, Theoretical Overview (Resource-based theory and Comparative advantage theory) and Conceptual Framework.

#### **2.1. Product Development**

New product development (NPD) is the term used to describe the complete process of bringing a new product or service to market (Awan et al., 2011). There are two parallel paths involved in the NPD process: one involves the idea generation, product design, and detail engineering; the other involves market research and marketing analysis. Companies typically see new product development as the first stage in generating and commercializing new products within the overall strategic process of product life cycle management used to maintain or grow their market share (Bendoly et al., 2012).

New product development can be viewed from the wider concept of new product management. New product management is an important function in an organization as it helps to identify and quantify problems and opportunities in the market segment (Johnson, 2009). According to Windley (2002) product management focuses on customer's needs and wants rather than on the organization's assets, such as technology, and employee skills. As a result, product management enables an organization to satisfy the customers' needs and wants. According to a resource-based

view, sources of competitive advantage are segregated into two broad types, which are resources and capability. First, resources represent the assets controlled by the firm that are used as inputs to organisational processes. Second, capability represents a complex bundle of skills and accumulated knowledge that enable a firm to utilize their resources to create value and competitive advantage (Bakar & Ahmad, 2010).

Given this, new product development is categorized as organizational capability in resource-based theory. This is so because new product management is one of the internal and external integrative and marketing capabilities in organizational capabilities that enable an organization to achieve and sustain new product competitive advantage. Thus, an effective and efficient new product management is becoming a powerful strategy for organizations to gain a competitive advantage (Akroush, 2012).

Asingo (2012) states the need for NPD arises from various considerations about a firm's products including: shorter product lifecycles; increasing technological capabilities; increasingly competitive Markets; advertisement; grow brand loyalty; diversification into growth areas; increase Market share; production and Research and Development strategies. Other reasons are to meet requirements of customers, market competition, new ideas, removal of problems with previous products, new technology advantages and failure of previous products (Bendoly et al., 2012).

### **2.1.1 Stages of Product Development**

The phase of a product launch by bringing new competitive goods into the market should be perfected in order to enable continuous growth companies. Brand releases help raise revenue from acquisitions and increase the client base. An organization will also reach new classes of clients by launching new goods. The development of new goods will also affect the expansion of the business and new internal acquisitions. If a firm wishes to accomplish a good product launch, continuous testing and preparation are important. All the company's workers are engaged during this process, from the R&D team to the Sales and Marketing team (Gluck, 2012). The following are the Phases of Product Development:

**Idea generation:**

The idea creation is the ideation activity that an organization undertakes to create a series of product ideas. The idea generation acts as a stage in the product development process to introduce as many ideas as possible to the business, evaluate the concepts and identify the best alternatives that can be considered for further product development (Kahn 2011, p.68). The quality of a project will be measured by a positive or poor product design, since the generation of innovations can lead to new goods that can be sold to consumers. An organization may work on multiple ideas, but the content of the ideas is typically of poor quality or low importance. It is crucial that an organization structures a process to produce fresh innovations that will help develop new innovative goods for this purpose (Cooper 2001, 154). It is really important, according to Cooper (2001), to have a product plan that identifies the strategic target areas and determines which areas you want to look for new technologies. These simple criteria can help produce simpler and more powerful ideas that are difficult to achieve from a dispersed quest.

Ideas may come from various outlets for a new product: staff, suppliers, customers, sales people, scientists, rivals, etc. These sources can be divided into internal and external sources (Jegere 2007, p.115). External sources-employees of companies. The bulk of proposals for new goods come straight from the inside of a business, about 45 percent (Kotler and Armstrong 1991, 290). Higher-level managers must build such an organizational atmosphere in order to best use the innovative capacity of one's own employees, where employees are empowered and not afraid to share their thoughts as well as earn a reward in the event of success. Customers, opponents, manufacturers, scientists, inventors, research labs, branch contractors, publicity firms, R&D enterprises, branch publications and many others may be somewhat different from external outlets.

One of the most relevant potential outlets of ideas is consumers. Latest study findings indicate that approximately one-third to 28% of new product ideas are obtained by watching or listening to consumers (Stone and Desmond 2007, 241). This can be obtained by evaluating the outcomes of multiple consumer questionnaires and grievances submitted, as well as by tracking actions. The acts of rivals will also serve as a strong motivator to look out new product concepts and to

develop them. Data reveals that up to 27% of new innovations are derived through the study of the activities of rivals (Kotler and Armstrong 1991, p. 290).

Psychologists have developed numerous approaches in conjunction with communications experts that can help workers produce new ideas independently or even in groups. Brainstorming, morphological analysis and forced relationships are among the most common (Stone and Desmond 2007, 241). One of the most common and most successful strategies for generating solutions is brainstorming. The key goals of it was to discard the normal way of thought by the members and to achieve a stream of new ideas. Brainstorming techniques are useful for solving particular, not general, problems and for generating useful, new and unusual ideas (Durmusoglu and Barczak, 2011). This can be applied both personally and in groups of 2 to 10 individuals (in ideal conditions from 4 to 7 people).

Morphological analysis is a process by which a topic and all its elements are analyzed and then checked for links and solutions. For example, there is a product that can be made from three kinds of materials, in six different shapes and with four kinds of mechanisms. Then 72 (3x6x4) combinations are potentially feasible, some of which could still exist, while others are unlikely or impractical, specifically where the future possibilities for new products are concealed (Jegere, 2007). Forced relationships are the third most common concept generation process. The aim is to form ties between two and more concepts or artefacts that ordinarily have little in common to build imagination, originality and innovation, as multiform ideas are created by the result. For example, many original and unique ideas for new goods can be obtained by contrasting a business and a vegetable hatchery.

### **Idea screening**

According to Zikmund (1993), the goal of the screening process is to evaluate novel concepts in order to determine those are the most plausible and relevant for the target market of the business. Therefore, if it is necessary to gather a maximum amount of ideas during the concept generation, then the object of this stage is to get rid of what is obvious already without a deeper examination as unacceptable and unreal. An internal or external solution to the screening process may be used by companies (Bennett 1988, p.338-339). There were many ideas that were screened before the idea of Xapit came to reality.

The internal approach to the evaluation and appraisal of proposals is used even more commonly than the external one, since it is simpler and needs far fewer time and financial capital, but an external approach has greater precision and conformity to the business environment, since it allows to understand and anticipate future consumer reactions. Regardless of how the screening and assessment of the concept is structured, it is important to address the following questions during the process:

1. Does the customer require a commodity of this kind?
2. Does an enterprise have the requisite technical and technical expertise to produce a product?
3. In order to have a chance for benefit in the future, is the idea opportunity high enough?  
(1993:Zikmund and d'Amico, p.396)

Answering these questions, which is not always easy, it is possible to define whether further promotion of the concept is worthwhile. In the course of new product creation, the stage of concept screening is very critical, because by attempting to realize bad and unacceptable ideas, the company loses resources and resources, thus declining successful yet reckless ideas, and becomes conservative and lacks competition.

### **Product concept:**

Ideas that have survived from the screening stage have been materialized and would thus be checked on the target market. Only if the properties and benefits of a commodity are communicated to the future buyers will it be achieved. It is therefore necessary that a product idea and its positioning principle be established. A product concept is a potential product or service that may be brought to the market by a company. Although a product description, as Kotler points out, is a comprehensive version of an idea that is conveyed to customers in terms of context (Kotler and Armstrong 1991, 292). According to Praude (2019), in the understandable product definition, a term is already chosen and learned in the idea edition given.

The use of a product placement chart is one of the most commonly used tools for design creation (Kotler 2006, 358). This is a method in which the business situation is investigated and

knowledge is gathered regarding the properties that appear essential to customers in a particular product category (e.g. price, cost, etc.) that already existing goods on the market (similar to the future idea) satisfy the criteria of the buyer, which, in the view of the customer, is the optimal standard of such products on the market. The key aim of the positioning chart is to show the perception of the products present on the market by customers and to predict how the new product will be viewed. A few of the more relevant product models are generated on the basis of the data obtained. After that, it is necessary to perform inspections or checks.

### **Marketing strategy:**

The establishment of a marketing campaign is the fourth stage of new product creation where a company attempts to create a key marketing strategy initiative project in order to bring a new product onto the market (Kotler 2006, p.359). There are 3 sections of a marketing campaign outline. The first section defines the potential and structure of the target market, the proposed definition of product placement and the revenue, market share and benefit goals for the first years of operation. The key points in the second segment are the expected costs, sales policy and marketing budget of a commodity for the first year. The expected long-term sales and revenue goals and marketing mix components are re-examined in the third marketing strategy segment (Kotler and Armstrong 1991, p.293).

When designing a marketing plan, it must be considered that multiple product roles should be maintained: - the product position of specific properties; - customer positions that involve special satisfaction and problem solving for specific consumption; - the role that is taken into account with regard to user categories; - the position with regard to competitors (Jegere 2007, p.120).

For example, if a business prefers cream skimming, penetration on the market or some other price creation technique, one of the most significant marketing strategy elements is the option of price developing strategy. The foundation for a strategic review that is carried out before the management takes the final decision on a new product release is provided by a marketing campaign plan. Company research is the next step of the development of new goods, during which the most effective product models are deepened and detailed in order to improve production, marketing and financial strategies.

## **Business analysis:**

An assessment of the marketing situation is the starting point of a company study, and some critical questions are included (Glucke, 2021):

Target business description; - sales volume forecast; - product placement feature;

The ranking of the possible response of competitors; - the calculation of the potential loss of market volume that may occur if customers fail to purchase the current product and select a new offer;

Explanation of recent product features, including quality levels; - estimation of the extent of affordable prices;

Distribution channel strategy (whether new goods can be delivered across existing distribution networks or whether new ones would need to be developed);

Estimate potential for profit. What is the potential demand, what expenditures will be required, and what is the cost of marketing the product?

The second level of economic analysis is the study of financial problems, which is carried out on the basis of marketing analyses and involves factors such as the size of revenue, the variable cost of production, the persistent cost growth and the contribution of new goods to the increase in profit volume (Glucke, 2021). The exact results are definitely difficult to predict, but it is necessary to produce at least an estimated concept in order to understand whether the idea would be theoretically beneficial for a corporation.

The third stage is the explanation of output information, such as the assessment of required resources or technology estimation, for example (whether for product manufacturing the existing equipment can be used or new ones will be needed as well as whether on the market the corresponding equipment is available or it must be patterned by a company). In the opinion of the author, this knowledge will have an important effect on the further fate of the product concept, and if the technical tools available for the realization of the idea are lacking, it would probably be appropriate to make too much investment, so that this phase can be paid and profitable for a business (Jegere, 2007). The author also assumes that, summarizing the

knowledge obtained, the company study reviews a possible new product from all the most relevant corporate backgrounds to assess how effective it can be in the actual market situation. It is the last stage where, in order to grow and realize it on the market, the most popular and most lucrative idea is selected.

### **Technical development:**

A commodity can exist as an idea that passes all the above-mentioned market tests. The product design, however, needs to go to the next step, which is development. The R&D team began to turn the idea into a physical commodity in this process (Kotler et al., 2013). Building a prototype and beginning the tests with the customers as soon as possible is a vital part of production. It is crucial to actively look for consumer feedback and input during this stage. The input from consumers would help keep the product production in the right way, satisfying all consumer specifications (Cooper 2001, 253). Cooper emphasizes that during this process, quick growth is still very necessary. To achieve comparative advantage and earn faster sales, the commodity can enter the market as soon as possible.

In addition, Stefan Thomke and Donald Reinertsen (2012) analyzed some fascinating product creation myths from the Harvard business review. The product creation and launch process may be influenced by such myths. First of all, the writers claim from an economic point of view that it can be performed in limited quantities while obtaining products for a project and checked in each process without making batches. In order to increase cycle time, productivity and consistency, this method can help. Second, the authors propose that administrators not invest their efforts on one project and consolidate the resources, since this does not fasten the process of product creation but generate queues in the project.

Around the same time, it is often advised to stop beginning production too early, because if the company is basically not ready to start it, such action would not accelerate the pace of development (Thomke & Donald, 2012). When the first version of the software has been produced and tested with the clients, continual development is important. The marketing team should still prioritize input from consumers and features that add value to the consumer and not

the product itself (Hogan, 2013). In addition, Robert Cooper (2001) notes that it is very necessary to develop a post-launch strategy parallel to product growth. At this point, what will happen after the product launch will need to be described by the company; what should be calculated and how will it be done?

### **Test marketing:**

The aim of this step is to verify the product fully and prepare it for the final launch. To verify the functionality and documentation of the device, testing is very important. Avoiding this stage will most often lead to a failed launch of the item (Soni & Cohen 2000). Beginning with the choice test, which tests market approval, there are other test approaches that can be applied. The finalized package is introduced to the consumer during this evaluation, answering its preferences. The design and development experiments carried out in previous phases are only used in definition models and are not entirely accurate for the launch of the finished product. This method of testing would, according to Cooper (2001), lead to a small change in the design of the product. A valuable source of knowledge that will decide how the product can be communicated to the consumer is the message obtained by the customer preference survey. It is, however, best not to oversell the product, but to let the consumer test it. It is more important to calculate how well consumers enjoy the commodity than to measure how well the salespeople do.

A Beta Research is another technique for testing, which is carried out over a prolonged span of time and entails clients and collaborators. Beta testing is usually the second level of testing after internal testing. The commodity is given to the client who can use it in his working environment or loaned to him. In the actual operating world, the product is shown during this evaluation. The show will aid in identifying the product's strengths and limitations. Any defects that the substance might have are often not shown correctly in the laboratory tests (Cooper, 2001). During the beta process, all product attributes, advantages and features will be checked. The input collected is very important and should be closely evaluated. The consumer responses can include very important promotional content that can be used as the new goods are launched. The advantages and attributes of consumer reviews should be used to design advertising and distribution materials (Vellandi, 2008). A very significant part of the checking and evaluation

process is the beta test, according to Soni & Cohen (2000). During this process, other aspects are carried out, such as the preparation of a legal document, the implementation of a production schedule and the training of sales services. (2000, Soni & Cohen).

Business Assessment is the last technique for testing that can be performed before the sale of the product. The advantages and the cost will depend on the approach of the manufacturer, the sales channel and the product's uniqueness. This testing is entirely voluntary, according to Vellandi (2008), and can be used in a small market or community of consumers to test the launch approach and the marketing campaign. The section selected to conduct the test is subject to the full launch schedule and the finalized product. The primary purpose of this form of testing is to check the anticipated sales and consumer approval before going to gate five, offering the green/red light for the finalized goods to be released. The second result of this method of experimentation is that, by introducing them into small divisions of two separate categories, the organization will compare different launch strategies. In industrial goods, such research is often referred to as trial sale where any detail is specific with the final launch schedule (Cooper 2001, p.273-274; Vellandi 2008).

### **Lunching of the product:**

Introducing the product into the market is the final step of the product creation and launch process. The role of marketing and sales is critical at this point. For example, the creation of a marketing strategy at this point is a very important operation (Cooper 2001, 278-279). In a product launch process, from the start of product development, the brand's mission and priorities are established by the company. Marketing's aim is to build value for clients and to maintain a profitable partnership with clients. A marketing campaign is important to do this. The marketing plan determines which customer group the business will represent and how this customer group will be served. By segmentation and targeting, the customer community is identified and the solution to how the business can serve its customers comes from differentiation and positioning. (Kotler et al., p. 51-53, 2013).

### **2.1.2 Product Innovativeness**

According to Olavarrieta (2018) an organization's innovativeness can be defined as product newness, product advantages, product-company fit and innovation-market fit. Product

innovativeness is known as a form of intangible resources that is used to gain competitive advantage for an organization. Given this, product innovation is an essential strategic approach for creating competitive advantages. Hence, the more innovative an organization is, the more timely, creative and prolific in the introduction of the new products or services, and the faster in modifying existing offerings will, in turn, provide superior benefits to the customers.

### **2.1.3 New Product Quality**

Witting (2012) states that Quality can be segregated into objective quality and perceive quality in which objective quality is defined as the actual technical excellence of the product that can be verified and measured, whereas perceived quality is known as the customers' judgements about the product's overall performances. In order to have good product quality, an organization needs to define and communicate their mission to the members. This is so because it can influence the quality related values, behavior and reaction of the employees about the change. As a result, the quality of a new product can influence an organization's image, customer loyalty, the attractiveness of the products, product market share and profitability. Hence, the importance of new product management in an organization cannot be denied.

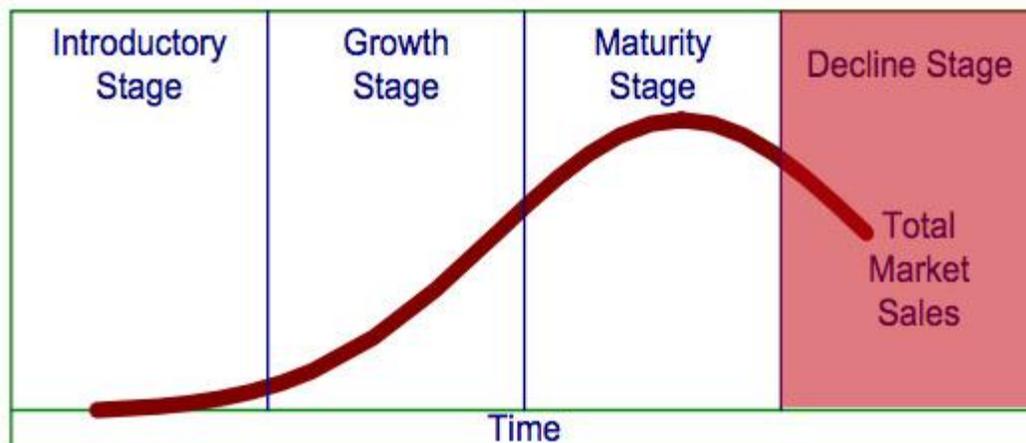
### **2.1.4 New Product Performance**

Bakar & Ahmad (2014) stipulates that new product performance is the outcome of new products in the market that depends on the design to specifications and the ability to translate the customers' needs into product specifications. New product development performance can be in the form of cost, lead time, external and internal quality, schedule-following and product profits. They further state that the performance of the new products is noted through the positive response and improvements in the product design itself. Past researchers have elucidated that there is positive relationship between innovation and new product performance. Hence, new products are more successful if they are designed to satisfy the customers' needs and wants.

### **2.1.5 Product Life Cycle**

With regards to business/commercial risks and promotional steps, the commodity life cycle (PLC) describes the life of a product in the market (Kotler et al., 2013). It goes through different levels, includes several technical fields and requires a range of expertise, instruments and

procedures. This is not to suggest that product lives should not be prolonged, but rather, each product has a 'natural' existence in which it is supposed to proceed. There are several clear examples of this. In the face of evolving tastes, technology and rivalry, an organization must excel in both producing new products and handling them (Gluke, 2012). To replace those that are in the diminishing stage of their life cycles, a successful product manager can identify new products; learning how to handle products optimally as they pass from one stage to the next. The following are the stage that each and every product goes through during its life.



Source: (Gluke, 2012)

### **Product life cycle stage 1: Market introduction**

A low sales growth rate characterizes this stage when the product is recently launched and customers do not know anything about it. Traditionally, during this period, a business typically incurs losses rather than gains. Users may not be aware of its true potential, especially if the product is fresh to the market, involving widespread information and promotional promotions across different media (Vellandi, 2008). This process, however, also offers its share of opportunities. For one, less rivalry may exist. In certain cases, if the commodity proves very successful and is in high demand, a monopoly can be established. It should be noted that Xapit has already passed this stage of product life cycle 9 years ago. The launch phase's characteristics are: high costs due to initial promotion, advertisement, delivery, etc. Sales volumes are limited, steadily rising; there can be little to no competition; Demand must be produced by promotions

for promotion and awareness; clients must be prompted to try the product. Due to high costs and low revenue volumes, little or no profit is generated.

### **Product life cycle stage 2: Growth**

The growth stage is the time during which customers, the market, and the broader general public gradually and increasingly achieve approval of the commodity (Pruder, 1999). ZANACO's Xapit product reached this stage in the early 2013. It received overwhelming response from the market as it was the first of its kind to be launched on the Zambian market among all the commercial banks operating in Zambia ([www.zanaco.zm](http://www.zanaco.zm)). The product or invention is embraced in the market at this stage, and sales and profits continue to rise as a result. Profits are starting to be produced, but the breakeven point is likely to remain unbreached for a considerable amount, depending on the cost and income systems, even before the next level (Hogan, 2013).

Thomke (2012) alludes that in this stage, then demand continues to increase, the original distribution is spread further. Beyond the originally elevated rate, marketing is improved, and word-of-mouth advertisement leads to more and more prospective consumers hearing about the product, checking it out, and deciding to use the product consistently if the company is lucky. Repeat orders are also received from original purchasers. Growth stage features: Owing to economies of scale, prices are minimized: as manufacturing and sales are ramped up, economies of scale kick in and the costs per unit are reduced (Hogan, 2013). The number of sales rises significantly: sales rates rise as the commodity increases in popularity. Profitability continues to increase: sales start to outweigh expenses, producing profit for the business Public awareness increases: Public awareness rises through improved marketing, exposure and word of mouth. With a few new competitors in the development of a market, rivalry starts to develop (Zikmund, 1998). Increased rivalry leads to reductions in prices: price wars may break out, technology may get cheaper.

### **Product life cycle stage 3: Maturity**

Sales development has begun to slow down during this point, and the product has already achieved widespread adoption in the industry, in relative terms. Ultimately, revenue will peak at

this point (Vellandi, 2008). In order to prevent decline, the organization would want to extend this process, and this desire leads to new creativity and features to continue to compete with the market that has become very mature, advanced and ferocious by now. The goods of rivals will start to eat profoundly into the business place and market share of the company. However, despite this, sales in the early part of the maturity period continue to increase. But, as the graph shows, those revenues will plateau and eventually decrease. This is the stage that ZANACO Xapit product has reached at the moment. It is therefore important that ZANACO Bank should continue to improve on this product so that it does not go on to the decline stage soon as a result of competitors introducing new superior products of similar nature. Retaining and acquiring new customers requires ZANACO to be proactive in respect to the maintenance and introduction of new features on the Xapit platform to make to make it more attractive to the customers.

#### **Product life cycle stage 4: Decline**

The last step of the product life cycle is when the product eventually dies because of the poor or negative market growth rate. Profitability will gradually decline, to the point that manufacturing is no longer viable, and performance will cease (Kotler et al., 2013). When a variety of firms continue to dominate the industry, retaining their level of revenue becomes more impossible for the corporation in question. Xapit has not yet reached this stage but it will reach if the management at ZANACO do not keep on improving this product because consumer preferences often shift, as do emerging innovations that can eventually make the commodity redundant (as in the case of CDs and DVDs, and now Blu-Ray). Features of the decline stage include: a drop in the number amount of revenue as competition becomes extreme and the product's reputation falls; A decline in rates and profitability (the latter gradually falling into the negative zone); A framework of counter-optimal cost; Instead of rising revenue, profit is gradually becoming a production/distribution productivity problem. It is necessary to remember that product termination is not necessarily the end of the business cycle; however, within the broader framework of an on-going business program, it is just the end of a single entrant.

#### **2.1.6 Customer Satisfaction**

Customer satisfaction indicates how well the product-use experience compares to the customer's value expectation. Awan, Bukhari and Iqbal (2011) highlighted that satisfaction or dissatisfaction

is based on the gap between the customers' expectations of the products and services with the actual perceived performance. If the customers' expectations are met, the result is satisfactory. On the other hand, if the customers' expectations are not met, dissatisfaction occurs. As highlighted by Cravens and Piercy (2009) customer satisfaction can be measured in terms of availability, responsiveness, timeliness, completeness, tangibility, empathy, reliability and professionalism. Besides, customer satisfaction can be improved by providing a value offering such as product innovativeness and product quality that matches the value proposition, that are considered important by customers.

Ahmad, Rehman and Saif (2010) suggested that an organization should concentrate on service quality in order to satisfy the customers as it is proved that service quality has a great and strong positive impact on customer satisfaction. Hence, customer satisfaction is important for an organization to sustain a competitive advantage in this turbulent business environment.

Bakar and Ahmad (2010) stated that the performance of the product such as product quality can be identified through the positive market response and the improvement in the product attributes itself. Information technology tools such as internet and product design tools have positive relationships with new product development and this will in turn influence a firm's overall performance.

## **2.2. Product Development in the Banking Sector**

Electronics and information technologies are rapidly changing the banking and financial services industry. Online banking and electronic payment systems are new and this allows customers to check their balance and update personal information, and the development and diffusion of these technologies by financial institutions is expected to result in a more efficient banking system. This technology offers institutions an alternative and better delivery channels through which banking products and services can be provided to consumers. The decline in cost and increase in capacity of computers, as well as developments in communications technology, have altered not only the way information is transferred but also the cost of processing and storing information. To bring services closer to a customer and to guarantee the opportunity to use them anytime a customer wants to, have been the most important targets in banking during the last twenty years. The continuing development of more and more complicated back-office systems would not have been possible without information technology.

According to Reynolds (2016), retail banking services are at a cross roads in their service offerings as new realities disrupt the status quo. Consumers trust in financial firms is eroding while their expectations of service increase. Financial services are not traditionally known for innovation but intense competition in today's retail market place means that institutions must seek every advantage to gain share. Whilst innovative products can often provide that edge, the key to long term success is to produce a constant stream of innovations so gains are consistent and repeatable. Industry analysts predict that future success in the banking industry will be based upon the industry's ability to react quickly to external forces. Traditionally the global banking industry has been notoriously slow to change and adapt to new conditions. Banks need to respond, and respond quickly to opportunities and threats. What will separate the winners from the losers will be the ability to react to and embrace change. In order to face up to the competitive challenge from new market players, banks must strengthen their awareness of new intelligent banking products, focus on innovative sales techniques and look at long-term strategic planning trends. According to Asingo (2012) all the new products in the banking industry today revolve around electronic banking and information technology. Many banks in developing Africa have acquired devices which are the hallmark of money markets in the developed world.

### **2.3. Customer Acquisition**

According to Sugget (2018) customer acquisition is the process of acquiring new customers for business or converting existing prospect into new customers. The importance of customer acquisition varies according to the specific business situation of an organization. This process is specifically concerned with issues like acquiring customers at less cost, acquiring as many customers as possible, acquiring customers who are indigenous and business oriented, acquiring customers who utilize newer business channels etc. The whole process should concentrate on the following considerations as suggested by Bakar and Ahmad (2010):

- (i) Primarily it is important to determine and focus on psychology of customers, like how the customers feel and think and then selecting the product segment to be presented to them.
- (ii) Concentrating on how the customers are influenced by the surrounding environment like the business culture, technology, media etc.
- (iii) Analysis of customer behaviour and tendency while buying specific range of product

- (iv) Studying the customer's limitation of knowledge processing power which influence the decision-making power.
- (v) Finally, it is very important to engage best strategies for effectively convincing new customers and improving marketing campaigns.

### **2.3.1 Attributes of Customer Acquisition**

**Cheap:** According to Galetto (2015) Customer acquisition should be tied to the best possible pricing approach, which includes using optimum selection parameters that balance quantity, consistency, expense, and timeliness. In a market-oriented society, companies adopting the best possible price policy should also accept vertical or horizontal pressures which allows its product to be cheap for the lowest earners in the market if the company is to make profit (Akroush, 2012).

**Reliable:** The intrinsic reliability capability efficiency is primarily determined by design decisions. The product's chosen parts, packaging, automated testing equipment, transportation, and implementation will all introduce instability and mistakes, lowering the real reliability performance (Cavallo and Rossi, 2014). When they crash, the consequences can be disastrous: accident, death, and/or expensive litigation. Repeated failures often result in frustration, discomfort, and long-term consumer disappointment, both of which may damage the responsible company's market position (Copisarow, 2017). It is therefore important that products are reliable in order to attract customers as stated alluded to by Galetto (2015).

**Safe:** As stated by Murray and White, (2013), Manufacturers must go through a review to ensure that the products they release are secure before they go on the market. This is accomplished across a variety of stages, including architecture, production, and marketing. Unfortunately, certain distributors do not always follow the rules that prohibit them from releasing potentially hazardous goods. However, it is important for banks to ensure that their products are safe for a variety of reasons.

**Range of services offered:** Getting a pleasing variety of goods is a direct consequence of having a good product marketing campaign in any industry, big or small. Companies design and sell these goods to consumers of various ages, income levels, buying habits, and product preferences (Cohen and Levine, 2015). Companies place a high emphasis on ensuring that their product

selection is appropriate which translates in more acquired customers. And big corporations like Coca-Cola evaluate their product marketing strategies on a regular basis to ensure continued growth (Fong and Ramayah, 2013).

**Prestige:** In order to acquire more clients and ensure their long-term viability and growth, businesses must distinguish themselves from their rivals in today's intensely competitive market climate (Cohen and Levine, 2015). As a result, many prosperous businesses have made developing a clear identity a top priority (Misati et al., 2016).

**Friends and colleagues:** Sugget, (2018) states that the most trustworthy kind of advertisement is that which comes from people we know and trust. According to the Nielsen Global Confidence in Advertising Report published in 2014, 83 percent of online respondents in 60 countries trust advice from friends and relatives. This is a one-percentage-point drop from 2013. (84 percent in 58 countries) (Howard, 2016). Owned web bank products are now one of the most trusted advertised products as result of friends and colleagues' recommendations. The second-most-trusted format, ads on branded websites, increased one percentage point to 70 percent in 2015, staying in second position since 2013. Sixty-six percent of survey respondents said they value customer views found on the internet, which is down two percentage points from 2013. Furthermore, more than half of global respondents (56 percent) trust emails they signed up for, which is similar to 2013.

**Media promotions:** Brands have been slowly growing their digital ad spend as they gain trust in digital ads and measurement, but TV formats continue to offer the highest unduplicated reach (i.e., the ad hits each audience member only once) of 85 percent to 90 percent, according to Beard (Howard, 2016). "While digital advertising may have significant advantages, such as precision-focused campaigns, in-flight modifications, and more innovative opportunities, any marketer making the switch from TV to an all-display digital strategy is taking a risk. For the highest return on investment, use a mixture of offline and online channels" (Kanyiri, 2018).

Millennials (ages 21 to 34), who grew up with the Internet, have the most faith in web and smartphone formats, led by Generation X. (age 35-49). Online video ads (53 percent), social media ads (51 percent), and online banner ads are all trusted by half or nearly half of Millennials (47 percent). Four out of ten Millennials (41 percent) trust text advertising on their phones.

Millennials outperform the norm in a number of advertising platforms, not just online and smartphone. They still have the highest rate of confidence in 18 of 19 media forms/channels, such as television, newspapers, and magazines, and are the most likely to act in 16 of 19 formats (Howard, 2016).

**User friendliness:** A user-friendly product's aim is to have a positive user interface (or "UX"). Depending on the end user for whom the device is made, this can appear different (Ogongo, 2014). A kid's game, for example, would have a somewhat different guide than a technical CAD application. The rules above, however, extend to all forms of applications. Even if an application has a lot of sophisticated functionality, it can also be made user-friendly by creating an easy, tidy, and intuitive user interface (Misati et al., 2016). Items with simple, easy-to-use interfaces are more likely to succeed in acquiring customers than those with complicated, cumbersome interfaces (Rathi and Sruthi, 2016). Customers often want to ignore faulty devices, such as software that is riddled with glitches. Companies also carefully monitor their goods before introducing them to the market in order to ensure a positive consumer experience.

#### **2.4. Customer Acquisition in the Banking Sector**

Girish (2010) contends that customer acquisition has been one of the major challenges facing banks of late. Banks have very few profitable customers to source and many banks competing. Hence, the strategy to have the best customer on their books is making many banks to come out with innovative customer-centric acquisition strategies targeted at improving the quality but not quantity. It necessitates banks to have a proper acquisition strategy in place so that the right customer is brought into the bank's fold. This will involve in defining who the best customer is and how to acquire them at least cost.

When a bank onboards a new customer, it may seem like a long time before they'll need to worry about account retention. But in fact, the period immediately after the customer adopts the service is critical for setting the stage for a long and mutually beneficial relationship. The costs of acquiring a banking customer are estimated to be around \$200 while the typical customer generates only \$150 in revenue each year. That means the relationship does not become profitable for the bank until well into the second year. With customers apt and willing to churn, banks and other financial institutions need ways to improve the odds of keeping a customer long

enough to get them out of the red and firmly into the black side of the corporate ledgers (Moore, 2016).

Howard (2016) argues that while acquisition is important, retention is paramount. Execution, as always, is the key: With the average branch seeing perhaps 350 customers every business day, ATMs handling 150 to 200 transactions daily and telephone CSRs each fielding 50 to 150 calls per day, banks have the opportunity to delight customers and reinforce relationships and they run the daily risk of underperforming and undermining relationships. Relationships are shaped, either positively or negatively, by a spectrum of such customer experiences, ranging from transactional interactions at any of a number of customer touchpoints to more generalized experiences with the brand.

#### **2.4.1 Strategies for Customer Acquisition in Banks**

According to Girish (2010) during acquisition of customers, it is normal practice to target the mass market in the hope that some of them will become customers without giving a thought that end of the day most of the customers may turn out to be non-profitable ones. The customers were easy to acquire but expensive to maintain over a period of time. The costs associated were usually very high and a short-term view of adding quantity and not quality was the motto. Therefore, it is important to have proper analytical models to target the right profile of people who can turn out to be profitable.

#### **2.4.2 Model Existing Profitable Customers**

Characteristics similar to existing profitable customers in the bank can be one model to target the right prospects. These customers normally tend to spend a lot using their credit cards and also tend to keep a hefty balance in their account. A simple example of this can be of existing customers who work for a major MNC above a particular designation and have turned out to be profitable. The aim is to target similar profile of people from that company and other similar sized companies who are in the similar line of business whom the bank feels will be profitable to have on their books. This way the bank has the option of acquiring customers whom they want and at a much lower marketing and other acquisition related costs (Kanagal, 2018).

Again, the mode of communication to be used with the prospective customer plays a crucial role. Customers are very sensitive to how they are being approached and this need to be handled carefully. This will ensure the bank in getting the type of customer it wants and maybe at lower costs than that of mass marketing and direct marketing where costs can be high with no guarantee of conversion and getting profitable customers (Karaba, 2015).

#### **2.4.2.1 Referrals from Current Customers**

Getting referrals from an existing profitable customer is another good way to reach out similar profile people. Word-of-mouth promotion, whether positive or negative, is widely recognized as a major factor in marketing banks products. Banks would like to target referrals from their existing profitable customers and an example of this can be targeting a referral campaign for set of customers who have been consistently profitable and come from a similar background with interests in game of golf. Referrals from these customers will most likely be from the similar segment (Israel, 2015). This can also be supplemented by sponsoring certain golf events and building awareness of the brand. All referrals may not be converts, but getting to talk/mail to that segment of customer which the bank wishes to target is critical. These potential customers may turn out to be profitable ones and need to be handled in a careful way. The acquisition costs for these customers will be low when compared to normal acquisition. The customer who has referred can also be rewarded for referring customers and this goes a long way in building brand/product loyalty without affecting the total acquisition cost. While doing targeted referrals care should be taken to see that it does not put off their existing customers who may not have been asked for a referral and needs to be handled tactfully (Hunt & Morgan, 2015).

#### **2.4.2.2 Needs-Based Marketing**

During the targeted marketing care should be taken to see that the right product/pricing strategy is adopted. Products from different banks look almost similar and it is important to see that the customer sees value in going for the bank's product. Pricing may not be the only differentiator as customers have their own likes and dislikes (Reynolds, 2016). Some of them will be keen on having rewards, others airlines miles, some membership to golf clubs, some others accounts which do not charge overdraft fees etc. So targeted marketing based on customer needs plays a very critical role. Existing bank customers also can turn out to be excellent acquisition targets for newer products if their needs can be understood. This entails not actually getting new customers

but, in a way, creating value to the customer by providing timely solutions to their requirements. Banks have a greater insight into these customers' needs and can deliver appealing products with lesser acquisition costs and enhance customer loyalty as well (Murray and White, 2013).

Girish, (2010) asserts that understanding the customer need and selling the right product at the right time is critical. This will involve looking at customer not from a product silo perspective but as a single customer with multiple products spread across the different streams. Banks will need an integrated system to allow a common view of customers across the base and should have relevant data to cull out the profitability. The risks involved in this are minimal with a known customer and will help in deepening relationship with current customer.

#### **2.4.2.3 Staff Training**

Acquiring a customer is a team game and the entire staff from top to bottom plays an important role in some or other aspect of the customer acquisition value chain. Here training plays an important role. When a prospective customer comes into the bank or is approached by the sales staff, it is critical that the employees who will be dealing with those prospects are well trained (Murray and White, 2013). Proper training programs need to be devised to cover the entire spectrum of the banks staff with special emphasis given to the actual employees who will deal at the front end. Product functionality along with pricing and what value it can add to the customer needs to form the basis of the training plan. Added stress on soft skills along with how to handle customer objections and competition can also be part of the training (Misati et al., 2016).

#### **2.4.2.3 Multi-Channel Insight**

Ethangata (2015) states that Banks acquiring customers using multiple channels over a period of time would have had a lot of data to see which one channel is performing better and then better it to see that the desired results are achieved to boost their revenue and return. A proper acquisition strategy should be in place to see whom to target and what product to target and how to target the same is important. Constant interaction between teams across the bank will result in designing a winnable product which can be of benefit and add value to the customer. Customers need to see value in the relationship being built and it is responsibility of banks for value creation for a profitable relationship. The relationship with a customer is always evolving; banks need to keep in tune with the changes in the market.

## **2.5. Customer Retention**

Reichheld and Kenny (1990, p18) specified six factors as imperative to improving retention: senior management commitment; a customer-focused culture in which all employees and managers focused their full attention on customer satisfaction; retention information systems that tracked and analyzed the root causes of defections; empowerment of front line employees to take actions that provided immediate customer satisfaction; continuous training and development; and incentive systems based on customer retention.

Israel (2015) asserts that banking is one of those industries in which the connection between customer service and customer retention is exaggerated. It's not a stretch to say that customer retention in the banking sector depends primarily on customer service. While there are certainly some offerings that differentiate one bank from the next, the primary functions of banks are the very much the same across the board. Today's customers are more knowledgeable of their options. So, once they have settled on a bank, they expect a high level of customer service. The importance of customer retention in banks depends on these institutions stepping up to the plate and delivering on the quality of service that is expected.

The banking sector is more competitive today than before. Big banks are now competing with specialty banks that are not only offering free accounts and higher interest rates for savings but are also giving customers that personalized customer service that makes such a huge difference in this industry (Eckles and Novotny, 2014). This reality has made the need for customer retention for banks that much more important, as the option for acquiring new customers are far more difficult. The numbers prove that customers are more sophisticated and poor customer retention strategies will result in a loss of revenue for banks. Dissatisfied customers are especially problematic for banks. A recent study by James (2018) showed that 45 percent of customers who are dissatisfied with their current bank will discourage their friends from using that bank's services. This figure shows the urgent attention that banks need to give to customer retention. The stakes are clearly higher for banks, as well. A customer with a bank is a customer for life. This also transitions down to that customers' children and other family members. So, it becomes important for banks to understand their customers on a much more personal level than perhaps some other businesses (Israel, 2015).

## **2.6. Empirical Literature**

Adeyeni (2008) conducted a study in Nigeria on new product development and customer satisfaction in the banking industry. He reviewed a number of new products and indicated that banks' profitability and customer satisfaction has improved in as much as the banking sector was adopting new technologies in the industry. The study also identified that there was a significant increase in the number of new customers signing up for new bank accounts.

Obby (2016) studied the banks' new techniques for effective banking and their responses to the complexity of customer banking needs and new technologies. The study established that there was a significant improvement in financial inclusion but indicated that customer churning (moving from one bank to another) had increased a great deal as customers followed the bank with the more convenient services.

Edith (2010) focused the study on establishing reasons for banks' development of new products. The reasons indicated included increasing number of customers; expansion of operations; meeting the banks' customers changing needs (retention) and demand, among other reasons.

Rathi and Sruthi (2016) studied the customer retention strategies used by banks. They indicate that in this age of technological revolution, drastic changes have been taken in the banking industry along with other industries of the economic system so that bank customers are searching for the fastest and efficient technological services for accessing banking services. This is the main reason behind the stiff competition among banks in the industry. So, retaining the existing customers act as the major fear factor for banks to meet the heavy competition. Here the need for customer retention arises, if the banks are not ready to offer their products and services with best Quality and Price, customers will switch over to other banks providing newer and more innovative products in order to meet their banking needs. Therefore, Customer retention is a potential tool which can be utilized by banks to gain Strategic advantage and competitive advantage to survive in today's ever-increasing competitive environment. New product development was found to be a major customer retention strategy used by banks in today's competitive environment.

A study conducted in Kenya by Ogongo (2014) on customer retention strategies adopted by commercial banks in Kenya, concluded that the commercial banks working in Kenya were

providing high quality of service and renewing them so that they appeared fresh with additional features and other facilities to their customers so that they did not make any effort to switch over from their current bank to any other banks. This study also affirmed new product development as a strategy for customer retention.

## 2.7. Critique of Literature

Title	Year	Author(s)	Findings	Gaps
<b>Understanding Nigeria on new product development in the banking industry.</b>	2008	Adeyeni T	The findings of this study reviewed a number of new products and indicated that banks' profitability and customer satisfaction has improved in as much as the banking sector was adopting new technologies in the industry.	The study did not indicate whether the banks in Nigeria were retaining customers through product development. It only focused more on the impact of product development on customer acquisition.
<b>The banks' new techniques for effective banking and their responses to the complexity of customer banking needs and new technologies</b>	2016	Obby M	The study established that there was a significant improvement in financial inclusion but indicated that customer churning (moving from one bank to another) had increased a great deal as customers followed the bank with the more convenient services	Did not suggest solutions to the banks on retain customers. Tangible solution for customer retentions were not stipulated.
<b>Establishing reasons for banks' development of new products.</b>	2011	Edith P	The reasons indicated included increasing number of customers; expansion of operations; meeting the banks' customers changing needs (retention) and demand, among other reasons	This study focused mainly on customer acquisition as the reason for developing new products.
<b>Customer retention strategies adopted by commercial banks in Kenya</b>	2014	Ogongo	The research found that the commercial banks working in Kenya were providing high quality of service and renewing them so that they appeared fresh with additional features	The study only focused on customer retentions strategies and not on product development in relation to customer acquisition and retention

## **2.8. Theoretical Overview**

Theories are formulated to describe, predict, and understand events, and to question and broaden current understanding beyond the boundaries of critical boundary assumptions in certain instances. The mechanism that can carry or endorse a hypothesis of a scientific analysis is the theoretical context. The theoretical paradigm presents the hypothesis that discusses why the analysis topic remains under review and outlines it. Below are the two theories, which are, resource-based theory and comparative advantage theory that were considered relevant to this research.

### **2.7.1 Resource-based Theory**

In recent years, resource-based theory of an organization has emerged as a popular theory for competitive advantage (Fahy, 2000). Resource-based view of an organization can be described as the unique or distinctive resources possessed by an organization that are a source of sustained competitive advantage (Caldeira & Ward, 2001). This is further supported by Henry (2008) that a resource-based view serves as the internal capabilities that an organization has in order to achieve sustainable competitive advantage in the market and industries. There are three distinct sub-groups in resource-based theory, namely tangible assets, intangible assets and capabilities (Fahy & Smithee, 1999). Tangible assets refer to the fixed and current assets of an organization such as the plant, equipment, etc. (Hall, 1989), and it is easy to duplicate by the competitors because of its transparent characteristics (Grant, 1991). On the other hand, intangible assets include intellectual property such as trademarks, patents, brands, relational and organization reputation (Knott, 2009) and these assets are hard to duplicate (Fahy & Smithee, 1999). According to Barney (1991), intangible assets are more important from a strategic point of view in which they produce sustainable competitive advantage such as valuable, rare and difficult to imitate. As such, firm image, brand strength, product innovativeness and relational are intangible assets that is hard for the competitors to imitate and these intangible resources enable an organization to sustain competitive advantage.

On the other hand, capabilities, which is the third distinct sub-group of resource-based theory, are difficult to delineate and are often described as invisible assets (Itami, 1987). Capabilities include the skills of individuals, groups, organizational routines and interactions that are hard to

duplicate due to causal ambiguity. Market sensing capabilities are considered as capabilities that an organization has in order to obtain superior performance (Grant, 1991). The key to the resource-based approach to strategy formulation is to understand the relationship between resources, capabilities, competitive advantage and profitability (Fahy & Smithee, 1999). Thus, resource-based theory can be concluded as a key resource in converting these resources into a position that enable an organization to achieve superior performance.

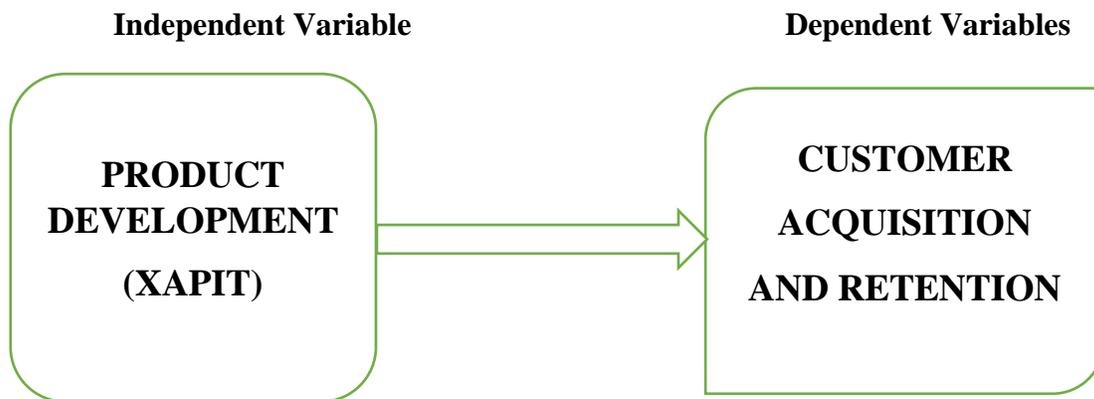
### **2.7.2 Comparative Advantage Theory**

Comparative advantage theory is inherently dynamic in which, when an organization has resources that are rare, valuable, difficult to imitate and non-substitutable among the competitors, it shows that the organization has the potential of producing a comparative advantage (Barney, 1991). Comparative advantage exists when customers perceive that a market offering can provide superior value and can be produced at a lower cost (Hunt & Morgan, 1995). There are few foundations of comparative advantage theory that can be applied in this study. First, the demand in the market is heterogeneous and dynamic and this can be identified by the organization's ability to sense the market in order to achieve a favorable new product performance, good relational performance and customer satisfaction (Dickson, 1992).

Second, an organization's objective is to achieve superior financial performance such as high profits (Jacobson, 1992). As a result, an organization that has a good image will lead to favorable new-product performance and a good relationship with the stakeholders will in turn satisfy existing customers. Third, resources are tangible and intangible entities. Intangible resources such as a firm image, market-sensing capability, relationship management, skill and knowledge can be used. Therefore, comparative advantage is essential for an organization to yield a market position and, in turn, leads to superior financial performance (Kanagal, 2009).

## 2.9. Conceptual Framework

The conceptual framework is presented below in figure 2.1.



**Figure 2.1. Conceptual Framework adopted from Reynolds, (2016) and modified by Author, (2020)**

Figure 2.1. Shows the relationship among the three variables. The independent variable is Xapit service and the dependent variables are customer acquisition and retention. This illustrates that customer acquisition and customer retention are determined by Xapit service.

## 2.10. Chapter Summary

This chapter looked at among others; Product Development, Stages of Product Development, Product Life Cycle, Customer Satisfaction, Product Development in the Banking Sector, Customer Acquisition, Customer Acquisition Methods, Customer Acquisition in the Banking Sector, Customer Retention, Empirical Literature, Theoretical Overview (Resource-based theory and Comparative advantage theory) and Conceptual Framework. The next chapter which is chapter three looked the methodology used to gather data from the respondents.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. Introduction**

This chapter discussed among others; the study methodology, research design, sampling techniques, study population, sampling methods, study sample size, data collection techniques and data analysis tools.

#### **3.2. Research Design**

Research design, as characterized by Kothari (2004) is a blueprint or point by point plan for how a research study is to be led by operationalizing factors with the goal that they can be estimated, choosing an example important to contemplate; gathering information to be utilized as a reason for testing theory and breaking down the outcomes. A study approach was utilized to gather information and this included gathering information by surveys and taking an example of individuals chose to precisely to speak to the populace under examination. This study therefore did employ the case study approach, focusing on Zanaco as the institution of study. The descriptive research design was adopted with quantitative approach.

#### **3.3. Population of the Study**

Adeyeni (2018) defines study population as a total arrangement of components (people or articles) that have some basic trademark characterized by the inspecting models set up by the researcher. That being said, the population of this study is all customers of Zanaco using Xapit who are based in Lusaka. This population is infinite on the basis that the bank keeps receiving new customers signing up for Xapit and others leaving. Infinity is further established by the fact that Zanaco is unable to provide the total number of customers on Xapit as this is restricted information.

#### **3.4. Study Area**

The study was conducted within Lusaka among Zanaco branches across the city.

### 3.5. Sample Size Determination

The sample for this study is based on a non-statistically identifiable population. According to Cresswell, (2005) whereby the population cannot be determined, judgmental sampling could be used or a sampling frame created. To determine a sample appropriate for this study, a sampling frame of 1,000 is to be taken using convenient sampling. Having determined the sampling frame, a sample of 162 respondents was included in the study. Of the 162, there will be 144 Xapit account holders and 18 Zanaco branch managers.

The sample size is determined using the formula (Finscope, 2015):

$$n = \frac{z^2 pq}{d^2}$$

**n**= the desired sample size

**z** = standard normal deviate at 1.95, correspondent to 95 percent confidence level

**p** = proportion in the population to have a specific characteristic. Determined at 60 percent, the proportion of the Zambian adult population which is financially included (Finscope, 2015).

**q** = 1 – p

**d** = absolute precision set at 0.075.

**Table 3.1. Sample Size Determination**

<b>z<sup>2</sup></b>	<b>p</b>	<b>q</b>	<b>d<sup>2</sup></b>
1.95*1.95	60%	1-0.60	0.075*0.075
3.8025	0.6	0.4	0.005625
0.9126			
162			

The study involved all the 18 branches of Zanaco based in Lusaka Urban District. Therefore, there will be 9 respondents for each of the 18 branches to meet the total sample size of 162.

### 3.6. Sampling Techniques

The sample members will be determined according to two categories. In the first category will be the Zanaco customers actively using Xapit. These will be selected using convenient sampling. For each branch, 8 customers will be sampled to make a total of 144 Xapit customers. The

second category will be 18 management officials from each Zanaco branch who will be selected purposively by virtue of their position as branch managers.

### **3.7. Data Collection Instruments**

Both primary and secondary data was collected in order to provide valid information for the study. Primary data is that which was collected directly from the respondents while secondary data was collected from other sources such as journal articles and other publications.

#### **3.7.1 Primary Data Collection Instruments**

Primary data collection for this study was by means of a structured questionnaire. The questionnaire will be structured to collect the views of the Xapit customers of Zanaco. To enhance data collection expediency, the questionnaire will have questions based on a Likert Scale of 1 to 5 (keyed as: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree) (Ogongo, 2014). The questions included respondents' demographic characteristics and matters relating to new product development, customer acquisition and customer retention.

It is assumed that Zanaco customers using mobile banking services may not be immediately available at the bank's branches. It is further taken that certain of those customers visiting the branch are also users of mobile banking services. In this regard, the researcher will obtain permission to administer questionnaires to the respondents at the respective branches. Data by questionnaire was collected from those customers who will consent to participate in the study.

#### **3.7.2 Secondary Data Collection**

Secondary data was collected by means of literature review from various sources including books, journals, reports, periodicals and other publications in print or online. Secondary data will be used for the sole purpose of informing the study and providing a theoretical framework that substantiates the factors of customer acquisition and retention through Xapit mobile banking. The secondary data covers a global, regional and local perspective while incorporating relevant theoretical perspectives.

### 3.8. Method of Data Analysis

After collection, research data from the questionnaires will be summarized on a computer spreadsheet in Microsoft Excel. The data will be coded and extracted to the Statistical Package for Social Sciences (SPSS) for data analysis. SPSS is selected for this study because it is most suitable for analyzing data that has been derived using a Likert Scale. Data from the interviews will be analyzed in themes according to the study variables and be correlated with the statistical data. The compiled data will be presented in tables and figures with narrations to indicate the findings on each variable.

Primary data analysis will be done using descriptive statistics with means, standard deviations, frequencies and percentages. This will involve deriving the statistics from the questionnaires and indicating the statistical implications to the study. Means and standard deviations will be analyzed and interpreted according to the following table.

**Table 3.2. Interpretation of means and standard deviations**

Interpretation of means				Interpretation of standard deviation
RANGE		Interval	Interpretation	Standard deviation less than <b>1.000</b> have higher levels of significance than those above <b>1.000</b>
From	To			
1	1.8	0.8	Strongly disagree	
1.81	2.6	0.8	Disagree	
2.61	3.4	0.8	Neutral	
3.41	4.2	0.8	Agree	
4.21	5	0.8	Strongly Agree	

Correlation analysis will further be used to determine the levels of significance of the study variables and to analyze the hypotheses (p-value 0.05) (Ogongo, 2014 and Sugget, 2018).

### 3.8 Propositions of the Study

#### *Hypothesis 1*

**H<sub>0</sub>:** There is no relationship between Xapit mobile banking and customer acquisition at Zanaco Bank.

**H<sub>1</sub>:** There is a relationship between Xapit mobile banking and customer acquisition at Zanaco Bank.

***Hypothesis 2***

**H<sub>0</sub>:** There is no relationship between Xapit mobile banking and customer retention at Zanaco Bank.

**H<sub>1</sub>:** There is a relationship between Xapit mobile banking and customer retention at Zanaco Bank.

**3.9. Ethical Consideration**

The researcher was given an ethical clearance form by the school attached in the appendix to go on and carry out this research. The purpose of the study was detailed explained to the participants in order to make them understand. The respondents were voluntarily engaged while those who did not feel like taking part in the study were respected by not forcing them to participate. The respondents were assured that the information being gotten from them will be used for academic purposes only. Furthermore, the participants were not requested to give or write their names on the research tools in order maintain their confidentiality.

**3.10. Chapter Summary**

This chapter discussed among others; the study methodology, research design, sampling techniques, study population, sampling methods, study sample size, data collection techniques and data analysis tools. The next chapter which is chapter four looked at the data analysis and presentations of the findings.

## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATION

#### 4.1 Introduction

This section deals with the presentation, analysis and interpretation of the information gathered. It utilized tables and charts in portraying the discoveries with their implications plainly examined.

#### 4.2 Response Rate

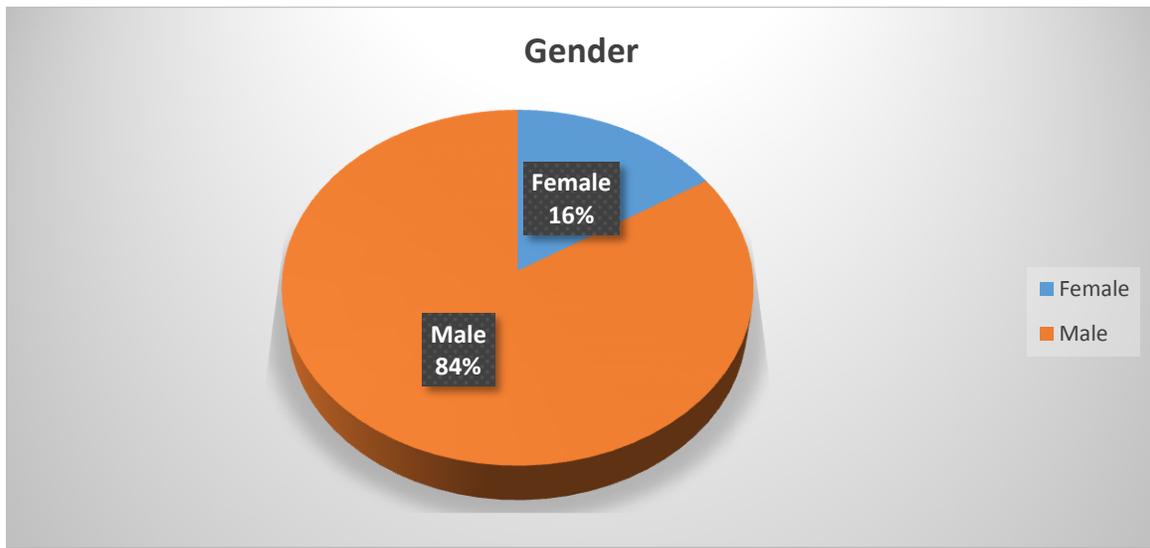
A total of 162 questionnaires were issued out to the respondents out of which 117 were successfully answered and returned to the researcher. This gave a response rate of 72.23 percent which according to Mugenda and Mugenda (2013) is above satisfactory rate of 50 percent. The table below depicts this response.

**Table 4.1 Response rate**

<b>Questionnaires</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Returned completely filled</b>	117	72.23
<b>Returned partially filled</b>	05	3.08
<b>Not returned</b>	40	24.69
<b>Distributed</b>	162	100

**Source: (Author, 2019)**

### 4.3 Respondents gender

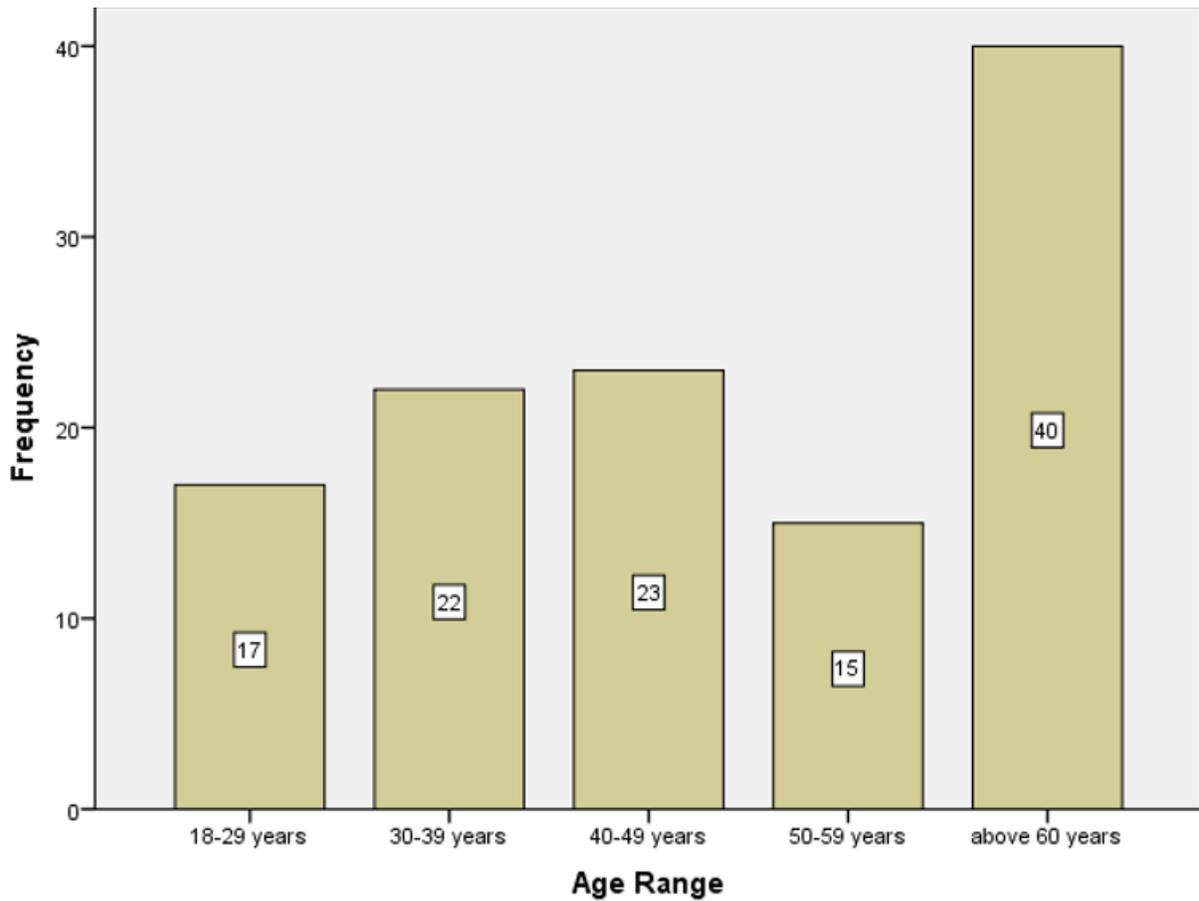


**Figure 4.1: Gender of respondents**

**Source: (Author, 2019)**

As shown in figure 4.1 above, the majority of Xapit users are male which accounted for 84 percent of the respondents. The female users accounted for only 16 percent of the respondents. The assumed reason for this low representation on the female counterparts was that most of them would prefer to still physically do the activities that they can do on xapit. For example, buying talk time or paying bills, some said that they actually prefer just going to the nearby outlet and buy the talk time or pay bills. This therefore demonstrates that bank needs to sensitize them on how effectively Xapit can help them save time.

#### 4.4 Respondents Age



**Figure 4.2: Age of the respondents**

As seen in the figure above, the age division is close to be equal as the researcher has involved in the questionnaire persons from all the age range above 18 years. 17 respondents accounting 14.5 percent were 18-29 years old and 22 accounting for 18.8 percent of the respondents were 30-39 years. The age group which gave the most answers was aged above 60 years accounting for 34.2 percent. These group is assumed to senior citizens who do not have the time to move around to do things which can easily be done while in the comfort of their homes on Xapit. This group was followed by the age 40-49 representing 19.7 percent of the respondents. Only 12.8 percent of the respondents were in the age range of 50-59.

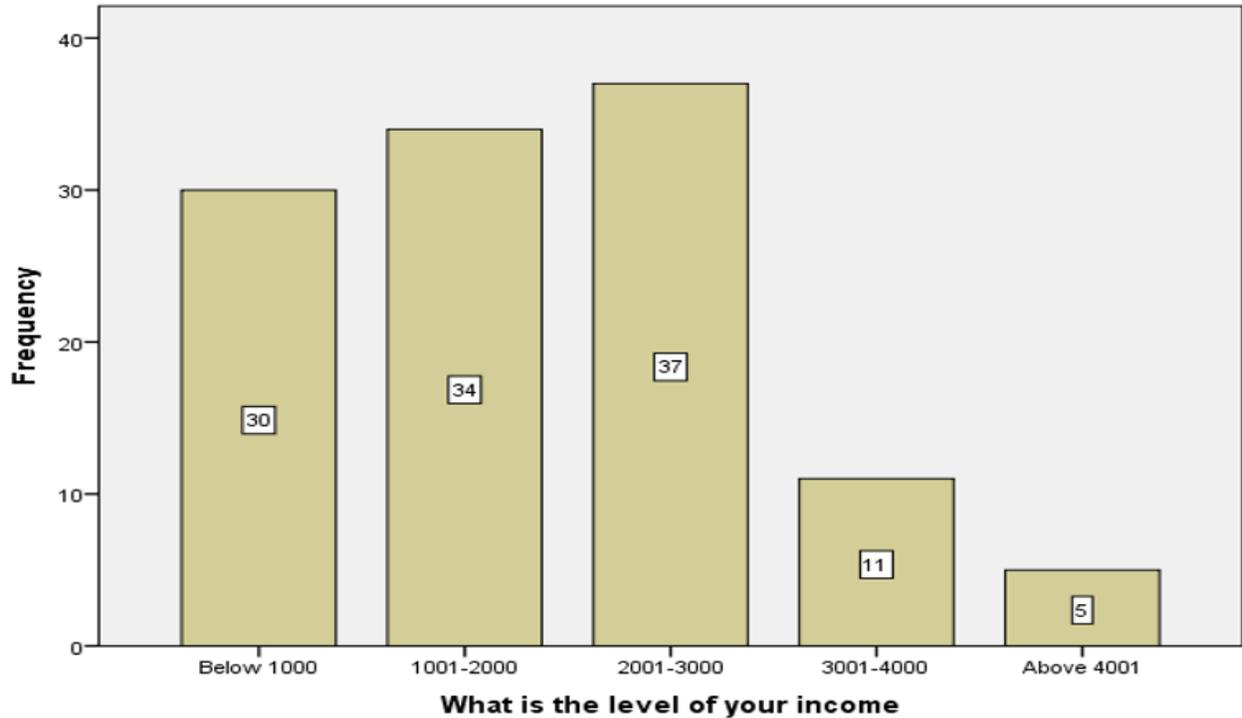
#### 4.5 Respondents Qualifications

**Table 4.2 Respondents Qualifications**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid percent</b>	<b>Cumulative Percent</b>
<b>Secondary education</b>	40	34.2	34.2	34.2
<b>Certificate</b>	43	36.8	36.8	70.9
<b>Diploma</b>	15	12.8	12.8	83.8
<b>Degree</b>	10	8.5	8.5	92.3
<b>Post Graduate</b>	9	7.7	7.7	100.0
<b>Total</b>	117	100.0	100.0	

In the table above the level of education of the respondents was assessed to determine how inclusive Xapit is to the consumers on the market. From the findings above, it can say that Xapit is well developed to include everyone as indicate by the respondents accounting for 34.20 percent who only have secondary education which happened to be the second largest number of the respondents surveyed. The largest number of Xapit users happens to be those with certificate level of education which accounted 43 or 36.80% of the respondents. Furthermore, 12.8 percent, 8.5 percent and 7.5 percent of Xapit users have Diploma, Degree and MBA respectively.

#### 4.6 Respondents Monthly income



**Figure 4.3: Respondents level of Income**

Data from the figure 4.3 above shows that the most common income is K2001-K3000 which accounted for 37 respondents or 31.62 percent in total. According to the World Bank Statistics Bureau data (2015), the level of income is common for more than half of the population in Zambia given the low minimum wage set by the government. The study further shows that the next most popular income level is K1001-K2000 represented by 34 or 29.05 percent of the respondents. 30 or 25.64 percent of all the respondents have an income below K1000. Of all the respondents 9.4 percent - or 11-persons' income level is K3001-K4000. Lastly, only 4.27 percent or 5 persons have an income higher than K4000.

#### 4.7 Period on Xapit

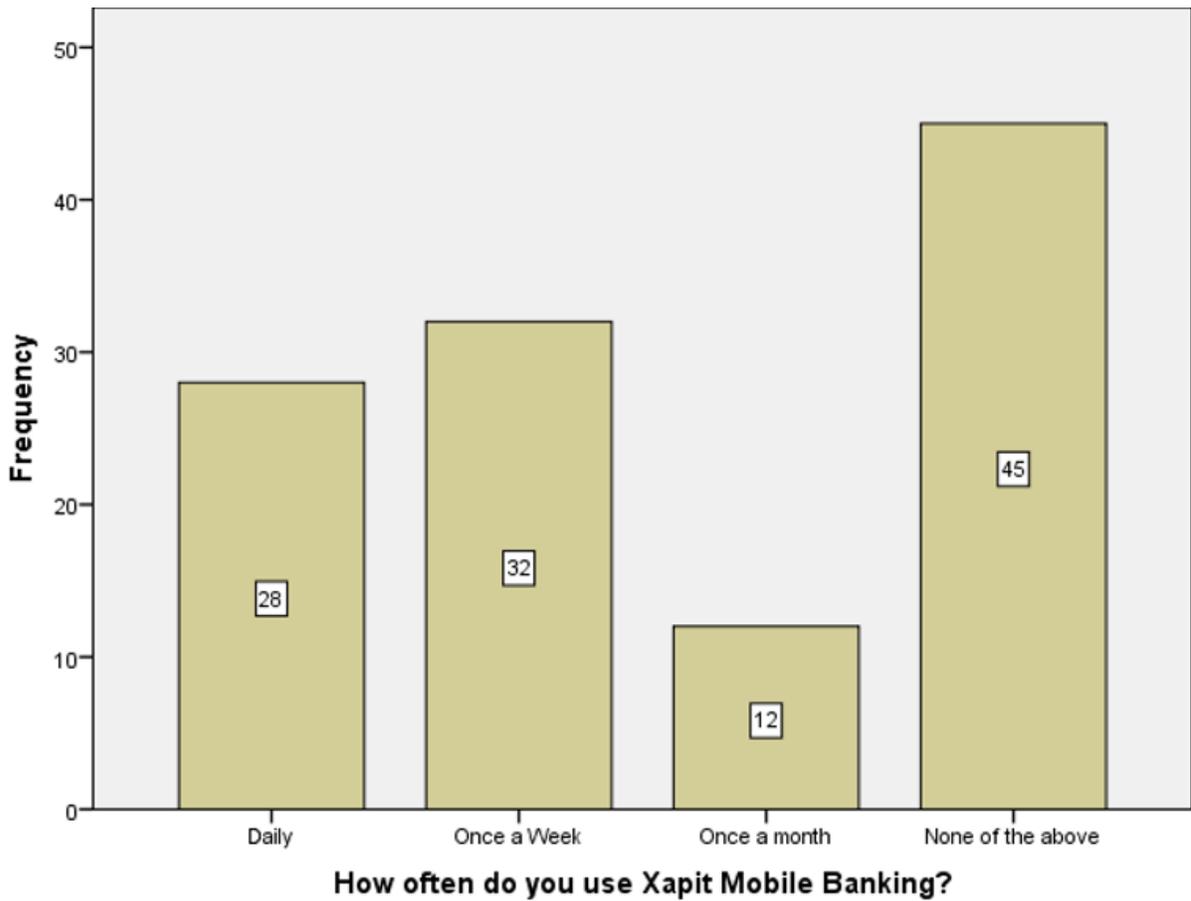
**Table 4.3 Respondents Period on Xapit**

**How long have you been on Xapit?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 3 years	77	65.8	65.8	65.8
	3-4 yeras	35	29.9	29.9	95.7
	6-8 years	1	.9	.9	96.6
	9-11 years	4	3.4	3.4	100.0
	Total	117	100.0	100.0	

Knowing how long the respondents have been using xapit was important in that it enabled the researcher to find out the percentage of both new and old customer. From the results indicated in the figure above, the majority of the respondents account for 77 (65.8 percent) who have been using Xapit for less than 3 years. This was followed by those have been using xapit for period 3-4 years representing 29.9 percent. This result therefore shows that xapit is indeed acquiring new customers. However, more needs to be done to keep them (retention) as shown by the result of the study that only 0.9 percent and 3.4 percent of the respondents have been using Xapit for more than 6 years.

#### 4.8 Respondents frequency usage of Xapit services



**Figure 4.4: Respondents usage of Xapit**

This question was asked in order to know how often respondents use xapit; according to the findings as indicated above, the majority of the respondents accounting for 45 (38.46 percent) stated they are yes on Xapit but no longer use it for reasons not availed to the researcher. However, a good number of the respondents accounting for 32 or 27.35 percent said that they use xapit only once in a week. In addition, 28 or 23.93 percent of the respondents said that they use xapit daily especially buying Airtime, sending money and making bill payments. Lastly, 12 of the respondents said that they only use Xapit services once a month mostly to make bill payments such as buying electricity, paying for Digital Satellite Television (DSTV) and water.

#### 4.9 Customer Acquisition

The respondents were asked to give their opinion on the factors influencing their choice of Xapit. The responses were gauged on a five-point likert scale; 1-never, 2- low, 3- neutral, 4- medium and 5- high.

**Table 4.4 Descriptive Statistics for Customer Acquisition**

	N	Mean	Std. Deviation	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic	Statistic
Safe	117	4.45	.856	-1.781	3.047
Friends and Colleagues	117	4.33	.743	-.885	.261
Prestige	117	4.13	.915	-.740	-.402
Range of services offered	117	3.56	1.423	-.598	-.985
Reliable	117	3.19	.880	-.379	-.160
Media Promotions	117	3.18	1.236	-.405	-.866
Cheap	117	2.95	1.121	-.346	-.798
User friendly	117	2.26	1.037	.390	-.983
Valid N (listwise)	117				

From the study findings, it was established that customers find Xapit to be safe to use which as a result has attracted more customers to use it as indicated by an average ranking of 4.45 with a standard deviation of 0.856. Another unique factor that made respondents get attracted to Xapit services was a result of friends and colleagues' recommendation as indicated by a mean of 4.33 and standard deviation of 0.743. This finding is in line with those of Sugget, (2018) who found that referrals or customer's reference of other customers act like a piece of cake for suppliers as there is no cost and struggle involved in this. On whether the prestige of using Xapit did influence respondent's choice of Xapit, the study found that prestige moderately influenced them as shown by an average ranking of 4.13 and a standard deviation of 0.915. Similarly, Range of services offered on Xapit moderately influenced respondents to choose Xapit product as indicated by a mean of 3.56 and a standard deviation of 1.423. The study further found out that customers were influenced by Xapit product's reliability indicated by an average ranking of 3.19 and a standard deviation of 0.880. The findings on reliability are in line with those of Johnson (2013), who stated that a product's reliability is one of key factors that makes any product

acquire customers easily. In addition, media promotion such as constant advertisement of Xapit by Zanaco television, social media and billboards made customers opt it use it as per responses from the respondents indicated by a mean of 3.18 and a standard deviation of 1.236. The last items which had the least influence as per respondents' responses was the cost of using Xapit and its user friendliness which indicated by low average rankings of 2.95, 2.26 and standard deviations of 1.121 and 1.037 respectively.

#### 4.10 Customer Retention

Descriptive statistics were applied to determine the level of customer retention on Xapit. Seven items were used to assess the level of customer retention on Xapit by using a five-point likert scale; 1-strongly disagree, 2- disagree, 3- neutral, 4- Agree and 5- strongly Agree. The results are the table 4.6 below.

**Table 4.5 Descriptive Statistics for Customer Retention**

<b>Descriptive Statistics For Customer Retention</b>					
	N	Mean	Std. Deviation	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic	Statistic
Ease of Use	117	2.93	1.120	.024	-.521
Trust	117	2.66	1.314	.263	-1.006
Cost	117	3.06	1.162	-.219	-.533
Perceived Risks	117	2.66	1.176	.179	-.640
Credibility	117	2.66	1.168	.270	-.533
Compatibleness	117	2.78	1.353	.201	-1.090
Attitude	117	4.64	1.062	-2.791	6.235
Valid N (listwise)	117				

To show how Xapit retains customers, an average ranking of 2.930 and standard deviation of 1.120 was obtained simply indicating that most respondents agreed that Xapit is easy to use compared to other products. Majority of the respondents were also in agreement that Xapit is secure hence have trust in it as indicated by a mean of 2.660 and standard deviation of 1.314. In regarding cost as a retention factor, a higher majority of the respondents as shown by a mean of 3.060 and standard deviation of 1.162 stated that most transactions on Xapit such as airtime purchase and fund transfer were absolutely free. In respect to risk as a retention factor,

respondents indicated by a mean of 2.660 and standard deviation of 1.176 stated that Xapit was very safe in that it does not allow any third parties to access any information that would lead to fraud. Furthermore, the study found out that Zanaco accepts responsibility for any errors on xapit which are not customer's fault as per terms and conditions which makes it more credible as displayed by an average ranking of 2.660 and a standard deviation of 1.168. In addition, respondents agreed that Xapit product was compatible with their banking life style as indicating by a mean of 2.780 and a standard deviation of 1.353. Lastly on Attitude, a great majority of respondents with an average of 4.640 and standard deviation of 1.062 stated that Xapit is a great product which they will continue to use compared to other mobile banking providers

#### 4.11 Correlation Analysis

Table 4. 4 below shows the results on the relationship between product development (Xapit mobile banking service) as it relates to customer acquisition and retention at Zambia National Commercial Bank (Zanaco).

**Table 4.6: Relationship between variables and product development (Xapit mobile banking service)**

		<b>Correlations</b>		
		Customer Acquisition	Customer Retention	Product Development (Xapit)
Customer Acquisition	Pearson Correlation	1		
	N	117		
Customer Retention	Pearson Correlation	.153	1	
	Sig. (2-tailed)	.100		
	N	117	117	
Product Development (Xapit)	Pearson Correlation	.033	.006	1
	Sig. (2-tailed)	.026	.045	
	N	117	117	117

Correlation analysis was used to draw the following relationships from the study's findings. The importance of the relationship between product creation (Xapit) and consumer acquisition and retention were checked using Pearson's product moment correlation statistics methodology.

Customer acquisition has a favorable association with product production (Xapit) ( $r=0.033$ ,  $P=0.026$ ) according to Pearson's product moment correlation coefficient. Furthermore, the Pearson's product moment correlation coefficient for consumer retention (Xapit) ( $r=0.006$ ,  $P=0.045$ ) indicated a mildly favourable association with product growth (Xapit).

#### **4.11 Chapter Summary**

In reference to the three research goals that were set for the report, Chapter four of this study summarized the conclusions of the study. The results on the demographic characteristics of respondents were discussed to begin with in the chapter. The next chapter looks at the discussion of the findings in respect to the research objectives.

## CHAPTER FIVE

### DISCUSSION OF THE FINDINGS

#### 5.1 Introduction

This chapter presents the discussion of the findings from chapter four based on the quantitative analysis presented in chapter four of this research. The discussion was presented in respect to the objectives of the research which were;

To examine factors of Xapit mobile banking services that makes it acquire customers

To establish the attributes of Xapit mobile banking services that makes it retain customers

To investigate the relationship between Xapit Banking services and customer acquisition and retention.

#### 5.2. Factors of Xapit mobile banking services that makes it acquire customers

From the study findings, it was established that customers find Xapit to be safe to use which as a result has attracted more customers to use it as indicated by an average ranking of 4.45 with a standard deviation of 0.856. The product safeness is in line with the findings of Misati et al., (2016). Another unique factor that made respondents get attracted to Xapit services was a result of friends and colleagues' recommendation as indicated by a mean of 4.33 and standard deviation of 0.743. This finding is in line with those of Sugget (2018) who found that referrals or customer's reference of other customers act like a piece of cake for suppliers as there is no cost and struggle involved in this. On whether the prestige of using Xapit did influence respondent's choice of Xapit, the study found that prestige moderately influenced them as shown by an average ranking of 4.13 and a standard deviation of 0.915. Similarly, Range of services offered on Xapit moderately influenced respondents to choose Xapit product as indicated by a mean of 3.56 and a standard deviation of 1.423. The study further found out that customers were influenced by Xapit product's reliability indicated by an average ranking of 3.19 and a standard deviation of 0.880. The findings on reliability are in line with those of Johnson (2013), who stated that a product's reliability is one of key factors that makes any product acquire customers easily. In addition, media promotion such as constant advertisement of Xapit by Zanaco

television, social media and billboards made customers opt to use it as per responses from the respondents indicated by a mean of 3.18 and a standard deviation of 1.236. The last items which had the least influence as per respondents' responses was the cost of using Xapit and its user friendliness which indicated by low average rankings of 2.95, 2.26 and standard deviations of 1.121 and 1.037 respectively these findings are in line with those of Akroush (2012).

### **5.3. Attributes of Xapit mobile banking services that makes it retain customers**

An average ranking of 2.930 and a standard deviation of 1.120 was obtained to show how Xapit retains customers, simply indicating that most respondents agreed that Xapit is easy to use compared to other products. The product ease of use are in concurrence with those of Galande and Fuente (2013). Most of the respondents also agreed that xapit is safe and therefore have confidence in it, as indicated by an average of 2.660 and a standard deviation of 1.314. In terms of cost as a retention factor, as shown by an average of 3,060 and a standard deviation of 1,162, a greater majority of respondents stated that most Xapit transactions, such as airtime purchase and transfer of funds, were absolutely free. The results are in line with those of Hunt, and Morgan, (2015). With regard to risk as a retention factor, respondents reported an average of 2.660 and a standard deviation of 1.176 that Xapit was very safe because it did not allow third parties to access any information that would lead to fraud. These findings are concurrence with those of Israel (2015). In addition, the study found that Zanaco is responsible for any errors on xapit that are not the fault of the customer as per terms and conditions, making it more credible as shown by an average rating of 2.660 and a standard deviation of 1.168. Furthermore, respondents agreed that the Xapit product was compatible with their banking lifestyle, as indicated by an average of 2,780 and a standard deviation of 1,353. The compatibility aspect of the results which are also in line with those of Karaba (2015). Finally, on Attitude, a big majority. Finally, with an average of 4,640 and a standard deviation of 1,062, a large majority of respondents stated that Xapit is a great product that they will continue to use compared to other mobile banking providers.

### **5.5. The relationship between Xapit Banking services and customer acquisition and retention.**

From the results of the study in chapter four, the following relationships were drawn through correlation analysis. As used in a study by Ethangata (2015), Pearson's product moment

correlation statistics technique was applied to test the significance of the relationship between product development (Xapit) and customer acquisition and retention. The Pearson's product moment correlation coefficient for customer acquisition showed a negligibly positive relationship with product development (Xapit) ( $r=0.033$ ,  $P<0.026$ ). These results confirm with other findings of similar studies by Adeyeni (2008) who conducted a study in Nigeria on new product development in the banking industry where he argued that there was a significant increase in the number of new customers signing up for new bank accounts. In addition, the Pearson's product moment correlation coefficient for customer retention also showed a negligibly positive relationship with product development (Xapit) ( $r=0.006$ ,  $P<0.045$ ). The findings are in line with those of a study conducted in Kenya by Ogongo (2014) on customer retention strategies adopted by commercial banks in Kenya, concluded that the commercial banks working in Kenya were providing high quality of service and renewing them so that they appeared fresh with additional features and other facilities to their customers so that they did not make any effort to switch over from their current bank to any other banks.

## **5.6 Chapter Summary**

The main objective of the study which sought to investigate how the Xapit mobile banking service has affected the bank's customer acquisition and retention. In respect to customer acquisition, it was established that customers find Xapit to be safe to use which as a result has attracted more customers to use which was indicated by an average ranking of 4.45 with a standard deviation of 0.856. Client retention is more than giving the client what they expect; it is tied in with surpassing their desires so they become steadfast promoters for the brand. Research by Fleming and Asplundh (2017) shows that drew in clients create 1.7 times more income than ordinary clients, while having drawn in workers and connected with clients restores an income increase of 3.4 times the standard Customer maintenance alludes to keeping a customer's business instead of have the customer utilize contenders' administrations or items. Client support maintenance is a famous promoting methodology as it includes concentrating on meeting or surpassing customers' desires so as to keep up their unwaveringness. At the point when individuals feel faithful to a specific brand or business, they are less inclined to be convinced by a contender's adverts and offers.

In respect to customer retention on Xapit, the study found that majority of the respondents agreed that xapit is secure hence have trust in it which was indicated by a mean of 2.660 and standard deviation of 1.314.

## CHAPTER SIX

### CONCLUSION AND RECOMMENDATION

#### 6.1 Introduction

This chapter presents the conclusion of the findings from chapter four and then necessary recommendations based on the qualitative analysis presented in chapter four of this research. The conclusion relates to the study objectives whereas the recommendations are drawn from the conclusion and discussion of the findings. The chapter is structured in two main sections; conclusion and recommendations of the study.

#### 6.2 Conclusions

Building brand steadfastness is additionally significant. Getting clients is a decent initial step, yet those clients will be generally significant on the off chance that they return over and over. Ideally, they'll even tell their companions, helping the organization to secure new clients through informal, which can even be a piece of organizational technique of acquiring customers. By promoting organization items vigorously to influencers in the organization locale, it can all the more quickly manufacture an unwavering finishing that can develop referrals from dependable sources. Another approach to fabricate brand unwaveringness is for organization to be obvious in its locale by assembling a schedule of neighborhood occasions and featuring those destined to draw in your objective market.

The study based on the main objective of the study which sought to investigate how the Xapit mobile banking service has affected the bank's customer acquisition and retention. In respect to customer acquisition, it was established that customers find Xapit to be safe to use which as a result has attracted more customers to use which was indicated by an average ranking of 4.45 with a standard deviation of 0.856. Additional unique factor that made respondents get attracted to Xapit services was a result of friends and colleagues' recommendation as indicated by a mean of 4.33 and standard deviation of 0.743. On whether the prestige of using Xapit did influence respondents' choice of Xapit, the study found that prestige moderately influenced them as shown by an average ranking of 4.13 and a standard deviation of 0.915.

In respect to customer retention on Xapit, the study found that majority of the respondents agreed that xapit is secure hence have trust in it which was indicated by a mean of 2.660 and standard

deviation of 1.314. In regarding cost as a retention factor, a higher majority of the respondents as shown by a mean of 3.060 and standard deviation of 1.162 stated that most transactions on Xapit such as airtime purchase and fund transfer were absolutely free. In respect to risk as a retention factor, respondents indicated by a mean of 2.660 and standard deviation of 1.176 stated that Xapit was very safe in that it does not allow any third parties to access any information that would lead to fraud

Correlation analysis conducted on the study variables found that both the study variables (customer acquisition and Customer retention) had a positive relationship with Xapit product. The results resonated with the findings by Rathi and Sruthi (2016), Ogongo (2014) and Caldeira & Ward (2001) that a well-developed product positively influences customer acquisition and retention.

The study further found that most Xapit users have an income of K2001-K3000 which accounted for 37 respondents or 31.62% in total. According to the World Bank Statistics Bureau data (2015), this level of income is common for more than half of the population in Zambia given the low minimum wage set by the government and lack of decent employment. The study concludes based on the main objective of the study which sought to investigate how the Xapit mobile banking service has affected the bank's customer acquisition and retention, there was a positive association between Xapit mobile banking service and bank's customer acquisition and retention.

### **6.3 Recommendations**

Based on the findings, the study recommends the followings;

The marketing team of the bank should do a wider and more detailed market research to determine what else needs to be done to improve Xapit banking services to that it gains more market share. Market analysis can be highly helpful to the business campaign because it offers crucial feedback and knowledge to the product. It will help the organization learn more about their clients and rivals. Research will help ZANACO find out who is buying their Xapit product/service, who is not, what motivates them, and whether or not they are faithful to their product, all of which will lead to higher sales over time. Similarly, knowing the broader consumer climate will assist in the exploration of new business prospects. It is crucial to keep investigating and understanding how to enhance the offering based on changing customer tastes

as the market evolves. Furthermore, the bank needs to identify gaps, and loopholes (defects) in the existing Xapit services in order to improve the services which will ultimately enable it acquire and retain more customers. To improve product quality and reduce the economic impact of discarding defective products, early detection of faults or defects, as well as the removal of the elements that may cause them, is critical. This is especially true for products that are extremely expensive to manufacture like Xapit. Periodical defects are a type of defect that can occur during the production of bank products. This type of flaw is particularly dangerous because it can cause a slew of surface flaws, lowering the end product's quality and, in some cases, rendering it unfit for sale. Two different functions must be executed a large number of times to run the proposed method. Because the amount of time available to detect these defects may be limited, it is critical to use the least amount of time possible. An analysis of how the method accesses the input data is performed in order to reduce the overall time required for detection

Build up a client centreboards (techniques) to distinguish client needs and examine areas that have potential to retain customers. The best customer engagement techniques help an organization to establish long-term partnerships with customers who will become brand loyal. They can also spread the message among their own spheres of influence, making them brand ambassadors.

Acquaint consumer loyalty rating to measure the exhibition of clients towards the utilization of the Banks products and services in-line with usage. It is not just a particular product or service; loyalty grows over time as a result of a sequence of meaningful experiences that contribute to a sense of confidence. It also doesn't indicate that each relationship must be seamless. Customer loyalty will tolerate a few negatives, but too many can degrade the bond. In reality, consumers aren't really disloyal as a result of a negative experience; it is more about how well the firm treats the circumstance.

The executives should screen progress through face-face correspondence with clients to know their issues and suppositions. Any profitable business, whether it sells directly to customers or to other companies, revolves around knowing and understanding consumer needs. An organization will use this information to convince future and current buyers that buying from them is in their best interests if they have it.

The bank should make Xapit more affordable and user friendly. This will then bring about customer satisfaction. Customer satisfaction is crucial because it allows an organization to see how happy and pleased their clients are, how good their customer service is, and if there are any red flags that could scare off potential buyers. Consumers are becoming more inquisitive and aware of their needs these days. However, they are becoming more knowledgeable, and they often weigh all facets of a purchase before making a final decision. Cost, quality, convenience, savings, usage, and security are some of the major factors that influence their purchasing decisions.

One of the keys to getting new clients is broadening organization showcasing system. In the event that the organization been depending just on print or TV promoting, it's presumable time to move more assets to online procedures or to radio. With a move in the organization procedure, the organization will be getting their message out to a totally new gathering of individual. The organization can also utilize Ads that are expressly tailored. Internet advertisements, such as social media ads and pay-per-click ads, may frequently be specifically tailored. This means the company can select individuals based on their online habits, life stage, and desires, as well as conventional demographic data. The organization will be able to optimize the opportunity for targeting if they really appreciate their clients.

#### **6.4 Areas of further research.**

Three aspects crucial to achieving lowest cost, high quality, and short time to market in NPD are a consistent and well-defined new product development (NPD) methodology, cross-functional development teams, and project fit with manufacturing resources and skills. However, it is unclear who from the production role should be involved in the NPD project and at what point. Henceforth a similar research should be conducted in the manufacturing industry where product development is constantly being done. Further study into the effect of New Product Production on the other sectors listed on the Lusaka Securities Exchange can be carried out. Agriculture, vehicles and accessories, commercial and allied, building and allied, electricity and petroleum, banking, telecommunication and communications, and allied industries all fall under this group.

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## APPENDIX

### THE UNIVERSITY OF ZAMBIA



#### Graduate School of Business

## QUESTIONNAIRE

### TOPIC:

*INVESTIGATING THE IMPLICATIONS OF BANK PRODUCT DEVELOPMENT ON CUSTOMER ACQUISITION AND RETENTION. A CASE OF XAPIT MOBILE BANKING SERVICE AT ZANACO.*

DEAR RESPONDENT:

I am a final year student pursuing a Master's degree at the University of Zambia. My programme of study requires me to carry out an academic research study on the above topic. You have been randomly selected as a respondent to this questionnaire. Please may you answer the questions as

freely, honestly and sincerely as possible. Your response will not have any bearing on you, it will be my responsibility therefore to treat all responses with maximum confidentiality. Thanking you in advance for your anticipation.

**INSTRUCTIONS**

1. Please answer each question by ticking in the provided space [ ]
2. You are requested to tick only one option per question.
3. You should fill in the spaces where you are required to give an explanation.

**SECTION A: DEMOGRAPHIC CHARACTERISTICS**

**1. What is your gender?**

- (a) Male  (b) Female

**2. What is your age?**

- (a) 18-29  (b) 30-39  (c) 40-49  (d) 50-59  (e) Above 60

**3. What your highest level of education?**

- (a) Secondary education   
(b) Certificate   
(c) Diploma   
(d) Degree   
(e) Post Graduate   
(f) Other (Specify).....

**4. What your Monthly Income?**

- (a) K10-K1, 000   
(b) K1, 001-K2, 000   
(c) K2, 001-K3, 000

(d) K3, 001-K4, 000

(e) Above K4, 001

**5. How long have you been on Xapit?**

(a) Less than 3 years

(b) 3-5 years

(c) 6-8 years

(d) 9-11 years

**6. How often do you use Xapit Mobile Banking?**

(a) Daily

(b) Once a week

(c) Once a month

(d) None of the above

**SECTION B: CUSTOMER ACQUISITION.**

To what extent did the following factors influence your choice of Xapit?

HIGH 4; MEDIUM 3; LOW 2; NEVER 1

<b>CHEAP</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>RELIABLE</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>SAFE</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>RANGE OF SERVICES OFFERED</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>PRESTIGE</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>FRIENDS AND COLLEAGUES</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>MEDIA PROMOTIONS</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>USER FRIENDLY</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>

## SECTION C: CUSTOMER RETENTION

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

1. EASE OF USE	Xapit is user-friendly and not complicated to use	5	4	3	2
		1			
	The menu options/prompts on Xapit are easy execute	5	4	3	2
		1			
	The technology used with Xapit is easy to use	5	4	3	2
		1			
2. TRUST	My Xapit transactions are secure with Zanaco	5	4	3	2
		1			
	I can safely conduct transactions at any time	5	4	3	2
		1			
	Zanaco provides Xapit services as a credible and reliable bank	5	4	3	2
		1			
	Goodwill of Zanaco gives me confidence to use Xapit	5	4	3	2
		1			
3. COST	The cost of transactions on Xapit is affordable to me	5	4	3	2
		1			
	Improvements to Xapit have made it more cost effective	5	4	3	2
		1			
		5	4	3	2
		1			
4. PERCEIVED RISK	Using Xapit has reduced the risks associated with conducting cash bank transactions	5	4	3	2
		1			
	I have not experienced fraud while using Xapit	5	4	3	2
		1			
	There is little danger in using Xapit	5	4	3	2
		1			
	Xapit does not allow third parties to access my information and transactions	5	4	3	2
		1			
5. CREDIBILITY	My personal information has not been divulged through Xapit	5	4	3	2
		1			
	Xapit is a reliable platform for conducting bank transactions	5	4	3	2
		1			
	Xapit provides timely and accurate information on the services I access	5	4	3	2
		1			
	Zanaco accepts responsibility for any errors which are not my fault as per terms and conditions.	5	4	3	2
		1			
6. COMPATIBLENES S	Xapit services fit my banking lifestyle	5	4	3	2
		1			

7. PERSONAL ATTITUDE	Xapit is suitable for my level of income and amount of transactions	5	4	3	2
		1			
	Xapit limits on transactions are not a constraint for me	5	4	3	2
		1			
	The mobile telecommunications platform and my phone are suitable for conducting Xapit transactions	5	4	3	2
		1			
	Using Xapit fits with modern trends in banking	5	4	3	2
		1			
I proudly use Xapit for my banking	5	4	3	2	
	1				
I prefer Xapit to other mobile banking providers	5	4	3	2	
	1				
I will continue using Xapit into the future	5	4	3	2	
	1				