



**IMPACT OF CUSTOMER SERVICE ON THE GROWTH OF THE BANKING SECTOR
IN UGANDA: A CASE OF DIAMOND TRUST BANK (U) LTD**

BY

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REG. NO.14/MBA/12/027

**A DISSERTATION SUBMITTED TO THE SCHOOL OF MANAGEMENT SCIENCE IN
PARTIAL FULFILLMENT FOR THE REQUIREMENT FOR THE AWARD OF THE
MASTERS DEGREE IN BUSINESS ADMINISTRATION OF
UGANDA MANAGEMENT INSTITUTE (UMI)**

JANUARY, 2018

DECLARATION

I, Isaac Mukasa, declare that this research dissertation is original and has not been submitted to any University or Institution of higher learning for any award.

Signature

Date

APPROVAL

We approve that this dissertation has been submitted with our approval as Uganda Management Institute supervisors.

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ABSTRACT

This study was an investigation into customer service on growth of the banking sector in Uganda using Diamond Trust Bank as a case study. Its objectives were: to determine the effect of turn-around-time on the growth of Diamond Trust Bank, to find out the effect of product notification on the growth of Diamond Trust Bank and to investigate the effect of feedback on the growth of Diamond Trust Bank. The study used a cross-sectional survey design employing both qualitative and quantitative research approaches. Data was collected using questionnaires and interview guides from 83 respondents for questionnaires and 14 interviews. The study revealed that there is a positive correlation between turn-around-time and the growth of DTB at 0.025 with a significance level of 0.825 at the level of 0.01. Furthermore, it was revealed that there was a positive correlation between product notification and growth of DTB at 0.068 at a significance of 0.539 at a level of 0.01. However, the study discovered that there was a general challenge of client management by the DTB staff. This has impacted DTB from accessing information from the clients. In addition, client information was not utilized in making the bank's strategies. The study concluded that turn-around-time has an effect on the growth of DTB as it failed to incorporate clients' inputs in designing its strategies. In addition, the study also concluded that product notification impacts on the growth of DTB because the process of product notification is one of the procedures of doing the banking business. Finally, the study concluded that the management of DTB isn't aware of the performance related information and this creates a gap in feedback which affects the growth of Diamond Trust Bank. The study recommended the need to empower DTB staff in client management so that more can be achieved through better communication with them. It was also recommended that the DTB client information in regard to the bank's services be captured, analyzed and be put to use in order to realize growth.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The study was an investigation into customer service on growth of the banking sector in Uganda, using Diamond Trust Bank as a case study. Customer Service was conceived as the independent variable while growth of the banking sector in Diamond Trust Bank will be the dependent variable. This chapter presents the background to the study, theoretical background, conceptual background, contextual background, statement of the problem, research objectives, research questions, hypotheses, conceptual framework, purpose of the study, scope of the study, significance of the study, and operational definitions of terms.

1.1 Background to the Study

The study focused on how customer service has impacted the growth of the banking sector. This background shows how different players in the banking industry have been participating in its development from the global perspective, African level and regional level.

1.1.1 Historical Background

Banking is where financial institutions accept deposits from the public and creates credit. Under here, the evolution and growth of the banking sector is reflected.

According to Wilko (2012) banking began with the first trial product banks of merchants of the ancient world, which made grain loans to farmers and traders who carried goods between cities in Assyria and Babylonia around 2000 BC. This was further adopted in ancient Greece during the Roman Empire. Modern banking can be traced to medieval and early Renaissance Italy, to the rich

cities in the north like Florence, Lucca, Siena, Venice and Genoa. The Bardi and Peruzzi families dominated banking in 14th-century Florence, establishing branches in many other parts of Europe. One of the most famous Italian banks was the Medici Bank, set up by Giovanni di Bicci de' Medici in 1397. The earliest known state deposit bank, Bank of St. George that was founded in 1407 at Genoa, Italy. Modern banking practices, including fractional reserve banking and the issue of banknotes, emerged in the 17th and 18th centuries. Merchants started to store their gold with the goldsmiths of London, who possessed private vaults, and charged a fee for that service (Besley & Brigham, 2009).

All businesses worldwide constantly seek to maximize customer value. Nonetheless this has globally become the hub of marketing for every organization or industry. For any company to achieve this it has to achieve absolute customer satisfaction through offering incomparable services to customers. Indeed, Customer service is the ability to identify the needs of customers and meeting those needs beyond their expectation within the shortest possible time. In this light the focus of marketing is to address the customers' needs, wants, preference and attitudes. Arguably, marketing concepts posit that the right avenue to start the search for new products and ideas are the customers' needs and wants (Kotler, 1991). In addition, the success of any organization depends largely on the extent to which that organization can integrate its knowledge about the customers' needs, wants and preference with its own creative capacity and skills. Consequently, competitive edge is secured through intelligent identification and satisfaction of customers' needs, better and faster than competitors and sustainability of customer's satisfaction through better customer service tools.

According to Fornell (1992); Levesque and McDaugall (1996) Customer satisfaction has the potential to increase an organization's customer base, increasing the use of more volatile customer

mix and increasing the organization's reputation. To achieve customer satisfaction which is key and crucial to the survival of the organization, attention needs to be focused on the lifestyle and needs of the customer. Indeed, customer service is the provision of services to customers, before, during and after a purchase. Zeithaml and Bitner (2003) defined customer service as a series of activities designed to enhance the level of customer satisfaction where that product or service has met customer's expectation. Customer service varies by product, industry and customer. It however, assumes an important dimension in service delivery and sales of product. This is because service firms such as banks have to retain their customers and win over new ones if they are to remain in the market.

It is therefore a basic requirement for corporation survival, profitability and growth if that service organization wants to hold its own in competition (Oyeniya & Abiodun, 2008). This trend creates a scenario for continuous fight for customer share and, an increasing need to build loyal customers through effective customer service activities (Menzela, 1999). Reichheld and Kenny (1990) put forward that loyal customers of service organizations tend to stay longer with the preferred providers and generate favorable word-of-mouth effect that may further benefit the preferred provider. Furthermore, Gan et al. (2011) indicates that retaining a customer becomes a priority for most enterprises and there are compelling arguments for managers to carefully consider factors that might increase customer retention rate. In any case, the cost of creating a new customer has been estimated to be five times the cost of retaining an existing customer (Reichheld, 1996).

More companies today recognize the importance of satisfying and retaining customers. Satisfied customers constitute the company's relationship capital. If the company were to be sold, the acquiring company would have to pay not only for the plant and equipment and the brand name

but also for the delivered customer base, namely the number and value of the customers who would do business with the new firm.

1.1.2 Theoretical Background

To get deeper insight into the management and the concepts of customer service, a theory is needed that relates to customer management. This study was therefore guided by the Assimilation-Contrast Theory

Assimilation-Contrast theory was introduced by Anderson (1973) in the context of post-exposure product performance based on Sherif and Hovland's (1961) discussion of assimilation and contrast effect. According to Sherif and Hovland (1961) assimilation-contrast theory focuses on the performance within a customer's range of acceptance of a given product and how they are associated with the product. Anderson suggests that in utilization of a given product that is being marketed, there are three basic pillars of turn-around-time, product notification and feedback. The trial is responsible for the product's rejection, contrast will prevail and the difference will be exaggerated, the produce/service deemed unacceptable. Therefore, this study will adopt the concepts raised by the theory as it will be concerned with the concept of customer expectations and satisfaction; which were turned into the study objectives as employed by DTB to get in touch with customers so that the products on the market are sought. Much of the Assimilation-Contrast Theory is presented and discussed in chapter three under literature review.

1.1.3 Conceptual Background

The study was based on two main concepts that involved "Customer Service" which was the independent variable and "Growth of the Banking Sector" as the dependent variable. The independent variable raised other concepts like "customer service", "customer satisfaction", "relationship management" and "growth" that rose from the dependent variable.

Customer service is any human interaction that promotes the organization's vision that goes beyond just giving customers what they want. It is about our organization's values, vision and mission. The way customers are served is just as important as the service provided (Sedenka, 2011).

Customer satisfaction is achieving the thing that they (customers) want. To realize this, the organization takes necessary steps to limit complaints from its clients/customers. This is done through improvement of the company's goods and services offered. Having customers with less expectation is good enough to have them satisfied. There is a need for companies to be innovative in order to increase customer satisfaction (Mostaghel, 2009).

Relationship management is a management concept whereby companies need to create a lasting relation with their customers. The main idea of relationship management needs to be a natural part of the companies' values since relationship management is a way to understand and to keep its customers, and hereby improve its profitability. Relationship management entails among others; the value in its products or duties that is high enough for the customer to be motivated enough to get engaged, products or duties that the customer uses more than once, important and consequential products or duties that create engagement from the customers' perspective, and an organization that can manage its services in the right way through its personnel and technique (Sedenka, 2011).

1.1.4 Contextual Background

Diamond Trust Bank (Uganda) Limited is a commercial bank in Uganda. It is one of the commercial banks licensed by the Bank of Uganda, the central bank and national banking regulator (Bank of Uganda, 2015). As of November 2011, the bank was a fast-growing, medium-sized, banking institution, providing commercial banking services to individuals, small and medium enterprises, and large corporations. According to the bank's annual financial statement for

December 2012, the total assets exceeded US\$252 million (UGX. 628.5 billion), representing approximately 4 percent of banking assets in Uganda at that time (Diamond Trust Bank, 2014).

Currently, Diamond Trust Bank has 37 branches country wide with 22 branches in Kampala alone being run by 567 staff (Diamond Trust Bank, 2015). The study was limited to Diamond Trust Bank Kampala Branches as they are at the center, commanding much of the bank's operations in the country.

1.2 Statement of the Problem

The growth of banks is based on the profits that they make. According to Bank of Uganda Report (2011) there is a declining trend of average profits for domestic commercial banks, while their foreign liabilities are increasing compared to foreign commercial banks. This challenge has been mainly attributed to poor customer service, non-performing assets, frauds, poor management, poor savings culture and low numbers of the banking population. In its role to maintain a safe and sound financial sector, the Bank of Uganda has strengthened the regulatory framework and strengthened the supervision of financial institutions which has seen the creation of new laws in order to strengthen the legal framework (Bank of Uganda Report, 2012).

However, having established the regulations and a legal framework, the challenge of banking sector growth still persists so the need to look at other factors affecting growth like customer service in the banking sector. When commercial banks collapse in an economy, most commercial activities will come to a standstill as they depend on commercial banks for loans and other financial services. In addition, many people employed by the affected banks will be rendered unemployed. The bank of Uganda as a regulatory body conducted a holistic assessment of the banking sector to ascertain why it wasn't growing and its conclusion paid little attention on customer service.

Whereas other studies have been conducted about the growth of the banking sector, with emphasis put on fraud management as a solution, this did not solve the problem. This study therefore explored the impact of customer service on the growth of the banking sector and suggests recommendations on development of the sector through client management.

1.3 General Objective

This study was guided by the following general objective:

To assess the impact of Customer Service on growth of banking sector in Uganda using Diamond Trust Bank as a case.

1.4 Specific Objectives

The study aimed at achieving the following objectives;

- I. To determine the effect of turn-around-time on the growth of Diamond Trust Bank.
- II. To find out the effect of product notification on the growth of Diamond Trust Bank.
- III. To investigate the effect of feedback on the growth of Diamond Trust Bank.

1.5 Research Questions

The study used the following research questions;

- I. What is the effect of turn-around-time on the growth of Diamond Trust Bank?
- II. What is the effect of product notifications on the growth of Diamond Trust Bank?
- III. What is the effect of feedback on the growth of Diamond Trust Bank?

1.6 Research Hypotheses

- I. Turn-around-time has a significant positive effect on the growth of banks.

- II. Product notifications have a significant negative effect on the growth of banks.
- III. Feedback has no significant positive effect on the growth of banks.

1.7 Conceptual Framework

The conceptual framework is a diagrammatic representation showing the relationship between the Independent Variable and the Dependent Variables. Figure one below presents the conceptual framework.

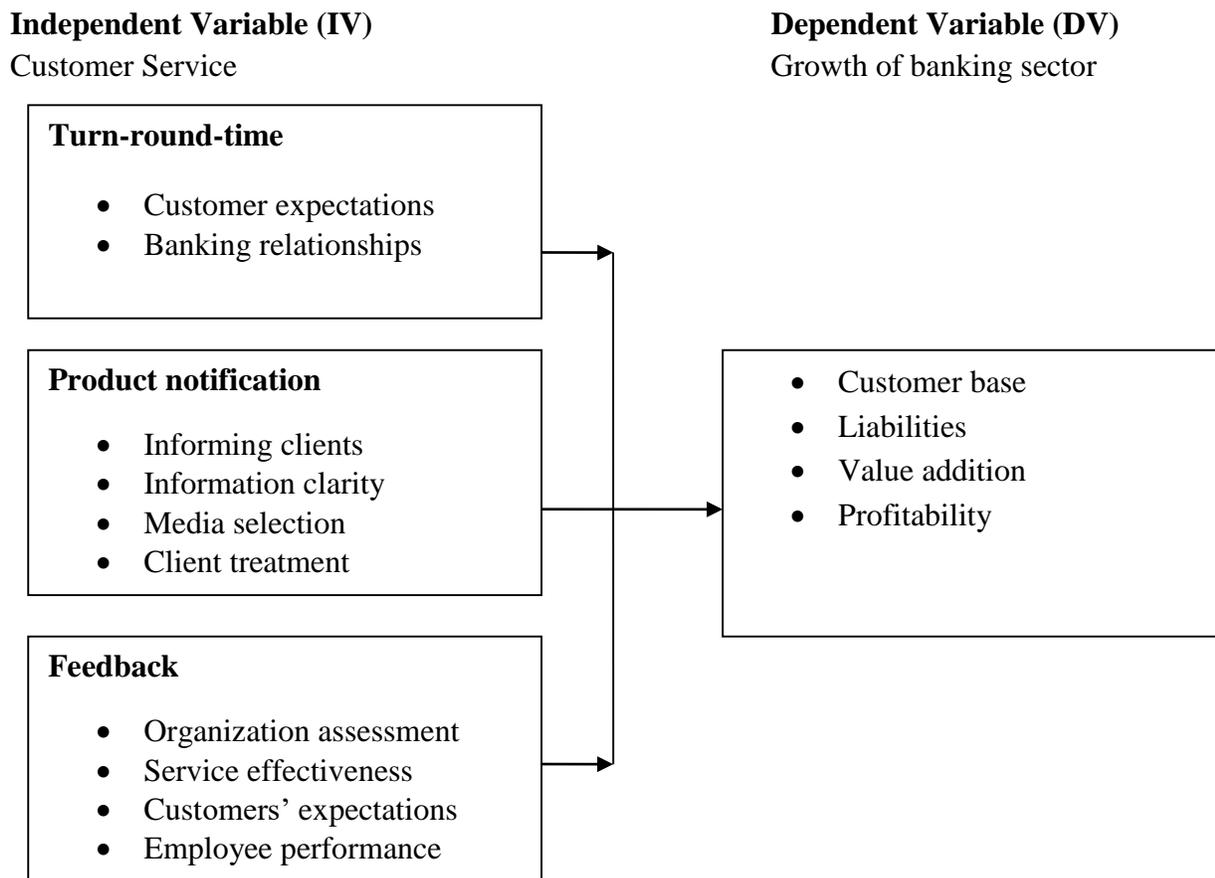


Figure 1. The conceptual Framework

Source: Adopted from the Assimilation-Contrast Theory by Anderson (1973) and modified by the researcher.

The conceptual framework in Fig. 1 above adopts an approach of many to one. In the above conceptual framework, the independent variables included turn-around-time, product notification

and feedback. The study found out whether they work each independently or work together to affect growth of the banking sector which is the dependent variable that involves customer base, liabilities, values and profitability. The study further revealed in case of any effect, whether it was a positive or negative effect.

1.8 Scope of the Study

The scope of the study involved the geographical scope, the content and the time scope indicating where the study took place, what the study mainly considered and the timeframe the study focused on respectively.

1.8.1 Content Scope

The study focused on customer service practices that DTB employs in the process of executing its work as laid down in their plans. These included turn-round-time, product notification, and feedback. These were studied to find out how they impact on its growth, and involved customer base, liabilities, value increase and profitability.

1.8.2 Geographical Scope

The study covered 10 DTB branches that are based in Kampala with their main branch situated on Kampala road.

1.8.3 Time Scope

The study covered the period 2011-2015. This was chosen because it is within these years that a slow rate of growth of banking sector was recorded to have deepened and is still getting worse (Bank of Uganda Report, 2012) hence the call for this study as per the Bank of Uganda Report.

1.9 Significance of the Study

Growth of the banking sector is a very important study because of its importance in the growth of the economy. The study avails data on the magnitude of the banking sector growth in Uganda. Also, analysis was made as whether customer service is the correct path to address the banking sector growth problem.

Problem solving and curbing of growth of banking sector is one of significance of the study as recommendations for the best way towards growth of the banking sector through customer service

The study also helps in policy formulation as recommendations was be limited to Diamond Trust Bank, but also to other stakeholders, like policy makers so that the findings could help in designing policies that can enable the growth of banking sector.

To the academicians, the study adds on the already existing knowledge about Customer Service and to other researchers, new areas of study were discovered in a similar field. This helps them make collective efforts to improve on customer service in the entire country.

1.10 Justification of the Study

Diamond Trust is faced with the challenges of delivering services to the best requirements of its customers. Whereas studies have been carried out in fields like fraud and growth of the banking sector, this study makes a difference by studying the management component of customer service to find out its contribution to the growth of the banking sector in Uganda.

1.11 Operational Definitions of Terms and Concepts

Banking sector in this study refers to; an economic activity that involves management of savings and loans.

Client management in this study refers to; an undertaking to handle needs of customers.

Customers in this study refers to; persons that seek financial services in banking.

Customer satisfaction in this study refers to; a position in which a customer is of no complaint with the sought services

Delivering services in this study refers to; meeting the customer's needs and services at the time of search.

Growth in this study refers to; an organization's expansion in its goods and services offered.

Internal approach: A study aimed at an inside issue of management of an organization.

Liabilities in this study refer to; the amount of saving deposits bank customers have with the bank.

Loans in this study refer to; money borrowed by the clients from banks.

Operations in this study refer to; work processes handled by an organization.

Regulator in this study refers to; a governing body that oversees operations of given groups of service providers.

Relation management in this study refers to; an undertaking to ensure smooth working situations with clients.

Turn-round-time in this study refers to; the period undertaken to serve a client's request.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of literature on different aspects of Customer Service and growth of the banking sector. The researcher reviewed a selection of literature as presented in text books, journals, magazines, internet and articles on customer service and growth of banking sector with a focus on Diamond Trust Bank (DTB). Different scholars undertake frequent studies and this creates a likelihood of duplicating what someone has already researched on (Bordens & Abbott, 2008). Each research study is part of an existing body of knowledge, building on the foundation of the past research and expanding that foundation for the future research. The ultimate goal of literature search is to find published reports that define the current state of knowledge and to identify gaps in that knowledge base that your study will attempt to fill (Gravetter & Forzano, 2009). This Chapter is arranged under actual literature review done on objective by objective and a summary of the literature.

2.2 Theoretical Review

Assimilation-Contrast Theory

Assimilation-Contrast theory was introduced by Anderson (1973) in the context of post-exposure product performance based on Sherif and Hovland's (1961) discussion of assimilation and contrast effect. Assimilation-contrast theory suggests that if performance is within a customer's latitude (range) of acceptance, even though it may fall short of expectation, the discrepancy will be disregarded; assimilation will operate and the performance will be deemed as acceptable. If performance falls within the latitude of rejection, contrast will prevail and the difference will be exaggerated, the produce/service deemed unacceptable.

The assimilation-contrast theory focuses on the paradigm that considers satisfaction as a function of the magnitude of the discrepancy between expected and perceived performance. As with assimilation theory, the consumers will tend to assimilate or adjust differences in perceptions about product performance to bring it in line with prior expectations but only if the discrepancy is relatively small. Assimilation-contrast theory attempts to illustrate that both the assimilation and contrast theory paradigms have applicability in the study of customer satisfaction. It further looks at the magnitude of the discrepancy that may also influence whether the assimilation effect or the contrast effect would be observed. When product performance is difficult to judge, expectations may dominate and assimilation effects will be observed. Contrast effect would result in high involvement circumstances. The strength of the expectations may also affect whether assimilation or contrast effects are observed.

Assimilation-Contrast theory suggests that if performance is within a customer's range of acceptance, assimilation will operate and the performance will be deemed as acceptable. If performance falls within the latitude of rejection (no matter how close to expectation), contrast will prevail and the difference will be exaggerated, hence the product will be deemed unacceptable. The Assimilation-contrast theory mainly focuses on how a customer is likely to accept a product as a result of being associated with the same product. Any business' survival and strength depend on the consumers' willingness to utilize its products. This study will focus on the growth of the banking sector as a result of bring on board the customers- current and new to buy its products hence its growth. In the client service, banks tend to adjust clients' perceptions towards the services that they offer so that they can win them. Similarly, the Assimilation-Contrast theory provides for the adjustments of the client's perception so that their expectations can be met. Therefore, this study will adopt the concepts raised by the theory as it will be concerned with the concept of

customer expectations and satisfaction; which will be turned into the study objectives as employed by DTB to get in touch with customers so that the products on the market are sought.

2.3 Turn-around-time and the Growth of the Banking Sector

According to Lamikanra, Osinowo and Arya (2013) in the face of evolving customer behavior and expectations, it has become imperative for banks to listen and understand the voice of the customer as input in shaping their strategies. This is because customers always want a request be put in their consideration regardless of what the service provider has to undergo to provide the sought service. As a result of such a situation, policies were put in place to promote alternate channels, which yielded positive results. This has seen a two-fold increase in adoption of almost all the alternate channels and a further increase in Auto-Teller Machine (ATM) usage in the banking sector.

Banks have taken an initiative to ensure constant feedback. This is because of a need to establish retail banking that has resulted into client inter-bank relations; such that they may consistently switch from banks that have proper management of inter-bank relations. Clients' knowledge of their business is extremely important and a key driver of satisfaction. With a proper understanding of the client's business, banks can achieve the level of product offering/suitability that most businesses desire (Lamikanra, et al, 2013).

After the world experienced a financial crisis, clients developed fears about the safety of their deposits. As a result, clients put more emphasis on service quality in regard to their banking relationship agenda. This has compelled more banks to prioritize excellent customer service ahead of financial stability, the principal reason for maintaining banking relationships for retail and corporate customers. This is perhaps a nod from customers to regulatory efforts aimed at stabilizing the banking industry (Lamikanra, et al, 2013).

Managing customer experience can be quite a discouraging challenge especially as customers have diverse needs that are often at different ends of the spectrum. In times past, branch staff had a more personal relationship with customers, sometimes even knowing customers by name, but today, with millions of customers, this poses a significant challenge. Nevertheless, today's customers are looking for personalized service and attention thus making the bank's frontline staff critical to shaping the customer's experience with the bank. Clients seek rated staff attitude and efficiency in handling complaints and enquiries as the most important customer care issue. This highlights the importance of getting the right caliber of staff, especially for customer-facing roles. Banks need to continue to empower frontline staff with training in relationship management and other requisite technical capabilities to enhance the quality of service delivery (Lamikanra, et al, 2013).

2.4 Product Notifications and the Growth of the Banking Sector

According to Building Societies Association- BSA (2013), product notification is about informing the clients; both current and new ones, about the different services a financial institution offers. In the process of delivering the message to the target audience, it is advised that a financial promotion or communication is fair, clear and not misleading. Firms should consider that it analyses who the information is being aimed at, the channel by which it is being made, the particular features of the product or service (mainly the associated main benefits, risks, limitations, complexity of product, conditions and duration of the product/service), the level or depth of the information provided and the actions it seeks to bring forth.

Information must be presented in a way that is likely to be understood by the average member of the audience. So communications to clients should highlight different information than those to a micro-enterprise because of the likely different needs and priorities of the intended audience. Additional care should be taken when aiming communications at potentially vulnerable

consumers. A high-level financial promotion that implies or expressly seeks further investigation from the consumer may provide less-detailed information. However, each financial promotion should still provide balanced and sufficient information on an impartial basis (BSA, 2013).

Any disadvantageous change, of a material nature, to the interest rate that applies to an account should be personally notified to the customer before the change comes into force. Personal notification should be provided in a durable medium. The intention of this is that the interest rate changes tracks a reference rate that is publicly available (BSA, 2013).

In delivering notices to the clients, organizations should note that they always have an obligation to treat customers fairly and should keep this in mind when setting and operating their interest rate policy. Any disadvantageous change of a non-material nature to the interest rate that applies to an account should be notified to customers by making relevant information available as soon as reasonably possible. This can be made through telephone customer care helpline messages, websites, notices in branches, and notifications in newspapers (BSA, 2013).

Firms should similarly make information available about advantageous interest rate changes, but do not have to provide this information to customers by the use of personal notification. This should be done with a reminder at least 14 days, and no longer than 3 months, in advance of the end of a bonus rate or promotional rate (Central Bank of Ireland, 2014).

Financial institutions should also make pre-sale information for products and services. If appropriate, make reference to the availability of similar products and services offered by the firm that the customer may be interested in. For example, if a firm has a brochure for one of its deposit accounts it would be appropriate for the brochure to make reference to the availability of the firm's other similar deposit accounts. Firms are not required to provide information about other products

or services where the customer has identified the product that interests them and has expressly confirmed that they do not want to receive information about other similar products (Central Bank of Ireland, 2014).

2.5 Feedback and the Growth of the Banking Sector

The closeness between customers and service employees suggests that customers may hold unique information about the performance of service employees that supervisors and peers do not have. In an organization where customer service is important, service providers must gain a “sight” into customer perceptions of service effectiveness (Barnard, 2012).

Customers are a good basis for an organization assessment. The client’s feedback in customer service context examines employee perceptions that a firm seeks and/or values customer input in relation to service effectiveness. An organization needs to continuously inject efforts to identify and track service effectiveness and to share customer opinions of service with the organization where services are sought (Barnard, 2012).

Key to positive customer perceptions of service quality involves listening to customers and creating conditions that will meet those customers’ expectations and needs. Organizations are most likely to get it right and provide the best services if they listen to their customers. Organizations should solicit and value customer input and customer ratings of service effectiveness. The implication is that organizations that collect customer information on an organizational level are perceived as providing better service than those who do not collect customer information provide. Using customer feedback allows organizations to monitor and regulate their service offerings and delivery (Nash, 2008).

In addition to customers evaluating organizations, customers are increasingly being used to evaluate employees. In addition, customers have been traditionally included in formal performance

appraisal programs in teaching settings, and in other service settings. Organizations value customer perspectives as an important index of employee performance. However, customers are likely to provide important additional information and observing additional service behaviors that supervisors do not see, making their ratings a valuable addition to the performance appraisal process (Nash, 2008).

Supervisors tend to develop a positive self-evaluation, thus subordinates perceived to be similar to themselves will be perceived in a more positive light than will subordinates perceived to be dissimilar to themselves. Customers are likely to engage in the same type of cognitive processing as supervisors when evaluating the service provided by boundary spanners. Thus, customers who perceive boundary to be similar to them are likely to be more satisfied with the service delivered by these similar boundaries (Nash, 2008).

2.6 Summary of Literature Review

It is generally agreeable that through various customer service processes, financial institutions realize growth. Henceforth learning through the different customer service approaches, growth is realized. The aforementioned turnaround time, product notification and feedback are all dependent on customer service practices. Global extensive studies have been done into customer service and growth of financial institutions. However, several studies show that the relevance of customer service holistically; but at the national and local levels remain a virgin area.

It is equally true that gaps exist on whether customer service is relevant and reliable to solve the existing problem of growth of the banking sector which is seemingly in stagnation. To note, no significant research has been made to the existing customer service in face of increased growth of commercial banks in Uganda.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter provides the information concerning the methodology that was used in this study. It presents among others the research design, study population, area of study, sample size

determination and sampling techniques, data collection methods and instruments, data collection procedures, data analysis and measurement of variables.

3.2 Research Design

This study was undertaken using a cross sectional survey design. The researcher used this design because it was relatively inexpensive, takes a short period of time to conduct and data can be collected only once (Sekaran, 2003). It was also conducted on representative samples of a population and there are seldom ethical issues (Schmidt, 2008; Mann, 2003). The researcher employed both qualitative and quantitative approaches to investigate Customer Service and growth of banking sector in Diamond Trust Bank.

According to Denscombe (1998) a triangulation of methods of data collection enhances the reliability of the data for investigation of research problems. This study therefore used a triangulation of methods including questionnaires, interviews and documentary review. Interviews assisted to provide rich data and help explore, dig deep and understand complex issues raised by respondents. The questionnaire was helpful in reaching out to a large group of respondents. It also allowed for confidentiality and anonymity on the part of respondents. Documentation review further assisted to obtain rich data. The researcher was able to access secondary information and obtain data by studying corporate documents like plans, reports and journals.

3.3.1 Study Population

This study was carried out in Diamond Trust Bank staff that made a study population of 246 (DTB, Human Resource Records, 2016).

3.3.2 Target Population Category

The study considered the category of people comprising of Board Committee Members, Chief Executive Officer, Executive Director, Heads of Departments, and Heads of sections, Heads of Products, tellers and customers.

3.4 Determination of the Sample size

The sample size for this study was determined using the Krejcie and Morgan (1970) sample size determination table. The sample that was used was drawn using stratified random sampling to ensure that the interests of the population are represented. The strata included Board Committee Members, Executive Director, Heads of Departments, Heads of sections, Heads of Products, tellers and customers.

Table 3.1: Research respondents by category and sample

| Category | Study Population | Sample Size | Sampling Technique |
|-------------------------------------|-------------------------|--------------------|---------------------------|
| Representative of the Board Members | 8 | 3 | Simple Random Sampling |

| | | | |
|----------------------------|------------|------------|----------------------------|
| Executive Director | 1 | 1 | Purposive |
| Heads of Departments | 12 | 5 | Simple Random |
| Heads of sections | 15 | 10 | Simple Random Sampling |
| Branch operations managers | 35 | 10 | Stratified Random Sampling |
| Branch managers | 22 | 8 | Stratified Random sampling |
| Head of Products | 1 | 1 | Purposive |
| Tellers | 52 | 35 | Stratified Random sampling |
| Customers | 100 | 50 | Simple Random Sampling |
| Total | 246 | 123 | |

Source: DTB Structure (2016) and Krejcie and Morgan (1970)

3.5 Sampling Techniques and procedures

The sample that was used for the study was derived using stratified random sampling for the respondents to ensure that the interests of the population were represented in the sample to enable valid generalizations (Amin, 2005). The different strata included a representative of Board Committee Members, Executive Director, Heads of Departments, Heads of sections, Branch operations managers, Branch managers, Head of Products and Tellers. Board Committee Members and the Executive Director were selected purposively subject to availability. The Tellers were chosen using simple random sampling to allow for equal opportunities for any member to participate hence making generalizations of findings possible. A list of all Tellers was obtained from the Human Resource Manager's office which constituted the sampling framework.

Simple random sampling was used to select respondents that are many in numbers where a few were chosen. The advantage of simple random selection is that the respondents that are available

can be attended to and it creates a scenario where each respondent has an equal chance of participating in the study (Alvi, 2016).

Purposive sampling was used basically on the key respondents. This is because of their roles they played in DTB and they were expected to be knowledgeable about the subject matter and were in position to give a lot of information basing on the authority that they possess (Alvi, 2016).

3.6 Data Collection Methods

The researcher used multiple data collection methods so that validity of findings was assured. Primary data was collected using the questionnaire and interviews and secondary data through documentary review method.

3.6.1 Questionnaire Survey

This method was used to collect primary data from 83 respondents comprising of Heads of Departments, Heads of sections, Head of Products and Tellers. This method was selected because it allowed the researcher to collect data systematically and address the research issues in a standardized and economical way. The method was also used because it is easy to administer to such a large number of respondents in a short period of time. It was also flexible and was used to collect data within a short time (Sekaran, 2003). Questions were also helpful in collecting sensitive information from respondents. There was also an assurance of achieving honesty and confidentiality using this method.

3.6.2 Interviews

Face to face interviews were used to supplement the questions. This method was used on the three top managers of DTB. These included the representative of the Board Committee Members and the Executive Director. These were key respondents in this study because they were expected to

be more knowledgeable and provide insight on the variables. Mugenda and Mugenda (1999) states that interviews provide in depth data which is not possible to get using questionnaires and the beauty about it is that interviews can take advantage of the interactive situation to get further information or clarification on responses given thereby enriching the findings. This method allowed for an in-depth assessment and critical analysis of the subject. Interviews were carried out by the researcher himself to save on time and costs, but also allowed for an in-depth study and clarification on issues hence enriching the findings.

3.6.3 Documentary Review

This method involved the researcher looking at written sources of data such as books, reports, plans, journals and other official company records like statistics (Denscombe, 2000). The researcher reviewed documents and extracted data to supplement questions and interviews hence enriching the findings. As other academicians have found out, the advantage with documentary review is that data can be verified by other scholars; saves time and costs of acquiring information (Sekaran, 2003) and is flexible since data can be accessed at any suitable times (Oso & Onen, 2009).

3.7 Data Collection Instruments

For data to be generated for the study, instruments have to be employed to help the researcher to gather data. This study therefore aims at employing the following tools in the process of data collection.

3.7.1 Questionnaire

The first research instrument that was used in this study is a structured questionnaire. The instrument was developed based on the constructs identified in the literature review. The

questionnaire allowed the researcher to collect data systematically and address the research issues in a standardized and economical way as it was easier and cheaper to collect data from a large group of respondents in a limited time. According to Mugenda and Mugenda (1999) structured or close ended questions are easier to analyze since they are in an immediate usable form. They are easier to administer as possible answers follow each item. Also this was useful due to limited time and resources.

3.7.2 Interview Guide

The researcher used an interview guide especially in collecting data from DTB senior management staff. The researcher developed the interview guide based on the constructs identified in the literature review. The interview guide backed-up on the data that the questionnaire cannot capture. In interviews, the respondent explains why the situation appears the way it is which is not provided for in the questionnaire. This therefore supplemented on the quantitative data that the study sought. The guide assisted the researcher to remain on track while conducting the interviews. Interviews with DTB senior management staff were conducted by the researcher himself to allow the respondent a free associative environment.

3.7.3 Documentation Checklist

The researcher also used a documentary review checklist to guide the extraction of data that is relevant to this study. The researcher obtained data from reviewing records of the organization like corporate plans, reports, journals, work plans. These helped to give a vivid picture of the situation on the ground and helped to cross check data collected through the primary sources.

3.8 Validity and Reliability of Data Collection Instruments

Before the research tools are put to use for data collection, they should be tested for validity and reliability in order to achieve the intentions of the study. This was done as shown below:

3.8.1 Validity

Validity refers to the appropriateness of the research instruments (Amin 2005). In this study, validity tests were carried out prior to the administration of these instruments. This was done to find out whether the questions were capable of capturing the intended responses. The researcher consulted expert judgment in order to assess the content validity index (CVI) for each item. For the instrument to be acceptable as valid, CVI of at least 0.7 or above was considered (Amin, 2005). Table 3.2 below shows the computed CVI.

Table 3.2: Validity statistics

| Validity | |
|----------|------------|
| CVI | N of Items |
| .924 | 5 |

Source: Primary data

Table 3.2 above shows that the computed CVI was 0.924 implying that the tool used for the study was valid to generate information required for the study.

3.8.2 Reliability

Sekaran (2003) defines reliability as the measure of the degree to which a research instrument yields consistent results. It is an indicator of the suitability, repeatability and consistency with which the instrument measures concepts. The researcher conducted a pre-test of the instruments with 10 respondents within another commercial bank to help uncover and identify the inconsistencies that were in turn corrected. The Cronbach Alpha coefficient was computed until at least the minimum reliability index of 0.7 is got which is always required (Amin, 2005). Table 3.3 below shows the findings:

Table 3.3: Reliability Statistics

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .903 | 8 |

Source: Primary Data

From table 3.3 above, the computed Cronbach’s Alpha is 0.903. This is over and above the recommended 0.7 implying that the tool used for the study was reliable to generate information good for the study.

3.9 Procedure of Data Collection

Upon approval of the proposal by Uganda Management Institute, the researcher obtained a letter of introduction. This was used to get permission to carry out research in Diamond Trust Bank. The researcher proceeded to fine tune the instruments and test run them before administering them to the respondents.

The researcher went to the field to collect data on the study subject with the help of research assistants. Questionnaires were administered to respondents who were given a timeframe within which to complete and return them. The researcher held face to face interviews himself with senior management of DTB based on their conveniences. Appointment dates were set before proceeding to hold the interviews as agreed.

3.10 Data Analysis

After collecting data, it is usually in a raw form. This calls for analyzing it so that meaning can be attached to it to generate information in the following approaches:

3.10.1 Quantitative Data Analysis

Upon completion of the data collection from the field the researcher proceeded to data analysis.

All data was checked, edited, coded and entered into the computer for processing and analysis in

order to make meaning out of it. All quantitative data consisting of numeric values was analyzed using descriptive statistics and inferential statistics such as regression analysis especially when testing hypotheses and the relationship between variables. Data was also exported to SPSS for final analysis and interpretation and is presented using figures and tables.

3.10.2 Qualitative Data Analysis

Qualitative data was analyzed systematically and thematically based on objective by objective of the study. The researcher categorized and summarized all the data collected for ease of analysis. During and after, the researcher recorded observations, make general summaries, coded the data where applicable and summarized data. Analysis involved identifying patterns, inconsistencies and relationships and reasons for their occurrences with the aim of explaining how Customer Service affects growth of banking sector in DTB. Using content analysis, data was critically studied, analyzed and interpreted to generate meaning and conclusions made thereafter in line with the objectives of the study.

3.11 Measurements of Variables

For qualitative data, codes and labels were assigned to emerging themes, while for quantitative data; a Likert scale was used to measure the variables. The variables were measured by a five point Likert scale of 5-1 (i.e. strongly agree-5, agree-4, not sure-3, disagree-2, strongly disagree-1).

3.12 Ethical Considerations

Carrying out a study on bank issues was a sensitive issue. This required consent, privacy and confidentiality of the information given by the respondents.

The research was based on the freely given informed consent of those under study. The respondents were informed about what the study was all about, who was undertaking it, and funding it, its

likely duration, why it was being undertaken, the possible consequences of the research, and the importance of the results that would be generated (Resnik, 2015).

The anonymity and privacy of the participants was respected and personal information relating to participants was kept confidential and secure. Where possible, threats to the confidentiality and anonymity of research data were anticipated by researchers and the identities and records of participants were kept confidential (Resnik, 2015). To ensure privacy, the respondents were informed that their names were not required and it was optional for them to answer the asked questions or not. The respondents were not forced to give responses to the questions that were asked in the study as recommended by Mugenda and Mugenda (2003). To ensure more confidentiality, the respondents were informed that the information sought is for academic purposes and the data obtained would be treated in confidence as recommended by (Amin, 2005).

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter presents analyses and interprets the study findings arising from the field information collected from respondents on the impact of customer service on the growth of the banking sector in Uganda. The findings are arranged as per the study objectives that include; to determine the effect of turn-around-time on the growth of Diamond Trust Bank, to find out the effect of product notification on the growth of Diamond Trust Bank and to investigate the effect of feedback on the growth of Diamond Trust Bank.

4.2 Response Rate

A total of 104 questionnaires were distributed and 83 were returned giving a response rate of 83% suggesting that the results contain substantial information and the survey results were representative of the population. Nineteen interviews were set to be conducted from the board members, Executive Director, Heads of Departments and Sections and 14 interviews were held putting them at 73% response rate. The higher response rates that are above 70% also suggested a more accurate survey results (Weller & Romney, 1988).

4.3 Background Characteristics of Respondents

This section presents the characteristics of the respondents in relation to sex, age, highest education level attained and the time the respondents had taken serving in the banking sector. The research findings in relation to these are presented in the graphs and charts as below:

4.3.1 Sex of the Respondents

The researcher was interested in the sex of the respondents. This is because the responses might be conditioned by exposure and opportunities that they are exposed to basing on their sex. From the gathered data from the field, the following was realized in Fig. 3.1

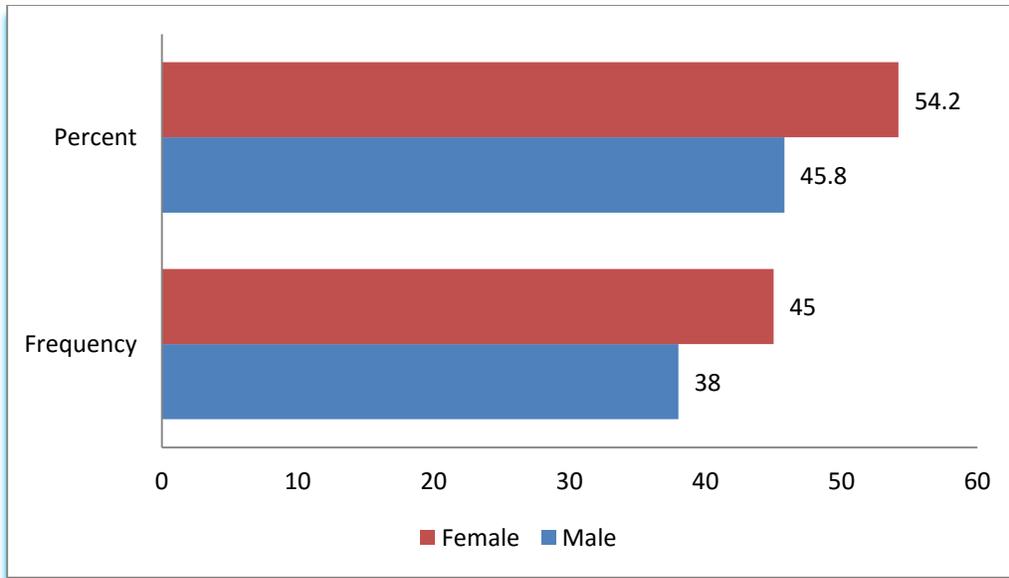
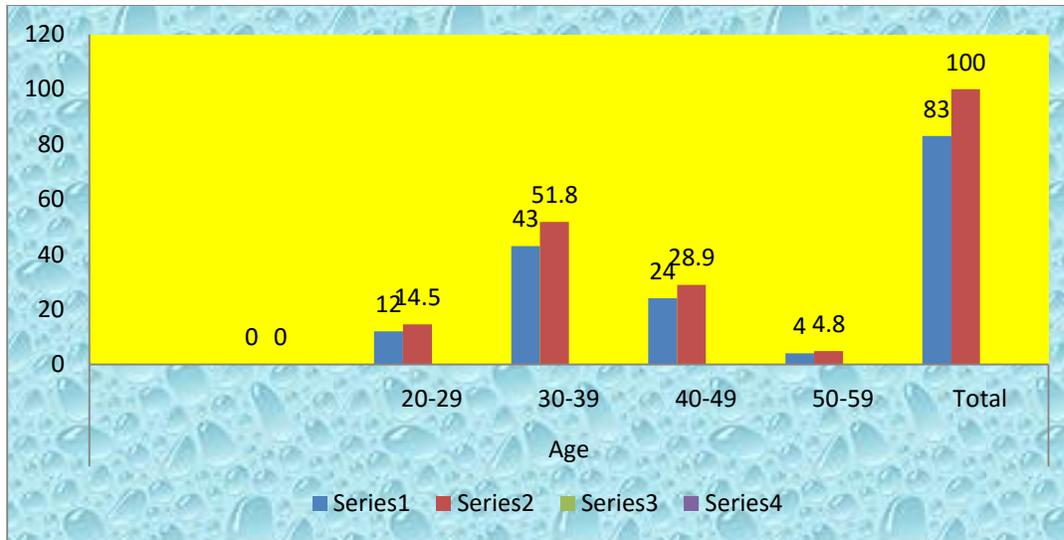


Fig. 3.1 Sex of the respondents

From the findings presented in Fig. 3.1, Females were 45 (54.2%) while males were 38 (45.8%). This implies that majority of the respondents were females in the study. However, the males had a fair representation whereby there is a small gap of 8.4% difference between males and females. This shows that there was a fair representation of findings basing on sex as both males and females have a fair representation.

4.3.2 Age of the Respondents

In most cases, people's age usually goes with their experience in a given field. It is against this that the researcher picked interest in the age of the respondents. From the collected data field, the findings are reflected in Fig. 3.2 below.



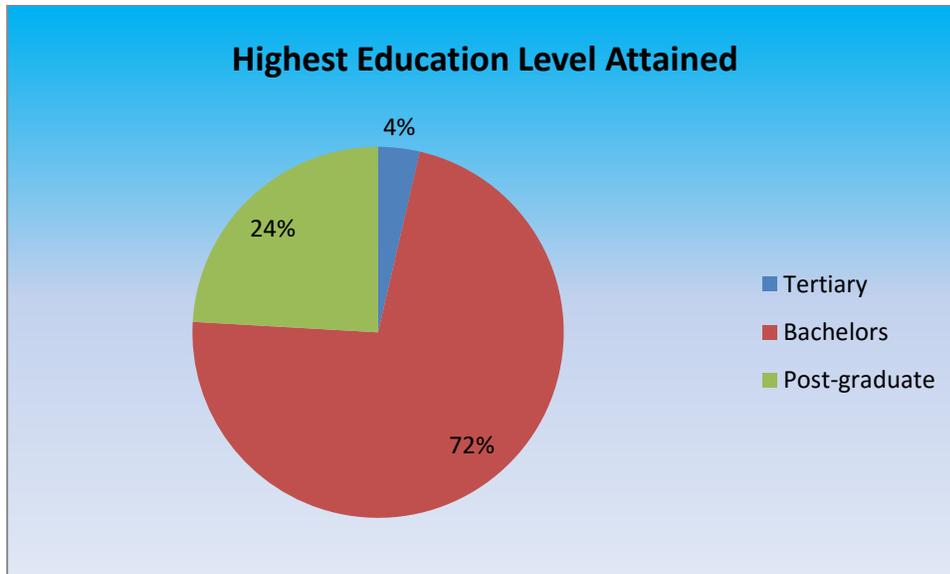
Source: Primary data

Fig. 3.2 Sex of the respondents

The findings indicate that the majority of the respondents at Diamond Trust Bank fall in the age bracket of 30-39 years of age at 43(51.8%). This indicates that the majority of the respondents are in an age bracket that is deemed productive and highly exposed implying that the responses they presented were based on experience.

4.3.3 Education Levels of Respondents

One's education level provides one with lenses of perception regarding a given phenomenon. This is why the researcher took interest in establishing the highest education levels the respondents had attained. To this cause, the data from the distributed questionnaires was analyzed and the findings are reflected in Fig. 3.3 below:



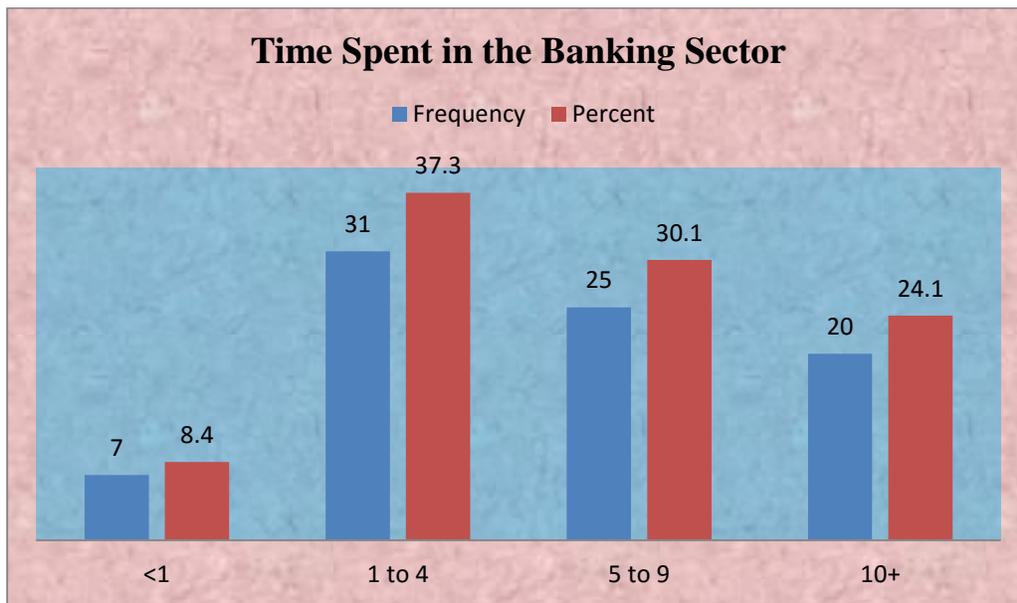
Source: Primary data

Fig. 3.3 The highest education level attained

The findings in Fig. 3.3 indicate that the majority of the respondents at 72% had a Bachelors degree level of education as the highest education level attained and the minority at 4% had attained the tertiary level. Nevertheless, 24% of the respondents had a post-graduate level of education. This implies that the data collected was based on an informed point of view basing on the fact that those with a bachelors degree coupled with those with a post-graduate level makes the majority at 96% of the respondents. The two levels; Bachelors and Post-graduate levels are deemed relatively high levels of education which puts a respondent in position of being well informed in relation to the subject matter being studied.

4.3.4 Time spent in banking industry

The duration respondents had spent in the banking sector was one of the areas the study took interest in. This is because the time the respondents spend in a given sector determines their experience and the information they give is based on their experience. From the responses got from the field during data collection, the following findings were reached at in Figure 3.4 below:



Source: Primary data

Fig. 3.4 Time spent in the banking sector

From fig. 3.4 above, majority of the respondents when combined, had spent at least 5 years and above ten years in the banking sector making it 45 (54.2%). This implies that majority of the respondents had some high level degree of duration in the banking sector which put the respondents in position to give responses that were based on experience.

4.4 Empirical Findings

The overall objective of this study was to assess the impact of Customer Service on growth of banking sector in Uganda using Diamond Trust Bank as a case. The study used questionnaires, interview guides and documentary reviews to gather data in relation to the objectives and the findings are presented below objective by objective.

4.4.1 Objective One: To determine the effect of turn-around-time on the growth of Diamond Trust Bank.

To determine the effect of turn-around-time on the growth of Diamond Trust Bank, questionnaires, interview guides and documentary reviews were used to collect data and the findings are presented below:

4.4.1.1 Frequency and Percentage Analysis of Turn-Around-Time

Table 4.1 presents the frequencies, percentages, mean and standard deviations of responses from the concepts identified under turn-around-time as a variable of the study.

In order to determine the frequency and percentage of turnaround time, a number of opinion statements were posed and measured using a Likert scale as indicated in the table 4.1 as follows;

Table 4.1: Frequency and percentage table of turn-around-time

| SN | Opinion/statement | SA (%) | A (%) | N (%) | D (%) | SD (%) | Mean | Standard Deviation |
|----|---|---------|----------|--------|----------|----------|------|--------------------|
| 1 | The banks designed strategies are conditioned by the customer's inputs. | 5(6.0) | 34(41.0) | 7(8.4) | 16(19.3) | 21(25.3) | 2.83 | 1.360 |
| 2 | Most of the customers' wants are brought to our attention | 7(8.4) | 22(26.5) | 4(4.8) | 27(32.5) | 23(27.7) | 2.55 | 1.364 |
| 3 | Our bank's current innovations are fully clients' requests | 3(3.6) | 19(22.9) | 5(6.0) | 25(30.1) | 31(37.3) | 2.25 | 1.277 |
| 4 | There are numerous channels through which clients get to us | 7(8.4) | 11(13.3) | 1(1.2) | 22(26.5) | 42(50.6) | 2.02 | 1.352 |
| 5 | There are measures in place that are used to gauge your clients relations | 3(3.6) | 12(14.5) | 2(2.4) | 21(25.3) | 45(54.2) | 1.88 | 1.214 |
| 6 | We have a proper understanding of your client's businesses | 5(6.0) | 8(9.6) | 5(6.0) | 22(26.5) | 42(50.6) | 1.93 | 1.235 |
| 7 | Our clients generally have diverse needs | 9(10.8) | 7(8.4) | 2(2.4) | 21(25.3) | 44(53.0) | 1.99 | 1.375 |
| 8 | The diverse needs of our clients are a big concern to us | 7(8.4) | 6(7.2) | 4(4.8) | 22(26.5) | 43(51.8) | 2.05 | 1.689 |
| 9 | There is a continuous empowerment of your front desk officers in client management skills | 5(6.0) | 10(12.0) | 3(3.6) | 19(22.9) | 46(55.4) | 1.90 | 1.275 |

Source: Primary Data

Banks' designed strategies

The strategies that are being designed by the bank were one of the key concepts under turn-around-time identified by the study. These strategies according to the study are supposed to be designed in order to suit the clientele's contributions. From the data collected using the questionnaires, 39(47.0%) of the respondents agreed with the concept that the bank designed strategies that are conditioned by the customers' inputs, 7(8.4%) of the respondents remained undecided while 37(44.6%) of the respondents disagreed at a mean of 2.83 with a standard deviation of 1.360. Basing on the mean, it implies that those in agreement are weak and cannot therefore convince the study that the banks' customer strategies in place are in any way done with inputs from the customers' views since the mean is below 3.0 that is regarded a point of strength in relation to the 5 point Likert scale. On the Likert 5-point scale that was used by the study to capture responses of the respondents, 5 point was allocated "Strongly Agree", 4 is "Agree", 3 is "Neutral", 2 is

“Disagree” while 1 is “Strongly Disagree”. While using the mean, for the majority of the respondents to be declared to be in agreement with the concept, they should surpass a 3 point mark. The closer they get to 5 as per the mean, the stronger they are in agreement with the concept and the closer they get to 1 point, the more they are in disagreement with the concept. However, in consideration of the numbers as per the percentages of the responses and where they belong, those in agreement merged together make a total of 46% which is higher than those in disagreement. This creates a provision for the bank having some degree of considering some clients’ inputs in designing strategies. On a centrally note, from the held interviews with the key respondents in the qualitative data collection, it was discovered that the bank set up initiatives to hear from clients and get their views about the banks services with an aim of adjusting services as per the bank’s clients’ demands. Basing on this finding, the suggestions of the Assimilation- contrast theory present that an organization’s performance is based on the customer’s range of acceptance. This finding is in line with the suggestions of the Assimilation– Contrast theory. Due to the bank’s failure to incorporate clients’ inputs in designing its strategies as presented by the findings, it implies that internal bank’s management strategies are considered hence affecting the growth of DTB.

The bank’s knowledge about customers’ wants

The study aimed at finding out whether the most of its customers’ wants are brought to its attention. In regard to this concern, 29(34.9%) of the respondents agreed, 4(4.8%) remained neutral while 50(60.2%) of the respondents disagreed with a mean of 2.55 at a standard deviation of 1.364. The mean of 2.55 indicates that the majority of the respondents are in the disagreement side basing of the Likert 5-point scale whereby the mean above 3.0 indicates that the majority are in agreement

with the concept. Basing on the response of the majority of the respondents in disagreement, it implies that the bank has limited knowledge about the needs of its clients. For the bank to be deemed growing, it has to have knowledge about its clients' needs so that new services could be introduced or adjust the existing services according to the clients' needs. This helps to retain the existing clients and attracting more clients who in turn increase on the volumes of business activities thus growth of the bank. In reflection to the Assimilation-Contrast theory as suggested by Anderson (1973) the customers' judging of the product is too fundamental in associating themselves with it. This further implies that when DTBs customers' wants are not known by the bank, the clients in return distance themselves from the bank and this creates a situation where the bank cannot establish the judgment that clients pass on its product.

Channels to link the bank and clients

The study took interest in establishing whether there are numerous channels through which the bank can be reached by its clients. In accordance to the responses, 18 (21.7%) of the respondents agreed, 1(1.2%) remained undecided while 66(77.1%) majority of the respondents disagreed with a mean of 2.02 at a standard deviation of 1.352. Basing on the response of the majority, it implies that there are limited channels availed to clients through which they can exchange their ideas and any other form of communication with the bank. In the Assimilation-Contrast theory by Anderson (1973) survival of a business depends on the customers' willingness to utilize its products. However, in this case, DTB's stand in the business environment depends on trails whereby there is little knowledge on how the clients' willingness to utilize their services. When a business has limited channels available for its clients, it implies that there will be limited communication encounters. The communication encounters would help DTB avail the best to its clients and also

find out the type of services that they would put on the market that would increase on its client base.

Continuous empowerment of front desk officers in client management skills

Another key finding under turn-around-time is about continuous empowerment of front desk officers in the client management skills. From the responses sought from the questionnaires, 15(18.0%) of the respondents agreed, 3(3.6%) remained neutral while 65(78.3%) of the respondents disagreed. These responses came at a mean of 1.90 with a standard deviation of 1.275 indicating that the majority of the respondents are in disagreement according to the Likert 5-point scale. Having the majority of the respondents (78.3%) in disagreement, it implies that front desk officers are not continuously empowered in ensuring that they have updated information and skills on client management. According to Anderson (1973) in the Contrast-Assimilation Theory, people need to be persuaded and informed about the product so that they are in position to associate themselves with it which increases the business activities of an organization hence its growth. From these findings, the front desk officers of DTB are not continuously empowered in the skills of managing clients. When such a scenario takes place, the front desk officers won't be in position to manage relations and handle clients in an appropriate way. This therefore creates a gap between the clients and the bank services since in most cases, the front desk officers are the "entry" into the knowledge of the banks' available services and products.

Diversity of client needs

The study established how the diverse needs of DTB clients are a big concern to the bank management. To this concern, 13(15.6%) of the respondents agreed, 4(4.8%) remained neutral while 65(78.3%) of the respondents disagreed. Basing on the response of the majority at 78.3% in disagreement, it is an implication that the diverse needs of DTB's clients aren't a big concern to its management. Sometimes, the bank has limited capacities in terms of human resources to manage different activities simultaneously. This therefore forces the bank to select options of activities that it has to develop at the cost of others. This affects inclusion of clients' inputs as what the clients suggest have an effect on the already strained human resource. In accordance to the contrast as suggested by Anderson (1973) a business' survival and strength depend on the consumers' willingness to utilize its products. However, in regard to this finding, clients tend to resist utilizing the bank's services because the bank fails to consider the clients' input. This makes the clients develop a feeling of resentment. When such a kind of relationship between the bank and the clients happen, it implies that the bank's growth in terms of clientele will negatively be affected.

From the qualitative findings regarding turn-around-time at Diamond Trust Bank, the following were discovered:

The banks' priority

The study realized that DTB prioritizes turn-around-time as a measure of satisfying its clients which would enable the bank to grow. Establishment of channels through which the bank communicates and exchanges the ideas with its clients is derived. The bank uses communication as its main approach towards its growth and development. In ensuring communication between the bank and its clients, the bank mainly listens to the clients' concern and later on designs the products that will suit the clients' needs.

The banking norm

It was established that Turn-around-time is one of the basic ways banks operate in order to sustain the banking services. This is because turn-around-time is generally what attracts customers and in the banking sector, communication and constant updating of information between the bank and the clients. There is a swift change in technology and this calls for constant changes in the banking sector. The technological changes have seen the banks adopting to new technologies like internet banking. In Uganda, the use of telecommunication networks for banking businesses has transformed the banking sector tremendously. This implies that the banking services and procedures keep changing in a rather constant manner. This therefore compels DTB to keep in touch with its clients through various and available channels possible to ensure that its clients are well updated with any changes/procedures. In addition, the available channels like phone calls, messages and emails are highly used to get feedback from clients.

Competition

The banking sector is faced with a challenge of competition in Uganda. This competition is manifested in various ways namely: the inter-banks' competition, banks-microfinance institutions' completion and non-banking sector-banking sector completion.

The inter-banks competition has affected all the commercial banks in Uganda. This is where many banks including multi-nationals entering the market. The penetration of numerous banks in the market implies many players with a lot of innovations that come with a lot of offers in the market. This implies that the bank that presents a lot of attractive offers and services will be the "king" at the end of the day. This therefore leads to competing for clients and turn-around-time is used as a

“weapon” to ensure that a bank attracts clients and have them informed all the time about the services available since many players come with a lot of innovations. The availability of many players and innovations compels the banks to have constant dialogues with clients so that they retain them and attract new ones with an aim of surviving in the competitive market.

For the case of the banks-microfinance institutions’ competition, the banks realized that these microfinance institutions are so aggressive in marketing. They swiftly expanded up to the grass root levels and have access to both urban and rural markets. In their operations, they managed to simplify their procedures and this made it and still makes it possible for the less literate people to understand their operations unlike in the banking sector. This greatly took a lot of would be clients at the side of the banks. With the development and growth of microfinance institutions, DTB improved on its marketing strategies through turn-around-time approaches to ensure that it expands and maintains its clientele. In addition, DTB uses multi-media approaches to reach to its clients which lacks in microfinance institutions.

The non-banking sector and the banks’ competition is manifested through mobile telephone service providers. These mobile telephone providers basically engage in money transfers, deposits and loans. Their involvement into such business has seen them taking over a lot of clients to the extent that each mobile telephone subscriber is equally an account holder. These mobile account holders are in position to bank their money on their phones and access credit. This implies that people are quickly utilizing mobile networks for financial services at an advantage over commercial banks. In order to remain in the market and manage the competition, banks are engaging or partnering up with mobile telephone providers to enable clients access their accounts; deposit, withdraw or/and transfer money with their telecommunication services. The innovations

that are associated with mobile service providers have enabled the turn-around-time for DTB to be more efficient and flexible which is used to retain and attract clients hence the growth of the bank.

In an exclusive interview with key respondents, the following was stated...

The Key Informants were responding to concerns raised under objective one which stated that: To determine the effect of turn-around-time on the growth of Diamond Trust Bank.

KI1

For a bank to establish itself in the market, priority is put on constant communication with the clients. This communication aims at getting information from the clients and ensures that the plans and activities are designed towards the clients' needs.

KI2

Here at DTB, a link between us and our clients is part of our daily schedule. It is more of a practice or culture to ensure that by any means necessary, we have links with clients. There are various channels of communication ranging from print media to electronic media that we use to reach out to our clients.

KI3

Communication is one of the main practices that banks do. We have front desk officers and customer care desks where each and every customer concern is put and considered or resolved there and then. Therefore, we use various ways of hearing from our clients like use of hotlines, internet and interpersonal approaches. However, as the world keeps on changing in technology, the banking sector has to change too in order to fit in the market. DTB therefore becomes innovative in

ensuring matching with technology. So, clients have to be informed constantly as progresses are internally made internally within the bank.

From the revised documents, the following were discovered:

According to the Bank of Uganda (2016) commercial banks in Uganda need to undertake institutional framework designs and reviews in order to adjust with technological changes. This will enable banks to stand a competitive advantage as technology and banking go hand in hand.

The microfinance institutions and SACCOs are swiftly entering the banking sector and this has increased the percentage of people saving from 14% in 2014 to 28% in 2016. The increase of people saving their money with financial institutions is as a result of these micro financial institutions' capacity to penetrate the lower income earners' population and made banking procedure more simplified that the local population understood much better that they opted for these institutions at the cost of the commercial banks (Ministry of Trade and Cooperatives, 2017).

On the other hand, (Uganda Investments Authority, 2017) noted that the increased investments in the mobile phone industry has greatly improved on financial transactions and banking industry. However, this increases on the informal banking sector where financial transactions that saw the development and growth of the banking sector being transferred from commercial banks to the informal financial institutions.

4.4.1.2 Testing Hypothesis One: Turn-Around-Time Has a Significant Positive Effect On the Growth of Diamond Trust Bank.

To get more substantiated information about the effect of turn-around-time on the growth of DTB, correlation analysis was made and the findings are reflected in table 4.2 below:

Table 4.2: The Correlations of turn-around time and growth of DTB

Correlations

| | | Turn around | Growth |
|----------------|---------------------|-------------|--------|
| Turn around | Pearson Correlation | 1 | .025 |
| | Sig. (2-tailed) | | .825 |
| | N | 83 | 83 |
| Growth | Pearson Correlation | .025 | 1 |
| | Sig. (2-tailed) | .825 | |
| | N | 83 | 83 |

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data

The study revealed that there is a positive correlation between turn-around-time and the growth of DTB at 0.025 with a significance level of 0.825 at the level of 0.01. This implies that as turn-around-time takes a positive direction, the growth of DTB also takes a positive direction. This is an implication that the positive direction of turn-around-time means the growth of DTB. The hypothesis that turn-around-time has a significant positive effect on the growth of Diamond Trust Bank is therefore accepted, and the null is rejected.

4.4.2 Objective Two: To Find Out the Effect of Product Notification On the Growth of Diamond Trust Bank

To find out the effect of product notification on the growth of Diamond Trust Bank, questionnaires, interview guides and documentary reviews were used to collect data and the findings are presented below:

4.4.2.1 The Frequency and Percentage Analysis of Product Notification

Frequency and percentage analysis was used to find out the effect of product notification on the growth of Diamond Trust Bank. Table 4.3 presents the findings

Table 4.3: Frequency and percentage table of product notification

| SN | Opinion/Statements | SA(%) | A(%) | N(%) | D(%) | SD(%) | Mean | Standard Deviation |
|----|---|----------|----------|----------|----------|----------|------|--------------------|
| 1 | In case of any new product on the market, efforts are in place to inform our clients about it | 20(24.1) | 51(61.4) | 2(2.4) | 5(6.0) | 5(6.0) | 3.92 | 1.027 |
| 2 | We have reliable channels that reach all your current and new clients | 19(22.9) | 53(63.9) | 4(4.8) | 2(2.4) | 5(6.0) | 3.95 | .961 |
| 3 | There are instances where misleading communication is reported in our services | 23(27.7) | 43(51.8) | 9(10.8) | 4(4.8) | 3(3.6) | 3.96 | .962 |
| 4 | Benefits of our products are made known to our clients | 18(21.7) | 40(48.2) | 7(8.4) | 12(14.5) | 6(7.2) | 3.63 | 1.186 |
| 5 | Risks/costs associated with our products are made known to our clients | 14(16.9) | 47(56.6) | 7(8.4) | 8(9.6) | 7(8.4) | 3.64 | 1.132 |
| 6 | Most of our clients find it hard to understand the messages we deliver to them | 15(18.1) | 46(55.4) | 7(8.4) | 12(14.5) | 2(2.4) | 4.22 | 4.532 |
| 7 | Clients make use of our client care hotline in place | 20(24.1) | 44(53.0) | 6(7.2) | 11(13.3) | 2(2.4) | 3.83 | 1.022 |
| 8 | Advantages of the interest rates are made known to your clients at least 14 days before their establishment | 11(13.3) | 47(56.6) | 9(10.8) | 10(12.0) | 5(6.0) | 4.08 | 4.559 |
| 9 | Pre-sale information of your products is availed to your clients | 12(14.5) | 36(43.4) | 10(12.0) | 15(18.1) | 10(12.0) | 3.30 | 1.266 |

Source: Primary data

Informing clients about new product on the market

It was one of the identified concepts under product notification in case of any new product on the market, whether DTB puts efforts in place to inform clients about it. From the gathered data using questionnaires, 71(85.5%) of the respondents agreed, 2(2.4%) remained neutral while 10(11.2%) disagreed with a mean of 3.92 at a standard deviation of 1.027. This implies that the majority of

the respondents at a mean of 3.92 which is higher than the recommended 3.0 at the Likert 5-point scale for the majority are in agreement. Having the majority of the respondents at 85.5% in agreement, it is an implication that DTB ensures that its clients get informed about the existing new products on the market. As it is one of the processes through which banks operate, product notification is put ahead in its marketing plans. This is one of the major tools that the bank uses in ensuring that it attracts more clients. The marketing and notifying its products to clients is one way that DTB uses to grow in the banking industry. According to Anderson (1973) in the contrast theory, expansion of the business largely depends on the clients' assimilation with the product. When customers are assimilated with the product, they start purchasing it and this increases on the businesses' sales that sees its growth. For the assimilation of customers with the product to take place, product notification has to take place at its initiation.

Misleading communication

The study aimed at establishing whether there are instances where misleading communication is reported in its services. To this concern, 66(79.5%) of the respondents agreed, 9(10.8%) remained undecided while 7(8.4%) of the respondents disagreed with a mean of 3.96 at a standard deviation of 0.962. This implies that the majority of the respondents are in agreement as per the mean of 3.96 that is over and above 3.0 indicating that DTB experiences some misleading communication in trying to do product notification at the side of clients. When misleading communication takes place, the clients' attention and interest in the Bank's services gets affected and this hampers the growth of DTB.

Informing the clients about the benefits of the product

On whether benefits of DTB's products are made known to its clients, 68(69.9%) of the respondents agreed, 7(8.4%) remained neutral while 18(21.7%) of the respondents disagreed with a mean of 3.63 at a standard deviation of 1.186 implying that the majority of the respondents are in agreement. Having the majority of the respondents (69.9%) it implies that DTB while informing its clients about the existence of the product, it also informs them about the benefits associated with the said products. Anderson (1973) under the Assimilation theory emphasizes that the customers identify the benefits of a given product before choosing to associate themselves with it. This indicates that the theory of Assimilation is relevant to this finding where the bank communicates to clients the benefits of its products that it puts on the market.

Understanding of the messages

In trying to establish whether most of the DTB clients find it hard to understand the messages it delivers to them, 61(73.5%) of the respondents agreed, 7(8.4%) remained neutral while 14(16.9%) of the respondents disagreed. This is an implication that in the due process of availing communication of services and product to clients, some messages are not clearly understood by some of the clients. This is justified by the fact that majority of respondents at 73.5% are in agreement with the fact that most of the DTB clients find it hard to understand the messages they deliver to them with an aim of notifying them about the available products on their market. A moment clients don't understand the messages being sent, it reduces on their understanding and being persuaded to utilize the existing services and products in DTB hence affecting its growth.

From the qualitative data collection methods, the following were discovered regarding product notification:

Prompt notices

The study realized that the bank promptly informs its clients about the availability of product on the market. Through the utilization of the available data base regarding the existing client information, direct messages are sent to clients informing them about the new products and any updates regarding the bank's services. The direct messages are sent through clients' emails or telephone contacts basing on the bio data that the clients provide while registering with the bank at the time of opening accounts or making any initial transaction with the bank. However, the shortcoming that is associated with this approach in the sending of information to the clients is that there are instances where clients swap or change their contacts especially with mobile phone numbers. Some of their phone numbers get replaced or disconnected and this leads to cutting of communication between the clients and the banks.

Media choices

It was established that the current information systems technology has simplified communication by providing diverse communication channels that the bank uses in reaching out to the clients and the masses. The mobile technology has created applications like "*Whatsapp*", "*Instagrams*", "*Tweeter*" and "*Facebook*" where detailed information can be accessed and availed to clients. This has made current media choices easy to clients and they can be reached with ease in a shortest period possible. The shortcoming associated with media selection is failure by the bank to establish which channel that is deemed a popular choice where would be and potential clients can be reached and be availed with information. This brings about the sending of messages to wrong platforms and after sending messages, the targeted audience doesn't get the messages. This therefore limits the rate at which DTB grows because the sent messages end up not reaching the targeted recipients.

4.4.2.2 Testing Hypothesis Two: Product notifications have a significant negative effect on the growth of Diamond Trust Bank.

To get more substantiated information about product notification and the growth of Diamond Trust Bank, correlations coefficient tests were run and table 4.4 presents the findings:

Table 4.4 The correlations of product notification and growth of DTB

| | Growth | Product notification |
|--|--------|----------------------|
| Pearson Correlation | 1 | .068 |
| Sig. (2-tailed) | | .539 |
| N | 83 | 83 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | |

Source: Primary data

From table 4.4 above, the findings indicate that product notification and growth of DTB have a correlation of 0.068 at a significance of 0.539 at a level of 0.01. This implies that there is a positive relationship between product notification and growth of DTB. This is an implication that as product notification takes a positive direction, growth of DTB also increase. The hypothesis that product notifications have a significant negative effect on the growth of Diamond Trust Bank is therefore rejected. The alternative is accepted.

4.4.3 Objective Three: To investigate the effect of feedback on the growth of Diamond Trust Bank.

To investigate the effect of feedback on the growth of Diamond Trust Bank, questionnaires, interview guides and documentation review checklists were used to gather data and the findings are reflected below.

4.4.3.1 Frequency and Percentage Analysis of the Effect of Feedback on the Growth of Diamond Trust Bank.

Frequency and percentage analysis was used to investigate the effect of feedback on the growth of Diamond Trust Bank and the findings are reflected in table 4.5 below

Table 4.5: Frequency, percentage and mean table of feedback and growth of DTB

| SN | Opinions/statements | SA(%) | A(%) | N(%) | D(%) | SD(%) | Mean | Standard Deviation |
|----|--|--------|---------|--------|----------|----------|------|--------------------|
| 1 | I think our customers might hold unique information about the performance of service employees that supervisors and peers do not have. | 4(4.8) | 8(9.6) | 5(6.0) | 22(26.5) | 44(53.0) | 1.87 | 1.187 |
| 2 | There are continuous efforts injected to identify and track service effectiveness through sharing customer opinions of our services | 4(4.8) | 9(10.8) | 1(1.2) | 31(37.3) | 38(45.8) | 1.92 | 1.160 |
| 3 | There are conditions created that aim at meeting customers' expectations | 5(6.0) | 8(9.6) | 1(1.2) | 23(27.7) | 46(55.4) | 1.83 | 1.218 |
| 4 | We use customer feedback to monitor and regulate your services | 6(7.2) | 5(6.0) | 3(3.6) | 21(25.3) | 48(57.8) | 1.80 | 1.217 |
| 5 | Our clients are the source of information about the additional services that you offer that you are not aware of | 4(4.8) | 8(9.6) | 4(4.8) | 19(22.9) | 48(57.8) | 1.81 | 1.194 |

Source: Primary data

Clients' knowledge on the banks' performance

On whether the respondents knew about the bank's customers holding unique information about the performance of service employees that supervisors and peers do not have, 12(14.4%) of the respondents agreed, 5(6.0%) remained undecided while 66(79.5%) of the respondents disagreed at a mean of 1.87 with a standard deviation of 1.187. This implies that the majority of the

respondents are in disagreement meaning that the bank's management is not aware that the clients hold unique information regarding the performance of its employees. In accordance with this finding, the bank doesn't establish the clients' thoughts about the workers' performance. However, Anderson (1973) in the assimilation theory stresses that the growth of a business largely depends on the feedback of the clients about the performance of employees. The clients/customers are key in assessing the performance of employees as they directly benefit from their services and therefore in position to tell what exactly the employees are capable of doing that is likely to bring about sustained client relations and increase on the customer base whose result is business growth. This therefore tells that at DTB, customers' knowledge about employees is not established by the management and this affects the growth of DTB.

Efforts to track effectiveness through customers' opinions

The study identified continuous efforts injected to identify and track service effectiveness through sharing customer opinions of DTB's services as one way of tapping feedback. To this concern, 13(15.6%) of the respondents agreed, 1(1.2%) remained neutral while 69(83.1%) of the respondents disagreed with a mean of 1.92 at a standard deviation of 1.160. The mean of 1.92 implies that the majority of the respondents are in disagreement as it is below the mean of 3.0 which is a required pass mark of the majority in agreement. This therefore implies that DTB doesn't inject continuous efforts in identifying and keeping track of service effectiveness through sharing opinions with the clients basing on the response of the majority of the respondents. This finding indicates that DTB's growth through feedback is being affected by the fact that there is a gap in having continuous efforts of sharing with customers to ensure effectiveness. Furthermore, in accordance with Anderson (1973) in contrast theory emphasizes continuous efforts in engaging

clients to get feedback on the performance of employees which DTB lacks and this affects its growth.

Monitoring and regulation of services using feedback

Another key indicator of feedback is the use of feedback from clients to monitor and regulate services at DTB. In the establishment of this concept, 11(13.2%) of the respondents agreed, 3(3.6%) remained neutral while 69(83.1%) of the respondents disagreed with a mean of 1.80 at a standard deviation of 1.217. This indicates that the majority of the respondents (83.1%) disagree with the fact that DTB utilizes feedback from its clients to monitor and regulate services. This implies that feedback from clients isn't utilized in the monitoring and regulation of services and this affects the growth of banking at DTB.

From the qualitative input on the side of feedback, the following were noted:

Volumes of information

The study revealed that DTB receives large volumes of information on feedback. This makes it impossible for the staff that is involved in customer relations and those at the strategic level that is responsible for decision making to incorporate the information into decision making. These large volumes of information received needs to be analyzed and appropriated to the right action to be undertaken.

Replication of information

It was further revealed that in receiving feedback, there is a tendency of clients reproducing similar concerns and ideas at the side of the clients and other service users. This kind of reproduced

information therefore cannot be utilized in monitoring and regulation of services as it is perceived as less required or already used.

Availability of tasks

The study discovered that the bank has numerous tasks that it has at hand. This therefore compels management to identify key priorities that are considered vital in ensuring continuity of operations at DTB. Sometimes these feedback requirements come with creation of new tasks implying that activities need to be expanded. Expanding of activities means incurring more costs of handling a lot of activities which will be done at the cost of other key priorities hence putting to halt those activities that might seem less significant in the operations of the bank.

In an exclusive interview with key respondents, it was noted that:

The respondents were giving their views on concerns raised under objective two which stated that:
To find out the effect of product notification on the growth of Diamond Trust Bank.

KII

We have established various channels through which we interact with clients and get feedback from them. However, our clients might present one issue like a thousand times and more. So this sometimes makes it rather monotonous and considered less importance.

KI2

At DTB, there are different types of clients and these clients appear in large numbers. Each client and type of client has a type of concern. The number of clients that we have determines the number of feedback levels that we have got. When this kind of feedback comes in large quantities, there is a need to group feedback basing on the type of a client or whoever brings in that kind of concern..... basically it is stressful and requires a lot of time and human resources to manage it.

There is a similarity of information got from both qualitative and quantitative approaches. From the questionnaires (quantitative information) there is an average overall mean of the respondents at 1.846 among all the concepts identified in feedback. This is an implication that majority of the respondents are in disagreement with the concepts raised under feedback as an average mean of 1.846 is far below the recommended 3.0 at the 5 point Likert scale of having the majority in agreement. At the side of the qualitative information, it was also manifested that there is limited utilization of feedback from clients in monitoring services as there are large volumes of data that needs to be screened and analyzed, duplication of information and constrained staff which makes it hard to utilize client feedback promptly. All these justify the fact that feedback is not utilized in monitoring and regulation of services at DTB and this affects the growth of DTB using feedback.

4.4.3.2 Testing Hypotheses three: Feedback has no significant positive effect on the growth of Diamond Trust Bank.

To establish more substantiated information about the effect of feedback on the growth of Diamond Trust Bank, correlation analysis was done and the findings are reflected in table 4.6 below.

Table 4.6: The correlations of feedback and growth of DTB

| | | Correlations | |
|----------|---------------------|---------------------|----------|
| | | Growth | Feedback |
| Growth | Pearson Correlation | 1 | .080 |
| | Sig. (2-tailed) | | .472 |
| | N | 83 | 83 |
| Feedback | Pearson Correlation | .080 | 1 |
| | Sig. (2-tailed) | .472 | |
| | N | 83 | 83 |

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data

From table 4.6, the correlation of feedback and growth of DTB is at 0.08 at a significance of 0.472 at a level of 0.01. This indicates a weak positive relationship between feedback and growth of DTB. Having a weak positive relationship implies that the current feedback at DTB, while taking a positive direction contributes less growth on DTB. The hypothesis that feedback has no significant positive effect on the growth of Diamond Trust Bank is therefore accepted. The alternative is rejected.

4.5 Growth of Diamond Trust Bank (Dependent Variable)

To determine growth of Diamond Trust Bank, questionnaires, interview guides and document reviews were used to get data and the findings are presented as below:

4.5.1 Frequency and Percentage Analysis of Growth of Diamond Trust Bank

Questionnaires were used to collect data and table 4.7 below presents the findings.

Table 4.7: Frequency and percentage table of growth of DTB

| SN | Statements/opinions | SA(%) | A(%) | N(%) | D(%) | SD(%) | Mean | Standard Deviation |
|----|--|--------|----------|----------|----------|----------|------|--------------------|
| 1 | Client numbers are used as a measure for our banks growth | 7(8.4) | 17(20.5) | 8(9.6) | 34(41.0) | 17(20.5) | 2.55 | 1.262 |
| 2 | There has been a consistent increase in the number of our clients | 3(3.6) | 20(24.1) | 4(4.8) | 22(26.5) | 34(41.0) | 2.23 | 1.310 |
| 3 | Deposits from our clients have seen a rise as time goes by | 4(4.8) | 15(18.1) | 2(2.4) | 20(24.1) | 42(50.6) | 2.02 | 1.306 |
| 4 | Numerous services have been introduced by our banks | 6(7.2) | 18(21.7) | 11(13.3) | 31(37.3) | 17(20.5) | 2.58 | 1.241 |
| 5 | The introduced innovations have seen the growth in the number of our clients | 5(6.0) | 31(37.3) | 9(10.8) | 21(25.3) | 17(20.5) | 2.83 | 1.296 |
| 6 | The introduced innovation are best meeting the market demand | 4(4.8) | 28(33.7) | 8(9.6) | 30(36.1) | 13(15.7) | 2.76 | 1.216 |
| 7 | We have registered a shortfall in our clients | 3(3.6) | 19(22.9) | 13(15.7) | 30(36.1) | 18(21.7) | 2.51 | 1.173 |
| 8 | There has been an expansion of our bank branches in your locality | 1(1.2) | 33(39.8) | 5(6.0) | 24(28.9) | 20(24.1) | 2.65 | 1.263 |
| 9 | Staff and other service machinery has been increased in recent times | - | 28(33.7) | 11(13.3) | 22(26.5) | 21(25.3) | 3.72 | 10.653 |

Source: Primary Data

Client numbers as a measure for DTB's growth

The study identified customer base through increased number of customers as a measure of DTB's growth. In response to this concept, 24(28.9%) of the respondents agreed, 8(9.6%) of the

respondents remained neutral while 51(61.5%) of the respondents disagreed. This implies that DTB doesn't consider the increase in the number of clients as a measure of its growth. This finding is in contradiction with Anderson (1973) in the Assimilation Theory where he states that the increase of in number of clients implies the growth of the business. At the side of DTB, growth of the bank is seen at the side of other factors like the profits being made and being in position to sustain the business.

Consistent increase in the number of clients

Consistent increase in the number of clients at DTB was considered under the concepts of growth. In response to whether there has been consistent increase in the number of clients at DTB, 23(27.7%) of the respondents agreed, 4(4.8%) remained neutral while 56(67.6%) of the respondents disagreed at a mean of 2.23 with a standard deviation of 1.310. The mean of 2.23 implies that the majority of the respondents are in disagreement since it is below the recommended mean of 3.0 which is the pass mark recommended for the majority on the Likert 5-point scale. In reflection of the Assimilation Theory as suggested by Anderson (1973) there is a slant in the growth of DTB as it was reported that there was no consistent growth of the number of clients as reported by the majority of the respondents that were in disagreement with the concept.

Number of services introduced

On whether there were numerous services that have been introduced by DTB a measure of growth, 24(28.9%) of the respondents agreed, 11(13.3%) remained neutral while 48(57.8%) of the respondents disagreed at a mean of 2.58 with a standard deviation of 1.241. This is an implication

that DTB has not introduced numerous services in recent years as stated by the majority of the respondents that are in disagreement with the concept. As a sign of growth, the introduction of several services is highly associated with growth as the business has the capacity to develop and expand.

Innovations and growth in the number of clients

The introduced innovations and the growth in the number of clients was one of the concepts identified by the study as a measure of growth at DTB. To this effect, 36(43.3%) of the respondents agreed, 9(10.8%) remained neutral while 38(45.8%) of the respondents disagreed. In this scenario, there is a close balance between those in agreement and those in disagreement. This kind of response indicates that the current innovations that the bank introduced cannot be used as a yard stick for measuring growth of the bank as being a tool to attract clients. However, it can be argued that the bank has tried to be innovative in order to expand but these innovations have not been adequate enough in attracting more clients or the current number of clients so that they can be used to measure the growth of DTB.

Shortfall in the number of clients

A fall in the number of clients was used as a measure to determine non growth of the bank. In response to this concept, 22(26.5%) of the respondents agreed, 13(15.7%) remained neutral while 48(57.8%) of the respondents disagreed. Having the majority of the respondents in disagreement with the concept, it implies that the bank has not experienced a shortfall in the number of clients it has been having. This further indicates that the banks growth is not threatened by a shortfall in the client base. This gives the bank future hopes of growth and sustainability.

From the qualitative data sought from the held interviews, the following were found out:

Customer base

The study discovered that there has been an increase in the client base. This has been as a result of maintaining the existing clients with the bank and having new clients joining the bank in search of banks' services like paying for their utilities, opening accounts and managing business transactions through DTB.

Expansion

The study revealed that the bank has experienced expansion. This is manifested through having an increase in its profitability that comes as a result of increased assets and liabilities. Expansion also saw the bank opening up new branches in its locality and recruiting new staff to run operations in the newly established branches.

Client management

Client management was discovered to be a challenge at DTB. There is a challenge of lack of staff that is trained in client relations management at DTB. This basically comes in as the banks staff members lack the skills of managing stress and when it comes to attending to clients, they don't exhibit any art of weighing the presence of clients and this psychologically makes clients walk away after realizing that they are paid limited attention. Whenever clients walk away from the bank without being attended to, they search for other banks that would listen to them and this puts the competitors to an advantage hence slowed growth at the side of DTB. In addition to poor client management, the reputation of the bank is affected and this shatters the marketing messages sent out to clients. Whenever people hear about the bank but formerly got a negative picture resulting from client management, it becomes hard for the recipients to make meaning out of the messages sent hence affecting the growth of the bank.

From the revised documents in establishment of the growth of DTB, the following were discovered:

According to the Ministry of Trade and Cooperatives (2017) growth of the banking sector in Uganda has been exhibited through increase in the services that they offer rather than the clients that they have in terms of numbers. The embracement and utilization of modern technologies especially the use of Information Technology in transforming the banking sector has seen value addition in the banking sector. In the embracement of modern technologies, DTB like any other bank in Uganda has added value to the banking sector whereby use of internet banking and mobile banking has been introduced. Such services have eased the utilization of the bank by clients and having clients do banking at their convenience has transformed DTB from being a traditional bank to becoming a modern bank and this can be used to describe growth of DTB.

In addition to the embracement of IT to transform banking at DTB, Uganda Investments Authority [UIA] (2016) reported a boost in technological investments in the banking sector. Most of the banks have too registered growth whereby their expansion has grown from 13.6% in 2014 to 16.3% in 2015. This growth was further justified by Uganda Securities Exchange (2017) where there has been an increase in trading of shares at DTB that came as a result of its expansion and investments.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings, discussions, conclusions and recommendation of findings and is presented according to objective by objective. In addition, this chapter presents areas for further studies

5.2 Summary of Findings

The summary of findings is presented objective by objective as follows:

5.2.1 The Effect of Turn-around-time on the Growth of Diamond Trust Bank.

To determine the effect of turn-around-time on the growth of Diamond Trust Bank, questionnaires, interview guides and documentary reviews were used to gather information.

The study revealed that DTB fails to incorporate clients' inputs in designing its strategies hence affecting its growth. This is a result of the bank's having limited knowledge about the needs of its clients. The communication encounters with the clients was discovered to be low and this affects the bank's growth. It was further revealed that the front desk officers are not continuously empowered in ensuring that they have updated information and skills on client management. Other findings that were discovered indicated that the growth of the bank was based on the prioritization of turn-around-time as a measure of satisfying its clients. The bank was too discovered to be faced with competition from different banking institutions. From the correlation analysis, it was established that turn-around-time and growth of DTB had a positive relationship implying that as turn-around-time takes a positive direction, growth of DTB also increases.

5.2.2 The Effect of Product Notification on the Growth of Diamond Trust Bank

The study revealed that product notification has an effect on the growth of DTB. This was as a result of DTB ensuring that its clients get informed about the existing new products on the market. This is done through informing the clients the benefits associated with the products. The study revealed that the bank promptly informs its clients about the availability of product on the market using diverse available choices of media channels that they use to send messages to their clients. The study realized that at times, some messages are not clearly understood by some of the clients. The advancement in technology and adopting it at DTB simplifies communication where there is a provision of diverse communication channels that the bank uses in reaching out to the clients and the masses. From the correlation analysis, the study found out that there is a positive relationship between product notification and growth of DTB implying that as product notification takes a positive direction, growth of DTB also increase.

5.2.3 The Effect of Feedback on the Growth of Diamond Trust Bank.

The study used questionnaires, interview guides and documentation review to establish the effect of feedback on the growth of DTB. It was found out that the bank's management is not aware that the clients hold unique information regarding the performance of its employees. The study further revealed that DTB doesn't inject continuous efforts in identifying and keeping track of service effectiveness through sharing opinions with the clients. The feedback from clients isn't utilized by DTB to monitor and regulate its services and this affects the growth of DTB. The bank also realized that DTB receives large volumes of information on feedback and this feedback as brought in by the clients tends to be of similar concerns and ideas at the side of the clients and other service

users. From the correlation analysis, the study realized a weak positive relationship between feedback and growth of DTB.

5.3 Discussions

The following are the discussions of the findings of the study in relation to what other scholars had earlier written on similar field and it is done objective by objective.

5.3.1 Turn-around-time and Growth of DTB

The study revealed that growth of DTB is affected by its failure to incorporate clients' inputs in designing its strategies. This finding is in agreement with Lamikanra, Osinowo and Arya (2013) whereby they stated that banks need to listen to the voices of their customers and have their strategies shaped by the inputs of their customers. In addition, Lamikanra, et al (2013) further stated that the clients' requests need to be considered regardless of what the service provider undergoes through. They further suggest that the banks need to put policies and channels that would see them consider clients' demand that would enable them realize positive results. The finding is fully in agreement with Lamikanra et al (2013) where the study revealed that the bank doesn't consider the clients' demands. This was justified by the majority of the respondents in the percentage and frequency analysis where majority of the respondents at 50(60.2%) disagreed with the fact that the bank has knowledge about the clients' concerns.

The study too realized that the communication encounters with the clients was low and this was seen as affecting the bank's growth. This finding is further in agreement with Lamikanra et al (2013) where they attributed the growth of the bank to constant communication between the banks' management and their clients.

5.3.2 Product Notification and the Growth of DTB.

The study found out that product notification contributes to the growth of DTB. This was because DTB ensures that its clients get informed about the existing new products on the market. This finding is in agreement with Building Societies Association- BSA (2013) where they realized that product notification is about informing the clients; both current and new ones, about the different services a financial institution offers.

The study further discovered that in its communication sent to its clients about product notification, there are instances of misleading communication as stated by 66(79.5%) of the respondents that agreed with the concept. This finding further agrees with BSA (2013) where they advised banks to ensure that the messages that they design to their target audiences need to be clear and free from misleading communications and promotions as this might affect the growth of the bank.

5.3.3 Feedback and the Growth of DTB

The study found out that feedback affects the growth of DTB. This is because the bank's management is not aware that the clients hold unique information regarding the performance of its employees. This finding agrees with Barnard (2012) while suggesting that the proximity of clients and their service providers' employees helps to reveal information about performance of the employees. This finding as had earlier been suggested by Barnard (2012) shows that at DTB, clients are not seen as people that hold information about the performance of their employees. This has affected the growth of DTB because they don't tap into clients' information that would help revise their employees' working.

In addition, the study revealed that DTB doesn't inject continuous efforts in identifying and keeping track of service effectiveness through sharing opinions with the clients. According to Nash

(2008) organizations need to collect customer information at an organizational level which would enable it provide better service than those that do not collect customer information. The finding that DTB doesn't inject continuous efforts in identifying and keeping track of effectiveness through sharing opinions with clients is justified by Nash (2008). This is where Nash argues that organizational growth can be realized by collecting information from the customers. According to the findings, failure by DTB to collect information from the clients has affected its growth.

Furthermore, the study established that the feedback from clients isn't utilized by DTB to monitor and regulate its services and this affects the growth of DTB. This is too in agreement with Nash (2008) where it was emphasized that customer information needs to be tapped by organizations and be used in monitoring and regulating services of an organization.

5.4 Conclusions

5.4.1 Turn-around-time and Growth of DTB

The study found out that turn-around-time affects the growth of DTB. This is so because the study discovered that DTB failed to incorporate clients' inputs in designing its strategies yet they are vital in determining the bank's growth. Furthermore, under turn-around-time, it was established that the bank has limited knowledge about the needs of its clients. In general average of the mean of all the concepts identified under turn-around-time, there is an average mean of 2.155 all combined together. This is an indication that majority of the respondents are in disagreement with the study's identified concepts under turn-around-time since the average mean is below 3.0 on the Likert 5-point scale. In the correlation analysis, the study established that turn-around-time and growth of DTB had a positive relationship implying that as turn-around-time takes a positive direction, growth of DTB also increases.

These findings lead the study to a conclusion that turn-around-time has an effect on the growth of Diamond Trust Bank.

5.4.2 Product Notification and Growth of Diamond Trust Bank

The study found out that product has an impact on the growth of DTB. This is because the process of product notification is one of the procedures of doing the banking business. The study realized that product notification is put ahead in its marketing plans in order to ensure that it attracts more clients. It was further noted that under product notification, there are incidences where marketing messages are associated with misleading messages. These misleading messages turn off the attention of customers and this affects the growth of the bank. The study in addition realized that the bank utilizes a wide range of media channels to reach out to its clients; however, there is a challenge of identifying the right media choice that would appropriately reach the relevant recipients. In the correlation analysis, the study discovered that product notification and growth of DTB have a correlation of 0.068 at a significance of 0.539 at a level of 0.01. This implies that there is a positive relationship between product notification and growth of DTB. These findings therefore lead the study to a conclusion that product notification has an effect on the growth of DTB.

5.4.3 Feedback and the Growth of DTB

The study found out that the management of DTB isn't aware of the performance related information that their clients could be holding about the bank's employees. This was reflected by the majority of the respondents that disagreed with the concept of the management's knowledge about the clients' information about the performance of employees at 66(79.5%). Furthermore, the

study identified that there lacked continuous efforts injected to identify and track service effectiveness through sharing customer opinions of DTB's services as stated by majority of the respondents at 69(83.1%) through expression of disagreement with the concept. In monitoring and regulation of the services, the study revealed that the clients' feedback isn't utilized and this affects the growth of DTB.

These findings therefore lead the study to a conclusion that feedback affects the growth of Diamond Trust Bank.

5.5 Contribution to Knowledge

The study discovered that the incorporation of clients' inputs in designing its strategies leads to the growth of the banking sector. This is because the clients seek what best suits their needs in a bank and they are moved by what they deem most in accordance to their banking needs.

Banks also need to improve on their communication encounters with the clients in order to meet growth. This can be done through having trained front desk officers who should ensure that they have updated information and skills on client management.

The study also informs the banking sector to keep adjusting with the technology advancements so that the communication between the banks and their clients can remain constant. The banking sector's growth largely depends on communication between clients and the banks.

5.6 Implications for the Theory

The Assimilation-contrast theory as suggested by Anderson (1973) was used to guide the study. The suggestions of the theory were proved by the study whereby the findings discovered that the

bank's performance is based on the customer's range of acceptance. However, due to the banking sector's failure to incorporate clients' inputs in designing its strategies, it affects its growth.

In addition, the Assimilation-Contrast theory as suggested that the customers' judging of the product is too fundamental in associating themselves with it. This was reflected in the findings in the banking sector where DTBs customers' wants are not known by the bank hence affecting its growth.

Finally, the Assimilation-Contrast theory suggested that the survival of a business depends on the customers' willingness to utilize its products. In the study, it was found out that DTB's stand in the business environment depends on trails with little knowledge on how the clients' willingness to utilize their services.

5.7 Implications for Policy and Practice

For the policy makers, they are informed by the study to design policies that ensure client management practices by the bank. Banks should be regulated on having staff that have proved client management skills and information management. This will help the banking sector survive in the competitive market and grow basing on proper client management.

5.8 Recommendations

5.8.1 Recommendations on Turn-around-time and Growth of DTB

The study revealed that some of the concepts identified under turn-around-time are responsible for affecting the growth of DTB. Notably, the study found out that DTB doesn't incorporate clients' inputs in designing its strategies. Another issue the study identified is that the bank has limited knowledge about the needs of its clients. The study too realized that the bank has not prioritized

the development of its human resource capacities in the management of the clientele. All these lead to the following recommendations:

It is recommended that the bank develops the capacities of its human resources in the field of public relations and client management. This will generally improve on the growth of DTB through resolving any queries raised by clients.

The study further recommends that the bank puts there an initiative to ensure that the planning of the bank's strategies incorporates the ideas of the clients. This will enable the clients get the services that are in line with their needs.

5.8.2 Recommendations on Product Notification and Growth of DTB

The study found out that product has an impact on the growth of DTB. This is as a result of having misleading messages among those that are sent to their clients. In addition, the study realized that there are cases where the bank is challenged when it comes to the selection of the right channel to use in the delivery of messages to its recipients.

This therefore leads the study to recommend that the bank needs to develop its public relations skills in order to be in position to design messages that best suit the interests of the clients.

The bank is also advised to utilize client information so that it is in position to tell the most appropriate way to reach them in case a need arises.

5.8.3 Recommendations on Feedback and Growth of DTB

The study found out that DTB doesn't not utilize client information in establishing performance of its own employees. There was too the fact that the bank lacked continuous efforts injected to identify and track service effectiveness through sharing customer opinions of DTB's services.

It is therefore recommended that customer information be regarded as important. This should see the opening up of channels and platforms through which clients' thoughts can be tapped and later analyzed to get necessary information for the development of the bank.

5.9 Areas for Further Studies

In the due process of carrying out the study, some issues arose. These issues came about as intended findings but there was no detailed explanation as to why such cases appeared the way they appeared in the study. These cases therefore are referred by the study as further areas of the study to other academicians and researchers. These areas are as below:

- The contribution of clients in the growth of the banking sector
- The relationship between technology utilization and the growth of the banking sector
- Factors that affect client management in the banking sector in Uganda
- Information management and feedback utilization in the banking sector.

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APPENDIX I: QUESTIONNAIRE

Dear respondent, my name is Isaac Mukasa. I am a Masters student at Uganda Management Institute pursuing a Masters Degree in Business Administration. I am gathering information about Customer Service and the growth of the banking sector in Uganda. This is to request for your contribution towards my study by participating in being a respondent. The information you will give is confidential and is not binding. Your participation is highly appreciated.

A. Background information

Please tick your appropriate response

1. Sex: Male Female

2. Age: 20-29 30-39 40-49 50-59 Above 60

3. Highest education level attained: Tertiary Bachelors Post graduate

4. Time spent in banking industry so far < Year 1-4 Years 5-9 Years 10 >

Section B Customer Service (Independent Variables)

In the following sections, you are required to give your response by ticking Strongly Agree- 5, Agree- 4 Neutral- 3, Disagree-2, and Strongly Disagree-1

Turn-around-time

| | Opinion/statement | SA | A | N | D | SD |
|----|---|----|---|---|---|----|
| 5 | The banks designed strategies are conditioned by the customer's inputs. | 5 | 4 | 3 | 2 | 1 |
| 6 | Most of the customers' wants are brought to your attention | 5 | 4 | 3 | 2 | 1 |
| 7 | Your bank's current innovations are fully clients' requests | 5 | 4 | 3 | 2 | 1 |
| 8 | There are numerous channels through which clients get to you | 5 | 4 | 3 | 2 | 1 |
| 9 | There are measures in place that are used to gauge your clients relations | 5 | 4 | 3 | 2 | 1 |
| 10 | You have a proper understanding of your client's businesses | 5 | 4 | 3 | 2 | 1 |
| 11 | Your clients generally have diverse needs | 5 | 4 | 3 | 2 | 1 |

| | | | | | | |
|----|---|---|---|---|---|---|
| 12 | The diverse needs of your clients are a big concern to you | 5 | 4 | 3 | 2 | 1 |
| 13 | There is a continuous empowerment of your front desk officers in client management skills | 5 | 4 | 3 | 2 | 1 |

Product notification

Give your response by ticking Strongly Agree- 5, Agree- 4 Neutral- 3, Disagree-2, and Strongly Disagree-1

| | Opinion/Statements | SA | A | N | D | SD |
|----|---|----|---|---|---|----|
| 14 | In case of any new product on the market, efforts are in place to inform your clients about it | 5 | 4 | 3 | 2 | 1 |
| 15 | You have reliable channels that reach all your current and new clients | 5 | 4 | 3 | 2 | 1 |
| 16 | There are instances where misleading communication is reported in our services | 5 | 4 | 3 | 2 | 1 |
| 17 | Benefits of your products are made known to your clients | 5 | 4 | 3 | 2 | 1 |
| 18 | Risks/costs associated with your products are made known to your clients | 5 | 4 | 3 | 2 | 1 |
| 19 | Most of your clients find it hard to understand the messages you deliver to the | 5 | 4 | 3 | 2 | 1 |
| 20 | Clients make use of your client care hotline in place | 5 | 4 | 3 | 2 | 1 |
| 21 | Advantages of the interest rates are made known to your clients at least 14 days before their establishment | 5 | 4 | 3 | 2 | 1 |
| 22 | Pre-sale information of your products is availed to your clients | 5 | 4 | 3 | 2 | 1 |

Feedback

Give your response by ticking Strongly Agree- 5, Agree- 4 Neutral- 3, Disagree-2, and Strongly Disagree-1

| | Opinions/statements | SA | A | N | D | SD |
|----|---|----|---|---|---|----|
| 23 | You think your customers might hold unique information about the performance of service employees that supervisors and peers do not have. | 5 | 4 | 3 | 2 | 1 |
| 24 | There are continuous efforts injected to identify and track service effectiveness through sharing customer opinions of your services | 5 | 4 | 3 | 2 | 1 |
| 25 | There are conditions created that aim at meeting customers' expectations | 5 | 4 | 3 | 2 | 1 |
| 26 | You use customer feedback to monitor and regulate your services | 5 | 4 | 3 | 2 | 1 |
| 27 | Your clients are the source of information about the additional services that you offer that you are not aware of | 5 | 4 | 3 | 2 | 1 |

Growth of the banking sector (Dependent Variable)

Give your response by ticking Strongly Agree- 5, Agree- 4 Neutral- 3, Disagree-2, and Strongly Disagree-1

| | Statements/opinions | SA | A | N | D | SD |
|----|---|----|---|---|---|----|
| 28 | Client numbers are used as a measure for your banks growth | 5 | 4 | 3 | 2 | 1 |
| 29 | There has been a consistent increase in the number of your clients | 5 | 4 | 3 | 2 | 1 |
| 30 | Deposits from your clients have seen a rise as time goes by | 5 | 4 | 3 | 2 | 1 |
| 31 | Numerous services have been introduced by your banks | 5 | 4 | 3 | 2 | 1 |
| 32 | The introduced innovations have seen the growth in the number of your clients | 5 | 4 | 3 | 2 | 1 |
| 33 | The introduced innovation are best meeting the market demand | 5 | 4 | 3 | 2 | 1 |
| 34 | You have registered a shortfall in your clients | 5 | 4 | 3 | 2 | 1 |
| 35 | There has been an expansion of your bank branches in your locality | 5 | 4 | 3 | 2 | 1 |
| 36 | Staff and other service machinery has been increased in recent times | 5 | 4 | 3 | 2 | 1 |

THANK YOU FOR YOUR TIME AND PARTICIPATION

APPENDIX II: INTERVIEW GUIDE FOR KEY RESPONDENTS

Dear respondent, my name is Isaac Mukasa. I am a Masters student at Uganda Management Institute pursuing a Masters Degree in Business Administration. I am gathering information about Customer Service and the growth of the banking sector in Uganda. This is to request for your contribution towards my study by participating in being a respondent. The information you will give is confidential and is not binding. Your participation is highly appreciated.

- 1. How would you comment on the turn-around-time of your bank? (Please focus on the client behavior and expectation, constant feedback, banking relationships)

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- 2. What would you talk about the management of product notification of your bank? (Look at management of information- clarity, complexity, media selection and client consideration)

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- 3. What role do the following play in feedback from your clients?

Bank assessment

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Service effectiveness

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Customers' expectations

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Employee performance

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4. What would you consider as the indicators of the growth of your bank?

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5. Do you have anything you would like to share as a challenge of banking sector growth resulting from client management?

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THANK YOU VERY MUCH

APPENDIX III: DOCUMENTARY REVIEW CHECKLIST

1. Bank of Uganda- Banking Growth Reports
2. Ministerial Statements- Ministry of Trade and Cooperatives
3. Diamond Trust Bank- Customer Service Reports
4. Uganda Securities Exchange Annual Reports
5. Uganda Investments Reports
6. Newspaper Reports on Banking Growth in Uganda

APPENDIX IV

INTRODUCTORY LETTER FROM UMI