Volume 19 Issue 15
Originally issued as E3



Global Journal of Management and Business Research: E Marketing
Volume 19 Issue 3 Version 1.0 Year 2019
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

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GJMBR-E Classification: *JEL Code: M31*



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The Influence of Customer Value Chain Analysis on Customer Satisfaction. A Case of Banking in the Emerging Country

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I. Introduction

The South African banking sector is largely bombarded that are often perceived as four bank such as First National banks (FNB), Amalgamated banks of South Africa (ABSA),standard bank and Nedbank. The traditional banks are the banks that existed to assist in growing the South African economy during the earliest days. These four big banks have controlled about 84 percent of the South African banking market share (Banking Association of South Africa, 2014).

A customer value chain is a business idea that represents the formation of value for a customer. The customer value chain is based on the increase in incentive to the end user and it puts the emphasis on steps taken to hold existing clients. Client Value Chain Analysis is a unique methodological instrument that empowers design teams in the product definition stage to exhaustively distinguish relevant partners, their associations with each other, and their role in the product's life cycle. In a competitive world of business, the success of a business organisation is based on finding customers and managing the organisation/ customer relationship. The value chain mainly focuses on the market collaborating strategy, where it emphasized the linkages between production, marketing etc. activities of the products and services in an effective and efficient manner. Vertical alignment is also an important aspect where companies connect one end of the primary activities up to the last end of the supportive activities, at each stage of the products which to increases value.

Value chains encompass the full range of activities and services required to bring a products or services from its conception to sale in its final market whether local, national, international or global. Value chain includes producers, inputs suppliers, operation, processors, retailers and buyers. They are supported by a range of technical, business and financial services providers. (USAID)

Furthermore, organisations operate in an unpredictable and volatile environment where there is a continuous need to update organisational systems, operations, processes and practices to remain as a going concern and to stay competitive (Sharma, 2012:104). The inability of the organisation to modify its processes to meet the challenge of the hour and to satisfy current customer tastes and preferences results in business failure, stagnation and pose threats to organisational closure, extinction closure and extinction (Muller, 2015: 94).

Furthermore, Botha (2013:145) posits that it is indispensable and crucial for the organisation to satisfy

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its focused customers if it is to be a going concern. However, organisations such as banks can't attune their offerings to customer tastes and preferences except they are aware of the surroundings and the instances in which they function in (Sharma, 2012: 104). Any modifications made to the employer now not be implemented indiscriminately however need to be based upon a goal comprehensive contextual analysis of the organisation's market providing (value chain) (Sharma, 2012: 104).

Blackmore (2016:714) cites that in current years consumer satisfaction has been the centre for differentiating carrier offerings in the banking industry. Customer pride has been recognised to be a tool used for setting up competitive benefit in opposition to other players in the area (Blackmore, 2016:714). In South Africa, commercial Bank faces stiff competition from different banks such as Nedbank, FNB, Absa and Capitec. Sharma (2012:132) cites that current literature shows that organisations have used consumer delight as a barometer to assess the degree to which their products and offerings meet or surpass purchaser expectations.

At the centre of the selected bank's development strategy is an understanding of efficiently meeting the changing needs of its clients to create positive banking experiences. This means therefore to do this viably, the banks require a more collaborative, responsive and transparent practice that would impact their organisational culture and bring genuine value to their clients. The need to rearrange their procedures and streamline some of their frameworks, banks have embarked on a journey to evolve their way to building software systems that are efficient in exceeding consumer expectations.

Thus, perceiving the basic part that technology plays in meeting the consistently advancing necessities of their clients, the banks have joined forces with innovative practises to build up their new internet banking website, a basic client-facing platform for their business.

This means therefore, the initiation of an inception to make a typical comprehension of the business' objectives, the group recognised the core features required to launch a new online banking website and began to architect and execute the digital platform. Through the delivery venture and extra coaching, more than 70 unique groups in the IT value chain have benefited from learning agile strategies, bringing about a more agile and responsive culture.

Furthermore. Recently the selected bank has taken an extra serious stance towards the implementation of its ecosystem approach and phase of the method consists of consumer fee chain analysis. The patron cost chain evaluation seeks to enhance customer delight to the bank clients through identifying key activities which underlies a customer's enterprise in larger detail. In addition, the purchaser fee chain evaluation additionally targets to confirm the price delivered by way of every activity on the banking and business answer required through the customer.

The customer fee chain evaluation is additionally aimed at evaluating gaps that exists in the banking solution provided by using Standard Bank and to determine the great solution that can be deployed to fill in the void. According to reachable literature, at ease patron is probable to end up loyal thereby enabling an employer to amplify or keep its market position. It is in this mild that this study analyses the effect of purchaser price chain evaluation on consumer pleasure at the selected bank.

II. Problem Statement

The competitiveness of South African banks largely depend on the provisioning of complex and sophisticated technological services that are effectively required by the customer to ensure effective relations and sustainable performance of the banking industry. This means therefore an organisation accomplishes competitive advantage by guaranteeing the costs of delivering its products and services to clients are lower than those of competitors for proportional advantages or if its items and/or services are perceived to be of superior value and clients are willing to pay a premium. By examining its value chain, an organisation can uncover those particular exercises that add value and create approaches to maximise it. Value chain analysis guides managers on the best systems to apply to create superior value to the organisation's items and/or services and this may form the premise of competitive advantage for an organisation in a specific industry.

Therefore, by operating in the competitive banking market, the selected bank has pointed out the importance of customer value chain analysis on customer satisfaction. This means therefore to ensure customer satisfaction, the bank should invest large sums of funds by reviewing and upgrading its banking services. The problem with the banking industry is that managers need to ensure that they provide effective client services to avoid client switching to other banks, lower and affordable banking fees, effective customer convenience, and client involvement with customers. When such services are not provided the customers often retaliate by switching to the banks where such services can be effectively provided. Against this background, the main research question to be addressed in this study is: *What is the impact of customer value chain analysis on customer satisfaction in the banking industry*?

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III. Research Objectives

a) Primary objective

The study aim to investigate the effects of customer value chain analysis on customer satisfaction with a special focus on a selected traditional bank in South Africa.

b) Secondary objectives

The secondary research objectives are identified:

- To establish the effects of activity analysis on customer satisfaction at Standard Bank;
- To determine the effects of value analysis on customer satisfaction at Standard Bank;
- To determine the effects of gaps evaluation on customer satisfaction at Standard Bank and;
- To provide recommendations to the Banking industry on how to maximise customer satisfaction.

IV. Literature Review of Customer Value Chain

a) Customer satisfaction in the banking industry

Customer satisfaction demonstrates that satisfaction is the degree to which the requirements of the clients have been met where requirements implies stated needs or desires whether suggested or obligatory. As indicated by Botha (2013) satisfaction is whereby the service provider meets the desires and standards of clients. Brink and Berndt (2017) maintain that satisfaction is the point at which a customer subjectively contrasts actual performance and expected performance. Lawson (2015) envisaged that satisfaction is the post-purchase assessment of items or services taking into consideration the expectations. Both clients and banks append much significance to satisfaction. Frantic efforts are being made by banks to offer high quality products and services to their clients. Clients additionally need the best value for their money and are saving no endeavours in choosing the best products and services (Brink and Berndt, 2017). When clients are satisfied and have a positive picture or goals about a specific firm, it will take some time for competitors to snatch or convince them to switch to them.

b) Factors impacting on customer satisfaction

i. *Service Delivery*

Service delivery is a vital factor in the banking sector with regards to consumer satisfaction. For a service to be considered to have been delivered according to clients' desires, it needs to meet limits on quality, efficiency, and furthermore the service must be powerful in solving clients' needs (Lawson, 2015). For a service delivery to be considered to be of quality, it must have characteristic of brilliance in a way of presentation, delivery and in the way in which it takes care of clients' issues (Brink and Berndt, 2017).

ii. *Information Technology*

Information Technology (IT) refers to utilisation of computer-based coordinated programmes in processing organisational information, storing and transferring of data (Botha, 2013). According to Muller (2015), information technology has revolutionalised the banking sector by empowering complex item and service development and better market infrastructure and examination. In that capacity, it is simpler for banks to target clients effortlessly utilising IT, and furthermore to upgrade their experience through after-sales services and other promotional services.

iii. *Organisational Culture*

Muller (2015) defines organisational culture as the common standards, convictions, belief systems that impacts, or influences the manner in which an organisation does its business. Lawson (2015) then again sets that organisational culture has decide an organisation's commitment with the internal and external world. This incorporates: organisational culture; values, artefacts, procedures, and essential suppositions. To this, Brink and Berndt (2017) contend that organisational values, essential suppositions and procedures do impact consumer satisfaction in the banking sector. Further, he notes that there exists a relationship between banks culture and customer satisfaction.

iv. *Customer Relations Marketing and Relations Marketing*

The management of business of organisation in the 21st century involves the use of various functions and philosophies to attain competitive advantages and distinctive capabilities. The major functional areas that characterise 21st business organisation is: Marketing Management (MM), Customer Relationship Management (CRM) and Human Resource Management (HRM) and Customer Management (CM). To clearly understand the research variables (Customer Value Chain Analysis on Customer Satisfaction) it is paramount to understand and differentiate CRM and Relationship Marketing (RM).

Among marketing practitioners, RM has arising to be a strong concept and a source of competitive advantage (Gordon, 2013: 80). According to Wendy (2008: 54), speaking from a theory perspective RM has the ability to unify all the sub-disciplines of marketing (distribution, communication and supply chain). Gordon (2013: 87) further postulated that RM is a continuous process where there is identification and creation of new value with individual customers and then sharing the benefits throughout the organisational life. Wendy (2008:56) adds that RM encompass the mutual understanding between the supply chain and the customers from the organisational perspective- to ensure mutual value creation and sharing through interdependence and organisational alignment. The

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diagram below shows the major concepts under relationship marketing.

v. *Value Chain Analysis*

The value chain is the process allowing firms to attain competitive advantage, create value and have indispensable capabilities (Brink and Berndt, 2017: 18). According to Brink and Berndt (2017: 18), the value chain framework (designed by Porter) is one of the many ways in which organisations can maximise corporate value creation. The value chain activities are conducted to determine the costs and to improve the organisational profit margin. According to Botha (2013: 141), all business organisations are involved in the process of transforming inputs into finished goods and services: these activities are classified generally as primary or secondary activities. However, in the modern world, the success of the business organisation is premised not on its internal processes but on focus on customer needs and wants and satisfying the tastes and preferences (Cornwell, 2015: 193).

Sustainable competitive advantage is the best way an organisation can sustain itself in the long run (Daniels, 2012: 62). Daniels (2012: 62) added that a business organisation can only sustain a competitive advantage by creating clear goals, strategies and operations. The strategic goals of the organisation must be aligned with the corporate culture and values of the employees to ensure success (Daniels, 2012: 62). Barnes and Curtsey (2013: 183) stated that failure to align goals and culture is the reason why few companies create a sustainable competitive advantage. In a healthy organisation, there is a need to have a culture that provide a conducive environment which is capable of supporting strong recruitment, retention, customer intimate relationship and loyalty, increased productivity and ownership – which positively impacts the bottom line of the organisation (Daniels, 2012: 83). The figure below shows the value chain model of the organisation.

V. Research Design and Methodology

a) Research Design

Zickmund (2015:76) postulated that a research design plays an important role on holding the study intact and connects all the loose ends of the study. There are different types of research designs: causal-comparative research, correlational research, explanatory research, descriptive research and exploratory research design.

Yin (2014:194) cites that causal-comparative research's intention is to discover the cause and impact of research variables understudy and it is employed publish the prevalence of the research problem or put in simple terms in searching for to pick out associations between variables. Correlational research aim to find the degree to which two variables co-vary, it seeks to determine whether or not the relationship between two variables are coincidental or not (Strang, 2013: 94). Winters, 2014: 84) argued that explanatory research refers to a study that aim to pick out any causal hyperlinks between the elements or variables under study. Vaus (2013:76) additionally argued that the foremost purpose of descriptive research design is to supply correct representation of elements under consideration. Exploratory research design is normally used in those researches that have high ranges of uncertainty and little is known about the research problem (Van Heerden and Thani, 2010: 94).

This research employed the exploratory research design. The most important benefits of using exploratory research design is that it is aligned to the topic at hand and: approves improved understanding, trying out of ideas and help to researcher higher and well-informed selections (Miles, 2014:76). On the different hand, the setback of exploratory research design is that it does little to replace a conclusive quantitative research (McMillan, 2016:45).

b) Research Philosophy

According to Stang (2013:45), a research philosophy refers to a system of beliefs that govern the way facts must be collected, interpreted and analysed. Saunders, Lewis and Thornhill (2015:94) introduced that there are two faculties of thinking on science and understanding and these are: positivism (quantitative) and phenomenology (qualitative). According to Zikmund (2015:23), positivism is a philosophical function that emphasise empirical information and scientific strategies in understanding the world. Saunders (2016:194) introduced that, positivism argues that the world consists of detectable regularities which can be discovered and measured, and outcomes can be inferred upon a larger population. Saladana (2013: 23) introduced that the qualitative research methodology is premised on the positivist research philosophy is it emphasise on the objective dimension and the statistical, mathematical analysis of the records gathered in the study via polls, surveys or questionnaires. The advantages of a quantitative research are: extra reliable and objectives, findings can be easily inferred upon a large population and eliminates the subjectivity of the researcher (Price, 2014: 45). On the different hand, the quantitative study does now not investigate the research problem in its natural setting and might also be expensive to be used (Oyen, 2013: 45).

This study employed the qualitative research approach. According to Zickmund (2015: 23), a qualitative research methodology is a strategy used to recognise the underlying reasons, opinions and motivation in relation to the phenomenon under study. According to Richardson (2014:45), the benefits of employing the qualitative research philosophy are: it

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ensured a deeper appreciation of the lookup problems; provided extensive records that ought to not be provided via the quantitative study; it allowed the learner to know about the lookup hassle in its herbal setting. On the other hand, excellent setbacks of the qualitative lookup are: was once time consuming; there is a excessive chance of the researcher manipulating the findings and lookup findings may be tough to generalise (Price, 2014: 45).

c) Research Strategies

According to Oyen (2013:65), research techniques are exclusively based on the research philosophy employed. Examples of qualitative research strategies are: focus groups, case study, action research and grounded theory. Focus Study Groups (FSGs) are mentioned where research participants are gathered as a crew and research questions are presented and solutions are given in an open platform (Price, 2014: 45). Action research is a disciplined manner of inquiry conducted while actions are being taken concurrently (Lawson, 2016: 66). Grounded concept is the systematic strategy where a set of rigorous research techniques are used leading to the emergence of conceptual classes (Lawson, 2016: 67).

The selected bank is used in this study as a case study and interviews as a research instrument. Lawson (2016: 65) described a case study as a precise instance of something to be analysed in the research process. Mavis (2013: 45) cites that, the important advantages of using the case learn about strategy were: it allowed in-depth appreciation of the case study enterprise and was highly inexpensive. On the other hand, the setbacks of the case study approach were: have little reproducibility chances and is time consuming to uncover all the information at one case study.

d) Target Population

According to Smith (2012: 54), a research population is the complete set of human beings from which data can be accumulated from. For example, in this study the target population was Standard Bank managerial employees. The target population was all managers at Standard Bank.

e) The Research Instruments

A research instrument is a tool used to collect primary research findings from the sample (Yin, 2014:184). Examples of commonly used research instruments are questionnaires and interviews. Yin (2014:184) defined a questionnaire as a set of written questions that give the researcher a limited choice of answers. Most of the questionnaires are use the Likert scale to gather the primary research findings (Yin, 2014:185).

This study as a qualitative study used the semi-structured interviews as the research instrument. However, there are several other research instruments that can be used in a qualitative study and these are: focus study groups and observations. According to Richardson (2014: 43), focus study groups allows a panel of research participants to be set and research questions are asked and answers are discussed openly while observations involve the researcher observing things at the case study organisation (Richardson, 2014: 156).

This study utilised interviews to solicit responses from the research findings. Strang (2013:44) defined interviews as data collection instrument whereby subjects are asked questions in a face-to-face situation. Price (2014: 95) argued that there are several types of interviews and the main one are structured and unstructured interviews. According to Miles (2014: 44), a structured (or standardised) interview is one in which every effort is made to exclude procedural reactivity by asking every subject exactly the same question in the same way and in the same order. The emphasis is upon equivalence of stimulus'. McMillan (2016: 143) added that the interview should be based upon an interview schedule which is a pre-set list of questions and instructions used by the interviewer in the field with the aim of standardising the interview procedure.

f) Interviews

This study used semi-structured interviews to conduct the primary research. The motive of applying semi-structured interviews in this study were: the semi-structured interviews allowed detailed discussion of the research problem, allows following of ideas as the interview is pgressing. The interview was structured in three categories. The first category asked respondents demographic characteristics, while Section B asked closed ended questions and Section C asked respondents to answer open ended questions (see the interview schedule).

g) Pilot Study

Zikmund (2015:44) postulated that a pilot study is a preliminary study implemented to verify all the aspects of the study which are (research instrument, time, cost and effect size in an attempt to predict an appropriate sample size) and to review the research design before the actual study is conducted. In this study, 2 Standard Bank employees were interviewed as part of the pilot study.

h) Administration of Interviews

Interviews were conducted at the selected bank premises. The sample members were communicated to 2 weeks before the actual study through telephone and emails. This was done to ensure that all the appointments were made and were to be observed. The interviews were conducted during the free times of the research participants to ensure that they contribute effectively to the study without compromising their work. In the interview, the researcher introduced oneself to the

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research participant, explained the research topic and the overall aims, reiterated on the ethical considerations and then asked the research questions.

i) Data Analysis

Van Heerden and Thani (2010:78) postulated that data analysis refers to the science of getting meaningful information out of gathered primary data. The process of data analysis create new insights and ideas that can be used to answer the research problem. Saldana (2012: 74) argued that data analysis is a scientific process that employs the application of data to interpret, describe, infer, present with the overall aim of reaching out conclusions that are meaningful. It is involved in the transformation of primary research findings into meaningful data. In this study, the thematic form of data analysis was used. According to Richardson (2014: 44), thematic data analysis emphasise the pinpointing, examining, and recording patterns (or "themes") within data. Strang (2013: 46) argued that themes are patterns across data sets that are important to the description of a phenomenon and are associated to a specific research question.

In light with the thematic form of data analysis, data was reduced into distinct themes, displayed using various presentation techniques and analysed accordingly. In this study, the primary research findings were analysed through the thematic form of data analysis and various codes were used to identify themes from the research findings. Thematic analysis goes beyond simply counting words to uncover implicit and explicit ideas. The process starts by coding gathered data which facilitates the development of themes. Themes are important moments embedded within data that goes on to be interpreted (Richardson, 2014: 43). In the process of interpretation, frequencies of themes were compared. The benefit of using thematic analysis is that it helped to break down an interview in clear sections and provide a clear picture of data collected to the researcher (Saunders, 2016: 132).

VI. Statement of Results, Discussion and Interpretation

a) Demographic Characteristics

The study was interested in the demographic characteristics of the research participants and these demographic variables that were of interest in this study were: gender, years of working experience and the level of education of the research participants. Table 4.1 shows the distribution of the participants demographics.

Table 6.1: Demographic Characteristics

Gender		Years of Experience (years)			Level of Education		
Male	Female	-5	6-10	10+	Cert-Diploma	Degree	Post Grad
5	5	2	3	5	3	4	3
10		10			10		

Table 6.1 shows the distribution of the demographic characteristic of the participants who took part in this study. The study found that both males and females were equally represented in the study with each category contributing 5 people. The study also found that 2 research participants had less than 5 years of working experience at the organisation, 3 were in the 6-10 years category and 5 had over 10 years of working experience. The study had 3 participants that had certificates and diploma, 4 had degrees and 3 were post graduates.

The analysis of the demographic characteristics shows that each demographic category contributed at least two research participants. Thus, the study successfully gathered research participants from each demographic category implying that the research findings were diverse and rich in context. The rich and diverse demographic characteristics of the research participants represented the views of the larger research population.

b) Research Themes

The study identified major and minor themes from the responses given by the research participants. Audio recordings and transcriptions from the research participants were fed into the NVivo 11 software and the themes were identified as shown in the Figure 6.1 below.

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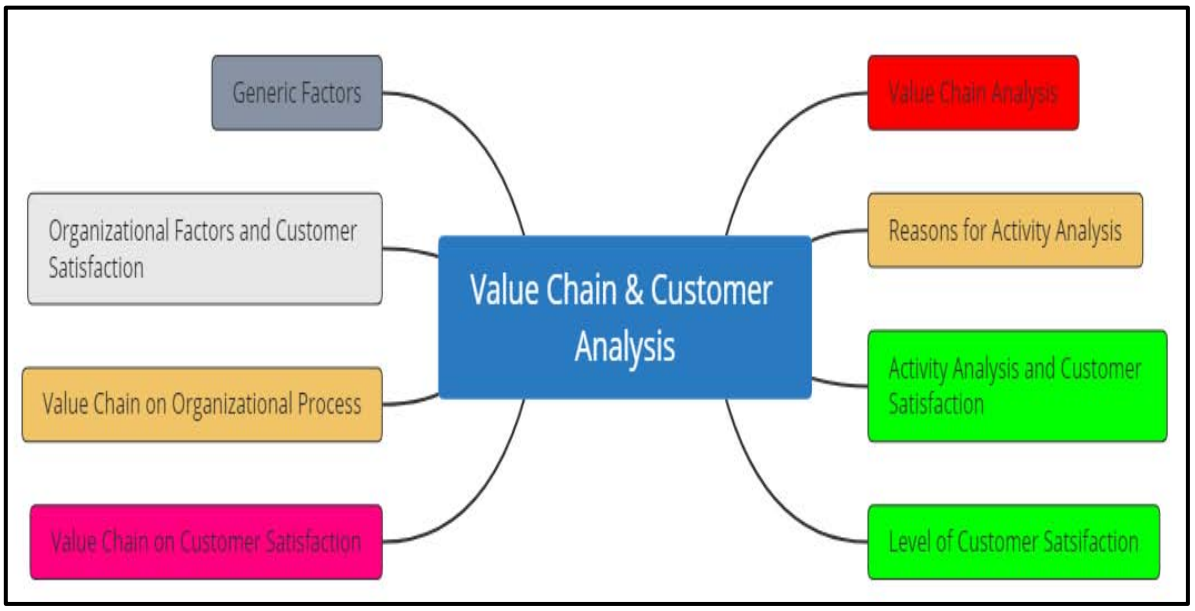

Figure 6.1: Research Themes

Figure 6.2 shows the major themes identified from the primary research. In the sections that will follow, these themes will be explained and analysed alongside with the responses of the research participants.

c) *Activity Analysis at Standard Bank*

The research participants were asked to define activity analysis at Standard Bank. Participant 1 said that,

> '*Activity analysis is the identification and description of activities in an organisation, and evaluation of their impact on its operations'*.

Participant 4 added that,

> '*Activity analysis the breaking down of an activity into its smallest components for assessment'*.

Participant 7 added that,

> '*Activity analysis looks at how an activity might e typically done but how it is done and experienced by an individual, examining the internal and external influences on performance*'.

Participant 10 also defined activity analysis as the,

> '*A process that involves the systematic application of selected sets of constructs and variable to bread down and examine a given activity to determine the behavioural requirements inherent for successful participation and that may contribute to the achievement of client outcomes*'

d) *Reasons Standard Bank Conduct Activity Analysis*

The research participants were asked to identify reasons why Standard Bank conduct activity analysis. The study found that there are several reasons why Standard Bank conduct activity analysis.

Participant 3 added that,

> '*Activity analysis at Standard Bank determines (1) what activities are executed, (2) how many people perform the activities, (3) how much time they spend on them, (4) how much and which resources are consumed'*.

Participant 6 added that,

> '*Activity analysis at Standard Bank determines (1) what operational data best reflects the performance of activities, and (2) of what value the activities are to the organisation*'.

Participant 7 also said that,

> '*This analysis is accomplished through direct observation, interviews, questionnaires, and review of the work records*'.

Participants 9 said that,

> '*Activity analysis is done to ensure that organisational activities are done effectively and efficiently at all times. Activity analysis is done to understand organisational activities to standardise them across the board*'.

e) *Impact of Activity Analysis on Customer Satisfaction*

The research participants were asked to identify the impact of activity analysis on customer satisfaction. The study found that there are several impacts of activity analysis on customer satisfaction.

Improves customer satisfaction: 3 research participants cited that activity analysis improves customer satisfaction. Participant 2 said that,

> '*Activity analysis result in the better comprehension of all the activities related to serving customers and once these activities are analysed the organisation can serve customers better'*.

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Participant 5 cited that

> '*Customer satisfaction increases from activity analysis as all the activities for customer interface are perfected and customers are served better always'*.

Increased speed of service delivery: 5 research participants were of the view that activity analysis increases the speed of service delivery. Participant 2 said that,

> '*Activity analysis eliminates unnecessary practices and processes that are done when customers are being attended at the bank and this increases the speed of service delivery at the organisation improving customer satisfaction'*.

Participant 4 said that,

> '*Service delivery per customer has increased by 35% of since activity analysis was introduced at the organisation'*.

Participant 7 said that,

> '*Customer satisfaction increased at the bank because activities that used to be manual were digitalised and thereby increasing the level of customer satisfaction'*.

Identification of major sub-activities that are important in serving customers: 3 research participants cited that activity analysis has a positive impact on identification of major activities that need to be done when assisting customers. Participant 3 said that,

> '*Activities analysis allow the bank to identify major important tasks that should be mastered to ensure that customers are treated as expected*'.

Participant 6 added that,

> '*Activity analysis identify main sub-activities that are pertinent to the customer and mastering these activities result in the customer feeling served professionally and effectively'*.

f) Impact of Value Chain Analysis on Organisational Processes

The research participants were asked to explain on the impact of the Value Chain Analysis on organisational processes. The study found that the research participants were of the view that value chain analysis has a strong impact on organisational processes and practices.

Low Cost Advantage: 3 research participants were of the view that VCA at the bank result in the low-cost advantage. Participant 1 said that,

> '*VCA enables the organisation to identify those profitable value-creating activities and those which are not'*.

Participant 4 said that, '*By assessing value-creating activities, it also allows the organisation to establish the cost drivers of each process. This then allows for cost improvement strategies to be implemented whilst at the same time not lowering customer value*'.

Differentiation: Participant 5 said that,

> '*VCA has allowed the organisation to be able to compare its activities with those of its competitors'*.

Participant 6 said that,

> '*The bank was able to focus on the customer's perceived value of the products and services, evaluate differentiation strategies leading to the bank finding innovative ways to perform value-creating activities, resulting in improved overall performance and competitive advantage*'.

Identification of core competencies and activities: 4 research participants were of the view that VCA result in the realisation to core competencies and activities. Participant 5 said that,

> *'Through VCA, the bank was able to identify value-generating activities and their cost drivers. By reducing the cost of individual value chain activities or by reconfiguring the value chain, the organisation was able to create a cost advantage'.*

Participant 8 said that,

> '*VCA helps the bank to understand the organisation issues involved with the promise of making customer value commitments and promises because it focused attention on the activities needed to deliver the bank's value proposition'*.

g) Impact of Value Chain Analysis on Customer Satisfaction

The research participants were asked to identify the impact of VCA on customer satisfaction. The research findings are presented below:

Improve Customer Relationships: 6 research participants cited that VCA improved customer relations. Participant 1 said that,

> '*By managing the initial value chain factors, including inbound logistics, operations and outbound logistics, the bank improved response times and minimise costs for customers*'.

Participant 9 said that,

> '*The bank used loyalty or rewards programs to generate customer loyalty and to persuade customers to buy more bank services over time*'.

Reduce Delivery Times: 5 research participants cited that VCA has an impact of reducing delivery times. Participant 2 said that,

> '*The bank has allowed to analyse its distribution channels to reduce its delivery times increasing customer satisfaction'*.

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Participant 8 added that,

> '*End customers benefited from VCA from faster and more consistent on-time delivery when trade channel partners move services efficiently*'.

Improved Loyalty: 8 research participants were of the view that VCA improved customer loyalty. Participant 1 said that,

> '*There has been increased customer loyalty at the bank due to value chain analysis as which resulted in increased effectiveness and efficiently'*.

Participant 10 said that,

> '*VCA has resulted in customers spending less at the bank and making many bank visits as their loyalty has increased*'.

The Level of Customer Satisfaction

The research participants were asked that explain the level of customer satisfaction. The study found that 8 research participants were of the view that the level of customer satisfaction is high while 2 were of the view that customer satisfaction at the bank was low.

Participant 2 said that,

> '*Customer satisfaction at the bank is high as there are new customers that are being referred to the organisation by existing effective and efficient organisational processes ad practices'*.

Participant 5 said that,

> '*The organisation is experienced high levels of customer satisfaction as more and more customers are subscribing to many organisation activities and processes'*.

Participant 8 said that,

> '*The customers are satisfied and happy with the products offered by the organisation and some of the customers are joining the bank'*.

h) Generic Factors Affecting Level of Customer Satisfaction at the selected Bank

The research participants were asked to identify the factors affecting customer satisfaction at Standard Bank. The study found that there are several factors that affected customer satisfaction, and these are explained below.

Service Fees: The study found that all the research participants cited that the service fee at Standard Bank is low enough to satisfy customers. The study found that Standard Bank has many account types which have different pricing strategies but found that they were structured to influence the level of customer satisfaction.

Participant 2 said that,

> "*The service fees are too insignificant, and many customers don't even feel their impact to my financial transactions and therefore they keep me glued to the organisation*".

Participant 2 added that,

> "*The organisation does not increase banking fees without informing the bankers and they understand the reasons behind the service fees and this influence customer behaviour'*.

Access to Information: The study found 6 research participants cited that access to information is one of the factors that influence customers' level of satisfaction at the bank. Participant 3 said that,

> "*Standard Bank the bank has several channels that customers can access information, and this ensures them that they are aware of what the organisation is doing*'.

Participant 8 said that,

> '*Standard Bank customers access information from mobile applications, websites and newsletters and this has an impact on the level of customer satisfaction*'.

Flexibility on Loans Approval: 2 research participants cited that one of the factors that impacts customer satisfaction. Participant 3 said that,

> '*The bank has flexible loans application processes that has resulted in customers finding it easy to acquire a bank loan*'.

Participant 4 said that,

> '*Customers appreciated the loan application processes are easy to understand and simple for all and this result in most of customers being satisfied*'.

Bank Image and Goodwill: The study found that 4 participants cited that the bank image and goodwill it enjoys influence the level of the customer satisfaction. Participant 3 said that,

> "It is no doubt that the bank has the highest positive image across South Africa and that it enjoys goodwill across it customers and non-customers".

Participant 5 said that,

> 'Standard Bank has one of the best images in the South African banking sector and such an image has been enhanced by its sponsorship of various sporting activities in South Africa".

Convenience of Location: 5 research participants cited that the level of satisfaction of Standard Bank customers is enhanced by the convenience of the location of bank branches across South Africa. Participant 2 argued that,

> "*I have seen Standard Bank branches in various places that I have travelled*".

Participants 4 said,

> "*One of the reasons that made me join Standard Bank was that it is located in my place of residence and therefore I can access the bank without even driving or using a taxi*".

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Friendly and Professional Staff: 6 research participants cited that one of the factors that influence the customer's level of satisfaction at Standard Bank is the presence of friendly and professional staff. Participant 3 argued that,

> "*Initially, customers had problems with using the ATMs, but the Standard Bank staff are so friendly that customers are taught to use ATMs for themselves*".

Participant 3 said,

> '*Customers prefer over the counter services as they have the opportunity to be attended by bank tellers who are professional and friendly in their conduct of work*".

Participant 6 cited that,

> "*Those who man Standard Bank branches are professional and allow one to trust them in the handling of the hard-unearned cash*".

VII. Conclusions and Recommendations

a) Findings from the Study

This section is divided into two: the findings from the literature review and the findings from the primary research.

i. *Findings from the Literature Review*

The study found that the management of business of organisation in the 21st century involves the use of various functions and philosophies to attain competitive advantages and distinctive capabilities (Gordon, 2013:80). The literature review found that organisations undertake customer relations marketing (CRM) and relations marketing to ensure that its customers are managed effectively (Botha, 2013:141). The study found that organisations conduct Value Chain Analysis (VCA) to ensure organisational activities are done effectively and efficiently.

The value chain describes the process which allows the organisation to build a relative competitive advantage, value creation and distinctive capabilities (Brink and Berndt, 2017:18). The value chain activities are conducted to determine the costs and to improve the organisational profit margin. In the modern world, the success of the business organisation is premised not on its internal processes but on focus on customer needs and wants and satisfying the tastes and preferences (Cornwell, 2015:193). According to Botha (2013:144), the value chain model takes the *process* view and sees the organisation as a complete system which is composed of related subsystems. Each of the sub-systems has its own inputs, transformation processes and outputs (Artwell, 2013:145). The study found that the Value Chain Model by Porter has the primary and supporting activities and inputs and outputs (Gordon, 2013:83).

The literature review found that there are several ways in which South African organisations can analyse customers through: Customer Relations Management (CRM) and activity analysis (Dickens, 2015:134). Blackmore (2016:104) added that there are several ways in which customer services can be improved by and these are: empathy, patience and consistency, adaptability, clear communication, work ethic, knowledge, effective use of social media and exceeding customer expectations always.

ii. *Findings from the Primary Research*

This section presents the findings from the primary research and these are presented per each research questions asked in the semi-structured interviews.

- The study found that the research participants were in appreciation of what activity analysis meant. Research participants defined activity analysis as is the identification and description of activities in an organisation, and evaluation of their impact on its operations.

Reasons for Conducting Activity Analysis

The study found that there are several reasons why Standard Bank conduct activity analysis: to identify activities, to identify people performing activities, to determine time per activity, resources used, and which resources are used per which activity. The study also found that activity analysis accomplished through direct observation, interviews, questionnaires, and review of the work records.

Impact of Activity Analysis on Customer Satisfaction

- The study found that there are several impacts of activity analysis on customer satisfaction and these are: improved customer satisfaction, increased speed of service delivery and identification of major sub-activities that are important in serving customers.

Impact of Value Chain Analysis on Organisational Processes

- The study found that the research participants were of the view that value chain analysis has a strong impact on organisational processes and practices: giving a low-cost advantage to the organisation, allowing activity differentiation and allowing the identification of core competencies and activities.

Impact of Value Chain Analysis on Customer Satisfaction

- The study found that VCA has an impact on customer satisfaction in terms of: improved customer relationships, reduced delivery times and improved customer loyalty.

The level of Customer Satisfaction

- The study found that the level of customer satisfaction at Standard bank was high as the bank is creating new customers and customers are subscribing to the bank's organisation activities and processes.

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Generic Factors Affecting Level of Customer Satisfaction at Standard Bank

- The study found that there are several factors that affected customer satisfaction, and these are: low service fees, access to information, flexibility on loans approval, bank image and goodwill, location convenience and friendly and professional staff.

b) Conclusions

The aim of this study is to investigate the effects of customer value chain analysis on customer satisfaction with a special focus on Standard Bank in East London. The research aim was successful achieved. Based on the research findings, this study concludes that the research participants were in appreciation of what activity analysis meant. Research participants defined activity analysis as is the identification and description of activities in an organisation, and evaluation of their impact on its operations. In this study concludes that there are several reasons why Standard Bank conduct activity analysis: to identify activities, to identify people performing activities, to determine time per activity, resources used, and which resources are used per which activity. The study also found that activity analysis accomplished through direct observation, interviews, questionnaires, and review of the work records.

It is concluded in this study that there are several impacts of activity analysis on customer satisfaction and these are: improved customer satisfaction, increased speed of service delivery and identification of major sub-activities that are important in serving customers. A conclusion is also made in this study that the research participants were of the view that value chain analysis has a strong impact on organisational processes and practices: giving a low-cost advantage to the organisation, allowing activity differentiation and allowing the identification of core competencies and activities. This qualitative study also concludes that VCA has an impact on customer satisfaction in terms of: improved customer relationships, reduced delivery times and improved customer loyalty. The study found that the level of customer satisfaction at Standard bank was high as the bank is creating new customers and customers are subscribing to the bank's organisation activities and processes. The study comes to the culmination that there are several factors that affected customer satisfaction, and these are: low service fees, access to information, flexibility on loans approval, bank image and goodwill, location convenience and friendly and professional staff.

c) Recommendations of the study

This section presents the recommendations derived from the study.

i. *Capitalise on Customer Loyalty*

The study found that there are Standard Bank customers who are loyal to the organisation and they are willing to stay with the organisation. It is therefore, recommended that Standard Bank should capitalise on such loyalty, by identifying such customers, introducing other services to such and working together with them to refer the Standard Bank services to other potential customers.

ii. *Open More Branches*

The study found that convenience location is one of the factor that influence customer behaviour at Standard Bank. It is recommended to Standard Bank to open more branches to ensure that it is conveniently located to most of the customers. It is therefore recommended to Standard Bank to open branches in city outpost to capture new customers and to service customers that stay further away from the CBD.

iii. *Benchmark Operations*

It is recommended to Standard Bank to benchmark its operations with other international banks and leading local banks to become more professional and standardised in its operations and to satisfy its customers. The rational of doing so is that it enables Standard Bank to sustain the level of customer satisfaction and attract new customers.

iv. *Capitalise on Positives*

The study found that Standard Bank has friendly professional staff and therefore, Standard Bank should capitalise on what it is known for. Thus, it is recommended to Standard Bank to capitalise on all its positives and sustain customer loyalty.

v. *Reduce Service Fees*

The study found that some of the Standard Bank customers who prefer Standard Bank because of its reduced services. It is therefore recommended to Standard Bank to reduce the service fees across all its accounts to increase the number of customers thereby enjoying economies of scale.

vi. *Improve Personal Banking Services*

This study recommended to Standard Bank to improve all aspects related to personal banking services to enhance customer experiences and satisfaction levels. This can be done through asking what the customers expect from the organisation and working on it to improve the system and through further activity analysis

vii. *Merger with other Banks*

The study found that there are several other banks in the South African banking sector. It is therefore recommended to Standard Bank to use its size and market dominance to merger or buyout some of the banks to strengthen its market position and market share and ensure customer loyalty.

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d) Further Research

Further research should be conducted on the same topic that was investigated in this study but with a different methodology. A quantitative research methodology can be employed to investigate a larger research population and to ensure that findings can be generalised to a larger research population.

e) Conclusion

Based on the research findings, this study concludes that the research participants were in appreciation of what activity analysis meant. Research participants defined activity analysis as is the identification and description of activities in an organisation, and evaluation of their impact on its operations. In this study concludes that there are several reasons why Standard Bank conduct activity analysis: to identify activities, to identify people performing activities, to determine time per activity, resources used, and which resources are used per which activity. The study also found that activity analysis accomplished through direct observation, interviews, questionnaires, and review of the work records.

It is concluded in this study that there are several impacts of activity analysis on customer satisfaction and these are: improved customer satisfaction, increased speed of service delivery and identification of major sub-activities that are important in serving customers. A conclusion is also made in this study that the research participants were of the view that value chain analysis has a strong impact on organisational processes and practices: giving a low-cost advantage to the organisation, allowing activity differentiation and allowing the identification of core competencies and activities. This qualitative study also concludes that VCA has an impact on customer satisfaction in terms of: improved customer relationships, reduced delivery times and improved customer loyalty. The study found that the level of customer satisfaction at Standard bank was high as the bank is creating new customers and customers are subscribing to the bank's organisation activities and processes. The study comes to the culmination that there are several factors that affected customer satisfaction, and these are: low service fees, access to information, flexibility on loans approval, bank image and goodwill, location convenience and friendly and professional staff. This study recommended Standard Bank to: capitalise on customer loyalty, open more branches, benchmark operations, capitalise on positives, reduce service fees, improve personal banking services, merger with other banks and continue practising activity analysis.

Value chain is a process through which, we can looked up each and every steps from the procurement up to the end users of goods or services. It investigated that value as the base of the value chain and has explored several perspectives of value and delivered superior value, customer's perceived value and life time value of the customers to the firms are three most important elements for value chain. The value chain concept is originated from supply chain but it elucidates the value that is created at each stage of the chain which has vital role to satisfying consumers. It undertake the development purpose, redistribution of risk and provides benefits and services to participate because it has difficult or impossible to obtain any specific approach for value chain that is appropriate in all circumstance. The prime responsibility of the company is to provides a superior value to customers because competitive strategy help firms to differentiate its goods or services from its rivals with a sustainable competitive a advantages and customers loyalty. It is a preferred combination of benefits as compared with acquisition of cost and perceived value obtained from alternative value offers.

In present time customer is the king of the markets, they decides what is their needs, wants and demands and no one has right to decides because of this firms changed their strategy from production centric to the customers centric to sustain in the competitive markets. The study on value chain is the demand of the time which helps to find out the actual value of the organization.

f) Limitations of the Study

The following limitations of the study are acknowledged:

- The limited sample is a limitation focused on a selected bank. Further studies can be expected to other provinces within the country.
- Due to insufficient time amongst the banking employees the number of respondent is a limitation.
- The open ended and interviews as administered which could have triggered the previous experiences of the employees.
- The study is conducted on the good banks with good services. The other banks should also be considered.
- The study should have made use of triangulation of data to ascertain different perspectives from different research paradigm.
- Participation in this study was voluntary and the employees that advocate the use of customer value chain may have responded more readily than others, thus resulting in sample bias.

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