Midlands State University

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RESEARCH TOPIC

THE EFFECTIVENESS OF CUSTOMER SERVICE STRATEGIES IN IMPROVING CUSTOMER LOYALTY:

CASE OF FIRST MUTUAL LIFE

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PARALLEL

This dissertation is submitted in partial fulfillment of the requirements of the

Bachelor of Commerce (Honors) Degree in Marketing in the Department of

Marketing at Midlands State University.

Gweru: Zimbabwe, January -May 2014

Approval form

The undersigned certify that they have supervised the student dissertation entitled: 'Effects of customer service management strategies: Case study of First Mutual Life Assurance," submitted in partial fulfillment of the requirements of the Bachelor of Commerce Honours Degree in Management at Midlands State University.

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SUPERVISOR   **DATE**

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CHAIRPERSON   **DATE**

Dedication

This dissertation is dedicated to my family; my mother , my brother Samuel Mashinya, 'my not so blind sisters' : Rumbidzai, Martha, Kudzai, Namatai-Mwari ,Sarah and their husbands Jona Chindedza, Betrand Maseko, Simba Mbizi, Ronald Chibvongodze and Brighton Mapokotera, and lastly my companion Wellington Ilunga for all your love and support in every way, may the blessing of the Lord continually overtake you.

Acknowledgements

I would like to pass my heartfelt gratitude to my supervisor for her patience whilst supervising me during the course of the semester. May the Lord increase your capacity , bless and guide you in all your future endeavors. I extend my sincere appreciation to the department of Marketing for your exceptional guidance; your extraordinary efforts have made me the person l am today. My deepest gratitude goes to my mother; you have been a pillar of strength all my life. I would like to extend my heartfelt appreciation to my family, your endless love and support is most appreciated. I could never ask for more. Wellington my love, thank you for the patience, love and support all the way.

I would also like to acknowledge the encouragement and support I received from my friends and colleagues; Nomatter Mudadiri, Blessing Kutsirai, Philip Ndiridza, Neverson Ruvingo, Victor Madzunzu, Rukudzo Mawere, just to name but a few. Thank you for all your efforts. The going was made easier with you and I will forever be grateful.

Above all I thank God for strengthening, comforting, guiding and protecting me throughout the course of the dissertation.

Abstract

The purpose of this study was to assess the effectiveness of customer service strategies engaged by First Mutual Life Assurance Company. The objectives being: to find out the effects that training employees on customer service have on customer loyalty; to identify if employee emotional intelligence results in customer loyalty; and lastly, to establish the effects of customer follow-up on customer loyalty. Studies on other customer service management strategies in the past decade, have been done by many scholars in other countries, but a study, particularly on these issues has not yet been made in Zimbabwe. The insights and concepts by these scholars were of significant help in the completion of this research study, as the research managed to identify knowledge gaps and close the gaps using the ideas and suggestions by other authors, which gave the researcher a more profound understanding of the customer service strategies and how these build customer loyalty. The research adopted exploratory and descriptive research design, using non-probability and probability sampling techniques. Questionnaires for collecting data on customers and employees were used, while management data collection was done using interviews, with the use of 118 respondents as the sample size out of a population size of 2569 people. With pilot testing having been done, data was gathered using interviews with management, questionnaires that were administered by researcher for customers and employees. The research found some challenges with obtaining information from management due to their busy schedules. Management was not available for some time during the research hence the researcher then booked appointments to interview them in order to overcome this challenge. In order to avoid respondents feeling uncomfortable to give the information they were assured by the researcher that their responses would be held in strict confidence. The data from the study was then presented, analysed and discussed by the research in relation to the research objectives. The research then concluded that employee customer service training, employee emotional intelligence, and customer follow up have a positive effect on customer loyalty. From the conclusions made, the research recommends that FML should identify areas that need training, conduct regular training in form of refresher courses, and make sure that management encourage the expression of positive emotions in every service encounter. The research also recommends that management should adopt the concept of regular follow ups so as to get feedback from customers about their service encounter.

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CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This research explores the effectiveness of customer service strategies on customer loyalty. The researcher is going to research on various forms of customer service and their impact in customer loyalty. The research focuses on highlighting the background of the study, statement of the problem, research objectives, research questions, and significance of the study, assumptions, delimitations, and limitations, definition of terms, literature review, research methodology data presentation and analysis.

1.1 Background to the study

The business environment is forever changing and companies need to come up with relevant strategies in order to meet the demand that their customers put on them. As decades have passed, businesses have moved from product focus to customer focus as people have become more informed and knowledgeable due to technology, therefore their demands and expectations also change. This is evidenced by the shift shown on the world employment from industry to services. The International Labour Office recorded that services have moved from 39.1% in the year 1999 to 43.2% by January 2009. Due to exposure through travel and education, people have become more demanding as they have become more exposed and are no longer willing to purchase what they need only, but what they want. Hence it is important to meet their wants too as the marketing definition entails. That is, anticipating and satisfying customer needs and wants in this case.

Customer service being defined as 'the provision of servicing customers before, during and after the purchase with a series of activities designed to enhance the level of customer satisfaction,' is regarded as one of the most crucial elements of service marketing that help an organisation to acquire and retain its customers as well as encourage repeat purchase,hence leading to customer loyalty. Research was done by NyanisaMajavu (2004) on an analysis of customer service strategies, in an information technology organisation. The study focused on what customer service management is, depicting a customer service management model and recognising the

customer service strategies that exist within Dimension Data (South Africa). No research has been done on the Zimbabwe Insurance sector regarding the effectiveness of customer service management strategies on customer loyalty. Hence the researcher's quest to explore the effectiveness of customer service management, focusing on customer service training, employee emotional intelligence and customer follow-up's effects on customer loyalty.

The insurance industry is one of the fast growing industries in Zimbabwe and First Mutual Life Assurance is a company within this industry which offers life assurance services to its clients. The company is headquartered in Borrowdale, Harare. It has other area offices in Bulawayo, Gweru, Masvingo, Mutare, Kadoma and Kwekwe. The products offered by FML are life policies, pension policies, medical savings fund, funeral policies and education policies. Based on the company's records, FML faces competition from Old Mutual, Altfin, CBZ, Zimnat and Nyaradzo as they are following up on business that had already been acquired by FML after the introduction of Foreign Currency regime. First Mutual Life Assurance was the first life office to be officially licensed in 2009 to sell its products in foreign currency. The company started recapturing the business which was lost during the Zimbabwe dollar era due to its strategic decision to maintain branch offices throughout the country.

First Mutual Life Assurance Company (FML) is a well-recognised brand, as it was awarded the super brand award in 2010 from the Marketing Association of Zimbabwe. The company found in the insurance sector. FML was recognized for providing services of high quality. FML has become the well-known service provider for medical savings fund, funeral policies, life policies and education policies. However in its endeavor to meeting the vision of the organisation, FML has its loopholes in the quality of the services they offer, though they were officially ISOcertified under ISO 9001:2008 as at 01 January 2012, under Standards Association of Zimbabwe (SAZ). According to the SAZ audit report of February 2013, they have a few non-conformances to set standards in Gweru. One of them was the absence of a procedure manual for the Medical Savings Fund Department.

The company has made effort to impact the Midlands province, as it opened a branch in Kwekwe on the 16th of August 2012 thereby giving the company increasing coverage and improving accessibility for its existing and potential customers and convenience to the customers in

Kwekwe. FML acquired more office space for a service center for the Gweru customers' convenience.

According to FML new applicants records January 2012- December 2013, new customers come on board weekly as a result of the marketing and sales teams' dedication to get new customers weekly. However, of the members captured in the customer data base January 2012- December 2013, only 64% of them are still active.

According to the FML Gweru office customer comments book from January 2012 to January 2014, the complaints received on FML's poor service quality were 75% and only 25% were positive comments. In the month of October 2013 and December, the complaints were mostly on the responsiveness of the staff at Gweru are office. They were said to be slow, unfriendly and moody. On 6 November 2013, a customer wrote that he was disturbed by the unfriendliness of the staff at FML. Another one wrote that they are slow. There is one particular customer who mentioned that what he was promised is not what he got and he felt cheated. If this continues the company may move from being known as one of the top brands in the insurance industry to being the bottom brands as customers spread the word of their experiences to existing and potential customers of FML. This may in turn affect the reputation and pose major challenges on the survival of the company as customers will be lost to FML's competitors.

As postulated by one author that customer perception is formed from past dealings with the organisation, the organisation's brand image, customer charters, advertising and marketing and word of mouth from friends and family. Thus customer service determines the way one perceives the organisation, thereby affecting their loyalty to the organisation. Hence customer service needs to be managed.

The ability of an organisation to satisfy or delight its customers is dependent upon its ability to incorporate the customer's perception and feedback in the company's activities, systems and operations. A delighted customer will come back and tell many others about their experience. In the long-run, they will all become loyal customers, thereby causing the company to profit, financially and customer base wise.

FML's sales and marketing team made efforts to build and increase brand awareness in August 2012 as they held road shows all over Zimbabwe and they managed to attract large numbers of

new customers on board and even convinced those whose policies had lapsed after the 2008-2009 inflation era to come back on board. These numbers slowly began to reduce as some were not loyal in paying their monthly contributions. In a quest to eradicate this problem the company came up with ways they thought were necessary in order to improve their services to their customers so as to satisfy them and encourage customer loyalty. As postulated by Almenta (2011), customer service is the provision of servicing customers before, during and after purchase with a series of activities designed to enhance the level of customer satisfaction. Thus FML customer service department embarked on activities that they saw fit to aid them to satisfy customers and increase customer loyalty. This is when follow ups became mandatory for every area office to carry out.Follow ups in terms of customer visits were implemented quarterly and calls on follow ups were done by every branch on those customers within their geographic sphere. Trainings of all administration staff on customer services were done in November 2012. For customer support, the FML website is constantly updated so that customers learn of any new developments as well as the Facebook page which was opened on the 1st of April 2013. Customers received emails with statements on the usage of their allocated annual limits on medical aid form February 2013. The call center has always been there to readily attend to customer queries. In November 2013, First Mutual launched e- FML, a cross network mobile life insurance for the convenience of its customers.There is no need for filling up forms, no queuing for hours in order to pay, it is affordable and it is done straight from one's phone.

Whether all these efforts helped improve customer satisfaction and loyalty, it is unknown, hence the researcher's quest to embark on finding out the effect of customers service strategies on customer loyalty. The customer service strategies being investigated are customer service training displayed emotional intelligence and customer follow up.

1.2 Statement Of The Problem

First Mutual life has had ups and downs in satisfying and retaining its customers though it is very aggressive when it comes to marketing its products. Hence the researcher seeks to find out, as Philip Kotler once questioned, "Every Business is a Service Business. Does your service put a smile on the customer's face?" Therefore the question becomes-Are the customer service strategies offered by FML putting smiles on its customers' faces, and does it result in re-patronage and recommendations to more people?

1.3 Research Objectives

•   To find out the effects of employee customer service training on customer loyalty

•   To identify if employee emotional intelligence results in customer loyalty

•   To establish the effects of customer follow-up on customer loyalty

1.4 Research questions

•   What effects does employee customer service training have on customer loyalty?

•   Does employee emotional intelligence result in customer loyalty?

•   Does customer follow-up have an effect on customer loyalty?

1.5 Significance of the study

To the organisation

This study will help FML to have a better understanding on the importance of customer service and acquire knowledge on the impact of customer service techniques and training on achieving customer loyalty. The findings and recommendations will help FML identify areas that need improvement, so as to best satisfy, retain and encourage repeat purchases to its customers. Overall, this study will help FML know how it is performing in terms of customer services and customer loyalty.

To the University

This research may be used by Midlands State University for reference purposes on studies related to customer perception and service quality dimensions.

To the student

The researcher will acquire and apply the knowledge on the role of customer service in gaining and improving customer loyalty to the insurance industry. The researcher will also gain skills on research conducting and gain exposure in the field of customer service. Above all the study will assist the student in completing her degree program.

To the community

The community will receive more convenient, better and improved services from the organisation aimed at satisfying their needs and wants through recommendations of the study.

1.6 Assumptions

- Respondents would give honest answers to survey questions asked.
- The sample used would be a fair representation of the total population.
- Respondent's perceptions would not be significantly affected by their gender.
- The Market environment would remain constant during the period of the study.

1.7 Delimitations

- Due to the large number of potential participants in the study population, the research focused on the Gweru Branch as FML has an organisation wide customer data base which can be accessed from any FML branch other than the headquarters it constitutes the category of participants that are relevant to the study. Many corporate customers also have branches in Gweru which will make the research cost effective.
- The research study focused on employee customer service training, employee emotional intelligence, and customer follow up, as well as their impact on customer loyalty.
- The data from 2000 to 2014 would be considered in the study
- The categories of respondents were: individual customers, corporate customers, FML management and staff.
- The theoretical framework used is the Service Marketing Triangle as it links with customer service elements of servicing the customer before, during and after a purchase

1.8 Limitations

- The researcher might have challenges obtaining all information needed, from the company, as management and employees are usually very busy attending to company issues. Thus the time spent with them would be limited; hence less information might be obtained per visit.

In order to avoid this limitation the researcher set up an appointment with management before going there and gave employees to fill in at a convenient time within two days.

- The sample size used might not be a true representation of Zimbabwe

In order to avoid this limitation the researcher categorised the customers to ensure that the whole Zimbabwean population is represented.

- Participants might feel like the researcher is invading their space and become suspicious about why they are being asked questions**.**

In order to avoid this, participants were informed of the research purpose and of their role in the study as well. The researcher also reassured the respondents that the information they would give was going to be held in strict confidence,

- To cover up for the limitations of the other design, the researcher used both qualitative and quantitative research design
- To cover up for the limitations of the other design, the researcher used both questionnaires and interviews as well as a combination of open ended and closed ended questions

1.9 Definition of Terms

- **Customer**- a person or organization that purchases goods or services from a store or from another organisation.
- **Service**- the deeds, performances or promises provided as solutions to a customer problems.
- **Loyalty**- represents the relationship or association of the customer to the organization or the organization to the customer.
- **Customer Service** –the provision of servicing customers, before, during and after a purchase with a series of activities designed to enhance customer satisfaction and strengthen relationships with the customers.
- **Emotional Intelligence-** the habitual practice on regard for self and others, awareness of self and others and management self and others, resulting in the ability of one to express positive emotions and attitudes towards others.

1.10 Acronyms and Abbreviations

- **FML -** First mutual Life Assurance Company
- **SAZ -** Standards Association of Zimbabwe

1.11 Summary

This section of the research was to give an understanding on what drove the researcher to carry out this study. The objectives for the study were set and clearly stated, whilst the research questions to be answered by the research were established. The researcher also brought out the significance of the study to the organisation being studied on, to the university, to the student and to the community. Also presented in this section were the delimitations, limitations and assumptions to the study as well as the definition of some terms, acronyms and abbreviations used in the text. Literature on specific issues regarding customer service strategies and their influence, role and effect on customer loyalty is reviewed in the Chapter the next Chapter.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter presents the general overview of on specific customer service strategies and their influence, role and effect on customer loyalty. A theoretical framework in which different theses regarding specific topics associated with the study are used and analyzed. Various authorities and scholars were consulted on customer service; customer communications; customer service training, customer follow up, customer satisfaction and customer loyalty will be referred to and reviewed in this chapter.

2.1 Customer Loyalty

Walton and Huey (1993) cited in Lumney and Wilkinson (2014) identified the customer as the only boss, with the ability to fire everybody in the company, from the chairman on down simply by spending his money somewhere else. This is simply a result of customer's expectations exceeding the actual experience received. Customer loyalty can also be explained as Rai (2013) put it. That is, the sum of feelings or attitudes persuading a customer to consider re-purchasing/ revisiting a particular product, service, and brand or company, shop or website. Thus, if an encounter with a service provider or an experience with a product leaves the customer feeling good about a service/ product after an encounter with/ using it, he or she is most likely to re-purchase or re-visit the service provider, moreover recommend it to 3 people. On the other hand, a dissatisfied customer will share his experience with 8-16 people (Rai 2013). He pointed out that loyalty is a step ahead of satisfaction.

It can be noted that if a customer experiences good service, there is likelihood that they will continue coming back and recommend the service providers to others. Thus customer loyalty is achieved via customer satisfaction.

2.1.1. Employee Satisfaction and Customer Loyalty

Customer loyalty cannot be achieved unless corporate executives gain employee loyalty via principled leadership (Reichheld (1996) cited in Lin (2008). It is noble for staff in any

organisation to be kept motivated. This is because a motivated workforce yields higher productivity and profit margins than a demotivated work-force. Lin (2008) adds that customer – customer satisfaction and loyalty to an organisation is influenced by the contact employees' attitudes and behaviors. A satisfied and loyal staff, may eventually lead to more clientele, depending on the intensity of customer contact. Employee satisfaction leads to loyalty and low staff turnover which reduces recruitment and training costs and helps develop a long-term experienced workforce (Salver, 2008) for a company to be transformed into a customer-centric organization, all efforts would be in vain if front-line employees lack confidence in the product or service. Thus employee loyalty is one of the vital determinants of customer loyalty.

2.1.2 Customer Loyalty Dimensions

While customer loyalty is regarded to be tied to satisfaction, Peppers and Rogers (2010) highlight that there are two dimensions to customer loyalty, the behavioral and attitudinal dimension. In an analogous view, Rai (2013) also points out that customer loyalty consists of two dimensions, which are; attitudinal and behavioral loyalty. The authors agree that customer loyalty entails an attitude and behavior.

2.1.2.1 Attitudinal Loyalty

Attitudinal loyalty is the loyalty of a customer in the state of mind, that is, the customer has a positive preferential attitude toward the product, service or company (Peppers & Rogers 2010). Regardless of other companies' efforts to win them, they are loyal to their one particular favourite company. Attitudinal loyalty refers to that set of customers who intend to repurchase and advocate a company and its products. These favourable intentions are mentioned by Dick and Basu (1994) cited in Rai (2013), as good signs of customer loyalty. Thus the customer is ready to buy a particular product regardless of the premium price in the comparison to products offered by competition (Rai 2013). Kumar (2008) points out that the creation and enhancement ofattitudinal loyalty comes from the company's activities that build a reliable frame to the customer. Thus it is vital for firms to understand consumer's attitude towards the firmand Kumar (2008) mentions that this can be done through surveys and looking at customer feedback.

Thus it can be noted that attitudinal loyalty is not an action but pretty much thoughts and feelings from the customers that have been influenced by the firm. Positive influence can result in customer intentions of repurchasing or purchasing frequently.

Thus the feelings and thoughts attained by a customer from an encounter with a service provider influence the action taken, be it positive or negative.

2.1.2.2 Behavioral Loyalty
Behavioral loyalty, also known as functional loyalty, is a customer's behavior in terms of repeat purchasing to a certain company. It is simply the customer's actual behavior on repeat purchasing, irrespective of the attitudes and preferences that underlie that behavior. One can be loyal to a brand that they are not attached to, primarily for reasons outside emotional gratification or a sense of attachment. Thus, in behavioural loyalty, customer loyalty is not the cause of brand preference, but a result of it (Peppers & Rogers, 2010). In agreement,Kumar (2008) after mentioning that behavioral loyalty only regards a customer as a loyal one if he repeatedly buys from the company and continues to do so over a period of time, points out that behavioral purchase includes, repurchasing and recommendation of the products and services of a firm to other people. Rai (2013) mentions that in behavioral dimension, a truly loyal customer is recognized by his/her actual repetitive purchase rather than his/her intentions, as repurchase intensions may or may not result in actual purchase. He also supports the previous author as he adds thatin determining loyalty, the behavioral dimension disregards any part played by underlying attitudes and preferences. Hence behavioral loyalty is the actual actions of a customer irrespective of attitudes and preferences that drive those actions.

It is accordingly important to note that before an individual is said to be loyal to a product or service, there is need to consider the actual action taken (purchase, repeat purchase and recommendation of product or service to others), as well as the motivation behind that action. However, recognition of purchase and recommendation intentions may be misleading when identifying loyal customers, because an intention is a possibility but it is not definite that the actual purchase or recommendation will take place.Having understood that customer loyalty can be attitude or behavior driven, it is important to know the degree and/or level to which they are loyal to a firm's products or services, hence the use of the loyalty ladder and the diamond of loyalty.

2.1.3 Levels of Loyalty
Loyalty comes in different levels which can be differentiated by the use of the loyalty ladder as illustrated in Fig 2.1 below.

Partner

Advocate

Supporter

Client

Customer

Prospect

You want to go this way!

Partner: someone who has the relationship of a partner with you

Advocate: someone who actively recommends you to others, who does your marketing for you

Supporter: someone who likes your organization, but only supports you passively

Client: someone who has done business with you on a repeat basis but may be negative, or at best neutral, towards your organization

Customer: someone who has done business just once with your organization

Prospect: someone whom you believe may be persuaded to do business with you

Fig 2.1: Loyalty Ladder:

Customers are to be moved gradually up the successive levels of the loyalty ladder as though they are climbing a ladder. Hence the illustration of the loyalty levels in form of a ladder. The levels will be expounded below. Baines et al (2011) and Brown (2006), explained the following, regarding the levels of the loyalty ladder.

Suspect

All people fall into this category. That is, anyone in the market place who would be likely to buy products and /or services. They have a characteristic of having the potential to buy, and not knowing of the existence of a company's products and services, makes them a suspect. However, this stage is not included in Fig 2.1 above. The stages are as included are as follows;

Prospect

This level comprises an individual who has a need for a product or service, has the interest in a product or service, as well as the ability to purchase but still hasn't made committed to a sale.

Customer/ Purchaser

A customer is an individual who once/has purchased products or services from the company. It is possible that at times a customer may repeat purchase lacking any affection o the organisation. It is at this level that the possibility of the customer also purchases or has purchased from competition exists.

Client

Clients are repeat customers who have purchased twice or more of an organization's products and services, but may have a positive, neutral or negative affinity towards the organization, products and or services.

Supporter

This is someone who likes a company, service or product, but supports it passively.

Advocate

An advocate likes an organisation, product or service and supports it by actively recommending the company, product or service to others.

Partner

A partner is an individual with a strong, established relationship with the organisation. The relationship comprises of mutuality as both parties benefit from the relationship benefit.

From the levels mentioned above it shows that a customer does not become a partner from nowhere, they start from a level of being a suspect and proceed to the next stage until they are said to be a partner. This is achieved by building and developing relationships with the customer such that they reach a point where they are called partners to the company, products and / or services.

2.1.4 Types of Customer Loyalty

2.1.4.1 Knox's Diamond of Loyalty

Customer Loyalty can be divided into four elements; loyals, variety seekers, habituals and switchers. This was coined by Knox (1996) as cited in Shuron (2010). These are illustrated in

Fig 2.4
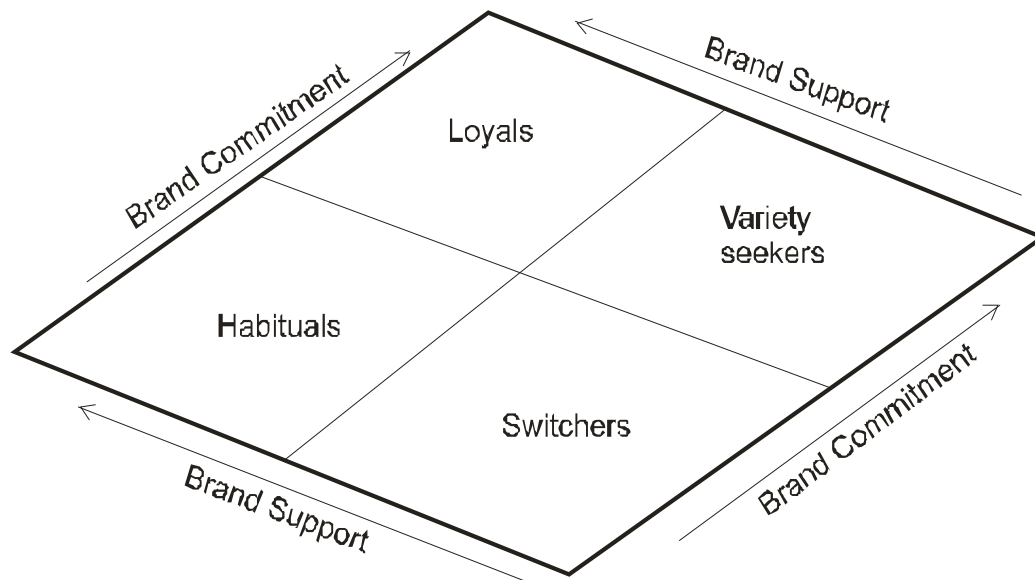
Fig 2.2 Knox's diamond of loyalty

Loyals

These are individuals with high purchasing/ brand support and commitment. They are truly committed to a brand, take pride in using it, recommend it to others and view the brand as important to how they perceive themselves. A customer may have a strong liking for a brand because it is viewed as the highest in quality and rewarding as well. These customers define themselves partly through their commitment to that brand and can stick out a sense of self to others through an association with that brand. (Baker, Baker and Saren, 2010) the author mentions that some have such esteem for the brand that they will display themselves with the brand logo.

Variety seekers

Baker et al (2010), mention that these individuals have a strong brand preference, but show low purchasing or brand support. They are apt to try out alterative brands because they like to experiment, especially for different use situations, though they will eventually return to their

preferred brand. Shuron (2010) in agreement adds thatthey simply buy form a wide range of brands for different usage occasions. Thus they are loyal purchasers that are polygamous.

Habituals

These individuals are high on purchasing/brand support but low on commitment. They regularly purchase the same brand repetitively, not out of any true loyalty, but more out of habit/routine/ tradition. Baker et al (2010) shows another characteristic of habituals as they postulate that habituals are more likely to defect to other brands if purchasing of their routine is disrupted for some reasons. (Shuron, 2010)

Switchers

These have low purchase/brand support as well as low commitment. They no loyalty to any product but rather switch from brand to brand. They assume that the products are all basically the same and selected the one which offers the most savings (Baker et al, 2010) Switchers are motivated by price deals and promotional tactics which, in other words, with no loyalty

Brand support can be termed behavioral loyalty, whereas brand commitment can be referred to as attitudinal loyalty.Variety seekers and switchers are frequent defectors though thy have different reasons for defecting, yet loyals and habituals are less likely to defect since they have a high support for the brand. Habituals may only defect due to circumstances beyond their control, but loyals remain loyal because of their high commitment and support for the brand (Shuron, 2010). Therefore it is important to know in which categories a company's customers fall in so as to forecast the company's future, as it is known that the customer is the life blood of an organisation.

2.1.5 Factors that Cause Disturbances in Customer Loyalty

It is important to also for management to take note of reasons for disturbances in customer loyalty into account. Rai (2012) mentions these factors and they are as follows; a customer may transfer from the service area, changes in customer needs and preferences; better options may come up in the form of substitute products or competition; unsatisfactory treatment of a critical episode.

2.2 Customer Service

Almenta (2011) is of the thesis that customer services is the provision of servicing customers before, during and after the purchase with a series of activities designed to enhance the level of

customer satisfaction. These may be postulated as all activities that help in binding together an organization and its customers in order to advance a sales rapport. This can be linked to the service triangle which was coined by Zeithmal and Bitner (2006). The two authors view customer service differently. Almenta(2011) refers to customer service as the delivery of a service and series of activities intended to increase customer satisfaction while Ziethmal and Bitner(2006) refers to customer service as activities aimed at binding an organisation and its customers together. However putting these views together, the definition of customer services would be the provision of servicing customers, before, during and after a purchase with a series of activities designed to enhance customer satisfaction and strengthen relationships with the customers.

The triangle in Fig 2.3 illustrates what happens before, during and after a service encounter or a purchase.
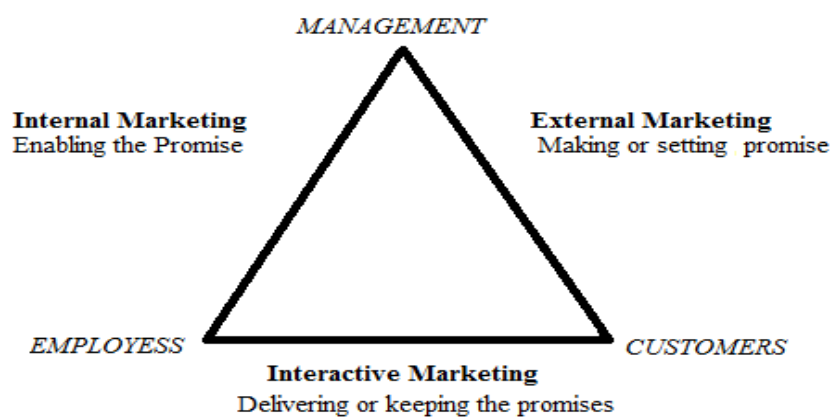
Fig 2.3 Service Marketing Triangle:

Source: Adapted from Zeithmal, Bitner and Gremler (2006)

Table 2.2 Customer Service Activities

Customer Service Categories	Activities
Pre-Transactional	Customer Service Policies
	Recruiting and Training Employees on Customer services
	Communication of Policies
Transactional	Selection of transport mode
	Service Delivery
	Service quality
	Warehousing and product delivery
Post-Transactional	Warranty and Maintenance
	Providing Product operational information
	Follow-up, After Sales Service
	Handling complaints and product returns
	Claims processing

Source : Adapted from Stock and Lambert cited in Wisner & Stanley (2008) and Lai and Cheng (2009)

Customer service consists of three elements: Pre-transactional, Transaction, Post-Transactional activities (Bidgoli, 2011). Pre-transactional activities have the objective of preparing an

organisation for effective customer service This is where the development of customer service policies, planning on how they will be used and observed as well as how they will be communicated to the customers, takes place. It is here also that assignment of duty on decision making is done, as well as the recruitment, training and use of customer service staff suffices. Transactional activities have the objective of providing flexibility and enabling the firm to consistently deliver the perfect orders. Post transaction has the objective of creating constant and fruitful relationships with customers. Wisner & Stanley (2008)

Listed in*Table 2.2* are activities under each element as identified by Wisner & Stanley (2008) and Payne Lai and Cheng(2009.

2.2.1 Customer Service Training

Hoffman, Bateson, Wood and Kenyon (2009) suggest that is not sufficient to just employ capable staff. The personnel needs to be trained so that they deliver exceptional customer service. If the staff is trained by the book, they will have the skills to deliver good customer service to customers. This is supported by Adock, Bradfeild, Halborg& Ross (1998) cited in Humann (2008), as they propose that, it is the "people" who make the service either good or bad. Equipment can be acquired to improve customer service, but it is of no use if the personnel who is supposed to operate that equipment has no knowledge on how to use it. This is most likely to cause frustrations on the part of the customer, instead of delighting the customer as the customer service training entails (Evenson, 2007). Boundless (2013) discovered that the more training is done, the more the need for further training is revealed. As the staff practices what they have learnt, areas which were not grasped are identified. There is thus need for further training, otherwise there will be a gap in service provision to the customer, which at times the customer ends up noticing.

2.2.2 Areas for training

Boundless (2013) and Sturdy (2011) identified the needs for customer service training to be in two areas; management of self and management of others. Padi (2012) highlighted the areas which need to be trained on regarding customer service. These are;

- Training on customer mood

- Training on excellent customer service delivery. The elements included are (solving customer service problems, technology and information, planning, customer interaction, customer familiarity and long term customer relationship)

Kamin (2012) adds a different facet to this view as the author customer service training enhances and advances both technical and interpersonal skills. In agreement, while adding the intrapersonal component, Adrelland (2013) asserts that customer service training should be done on both technical (job related) skills and soft skills. The soft skills being referred to are the intrapersonal skills and interpersonal skills. This includes the environment in which the staff works, the equipment used and standard routines that should be followed. Kamim (2012) also suggests customer service training involve interactive skills, which are those skills that equip the employee with knowledge in communication, interpersonal and problem solving skills.

2.2.3 Who Should Be Trained?

Customer service training according to Hoffman et al, (2009) and Adock et al (1998) cited in Humann 2008, is for employees. Whereas Ukens (2007) disagrees with this thesis as she postulates that customer service training is for everyone in the organization because, even if some employees are not located at the front office, as they interact across departments, they practice customer service and in some way, and interrelated with the external customer as well. Hence customer service training is important for every individual in a company, as training helps individuals acquire and develop the right skills (improving etiquette, that is, politeness and cheerfulness), for their job in relation to servicing the customer, reduces role ambiguity, poor communication and encourages team work. Therefore, every individual (including management) need training as Adrelland (2013) asserts that anyone working at customer service centers needs to be trained in technical and soft skills because they often interact with their existing or potential customers over the phone, or by email and in order to do this , one needs to be fully equipped.

2.2.4 Forms/ Methods of Training

Pride (2012) points out the forms of employees training,

- On the job training (trainee learns by doing the work under supervision of an experienced employee). They include job rotation among a few.
- Off the job training (trainee learns outside the day to day working environment)

- Role plays –roles of others in the organisation acted out byparticipants, so as to understand those roles better.
- Class room teaching and lectures
- Conferences and seminars- here experts and learners meet to discuss problems and exchange ideas

2.2.5 Customer Service Training and Customer Loyalty

Having the right skills for their job helps employees to perceive themselves as the service provider instead of service provider employees, which will motivate them and give them a sense of being more responsible for any action they take when servicing customers. Employee customer service training gives the employee an opportunity to expand their existing skill set, increase their general skill set and increase their appreciation of the organisation. Thereby becoming a better ambassador of the organisation to the customer when the opportunity for execution of tasks approaches, that is during or after a purchase (Boundless 2013). The author adds on as he mentions that customer service increases job satisfaction, motivation and morale to the employee. This leads to reduced labour turnover and customer frustration. Kamin (2012) says that in his research he found out that turnover is prominent in those companies whose employees have a poor view of customer service. Customer frustration is reduced when the people who serve customers are constantly changed as this hinders a flow in relationship that might have been built between the company and the customer, through the employee. Reduced frustrations lead to increased satisfaction, which in turn results in customer loyalty. Thus it is necessary to train every employee so that they are motivated to service customers in a satisfying manner that makes them return and recommend others to the company (Kamim, 2012). Customer service training also provides greater skill and knowledge to the employees, which translates into a number of improved job performances, hence increased quality of customer service (Boundless 2013).In agreement Kamim (2012) mentions that increasing the quality of customer service creates and enhances customer loyalty. In the same line of thinking, Arusy L (2007) mentions that employee loyalty has an impact on customer loyalty and retention. If front-line employees are not sure of the product or in the company, any other effort to make an organisation customer-centric will be in vain.

2.3 Emotional Intelligence

Emotional intelligence is defined by Fatt (2002) cited in Boxer (2009) as the ability to understand people. Emotional intelligence is further explained by Sparrow and Knight (2006), cited in Naele, Spencer Arnell and Wilson (2009), as a habitual practice of; using emotional information, from oneself and others, mixing it with our thinking, using these to guide our decision making to help us achieve what we want from the immediate circumstances and from ordinary life in a broad-spectrum. The authors proposed that theses would lead to managing ourselves better and have better relationship with others. In agreement ,Mayer and Salovey (1997) cited in Prentice and King (2013)define emotional intelligence as the capacity to recognize and influence emotional information without certainly understanding it, and being able to understand and manage emotions without necessarily perceiving feelings well or fully undergoing them.

For the purpose of this study, the definition adopted for emotional intelligence is the habitual practice of regarding self and others, being aware of self and others and managing self and others, resulting in the ability of one to express positive emotions and attitudes towards others.

Emotional intelligence is composed of intrapersonal and interpersonal intelligence. Sparrow and Knight (2009) explained it in line with performance as they noted intrapersonal intelligence being what one needs for effective self-management and interpersonal intelligence being what one needs for effective relationship-management. They went on to postulate that the sum of effective self-management and relationship management lead to effective overall performance. Pettijohn, Rozelland and Newman (2010) postulate how an emotionally intelligent individual performs as they postulate that one is able to understand the source of the customer's actions during a service encounter, be it rudeness, rejection or other challenges, so as to separate oneself from negative behavior which would drive customers away.

2.3.1 Dimensions of Emotional Intelligence

Radha and Prasad (2013) point out that emotional intelligence dimensions have a direct impact on the behavior of any individual. Goleman, Boyatzis and McKee (2013) mentioned that there are four dimensions of emotional intelligence, which are; self-awareness, self-management, other awareness, relationship management. However, Sparrow and Knight (2009) look at it from another percpective, as they suggest that emotional intelligence comprises of intrapersonal

intelligence (self- regard and self-management) and interpersonal intelligence (other regard and relationship management). Prior to this, Sparrow and Maddocks (2000) cited in Naele et al had coined the two emotional sides of emotional intelligence which was modified by Naele et al (2009).

2.3.2 The two sides of Emotional intelligence

The diagram in **Fig 2.3** represents the two sides of emotional intelligence as coined by Sparrow and Maddocks (2000), and later modified by Naele et al (2009), now showing the connection of intrapersonal and interpersonal intelligence to emotional intelligence.

THE TWO SIDES OF EMOTIONAL INTELLIGENCE

The connection of intrapersonal and interpersonal intelligence with emotional intelligence
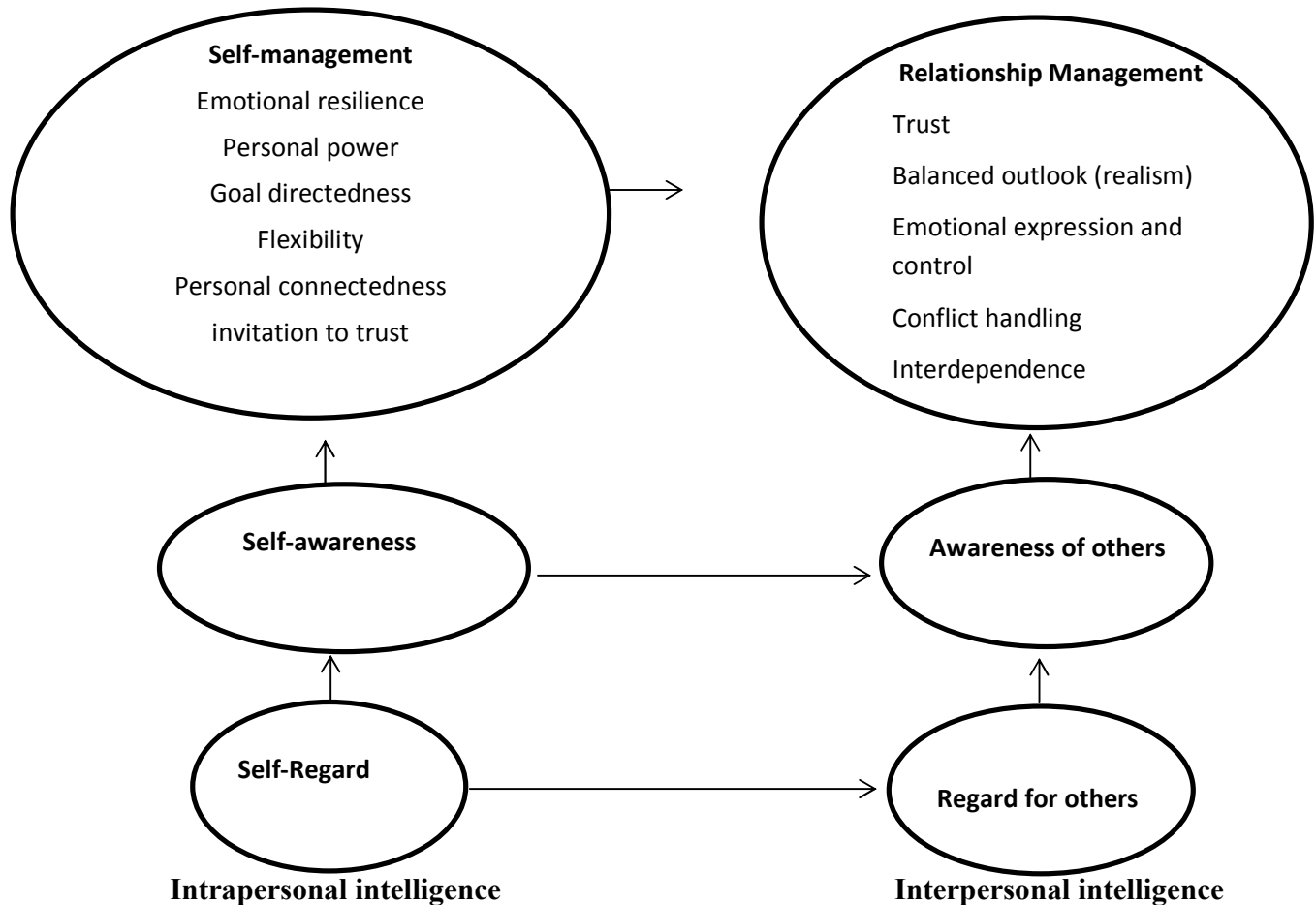
Fig 2.3

Source: Adapted from Sparrow and Maddocks (2000), cited in Naele et al (2009)

The arrows represent causation. Self-regard leads to self-awareness, which in turn helps one to manage self. The ability to manage relationships comes from awareness of others and regarding others. However one cannot regard others if he/she cannot regard self, just as one needs to first be aware of self, before they can be aware of others. The same applies with relationship management, which is difficult to achieve before one is able to manage self.(Naele , 2009)**.**

2.3.3 Benefits of Emotional Intelligence To Employees

Emotional intelligence gives a means of doing business with the customer (Prentice and King, 2013). Ramachandran et al (2011), mentions that emotional intelligence abilities enhance an employee's ability to "deep act" instead of "surface act" towards the customer. Deep acting is the

display of actions, not as a result of organizational prescription but out sincerity. This is shown when one is not affected by a difficult customer, but instead recognises that customer as a chance to practice and assess himself/herself on his/her marketing skills. Surface acting however require significant emotional skill, like following a requirement given by the organisation to smile yet continuing to hold different internal emotional state. Thus, deep acting is enabled by emotional intelligence abilities (Ramachandran et al, 2011). Hence a benefit to the service employee who has high emotional intelligence abilities as it becomes easy for them to assist customers with a smile and not feel like they are being burdened.

Kim (2010) adds that emotional intelligence helps an individual to enhance flexibility and positive emotion expression to customers. This is important as the service employees' main purpose in the organisation is to serve the customer in a manner that makes the customer feel recognized, welcome and appreciated. Goleman (1995) cited in Kim (2010) points out that an emotionally intelligent individual is accurate in identifying and regulating their own emotions, meeting customer's needs more effectively and are more likely to express positive emotions to customers. This is pointed out by (Goleman, 1995, 1998; Salovey and Mayer, 1990 cited in Pettijohn et al 2010), that emotionally intelligent individuals are said to be able to sacrifice short-term needs for long-term results. They focus on others, based on empathetic, and self-recognition. It can therefore be said that emotionally intelligent individuals have positive energy driving their actions, thus they express positive emotions and are able to pass them on to others, regardless of the circumstances surrounding them.

2.3.4 Employee Emotional Intelligence Behavior and Customer Loyalty

A customer who experiences good service from a service provider is more likely to spend more time using the service, more willing to return to the organisation, moreover recommend the service to others. (Tsai and Huang (2002) cited in Ramachandran et al (2011). Loyalty is either strengthened or ruined during each interaction between a business and its customers. Service employees' emotional intelligence can affect the manner in which they provide services to customers. Indirectly, as Rhadha and Prasad (2013) put it, the success of an organisation depends on the customer's perception of the service offered to them and their experience with the service provider. Service employees, who display good emotional intelligence behaviors like showing empathy, promote customer satisfaction and loyalty. This is so in that customers measure

customer satisfaction by the performance of the service employee through their emotional experience as customer. Hence long term loyalty and repeat patronage to an organisation are dependent on the emotions generated by the service employee's behavior, to name just one element. Thus a dissatisfied customer is less likely to spend more time using the service, to return and recommend the service to others. Rose (2009) in support to this view adds on highlighting the emotional intelligence spheres of influence and she mentions customer loyalty as one of them. Leidner (1999) cited in Ramachandra et al (2011) suggests that service employees manage their own emotions in order to manage the emotions of customers, so as to achieve customer satisfaction, which in turn yields customer loyalty.

As Goleman (1998) highlighted in Khreish (2009) that an emotionally intelligent employee expresses positive emotions to customers, the chances of that customer coming back for the same service, repeating custom and recommending it to others are high, thereby helping an organisation to build customer loyalty. Lemmink and Mattson (2002) and Goleman (1998) cited in Khreish (2009) asserts that the ability of one to exhibit the correct emotional behaviors at the right time enhances trust. Advanced levels of trust are anticipated to influence an increase in customer satisfaction and customer loyalty. Emotions have a twofold effect on customer loyalty, that is, it increases one's intention to stay with the service and also leads to a greater willingness to pay more for that service (Lemmink and Mattson (2002); Ndubisi et al (2007) cited in Kreish 2009).

Thus the customers will be willing to return to a service provider again and again. They are willing to pay more for the service, moreover recommend it to others dependent on the way the degree of emotional intelligence displayed by the employee as they interact. Khreish (2009) postulates the behavior shown by the service provider representative has an impact on customer satisfaction in that dissatisfaction may arise as a result of inappropriate behavior by the employee. However if a service employee exhibits flexibility and adapts his/her behavior to meet the changing needs and requests of customers during a service encounter, customer satisfaction is likely to be achieved and the customer is likely to repeat purchase and refer others to the organisation. DiJulius' statement, cited in Tenaja (2010) emphasizes that customer loyalty is won or lost at the front lines of each individual location. This means that the employee's attitude is a fundamental factor in achieving customer loyalty. Thus employee's expression of positive

emotions and attitudes can result in customer loyalty.Wheras a negative expression of emotions can drive customers away.

2.4 Customer Follow-up

Customer follow-up refers to every contact the service provider makes with a customer after the first contact, of which follow-up can occur before a, after a sale or after a non-sale. (Humphrey , 2010).In an analogous view McKean (2004,) refers to customer follow–up as those activities done by organisations when one has shown interest to purchase ,or after a purchase has been made. He further highlighted some of the reasons forwhich follow-ups are made. These are:

- appreciating the customers for choosing them.
- confirmation of a transfer or a delivery, either by email or letter.
- checking if customers have your contact details and that you have theirs.
- adding the customers to administrative lists in the business mail or email.
- Proposing related or additional products or services to the customer.

However, Finch (2000) differs in his line of thought towards this opinion, as he suggests that the professional way to do business is following up on the service rendered to customers. It can thus be said that follow-ups are made for both services rendered and for helping to acquire information for administrative purposes.

2.4.1 Types of Follow-ups

The types of follow-ups stated by Ingram (2011), Freemantle (2005), and Kemley (2008) are; Follow-up visit, Follow-up call, Follow-up SMS and Follow-up email. Ingram (2011) however postulates that the best way to provide customer follow up is through a call or a visit to the customer. Fisk, Grove and John (2008) postulate that the form of follow-up used depends on the type of service and recovery situation. Be it is just after a sale, or before a sale has been made.Freemantle (2005) gives a description of, and reasons for which follow-up calls and visits are made, thereby clarifying the reason that Ingram (2011)suggested that these two types of follow up be used.

- **Follow-up visits**

Freemantle (2005) alludes that face to face is more alluring than using automation and is useful for enhancing relationships with customers as it engages clients in purposeful conversation that will help the service provider representative to recognize their opinions and feelings towards the product or service.

- **Follow-up calls**

Freemantle (2005) refers to follow-up calls as the phone calls made to the customer to enquire on their satisfaction with the product or service and also with the aim of informing them of new developments. He however suggests that an organization should set rules as to how frequent a customer can be called. It can then be said that follow up visits and calls are best when it comes to relationship enhancement, while automation acts as an aid in enhancing the relationship.

2.4.2 Importance Of Following-up To The Organisation
Garner and Garner (2004) suggest that if an organisation wishes to continue selling services to customers in the future, they need to be apprehensive about their customers' satisfaction. In support to this view, Ingram (2011) emphasizes that it is very important to follow up a customer after a sale. Kemley (2008) goes on to mention the importance of making follow-up. He mentions that they are useful in acquiring knowledge on whether customers are satisfied or dissatisfied with the product or service rendered to them by the company. This will in turn give control to the company in that knowledge on what satisfies and what does not satisfy the customers is acquired. Any complaints which are raised during a follow up will be acted on. This is good in that those complaints which would have affected other customers will be resolved before they complain also. Thus it acts as a service recovery tool. Giving an organisation another chance to solve the customer's problem efforts made at first to meet the customer's expectation will have been unsuccessful (Larfage and Avila, 2009). Customer follow up also helps to recover lost customers and it in turn helps identify what is causing customer dissatisfaction and customer defection. Customers are impressed when they are followed up on by their service provider after the first service recovery episode. They feel glad that the service provider cares about their needs and are assured that the service provider will always attend to their needs as a valued customer.

This is emphasized by Boundless (2013), as the author denotes that follow up contributes to the customer's perception of value purchased. Thus it gives confidence and assurance to the customer that they chose the right product or service provider to meet their needs and wants. Fisk et al (2009) mentions that, organisations that evaluate their recovery plan itself and recognize where there is need for improvements can expect to make the greatest strides in overcoming customer dissatisfaction.

However it is important to note that there is need to handle follow-ups with caution, especially in situations of service failure recovery. If what the customer thought the service provider should have done to recover service failure, given their circumstances is not done, they are likely to exhibit negative emotions such as anger and frustration (McColl-Kenedy and Sparks (2003) cited in Fisk et al (2009). This might make customers go elsewhere for service provision.

From the above mentioned authors, it can be said that follow-up on customers helps a firm to nurture good, and ensure long lasting relationships with their customers as communication goes on between the customers and the service provider. However the manner and frequency which communication is interpreted and translated determines the quality of the relationship. It can either be strengthened or destroyed.

2.4.3 Customer Follow Up and Customer Loyalty

Organisations which practice customer follow up have an advantage of building customer satisfaction, maximising on future and long-term sales volumes, and making a sale where a sale has not been made (Boundless, 2013). The author goes on to explain how this is achieved by mentioning that follow up is an integral part of customer service and it tells the customer that they continue to matter and this perception might make them receptive to repeat business and / a sale. In accordance to this thesis, Sexton (2012)comes in proposing that it is for every sale that follow up should be made, as it this gives rise to opportunity for repeat sales and avoids giving competition a leeway to take advantage of the customer suffering from cognitive dissonance before or after a sale.Due to competition's introduction of substitutes or better offerings, customers may be lost to competition if they are not followed up. Hence following them up helps the service provider to build and nurture a relationship with that customer, such that even when competition becomes aggressive, the customer will still choose to deal with the service provider they have a relationship. The author mentions that it is more likely that a prospective customer

will contact the service provider when he or she is ready to buy. Thus leading to a sale, where no sale had been made, as mentioned before by Boundless (2013).

Regular follow up generates to long-term repeat customers, as the follow up is a way of getting feedback from customers (Boundless 2013). This will help the organisation identify what the customers need and want. In so doing, it helps to build a mutual relationship. Sexton (2013) adds on showing what is expected for a service provider to do during the follow up so as to achieve customer loyalty. He suggests that customers' opinions be asked in order to show that they are valued by the organisation. He further mentions that it is an excellent way to cultivate the business relationship and generate more repeat business. Thus customer follow up helps in making a sale, building customer satisfaction and assurance, which in turn leads to customer loyalty.

2.5 Summary
This chapter reviewed the available literature of the authorities on the areas concerning customer service training, employee emotional intelligence and customer follow-up and their effects on customer loyalty. The next chapter will focus on the methodology of the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes how the study was carried out. The key elements to be covered are the research design, target population, the sampling method, sampling frame, sampling procedure, the data sources, the research instruments, data collection procedures, validity and reliability of the findings, as well as data analysis and presentation tools.

3.1 Research Design

As asserted by Kumar (2005), a research design is a routine plan that is adopted by the researcher to answer questions reliably, objectively, truthfully and economically.

The researcher used a combination of descriptive (quantitative) research and exploratory (qualitative) research for collecting data and analysing information, as the exploratory research was used to discover ideas and insights while the descriptive research was used to describe the population with respect to important variables. The combination of qualitative and quantitative research designs enhances the reliability, validity and dependability of the research study.

3.1.1 Exploratory Research

Exploratory research being qualitative by nature includes perceiving and attending to people as they respond in a carefully constructed environment of enquiring, thus aiding in the development and improvement of successful techniques for customer service to attain customer loyalty. The researcher used exploratory research in search of insights and in depth understanding into the customer service training.

3.1.2 Descriptive Research

Descriptive Research being quantitative in nature is concerned with describing the characteristics of a certain group or individual. Hence in descriptive research, there is description of specific facet of market purpose and character. Descriptive research design will be used because it will enable the researcher to understand the characteristics of a definite problem which in this case is an increase in customer complaints and loss of customers. The proper instruments for this design would be interviews and questionnaires to collect data concerning customer experience, customer service training and customer follow-ups from FML management and staff as well as

from the customers. The study will also afford the researcher with necessary information to bring about more ways to manage customer services, encourage and /or increase customer loyalty.

3.1 Target Population

Target population is the group from whom the study population is drawn. The population under study consists of FML management and employees, and FML (individual customers and corporate customers (medical aid, funeral policy, pension schemes, and life policies) in the FML database). The population of this study according to FML records consisted the following.

Respondent Category	Total of Sample Frame
Individual customers	2500
Corporate customers	50
Non-Management Staff	17
Management Staff	2
Total Population	**2569**

3.3 Sampling Method/ Sampling Techniques

The researcher used both probability and non-probability sampling methods. Sampling is the process of selecting a representation of the population that represents characteristics of a population from which it is drawn.

Probability sampling techniques are stratified random sampling. Non-probability sampling techniques used were convenience sampling, judgmental sampling. The researcher made use non- probability and probability sampling. This is because it helps one measure both quantitative and qualitative elements in the research.

3.3.1 Sampling Frame

Sample Frame is a list of population members used to obtain a sample in which the researcher made reference to. In this specific study, the sample frame was every walk in individual customer who purchases and pays their contributions during the data collection period at Gweru FML office, Corporate Customers, FML management, FML non-management staff in the Sales and Marketing and other departments within the period planned by the researcher. All these were

chosen because they are involved in the service provision process are the best people to give the appropriate information to the researcher regarding this study.

Table 3.1 Sample frame

Respondent Category	Total of Sample Frame
Individual customers	**100**
Corporate customers	**20**
Non-Management Staff	**17**
Management Staff	**2**
Total Population	**139**

3.3.2 Sampling Procedure
The procedures to be used are probability and non-probability sampling.

3.3.2.1 Judgmental Sampling
The researcher used this judgmental type of sampling technique, also known as purposive and authoritative sampling. It is based on the knowledge and expert judgment of the researcher. The process involves intentional picking out of individuals from the given population based on the ability of the researcher to do so. The researcher also used judgmental sampling for management and staff, as this method allows the researcher to use her own judgment to identify respondents who are easy-to-approach or easy to contact.

3.3.2.2 Convenience Sampling
Convenience sampling encompasses selecting respondents based on their availability for the study and is good in that it saves time and is cost effective. It was used for selecting corporate customers to use. Due to restricted time and resources only corporates within Gweru were used.

3.3.2.3 Stratified Random Sampling
The researcher divided the target population into heterogeneous sub-groups which are strata. These are individual customers, corporate customers, FML non-management staff and

management staff. Stratified sampling is good for this study because it ensures the presence of key subgroups within the sample. Thus it displays appropriate representation. It also has a high statistical accuracy, as the variability within the subgroups is lower compared to the variations of dealing with an entire population

3.3.2.4 Census Sampling
A census sample includes all members of a population. It wasused by the researcher to select management and non-management staff as the population for these groups is small. Thus the researcher chose all the elements in FML management and non-management strata.

3.3.3 Sample Size
The researcher used Morgan and Krejcie (1970) model Appendix 5 to come up with the sample size for individual customers. The sample size for corporate customers and individual customers was determined using this model. For determining the management and non-management sample size, the researcher used the Census method, as it eliminates sampling error and makes available data on all the individuals in the population. This resulted in sample size as illustrated in **Table 3.2** below.

Table 3.2 The Targeted Respondents

Respondent Category	Total of Sample Frame	Sample of respondents
Individual customers	100	80
Corporate customers	20	19
Non-Management Staff	17	17
Management Staff	2	2
Total	139	118

This sample size is supported by Castillo(2003) who postulates that a large sample size normally leads to increased accuracy as they results may reflect the true perceptions of the total population.

3.4 Data Sources

The researcher will gather data using primary and secondary data sources to gather data so as to answer the research questions and objectives.

3.4.1 Secondary Data

Secondary data is information that has been accumulated for other reasons. This was used by the researcher to compliment the primary data, as well as to assist the researcher in defining terms in the review of literature. The researcher made use of journals, text books, feedback files, customer database, customer service records, as well as the FML website for the period of January 2011 to January 2014.

3.4.2 Primary Data

Primary data is firsthand information collected for the period of research and may be later used as secondary data. In this study it refers to the information collected from FML customers, management and staff through the use of questionnaires and interviews. The data was collected through well designed questionnaires which helped the researcher to acquire relevant information to the study. That is, the effects employee customer service training, employee emotional intelligence, customer follow up and customer loyalty.

3.5 Research Instruments

The research instruments used by the researcher are structured, undisguised questionnaires with 5-point likert scales and an interviews guide for interviews. The questions addressed the information obtained from the literature study in chapters two.

3.5.1 Questionnaires

The researcher designed appropriate questionnaires (Appendix 1-3), with structured questions for the questionnaires, for each category. The structured questions, with some having a 5- point likert scale, gave the researcher an opportunity to collect verbatim response. Respondents can

easily express themselves without fear of identification on the questionnaire. The questionnaires had structured questions for each category.

3.5.2 Interviews

Personal, structured, undisguised interviews were held in a natural setting. Interviews were suitable for management because they are often busy and the chances of them being willing and able to fill a questionnaire are very slim. Moreover they would provide the researcher with more information than a questionnaire would give. Hence the researcher's choice of using interviews for obtaining information from management.

3.6 Data Collection Procedure and Administration

Pretests to the questionnaires were conducted by the researcher on three MSU colleagues. After crafting the questionnaire, it was given to the colleagues to attempt to fill it. This would assist the researcher in avoiding ambiguity in the questions. Alterations were done after receiving suggestions form colleagues. Questionnaires were revised, corrected and then issued to participants. Questionnaires were issued to the individual customers, FML non-management staff from Sales and Marketing and other departments as well. Questionnaires to cooperate clients were administered with the help of the Sales and Marketing staff at FML via the intervention of management. FML management encouraged them to respond, with an understanding that the research would benefit the organisation. On the other hand, those questionnaires to individual customers were self-administered by the researcher. The questionnaires had not more than 12 questions. The researcher also used a self-administered interview. This would help in that, it lets one clarify questions that respondents did not understand and in turn give the researcher a chance to follow up on responses she had not understood or expected. The interviews did not take more than 15 minutes per participant. Appointments were booked in advance by the researcher to interview FML management

Collection of the questionnaires from the respondents was done by the researcher upon completion. Follow-up was sent out to those respondents who had not responded, after 2 days via management and the receptionist's help. Those corporates which had not responded by then

where followed up on by management, with the intention of acquiring helpful information to the organisation from the on completion of the research.

3.7 Validity and Reliability of Findings

To ensure that the findings were reliable and valid, the researcher submitted the research instruments to be used, to the assigned supervisor for validity checking and correction, so as to ensure that the design of the instruments used would produce reliable findings. A pilot study being the last stage in developing research instrument was carried out by the researcher using her MSU colleagues as participants. The purpose of this being, to test the research instrument (in this occasion, the questionnaire) was to measure how it works under realistic conditions. That is, the time taken by respondents to complete the drafted questionnaires before the actual survey was done, as Martella, Nelson, Morgan, and Marchand-Martella (2013) define a pilot study. The say that it is a process whereby the researcher tests his or her research instruments so as to measure how it works under realistic conditions.

Customers are often more forthcoming to an independent person than to their service providers, so using a third party, (in this case, the researcher), to measure the customer perceptions often yields more genuine results.

For interviews, the interview guides were checked and approved by the researcher's assigned supervisor. This was to ensure that the questions asked would not offend or cause the respondents to feel uncomfortable or otherwise give false information.

3.8 Data Presentation and Analysis tools

When data was collected, the researcher then presented the findings in understandable and clearer data. The data was presented in form of histograms, pie charts, tables and other relevant presentation tools. The researcher analysed the data using Microsoft Excel.

3.9 Summary

The researcher made use of exploratory (qualitative) and descriptive (quantitative) research designs. Also made use of was a combination of non-probability sampling and probability sampling, stratified random sampling, census sampling, convenience sampling, judgmental sampling. Structured questionnaires including 5-point likerts scales and interviews were used as research instruments. These have helped the researcher to obtain all the information that will be presented in the Chapter 4.

CHAPTER 4

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0.   Introduction

This chapter presents the research findings of this study. The data collected from the questionnaires and interviews in this study is presented, described, analysed, discussed and interpreted. Presentation is in the form of tables, and bar graphs. For analysing quantitative data the researcher used frequencies, percentages and Microsoft excel applications, whereas content analysis was used in the analysis of qualitative data. Here, the data is presented in form of continuous paragraphs highlighting major themes and quotations attained from the respondents. The results of the research helped the researcher to acquire a profound understanding of the study. The chapter attempts to answer the research questions that motivated the researcher to carry out the study. The chapter presents a summary of the findings as well.

4.1. Response Rate

The researcher distributed questionnaires to the individual customers, corporate customers and employees. The breakdown of response rate on questionnaires is shown in the Table 4.1 below:

Table 4.1: Questionnaire Response Rate

Respondents	Questionnaires Interviews	Questionnaires Returned/	Percentage of Return %
Individual Customers	80	73	91%
Corporate Customers	19	14	74%
Non-Management Staff	17	15	88%
Total Population	116	102	88%

The table shows a high response rate of 88% was obtained, probably because the participants found the research under study interesting, employees were given questionnaires to fill in at convenient times, bookings for interview with management were made in advance, as well as the follow-up survey that was carried out with the help of management. The 12% non-respondents can be ascribed to the fact that employees and customers were not accessible at the time of distribution. The responses acquired for every sub-group were all good, such that the researcher managed to analyse the data and come up with meaningful conclusions on the research under study. This is supported by Martella, Nelson and Morgan (2013) who postulate that a responsive rate of 50% is adequate for analysis reporting, 60% is considered to be good, while 75% and above are considered to be very good. The greater the response rate, the more reliable the results of the sample will be. Thus the research findings can be said to be reliable.

4.2 The Effect of Customer Service Training and Customer Loyalty
The research sought to find out if customer service training has any effect on customer loyalty. Customers and employees were questioned on the customer's willingness to be loyal based on customer service skills acquired and displayed by the employees. The findings are presented in **Fig 4.1** below.
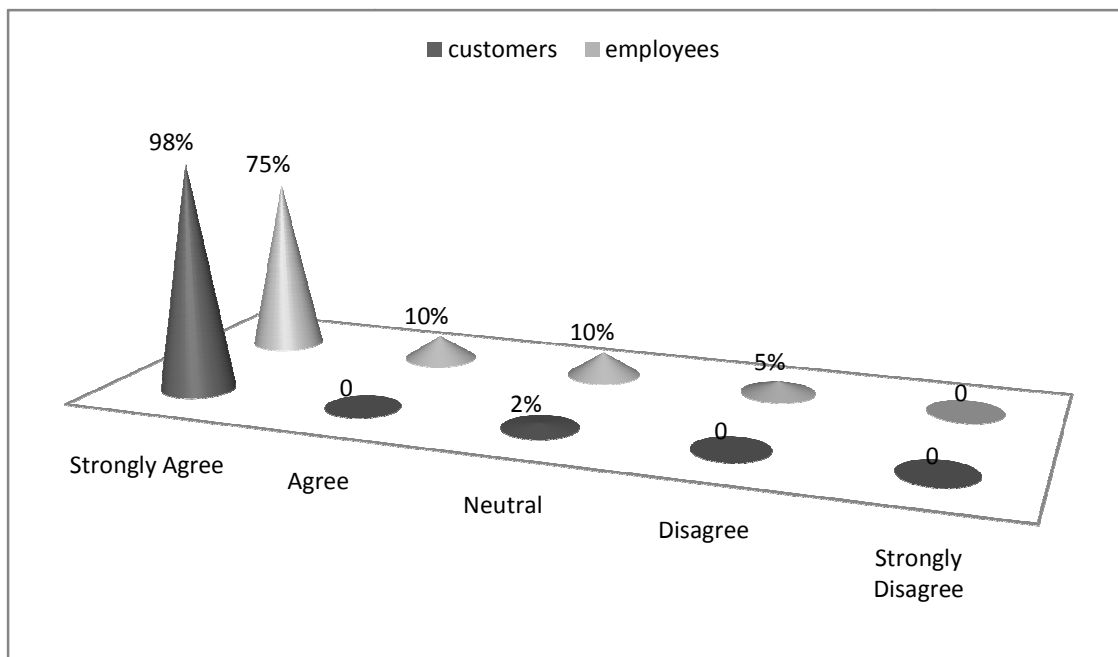
Fig.4.1: Customer Service Training Skills' Effect on Loyalty Customers' Decision

As illustrated by Fig 4.1, employees' response rate was 75% strongly agreeing, 10% agreeing and 10% disagree to the notion that customer service training leads to customer loyalty.Whereas the and customers'response rate was 98% agreeing and 2% while neutral. Customers and employees coincided on the notion that customer service training would lead to customer loyalty.

The above data from the questionnaires is in agreement with views expressed in the interviews where management cited customer service training as leading to customer loyalty. In one of the interviews one manager had to say, "From the time we began to broaden their horizons on the customer service training programs we offer our staff, we have seen a tremendous decrease in the number of cancellations due to poor service provision. There was a time when cancellations were disturbingly increasing and it was disturbing to find out that the reason they cancelled their policies was due our staff's lack of balance on the technical and soft skills."

These results are consistent with the views ofAdrelland (2013), who asserts that customer service training should be done on both technical (job related) skills and soft skills.

4.2.2 Training Programs That Have Led to Loyalty

Employees were questioned on the effect of customer skills gained on customer loyalty. they were expected to tick on the ones they felt led to customer loyalty.The results are illustrated in *Fig.4.2* below.
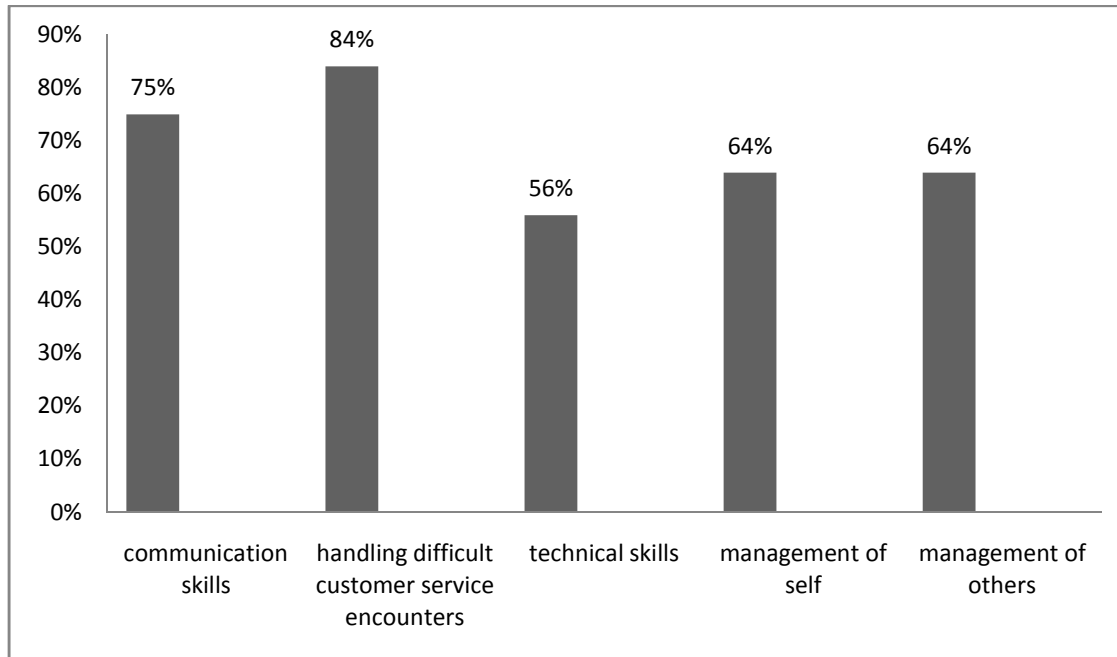
Fig.4.2 Employee's perceptions

As shown on Fig 4.2 above 75% of the respondents agreed that communication skills to be a skill that led to customer loyalty, 84% agreed that handling difficult customer service encounters to be a skill that led to customer loyalty, 56% agreed that technical skills led to customer loyalty, and 64% agreed that management of self led to customer loyalty and 64% agreed that management of others .

Of the above 84% who agreed that handling of customers led to customer loyalty, all of them had attended training, 54% of them were from sales and marketing department and, while 26% were from other departments. Of the 75% who agreed that communication skills led to customer loyalty, all of them had attended(60% were from sales and marketing department, while 15% were from other departments). The 56% who agreed that technical skills led to customer loyalty had attended the training program and were from all departments(sales and marketing, customer care, reception, IT department). The 64% who agreed that management of self had attended the

training program.Of the 64% who agreed that management of other has led customer loyalty had also attended the training program.

This is in agreement with the allusion from Boundless (2013), that customer service training provides greater skill and knowledge to the employees, which translates into a number of improved job performances, hence increased quality of customer service. Of which Kamim (2012) adds on to say that increasing the quality of customer service creates and enhances customer loyalty.

4.2.3 Effects of Employee Skills Exhibition on Customer Loyalty

Customers were questioned indirect on the effect of skills displayed by the employees during service delivery on their loyalty decision.the findings are illustrated in *Table 4.2* below.

Table 4.2 Customers' Responses on Skills Ehxibition and Their Resultant Effect on Customer Loyalty

Employee Skills exhibition	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Professionalism	-	-	5%	20%	75%
Quick response to queries	-	-	5%	10%	85%
Timeous service with a smile	-	-	2%	9%	89%
Staff willingness to serve	-	-	2%	9%	89%
Staff's display of knowledge of the products and key issues about them	-	-	2%	11%	87%
Overall	-	-	**3%**	**12%**	**85%**

As shown in Table 4.2 above, 95% (75% Strongly agree, 20% Agree) while 5% show neutrality on the notion that the display of professionalism by an employee would lead to their being loyal. On Quick response, 95% (85% strongly agree, 10% agree) while 5% show neutrality , On

timeous service with a smile,98% (89% strongly agree, 9% agree) while 2% is unsure. On Staff's display of of knowledge of the products and key issues about them, 98%(87 strongly agree, 11% agree) while 2% show neutrality.

4.3Analysis of The Effects of Employee Emotional Intelligence on Customer Loyalty
The research wanted to find out if employee's display of positive emotions and attitudes results in customer loyalty. Customers were questioned with regard to customer loyalty based on positive employee behavior .The findings are illustrated in *Fig4.3* below.
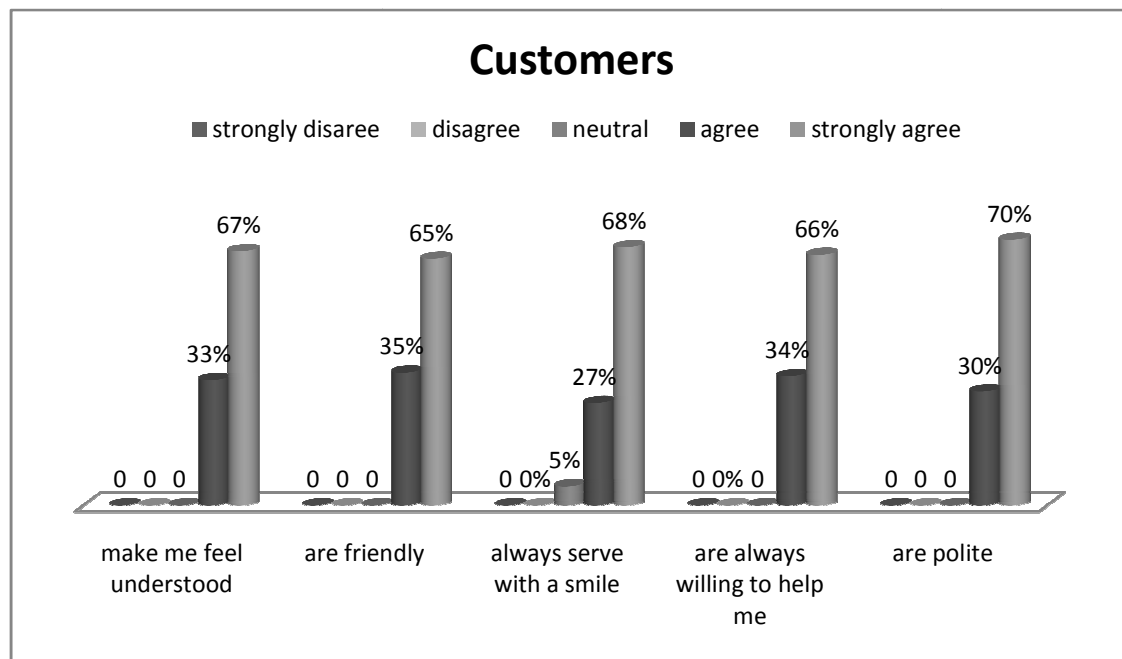
Fig 4.3 Responses on Employee Emotional Behavior and Resultant Effect on Customer Loyalty

As shown in Fig 4.3 above, 67% strongly agreed and 33% agreed that they would be loyal if FML employees would make them feel understood, 65% strongly agreed and 35% agreed based on of employees being friendly,68% strongly agreed and27% agreed, while5% were neutral based on employees always serving with a smile,66% strongly agreed,34% agreed, based on

employees always being willing to help them, and 70% strongly agreed, based on the of employees being polite rate (32% strongly agreeing and 67% agreeing),

Above data from questionnaires is in agreement with the views cited by the management as one manager had to say, "Yes, yes indeed I would say that an employee's ability to expresses a positive attitude is key when dealing with customers. I have noticed that even the difficult customers leave the building in a better state than when they came in. We have had many cases angry customers who have left the office in a better state than before." Another manager said, "We actually have been training on positive expression of emotions and attitudes, and promoted this through incentives and we have seen that the number of complaints regarding this aspect, have decreased from the time we ventured into intrapersonal and interpersonal promotion." These results are in line with the views of Kim (2010) that customers are more likely to become loyal if employees express positive emotions and attitudes.

4.4 An Analysis The Effect of Follow-up on Customer Loyalty
This section presents the data collected to find out if customer follow up is effective to bring customer loyalty to the organization.

4.4.1 Follow-up and Customer Loyalty
The research wanted to establish the effect of follow-up on customer loyalty. Employees , were questioned regarding this objective..The findings are illustarted in Fig.4.3 below.
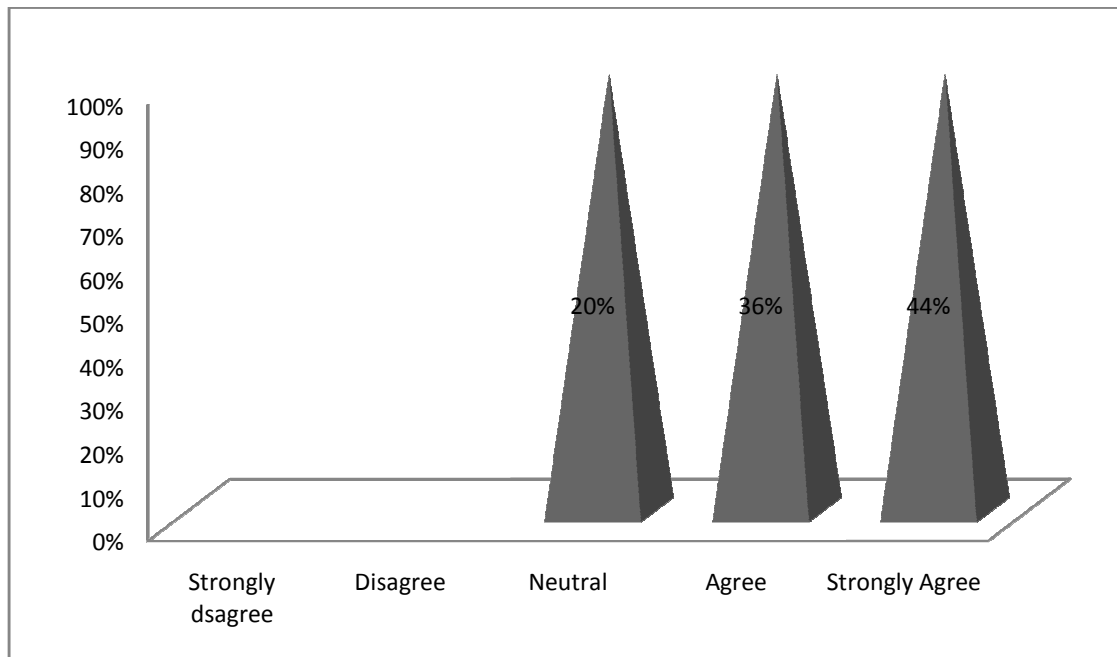
Fig .4.4 Employee responses on follow-up and its effect on loyalty

As shown in Fig 4.4 above, 44% strongly agreed, 36% agreed and 20% of the respondents were neutral, with non of the respondents disagreeing to the notion that follow up on customers has an effect on customer loyalty.

Above data from questionnires is in agreement with views expressed by management as one manager had to say, "we have seen a tremendous change in customer loyalty ever since they made customer follow-ups mandatory. The number of new business recorded has been increasing and only a few of the existing customers still defect." Another nmanagre had this to say, " We were able to recover some lost customers through follow-ups as it helped us identify where they were lacking in terms of meeting the needs of the customers."

These results are consistant with the views of Boundless(2013), that organisations which practice customer follow up have and advantage of building customer satisfaction, maximising on future and long-term sales volumes, and making a sale where a sale has not been made (Boundless, 2013). It is also in agreement with Larfage and Avila (2009) as they allude that follow-up affords the organisation a second chance to solve the customer's problem.

4.4.2 Type of Customer Follow Up's Effect on Customer Loyalty

Employees were asked on impact of follow up type on the customer's decision on loyalty.The findings are illustrated in Fig.4.5 below.

Employees' perceptions

	follow-up visit	follow-up call	follow-up email	follow-up SMS
▪ strongly agree	44%	32%	39%	38%
▪ agree	32%	54%	15%	20
▪ neutral	26%	14%	36%	42%
▪ disagree	0	0	10%	0
▪ strongly disagree	0	0	0	0

Response Rate (y-axis: 0% to 100%)
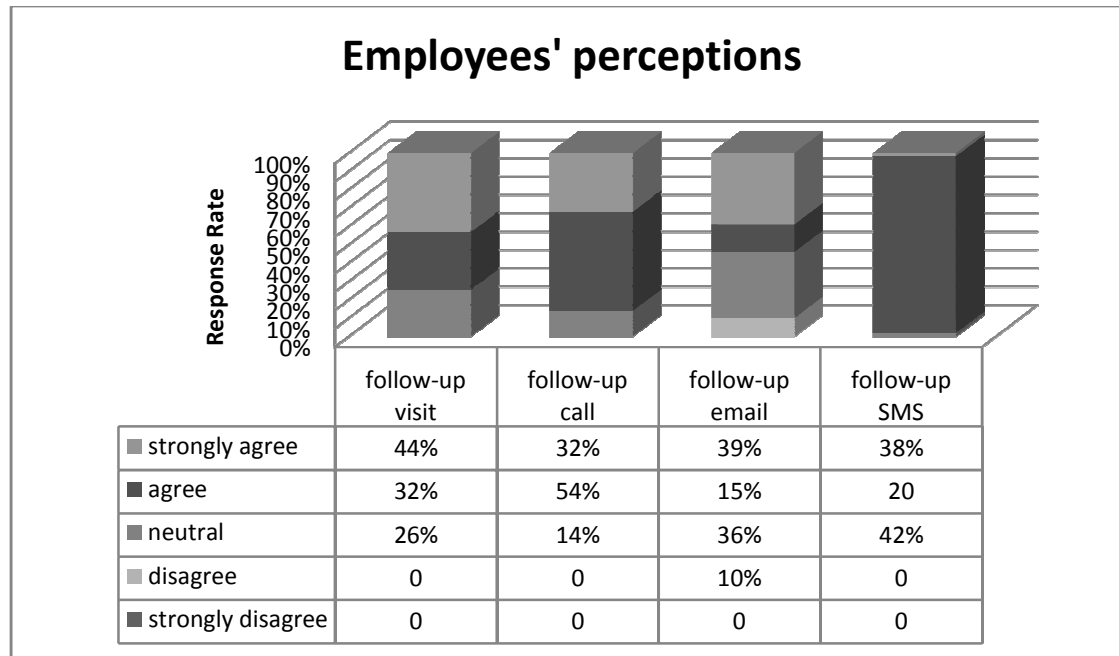
Fig 4. 5 Customer's decision on loyalty based on type of followup **.**

As shown in Fig.4.5.above 86% of the respondents (44% strongly agree,32% agreeing) while 265 are neutral tofollow-up visits leading them to loyalty, 86% of the respondents (54% strongly agreeing , 32% agreeing) and 14% were neutral on calls. For follow-up SMS, 54% (39% strongly agreed,15% agreed) while 14% were neutral on SMS and 58%(38 strongly agree, 20%agree) while 42% were neutral on emails.

Of all the above mentioned types of follow up, if the values of those respondents who stronglyagree and agree are put together, their totals are above 50%. The total for the folow-up visit would be 86%, for follow-up calls it is 86%, for SMS is 54% and emails,it is 58%.

Above data from the questionnaires is in agreement with the views expressed in the interview where mangement cited follow-up visits and calls as being the ones they have seen to have contributed more to customer loyalty, as one manager alluded, "We have found that especially

for our corporate customers, they respond more to visits and calls we make to them and the emails help us with sending documents to each other." The results are consistant with what was alluded by Ingram(2011) as the author postulated that the best way to follow-up is through a call or a visit to the customer.

4.5 Chapter Summary
An analysis on the data collected was done using both qualitative and quantitative approaches. The findings obtained were as follows:

The organisation carries out customer service training and the skills gained from these are communication skills, handling difficult customers, technical skills, and management of self and others. Of these five, handling of difficult customers and communication skills contributed on a larger extent, to the customers' decision to repeat purchase and recommend FML to others. The exhibition of skills gained from training contributes to customer's decision making on repeat purchase and recommending FML to others. Overall, of the five skills exhibition, it was seen that all of them are important in improving customer and have a positive effect on improving customer loyalty. Most of FML employees practice emotional intelligence and customer loyalty comes as result of this practice. Follow-up is made by the company representatives in the form of calls and visits and calls are mostly made. The ambition of this chapter was to present and analyse the data collected by researcher for this study. The next chapter will show the research summary, conclusions and recommendations based on the findings form the research.

CHAPTER FIVE

SUMMARY OF FINDINGS CONCLUSIONS AND RECOMMENDATIONS

5.0 Summary

The purpose of this study was to assess the effects of customer service strategies engaged by First Mutual Life Assurance Company, on customer loyalty. The objectives being: to find out the effects that training employees on customer service have on customer loyalty; to identify if employee emotional intelligence results in customer loyalty; and lastly, to establish the effects of customer follow-up on customer loyalty. Studies on other customer service strategies in the past decade, have been done by many scholars in other countries, but a study, particularly on these issues has not yet been made in Zimbabwe specifically in the insurance industry.

The research reviewed notions by different scholars using text books, journals articles. The insights and concepts by these scholars were of significant help in the completion of this research study, as the research managed to identify knowledge gaps and close the gaps using the ideas and suggestions by other authors, which gave the researcher a more profound understanding of the customer service strategies and how these build customer loyalty.

The research adopted exploratory and descriptive research designs, using non-probability and probability sampling techniques. Questionnaires for collecting data on customers and employees were used, while management data collection was done using interviews, with a sample size 118 out of a population size of 2569 people. With pilot testing having been done, data was gathered using interviews with management, questionnaires that were administered by researcher for customers and employees.

The research found some challenges with obtaining information from management due to their busy schedules; hence the researcher then booked appointments to interview them. In order to avoid respondents feeling uncomfortable to give the information they were assured by the researcher that their responses would be held in strict confidence.

The data from the study was then presented, analysed and discussed by the researcher in relation to the research objectives in the previous Chapter. Summary of the whole research, conclusions and recommendations were also presented in this chapter.

5.2 Conclusions

5.2.1 Effects of Employee Customer Service Training on Customer Loyalty

The research concludes that employee customer service training has a positive effect on customer loyalty as evidenced by the majority of the respondents agreeing customer service training has led to customer loyalty. With management mentioning that they have seen a tremendous change on customer cancellations each time their staff undergoes any customer service training program. Employees's response of above 50% on each training program agrees on the notion that training programs led to customer loyalty show that employee customer service training has a positive impact on customer loyalty.

5.2.2 Training Programs Received and Resultant Effect on Customer Loyalty

The research concludes that customer training programs have a positive effect on improving customer loyalty. This is so, as shown by the 69% respondence rate in agreement to the notion that all the areas trained on led to repeat purchase and recommendation. Technical skills appears to be the least influencial in determining customer loyalty as it has the lowest repsonse rate of 56%, compared to the response rate for handling difficult customer encounters (84%) and communication skills(75%) which are the highest determinants of customer loyalty. Hence customer service skills , can become determinants of customer loyalty.

5.2.3 Employee skills exhibition on customer loyalty

The research concludes that customers are willing to be loyal basing on employee skills exhibiton. This means that employee's ability to exhibit employee skills will lead to customer loyalty. This is shown by an overall of 85% respondents strongly agreeing and 12% agreeing on the idea that employee skills exhibition leads to loyalty, whereas only 3% of them are neutral.

On the other hand, research can conclude that regardless of good employee skills display,some customers are not willing to commit to a brand as shown by the 2% neutrality represented in each exhibited employee skill.

5.2.4 Effects of Employee Emotional Intelligence on Customer Loyalty.

The research concludes that the ability of employees to display positive emotions and attitudes has a results in customer loyalty. This is shown by the fact that all elements given were rated above 65% in strong agreement that customers would be loyal if employees displayed those characteristics.This also shows that customers value emotional intelligence behavior as a basis for making decisions on being loyal to FML.

5.2.5 Effects of Customer Follow-ups on Customer Loyalty

The research concludes that customer follow-up has a positive effect on customer loyalty. This is evidenced by non of the respondents disagreeing to follow-ups having led to customer loyalty.

The research also concludes that follow-up calls and visits are most appropriate in achieving customer loyalty. This is evidenced by the 86% respondents regarding follow-up visits as leading to loyalty, and the 86% also on follow-up calls, as postulated by Ingram (2011) and supported by management and employee's response , showing that follow up calls and visits are the most determining on building customer loyalty. The findings show that follow up visits, calls have to a greater extent led to customer loyalty as indicated by the , while the use of emails to follow up have a lesser effect

5.3 Recommendations

5.3.1 Effects of Customer Service Training on Customer Loyalty.

- Since all employees went through training but the results show that some of the individuals have not yet grasped the skills needed,the researcher would recommend that FML management identifies individuals and areas they need to be retrained on with regard to customer service provison, and carry out the trainings in a conducive environment so as to help them grasp the skills they need to perform as expected in their jobs. As mentioned by Ukens (2007) that combination of on the job training and off the job training will yield better results than if only one of them is used . This is true because some individuals learn faster whilst doing than when they are watching others.on the

other hand some learn faster being lectured to. However there are some skills which can not be caught off the job.

- The researcher also recommends that training be done regularly in form of refresher courses for all employees and management in all departments. This helps those who were lagging behind due to different circumstances, to catch up with others. On this note, those who are now good in those skills can take part in teaching others. This would be a way to motivate them and increase their moral and create employee loyalty, which in turn leads to customer loyalty.

5.3.2 Effects of Employee Emotional Intelligence on customer loyalty

- Since most of the employees at FML regard themselves emotionally intelligent and only a few are not sure of themselves, the reseach would recommend that management continues to encourage the expression of possitive emotions in every service encounter , so as to improve on company performance in terms of purchase, repeat purchase and FML recommendations by customers to others. This can be done by giving incentives to those who are commended by customers to be always expressing positive emotions , manage themselves and manage others well.

5.3.3 Effects of Follow-up on Customer Loyalty

- Since customers show that some are neutral concerning follow ups, it might be best for management to adopt the concept of regular follow up by Boundless (2013) on follow ups, that follow ups may frstrate a customer if done too much regular follow up bearing in mind that some may feel pressurised by being followed up on too regularly, hence the mangemnet should use clearly lay down which type of follow-up to use for which situation, giving room also for employees to make decisions based on the given situation.

5.4 Recommandations For Future Research

This research study focused on the effectiveness of customer service strategies on customer loyalty in a services company in the Insurance sector, focusing on customer service training, emotional intelligence and customer follow-ups. Hence the researcher recommends that a study of the same nature be done on a larger scale focusing on the same customer service strategies in order to see if the two researches would yield the same results.

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Appendix i

QUESTIONNAIRE FOR FIRST MUTUAL LIFE CLIENTS

My name is Joy Mashinya; I am currently studying Bachelor of Commerce Honors Degree in Marketing Management at the Midlands State University. I am conducting a study on the effectiveness of customer service management strategies on customer loyalty at First Mutual Life Assurance Company. I kindly request your assistance by answering the questions below. Please be assured that your responses will be treated in strict confidence.

Please tick where appropriate and insert answers in spaces provided. Thank you for your contributions.

<u>**Section A : Demographic**</u>

1. Kindly indicate your sex

    Female ☐   Male ☐

2. For how long have you been a member of First Mutual Life?

    Less than 1 ☐   2 - 5years ☐   6- 10 years ☐   over 10 years ☐

<u>**Section B: This section is based on your loyalty to FML**</u>

3. Which of the Following First Mutual Life Product(s)/Service offerings do you use?

    Medical Savings Fund ☐   Life Policy ☐

    Funeral Policy ☐   Education Policy ☐

    Pension Policy ☐   e-FML Policy ☐

4. In which of the following loyalty categories do you belong?

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Switcher: I use FML products only because they are affordable					
Loyal: I recommend FML tomy friends, relatives and others					
Variety seeker: I have policies with other companies beside FML					
Habitual: I am an FML member because of work / my family uses FML products					

Section C: This section is based on your experience with FML employees

5. How would you rate your overall experience with FML customer service provision?

	Poor	Fair	Good	Very good	Excellent
Professionalism					
Quick response to queries					
Timeous service with a smile					
Staff's willingness to serve					

Staff's display of knowledge of the products and key issues about them					

6. The following customer service variables would lead to your being loyal to FML?

    Please tick in the space provided to show the appropriate answer

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Disagree
Professionalism					
Quick response to queries					
Timeous service with a smile					
Staff's willingness to serve					
Staff's display of knowledge of the products and key issues about them					

7. From my past experience with FML, I can say that the employees;

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Make me feel understood					
Are very friendly					
Always serve with a warm smile					

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Are always willing to help me					
Are very polite					

8.   I would become loyal to First Mutual Life services if the employees;

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Make me feel understood					
Are very friendly					
Always serve with a warm smile					
Are always willing to help me					
Are very polite					

Section D : This section is based on your after sales service experience with FML

9. After purchasing First Mutual Life services, which of the following after sales services do you get from the company?

Follow-up visit ☐   Follow-up Call ☐   Follow-up SMS ☐

Follow-up e-mail ☐   None ☐

10. What was the reason for any of the above call, visit

To check if a reported problem has been solved ☐   To give feedback on enquiry ☐

To check satisfaction of service ☐   To remind you to pay premiums ☐

To inform you update you on new product offerings ☐   To wish you a Happy Birthday ☐

11. Please rate the services on the scale; **Strongly disagree - Strongly Agree.**

Based on the aftersales services you experienced, would you be willing to continue using FML services because of the;

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Follow up call					
Follow up visit					
Follow up e-mail					

Follow up SMS					

Thank you for your time and assistance!!!

Appendix ii

QUESTIONNAIRE FOR EMPLOYEES

My name is Joy Mashinya, I am currently studying Bachelor of Commerce Honors Degree in Marketing Management at the Midlands State University. I am conducting a study on the effectiveness of customer service management strategies on customer loyalty at First Mutual Life Assurance Company. I kindly request your assistance by answering the questions below. Please be assured that your responses will be treated in strict confidence

Please tick where appropriate and insert answers in spaces provided. Thank you for your contributions.

<u>**Section A : Demographic**</u>

1. Kindly tick your sex

    Female ☐   Male ☐

2. How long have you been employed at First Mutual Life?

    Less than 1 ☐   2 - 5years ☐   6- 10 years ☐   + 10 years ☐

3. Which department are you in?

    Sales and Marketing ☐

    ☐

    Other   Specify…………………………………………..

<u>**Section B : Customer service Training**</u>

4. **Please tick where appropriate**. Which of the following customer service training programs are available at FML and which ones have you attended?

    Training Program   Available   I have attended

    Communication skills

Handling difficult customer service encounters

Technical skills training

Management of self

Management of others

5. Which of the following training programs have led to customer loyalty? **Please tick in the box next to the appropriate answer(s).**

Training program	Led to Customer loyalty
Communication skills	
Handling difficult customer service encounters	
Technical skills training	
Management of self	
Management of others	

6. Do you agree that the customer service training programs have led to an increase in the number of loyal customers?

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Section C : Emotional Intelligence

7. The following are emotional intelligence characteristics. Do you display when servicing customers?

	Never	Rarely	Sometimes	Often	Always
I remain calm when dealing with angry customers					
I am friendly to customers					
I show empathy when handling customer queries					
I am willing to solve customers' problems					

8. Would the ability of an employee to display the above stated emotional intelligence characteristics when servicing customers result in customer loyalty?

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Section D: Customer Follow –up

9. After customers purchase FML services which of the following do you do?

        Follow-up visit ☐   Follow-up Call ☐

        Follow-up email ☐   Follow-up SMS ☐

  None ☐

10. Does customer follow-up have an effect on customer loyalty?

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

11. The following are types of follow-ups. Do you agree that they lead to customer loyalty?

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Follow up call					
Follow up visit					
Follow up email					
Follow up SMS					

Thank you for your assistance!!!

Appendix iii

INTERVIEW GUIDE FOR MANAGEMENT

1. As you have been training your employees on customer service, have you noticed any increase in the number of loyal customers?
2. In your own view, does an employee's expression of positive attitudes to customers help in building customer loyalty?
3. Looking at FML as an organisation, would you say that your employees' expression of positive attitudes has led to customer loyalty?
4. As you have been doing customer follow-up, have you seen any change in loyal customers?
5. As you have been following up on your clients, which follow-up(s) lead to customer loyalty?

Appendix iv

LETTER OF INTRODUCTION

Midlands State University

Faculty of Commerce

Department of Marketing Management

Private 9055

Gweru

 16 April 2014

The Manager

First Mutual Life Assurance Company

Corner R.Mugabe and 5th street

Gweru

RE: REQUEST TO CARRY OUT AN ACADEMIC RESEARCH WITH YOUR ORGANISATION

I am a fourth year student studying a Bachelor of Commerce Marketing Management Honors Degree. In partial fulfillment of my degree I'm required to carry out an academic research, I hereby asking for permission to use your organization as my case study on the topic;

The Effectiveness Of Customer Service Strategies On Customer Loyalty.

Your understanding is greatly appreciated

Yours Faithfully

Joy Mashinya

Appendix v

Table for Determining Sample Size for a Given Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size
          "S" is sample size.

Source: Krejcie & Morgan, 1970