**CERTIFICATE IN BANKING**

**CUSTOMER SERVICE**

**SECTION A (60 MARKS)**

Answer **ALL** questions

**QUESTIONS**

1. Customer profiling is:

a. Reporting customer data to Government

b. A customer filling a profile on line

c. Using customer data to determine an overall bank marketing campaign.

d. **Using a series of data points to place customers into groups and tailoring their expectations with the banks services.**

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2. Which of the following is a Customer need:

a. Premium pricing

b. Experienced management

c. **Friendly customer service**

d. Growing financial performance

3. What is the importance of customer oriented goodwill?

a. It allows for cheaper resolutions to customer conflict

b. It is a good substitute for good customer care

c. **It helps the management to measure how well customer service is being performed**.

d. It puts the company ahead of the competition in respect of customer service

4**.** What would a perfect customer relationship management entail:

a. Saving the company money

b. **Immediate customer gratification and personalized interactions with each customer**

c. Reducing the call times of customer complaints

d. Increased visibility into the financial situation of the bank

5. Where can a bank start from while working on a strategy for customer service?

a. **Survey the customers to get feedback and to found out their needs and expectations**

b. Copy what the competition is doing

C. Ask the opinion of employees

d. Look for standard customer service strategy employed by other banks

6. What is meant by customer data mining?

a. Creating specialized reports

b. Entering data into a data base

c. Calling customers to survey them

d. **Sifting through vast amounts of data by focusing on specific attributes**

7. What should be the first thing to be done in problem solving?

a. **Verify the information the customer has provided and any additional facts required**

b. Tell the customer they will get whatever they want

c. Tell them to come tomorrow when problem is solved

d. Look for error in the customers story

8. Why should a customer service staff say sorry even when they feel the customer is wrong?:

a. The bank can later tell the customer he/she was actually the wrong one

b. The bank should always take the blame and learn from it

c. The bank can later put the blame on the customer

d. **The focus should be on finding out what would satisfy the customer and solving the problem , not determining the blame**

9. What is the purpose of FAQ (Frequently Asked Questions) ?:

a. To give the website more content which looks impressive

b. To spur the Customers to ask more questions

c. To position the bank as an industrial leader

d. **To answer questions which customers often ask so they can easily find the answer without having to ask**

10. What is the advantage of email based customer service?;

a. It makes dealing with irate customers easier

b. It is impersonal

c. **It makes an easy reference to past communications with the client**

d. Canned responses can be sent back

11. Which of the following is the most effective and least expensive way to market a business?:

1. Advertising
2. **Effective customer service**
3. Glossy colourful brochures
4. One on one service calls

12. Why is customer service important to Banks?:

1. It is required by law
2. **Without it a bank may lose customers**
3. It is an area where banks spend a lot of money
4. None of the above

13. Which choice about customer service is true?:

a. Average customer service will always be sufficient

b. Customer service is boring

c. **Business must provide excellent customer service or expect failure**

d. Customers lost through poor customer service are easy to replace

14. What is a customer call center:

a. A suggestion box

b. A customer profiling center

c. A customer meeting place

d**. A centralized location where customer calls are addressed**

15. Smiling on a phone can positively affect the impression a service provider makes:

a. **True.**

b. False

16. Which is the best way to uncover customer needs:

a. **Ask questions and listening to the answers**

b. Customer questionare

c. Customer profiling

d. None of the above.

17. Studies that have focused on banking services have identified the following as the most important attributes as far as bank customers are concerned:

a. Speed of service delivery

b. Contact personnel

c. Service environment

d. **All the above**

18. Attributes of a client are:

a. **Require personalized recognition and service**

b. Are often served en masse

c. Usually look for the best deal

d. None of the above

19. Why do some Banks not perceive customer complaints as an opportunity?:

a. Because of the nature of complaints

b. Customers always complain

c. It is expensive to please customers.

d. **Some banks have no proper complaint handling mechanism**

20. What are the major challenges facing companies that want to develop close links with their customers?

a.Rewarding faithful customers

b.Making the customer visible to all employees

c. Understanding who the customer is

d. **All of the above**

**SECTION B** **(60 MARKS)**

Answer **ANY THREE** questions from this section.

**QUESTION 2**

1. Describe the levels of customer services contact and provide examples. ( 9 marks)

**i High Level contact services- Customers visit the service facility in person and are actively involved in the service organization and its personnel throughout the service delivery. Example Bank cash depositorsretail business customers.( 3 marks)**

**ii Medium Level Contact Services- Customer have lower degree of involvement with service provider. Example Utility services eg water and electricity ( 3 marks).**

**iii. Low contact Services- They involve no physical contact between customer and service provider. Contact takes place at arms length through the medium of electronic or physical distribution channels. Example Internet services, electronic banking services ( 3 marks) 9 marks**

( b) Mention three advantages of customer complaints to a bank ( 3 marks)

Customer complaints provide essential feedback to the bank and may form basis for improving customer service delivery

( c ) Mention five recent trends in marketing that are manifestation of the dynamics of the changing world ( 5 marks)

1. **Technological advances**
2. **Time based competitive advantage**
3. **New competitors**
4. **Customer segmentation**
5. **Customers demanding to be treated as individuals**
6. **Consumers have become harder to reach**
7. **Weak and small brands are being jettisoned by large organisations/ brands**

(Total 20 marks)

**QUESTION 3**

(a) Discuss any five key and core customer service values ( 10marks)

1. **Reliability- being dependent and consistent**
2. **Responsiveness- being willing and ready to assist customers**
3. **Competence- Being skilled and knowledgeable**
4. **Accessibility- Being easy to approach**
5. **Courtesy- being polite respectful and friendly**
6. **Communicable- being understanding**
7. **Credibility- being honest and trustworthy**
8. **Security- minimal danger and risk**
9. **Understanding- appreciate customer needs**
10. **Focus- an attitude that puts customers first**
11. **Tangible- concrete evidence of services**
12. **TQM- meeting all quality requirements.**

( b) According to the Ted Johns Customer Service Model discuss any five pillars of performance ( 10 marks)

**Any five from the following;**

* **Commitment- The firm has to be committed and develop and implement services that depict total customer service commitment**
* **Credibility- Customers should have good ground for believing in the bank’s promises, Customers should have trust in the firm.**
* **Classification- A bank should segment customers and periodically review segmentation profiles and vary product/ services offer across the segment boundaries**
* **Concentration- A bank should focus its marketing efforts on most profitable customers.**
* **Capability- A bank should employ well trained and capable staff to handle customer services**
* **Continuity- A bank should have retention, reward and recognition strategies which will encourage staff to remain**
* **Courtesy- Customer service staff must be polite, considerate ,torelant and friendly when dealing with customers**
* **Creativity- Customer service staff must have creative ideas for service innovations and improvement**

**(Total 20 marks)**

**QUESTION 4**

( a) Mention four advantages of customer feedback processes to a service organization ( 8 marks)

1. **The organisation will have customer generated data and feedback about customer needs and wants in order to fine tune the marketing mix.**
2. **Customers will feel that they are important and have been listened to and heard and that their inputs are taken seriously by the organisation**
3. **Staff called upon to deal with customers have the ability to influence organisational policy and strategy in areas that affect their work**
4. **Information keeps flowing into the organisation creating opportunities for innovation and adaptation.**

(b ) Mention any four steps in setting up a Customer Care Programme? ( 4 marks).

1. **Identify key dimensions of service quality**
2. **Set standards for service delivery**
3. **Set up systems for service delivery**
4. **Analyse employee training needs**
5. **Develop training programme**
6. **Set up systems to monitor and measure success**
7. **Set up performance related pay and recognition systems**

( c ) The aim of Customer Care Programme is to minimize the need for customer complaints. Discuss four attributes of a good customer care process ( 8 marks)

* **Swiftness in response to customers- customers should not be kept waiting for answers but must be promptly attended to.**
* **Consistency- Customers must be provided with consistent information about products and services. Information to customers should not be ambiguous**
* **Efficiency- Customer complaints must be dealt with utmost efficiency to avoid customers coming back asking for the same thing**
* **Effectiveness- Customer service response must be effective in providing lasting solutions to customer complaints.**

**QUESTION 5**

1. What are the basics that a company must follow or use to form a strong bond with customers? ( 10marks)
2. **Create superior products and services for the target market**
3. **Planning and managing customer retention processes**
4. **Communication- make it easier for customers to reach appropriate company personnel**
5. **Cross departmental participation in planning and managing customers**
6. **Run award programmes / customer recognition/ promotions for customers.**
7. List down standard reception procedures which should be carried out by front office personnel when receiving visitors ( 10 marks)

* **Greet the customer politely**
* **Sign in the visitors**
* **Stay with the visitors until they are assisted**
* **Do not keep visitors waiting for too long before they are assisted**
* **If possible greet customers by their names**
* **Direct customers to the right offices/ personnel to be assisted**
* **Ascertain the customers reason for the visit and direct them accordingly**
* **Notify the customers of any delays while waiting to be assisted**

Two marks for any five of the above

**(Total 20 marks)**

**QUESTION 6**

1. You have been appointed as Team Leader for your bank’s internet banking services. What are the five major steps you will implement to ensure the bank’s internet services meet the clients’ expectations? ( 10 marks )

There are several solutions recommended in order to improve the level of customer service in internet banking. Some of these issues include the improving upon the following:

* **Response time.** Having a target response time in assisting a customer with their problem can greatly improve customer service.
* **Site availability.** Customers should be able to reach a company whenever a problem arises. Therefore, it is more beneficial to establish yourself with the ability for customers to contact you with their problems or concerns (preference is for a 24/7, 365 availability).
* **Download time.** Improving server download times is essential to customer satisfaction as nobody like to tolerate long waiting periods for a response.
* **Timeliness.** Information about the company has to up-to-date and should be revised in a timely fashion as to advise customers about changes in services.
* **Security and privacy.** It is essential that websites provide sufficient privacy statements and describe the security measures in place to protect a customer’s confidentiality and information.
* **On-time order fulfillment.** Insuring order fulfillment in a timely fashion so that it is as fast and when promised is essential in keeping customers satisfied with service.
* **Return policy.** Return policies in the United States and several other countries make a return policy a legal requirement upon businesses. However, it is honoring this policy that prompts customers to be more willing to do business with your company and continue to use your services.
* **Navigability.** Making a website that is easy to navigate is crucial to making your online business user-friendly to those looking to utilize your services or business.

**Any five will qualify for 2 marks each.**

( b) It is often said that if you want to arrive fast, you should walk alone and if the objective is to arrive far, you should do it in a team. In customer service Team work is essential. Explain five attributes of good team work. ( 10 marks)

* **Know the strengths and weaknesses of team members and assign roles according to each members ability**
* **Discuss more and argue less- It is obvious that a team would have divergent views. A good team should strive at reaching compromise and ensure that the customer benefits at the end of it all.**
* **Team members must listen more to each other and establish a good rapport among themselves**
* **Avoid blame game and accept mistakes collectively**
* **Team members must comprehend and show commitment to the banks mission and vision**
* **Establish common working dynamics- With guidelines, coherent ways of working, respecting others, being responsible and committed and being flexible enough so that the energy is kept.**
* **Flexibility- The team should accept chaos and incorporate creativity. A team that lets creative members flow may achieve great innovations**

**Two marks for any of the above**

**END OF EXAMINATION PAPER**