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REPORT

Delivering Superior Customer Service at Zenith Bank Plc. Retail Market

To: Senior Management Team

Group Managing Director/CEO
Executive Director
General Manager
Chief Risk Officer
Company Secretary
Chief Financial Officer

From:

Manager, Marketing Department

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ORGANISATION OVERVIEW

Organisation Name: Zenith Bank Plc



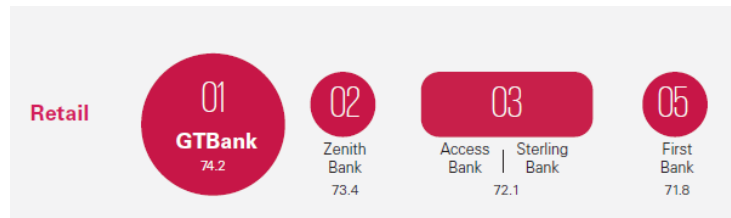
Organisation Information: Zenith Bank is an indigenous Nigerian commercial bank established in 1990. It became a Public Limited Company and was listed on the Nigerian Stock Exchange (NSE) in 2004. It is one of Nigeria's biggest bank by tier-1 capital and ranks as the 6th biggest bank in Africa with a shareholder base of about one million. With headquarters in Lagos - Nigeria, the bank has presence in all states of the federation and the Federal Capital Territory (FCT), including subsidiaries in Ghana, Sierra Leone, Gambia, and the United Kingdom. Zenith Bank has a customer base comprising corporate entities and individuals. From inception Zenith clearly set out to distinguish itself through its service quality, drive for a unique customer experience and the caliber of its customer base.

Product range: The Zenith brand is synonymous with innovation and the deployment of cutting-edge technology to cater to customer's expectations. The range of services and distribution channels ensures convenience, speed, and security of transactions. The Bank's core business segments provide a broad range of services to diverse range of customers. Its Corporate Banking sector accounts for 80% revenue by rendering services to corporates, financial institutions, investment funds, and governments. 20% revenue is generated from Retail banking where key customers are High Net Worth Individuals (HNWI). High premium is placed on exceptional service delivery in the drive to consistently exceed expectations and address the changing taste of customers.

The Zenith brand is driven by its value proposition which relies on the best people, using avant-garde technology to deliver superior service to its customers. Its mantra is **People, Technology, Service.**

CUSTOMERS/CHANNELS			
		2019	2018
Number of Customers		9,575,733	7,835,024
Number of Cards Issued		7,880,411	5,732,820
Number of active POS Terminals		41,536	34,006
Number of ATM Terminals		2,009	1,891
Number of Branches		430	420
Number of Cash Centres		178	176
Number of Male Employees		3,776	3,902
Number of Female Employees		3,441	3,692

Competitors: There are 26 licensed commercial banks in Nigeria, however the major competitors in retail banking are Guaranty Trust Bank, Access Bank, Sterling bank and First Bank of Nigeria, according to a KPMG survey. The similarity of product offered by the various banks and the rise of FinTechs has made the banking sector extremely competitive, making consistent customer experience improvement a top priority. Customers are more knowledgeable and demanding in their expectations from financial institutions. They expect simple and intuitive interactions, with seamless connectivity across physical and digital touchpoints.



Specific background: Zenith Bank aims to remain customer-centric by leveraging on the skills, experience, and commitment of its employees for delivery of exceptional service to customers. The brand has been synonymous with HNWI, however, to encourage financial inclusion, it has developed products that cater for various classes of customers. The consistent increase in number of cards issued, ATM & POS terminals, cash centers and banking hall reduces the customer/employee ratio personnel to customers, thereby improving service quality.

STRATEGIC MARKETING PLAN – ZENITH BANK PLC

Task 1b. Strategic audit

The Nigerian banking industry has always been characterized by steep competition. The stakes are now higher and customer service performance is the minimum standard. The key to being differentiated in a sea of homogenous players is through personalized experiences. Leveraging technology has enabled personalized customer service delivery by anticipating customer needs and adapting propositions. Below are some external factors affecting customer service in Zenith Bank Plc, using the PESTEL analysis tool.

Political Factors

The political stability of Nigeria is a major factor affecting the banking industry. With recent improvement on World Bank's ease of doing business index ranking, an increase in investment rate is expected which would be profitable for the bank. Zenith bank is positioned as a trusted advisor to educate its increasing investors financially. The political unrest in northern Nigeria has negative impact on business continuity and service delivery due to insecurity issues, social unrest etc. As a result, some branches were closed, however, digital channels continue to provide banking services to people in the safety of their homes.

Economic Factors

Bank and economic growth are complementary. The bank benefits from growing economy and vice versa. Nigeria's high Inflation rate (about 13.39%) and lagging GDP growth rate is no good news for banks. The fluctuations have resulted in unstable economy. As the economy struggles, prices fluctuate, poverty increases, and banks are forced to raise their interest rates to maintain their profit margin. The decline in global oil price due to Covid-19 pandemic has also impacted the economy negatively, thereby challenging bank revenues. Customers are now more cautious about spending and more demanding of support from their bank. Zenith bank is building trust with its customers currently through regular communications, re-assuring them of the bank's stability and support. For example, sharing safety and savings tips, deploying more digital channels.

Social Factors

Changing social trends due to the economy has impacted the banking sector and how it serves customers. The protracted oil price decline and the effect of Covid-19 pandemic resulted in realignment of the naira, which has put negative pressure on banks' capital metrics. Consumer behavior has also changed with more demand for digital banking services and quality customer service. Customers now seek assistance and advice on loans relating to school and business, with increased number of small businesses. With an illiteracy level of a little below half of the total population, it is need for more inclusivity. Zenith bank continues to enlarge its range of innovative products and channels to cater for all customer segments e.g. agency banking in rural areas.

Technological Factors

Zenith Bank is always on the look-out for new solutions to enhance efficiency and convenience for its customers. Technology-based applications like POS and ATM have improved service delivery, as they are customer centric, time saving and provide convenience. With 41,536 active POS and 2,009 ATM terminals, a robust digital platform and e-banking channels, customers have easy access to their accounts and

have the option of self-service. Zenith Bank has sustained its competitive advantage by leveraging on its vast technological investments. Zmobile, its mobile application which has received overwhelmingly positive feedback from its users enables self-services like account balance check, investment top ups, intra and interbank real time transfers and other financial activities. This delivers the enhanced flexibility that modern-day customers demand. The mobile money 'Bank2Wallet' service, a product derived from partnering with telecommunication companies, allows mobile phone users link their bank accounts with their mobile wallets, giving customers opportunity to make payments anytime of the day.

Environmental Factors

As environmental concerns have increased, sustainability has become important in the banking sector. Zenith bank promotes sustainability in its services and operations by ensuring that sustainable business practices according to the Global Reporting Initiative Standards are embraced and executed. The bank is committed to periodic process reviews to identify any potential harmful effects on the environment and efficiently alleviating them. The topical climate of the country is managed by functioning air conditioners in all bank branches, for the safety of Zenith bank's staff and customers. Banking operations deliver low carbon and energy emissions, by using inverter-powered ATMs, eco-friendly, energy-efficient air conditioners, and solar energy powered generators in all its branches. This increases brand image and perception for the bank.

Legal Factors

Banking is a regulated area that requires strict compliance. Zenith Bank remains committed to observing all applicable tax policies, labor laws and regulations in the market in which it operates. Consistent with Central Bank of Nigeria's regulation, the bank has established policies and guidelines around the Code of Corporate Governance for Banks in Nigeria, Consumer Protection Framework (CPF) etc. The CPF is aimed at delivering high standard of customer service to all bank customers.

• The Porter's 5 Forces

Minimum threats: The threat of new entrants is relatively low because of the length of time and capital needed to build capacity and gain customer's trust to the point of competing with a tier-1 bank.

Threats of substitutes has increased as companies outside the banking sector have begun to offer financial services, and digital currencies begin to gain prominence e.g. Paga, Paypal, Flutterwave. The risk of banks losing their businesses to Fintechs is increasing.



High threats: The threat of rivalry from competitors is one of the highest because of the similarities in banking products and low cost of switching accounts within banks. To build differentiation, Zenith bank leverages on its capital base and technological prowess to deliver cutting-edge experience and convenience to customers.

The two major suppliers are depositors and employees who supply resource of capital and labor, respectively. They have high influence on the business due to what they provide. Zenith bank keeps its suppliers satisfied to build loyalty and guarantee retention.

The bargaining powers of customers is relatively high because the loss of an individual account may have minimal effect on the bottom line, but the aggregate bargaining power of customers is great, especially HNWI. The power of individual buyers is reduced by building a large customer base and existing customers are encouraged to open additional accounts to increase the cost of switching accounts.

GTBank, a major competition, has distinguished itself by providing superior but lower-cost customer experience. By adopting the push and pull promotional strategy, it attracts customers and increases their loyalty by extending attractive offers and direct marketing. GTBank processes are shortened by eliminating non-value adding steps and incorporating self-service channels with agent assistance.

• TOWS analysis

TOWS	Strengths	Weaknesses
	<ol style="list-style-type: none"> 1. Brand strength 2. High capital base 3. Technological investments 4. Good financial performance 5. Highly skilled personnel 6. Strategic distribution channels 7. Innovation 	<ol style="list-style-type: none"> 1. Low engagement on social media 2. Limited geographic presence (rural areas) 3. Un-integrated CRM system 4. Late entry into retail market
Opportunities	Strengths/Opportunities	Weaknesses/Opportunities
<ol style="list-style-type: none"> 1. National Population growth 2. Increased demand for digital products 3. High percentage of unbanked adults (60million) 	<p>S1,2O1 Leverage brand strength to position strategically for increased market share in growing population</p> <p>S3O2 Use technological investments to deploy more digital products</p> <p>S5,6O1 Improve service delivery through highly skilled employees and strategic channels for the growing population</p> <p>S3,7O3 Provide innovative products and options for 60 million unbanked Nigerians</p>	<p>W1O1 Create engaging content to serve growing population</p> <p>W2O2 Educate rural dwellers of access to e-banking channels</p> <p>W3O2 Gain insight from digital channels to improve service</p> <p>W4O1,2 Leverage on existing knowledge in the industry to launch products fit for current customer demands</p>
Threats	Strengths/Threats	Weaknesses/Threats
<ol style="list-style-type: none"> 1. Strong competition 2. Emergence of FinTechs 3. Shifting consumer behavior 4. Devaluation of Naira resulting in reduced transaction rate 	<p>S2,3T2 Partner with FinTech to provide easy-to-use platforms</p> <p>S3,5T3 Anticipate customer behavior using technology and skilled employees to provide service</p> <p>S5T3 Improve service delivered by skilled personnel to increase customer satisfaction</p> <p>S4T1 Gain trust of customers by leveraging on proven record of good financial performance</p> <p>S5T4 Skilled employees to offer financial advice to customers</p>	<p>W1,3T3 Listen to online audience and use insight from CRM to know their behavior</p> <p>W4T2 Partner with Fintech to gain existing industry knowledge</p>

ETOP Analysis (Environmental Threat Opportunity Profiling)

Environmental Sectors	Importance (1 to 5)	Impact (-5 to +5)	ETOP Score	
Population of Nigeria	5	5	25	Strength
Social	4	4	16	Strength
Economic	5	(3)	(15)	Weakness
Political	4	(2)	(8)	Weakness
Technology	5	5	25	Strength
Competition	5	(4)	(20)	Weakness
Total Score			23	

VRIN Analysis

Resources	Valuable	Rare	Inimitable	Non-Substitutable	Score	CA Offered
Distribution channels	5	4	4	3	16	Sustainable Advantage
Brand strength	5	4	4	5	18	Sustainable Advantage
CRM system	5	2	2	2	11	
Capital base	5	4	4	4	17	Sustainable Advantage
Technology	5	4	3	3	15	Sustainable Advantage
Social media engagement	5	2	2	3	12	

According to the ETOP analysis, the total score is above average total score. Due to opportunities from technology and the population of the country largely, Zenith bank is in a good position. However, there is need for the economy, political and competition factors to be addressed, as they currently show a high level of threat to the organization.

The TOWS and VRIN analyses show that Zenith bank would leverage on its brand strength, extensive strategic distribution channels, capital base and technological investments to build strategies for quality service to the ever-increasing Nigerian populace.

To sustain competitive advantage, these factors would be used to address threat arising from external factors identified by the ETOP analysis.

Task 1c. Objectives

- ❖ **Mission Statement** - 'To build the Zenith brand into a reputable international financial institution recognized for innovation, superior performance and creation of premium value for all stakeholders.

❖ **New Mission Statement**

'To maintain the Zenith brand as a reputable international financial institution recognized for innovation, superior customer service and performance while creating premium value for all stakeholders.'

- ❖ **Vision Statement** - 'To become the leading Nigerian, technology-driven, global financial institution that provides distinctive range of financial services.'

❖ **New Vision Statement**

'To become the leading Nigerian, technology-driven, financial institution globally, that provides distinctive range of services creating premium value for its stakeholders'.

❖ **Marketing Objectives**

The primary objective is to derive 20% of total revenue from retail banking within the next 3 years. This would be achieved by:

1. Increasing market share through customer acquisition and retention by leveraging brand strength to deliver superior service across distribution channels.
2. Improving customer experience by offering convenient quality service to all customer groups using technological capacity.
3. Enhancing the bank's corporate reputation and retaining its position as Most Valuable Banking Brand, through increased customer satisfaction.

Task 1d. Strategic options

Ansoff's Matrix

Market Penetration	Market Development
Increase market share by: <ul style="list-style-type: none"> - reducing churn rate through delivery of superior service based on understanding of customer behavior - acquiring new customers through targeted offers - Increasing revenue through upselling & cross-selling of products to existing customers 	Enhance corporate reputation by: <ul style="list-style-type: none"> - increasing customer satisfaction through personalized services and efficient convenient channels - gain customers' trust by positioning as a Financial Advisor
Product Development	Diversification
Improve customer experience by: <ul style="list-style-type: none"> - launching new digital and mobile products - partnering with FinTechs to grow digital presence and provide better user experience on platforms 	

Segmentation-Targeting-Positioning (STP) strategy

❖ Segmentation:

Below is a segmentation of the current market, to help determine the target market for Zenith Bank Plc.

Age	15 – 21	22 - 35	36 - 50	50+
Socio Economic class	Student	Salary Earner	Business Owner	Retiree
Psychographics (preferred channel)	Cash centers, Mobile banking	Online & Mobile banking	Online banking	Banking hall
Benefit Sought	Banking services without an account	Variety of banking solutions	Low transaction charges	Investment opportunity, Customer intimacy
Geographical location	Rural Nigeria	Urban Nigeria	Rest of Africa	Rural & Urban Nigeria

❖ Targeting

Marketing effort would be targeted at more than one segment: for multi-segment coverage. Based on the segmentation analysis, Zenith Bank Plc should reach these segments:

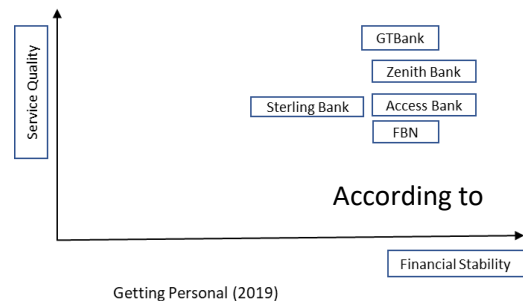
Segment 1: Retirees who prefer banking hall experience and low risk investment opportunities as retirement plan. *Expected % revenue contribution: 5%*

Segment 2: Salary earners seeking operational excellence with ease of banking, variety of banking solutions e.g. mortgage loan. *Expected % revenue contribution: 7.5%*

Segment 3: Students in rural Nigeria who do not have a bank account but need banking services. *Expected % revenue contribution: 7.5%*

❖ Positioning

Relative Market Share				Industry Growth Rate
	High	Medium	Low	
High	★		?	
Medium				
Low	Cash Cow		Dog	



Results from a recent survey revealed that GTBank replaced Zenith Bank as the top-rated bank in the retail banking segment. The survey results show there has been a decline in Customer Experience in retail banking since 2017, as nearly half of the rated banks fell below the industry average.

Zenith bank has always been perceived as an elitist bank (luxurious brand), largely because of its superior customer service quality and its initial strategy, which was focused on corporates, government and HNWI. With focus now on its retail market, there is need for repositioning in the minds of its prospective customers.

Ansoff	STP
Market Penetration – Increase market share	Unbanked students in rural Nigeria
Product Development – Improve customer experience	Salary earners in urban Nigeria
Market Development - Enhance corporate reputation	Retirees in rural & urban Nigeria

For sustainable competitive advantage, superior customer service would be delivered to all target segment. Market penetration strategy for increasing market share would focus on unbanked students in rural areas.

7.5% revenue contribution will come from product development strategy for salary earners in urban cities.

Task 1e. Tactics

	Segment 1	Segment 2	Segment 3
Customer Definition	Retirees who prefer banking hall experience and low risk investment opportunities as retirement plan	Salary earners seeking operational excellence with ease of banking, variety of banking solutions	Unbanked Students in Rural Nigeria that need to make transactions
Unique Selling Proposition	<ul style="list-style-type: none"> - Empowered frontline employees with easy access to customer and knowledge base - Dedicated service help lines - High interest rate - Low risk investment schemes - Loyalty program (Premium, timeless accounts) 	<ul style="list-style-type: none"> - Personalized banking service - multiple banking channels - Credit products - Cyber security 	Efficient mobile banking products e.g. <ul style="list-style-type: none"> - Short messaging code service (USSD) - Agency banking - 'Eazy' money account
Focus Area	Low bank charges Low risk investments	Low Interest on credit products, digital distribution channels	Convenience and efficiency
Product	Improved and differentiated	Innovative and differentiated	Improved and differentiated
Place	Banking halls, Online platforms	Mobile banking, ATM, Online platforms	Customer's mobile phone, Cash centers
Price	No charges	Low charges	Basic Charges
Promotion	<ul style="list-style-type: none"> -Personalized communications (face to face, email, SMS) -Loyalty program 	Email marketing, Personalized communications, Premium account program	Niche marketing campaigns (SMS), Promotions/offers
People	Professional, knowledgeable Customer Service team	Professional and empowered sales, marketing, and Customer Service team	Efficient mobile platform, professional Agents
Process	Excellent service delivery	Efficient e-banking platforms	Robust mobile banking platforms
Physical Evidence	Comfortable ambience in banking halls	Interactive Virtual platforms (gamification) User friendly platforms	Agile Agents User friendly mobile platform

Task 1f. Controls and measurement**Critical Success Factors**

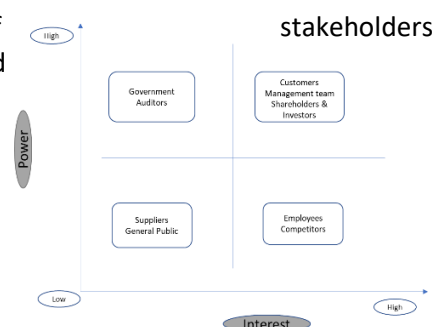
Current Situation	S	M	W	Future Focus
Strategy <ul style="list-style-type: none"> o Customer Centric o More focus on Corporate banking o Focus on digital products, remote banking 	*			<ul style="list-style-type: none"> o Develop cost efficient customer service o Target segment with most business development potential o Look beyond payments: Loyalty programs, advisory services o Leverage social media as a channel o Partnership with FinTech o Continuous improvement through feedback

Structure <ul style="list-style-type: none"> Teams work in silos with little connectivity Good branch network 		*		<ul style="list-style-type: none"> Equip frontline managers more Encourage team collaborations across business units
Systems <ul style="list-style-type: none"> Proficient innovative solutions powered by IT Continuous update of systems and security 	*			<ul style="list-style-type: none"> Implement process automation Integration and regular update of CRM systems
Shared Values Values yet to clearly reflect in all branches and stakeholders		*		<ul style="list-style-type: none"> Introduce campaigns to clearly communicate, educate and encourage the use of organization values by stakeholders
Staff Trained full-time Customer Service employees	*			<ul style="list-style-type: none"> Recruit multi-lingual staff for rural locations Conduct regular customer service training and performance appraisal Introduce machine learning and Artificial Intelligence
Skill Highly skilled personnel and competencies are available in teams		*		<ul style="list-style-type: none"> Develop capabilities: Conduct regular trainings, provide, and promote opportunities for self-development
Style <ul style="list-style-type: none"> 'Open door' policy is encouraged Hierarchy is upheld 		*		<ul style="list-style-type: none"> Encourage open communication Make data-informed decisions

Stakeholder Analysis & Expectation

It is important to align strategies with the expectations of i.e. all that have expressed interest in the economic, social, and environmental performance of the bank. They are:

- ❖ Shareholders and Investors
- ❖ Customers
- ❖ Employees
- ❖ Suppliers
- ❖ Government
- ❖ General public



Budget

The projected revenue increase per year is 20% where current revenue is N193 billion and 9% is the marketing budget.

	Year 1	Year 2	Year 2
Revenue	193,000,000,000	231,600,000,000	277,920,000,000
Projected Increase(N)	38,600,000,000	46,320,000,000	55,584,000,000
Marketing Budget (N)	3,474,000,000	4,168,800,000	5,002,560,000

❖ Resources

The capabilities and competencies below will be needed to effectively execute the objectives:

- Stable Financial performance and base
- Strong brand image
- Stable, dedicated management team and motivated staff
- Leadership in the use of ICT
- Widespread strategic agency banking network
- Efficient digital distribution channels
- Cost effective and innovative operation model

❖ Time-based measures

Activity	YoY				Department
	Q1	Q2	Q3	Q4	
Monitor automated service on platforms					IT
Establish a robust Management Information system/CRM					Marketing & IT
Monitor internal security measures					IT & Risk Management team
Centralize customer related functions to reduce turnaround time					IT
Centralize core business functions					IT
Staff training and performance review					Learning & development, HR
Marketing research					Marketing, R&D team
Direct marketing					Sales & Marketing
Niche advert and awareness campaign (print, online, Tv)					Marketing
Sponsorships and events (CSR)					Sales & Marketing
Brand awareness					Marketing
Survey & Feedback					Marketing

❖ The Balanced Score Card

To ensure effectiveness of all marketing activities, these controls will be put in place:

Perspectives	Objective	Measures (KPI)	Target	Tactics
Customer	-Increase customer satisfaction & loyalty -Increase market share	-Customer growth -Reduce churn rate -Customer satisfaction -Acquisition of new customers from target segment	-Gain customers' trust and loyalty -Increase brand awareness - High Net Promoter Score	-Master touchpoints and provide superior customer service on user-friendly platforms -Personalized email marketing -Loyalty programs -Offer informed financial advice
Financial	-Increased revenue -Cost efficient operations	-Return on Investment -Decreased operation cost	-Upselling & cross-selling of products -Reduce hiring and training cost	-Consistent excellent customer service across channels -Leverage digital channels
Internal Process	Operational efficiency	-Productivity growth	-Streamline customer journey -Provide cross channel communication	-Review operating systems -Deploy digital products and options for contactless banking
Organizational Capacity	-Retain position as Most Valuable Banking Brand -Improve employee capabilities	-Increase staff engagement -Reduce employee turnover -Bank culture audits	-Promote customer-centric culture	-Ensure safety of staff and customers -Train frontline employees -Look for collaboration opportunities

Task 2a.

Insights from VRIN analysis shows CRM system and social media are barriers to gaining competitive advantage in customer service delivery. Zenith bank could exploit available customer data and social engagement to gain an edge over competitors in superior service delivery.

CRM: The journey to superior customer service delivery starts with knowing what the customer wants. Access to contextual data is essential to developing customized services tailored to meet customer's needs. The CRM system provides contextual data when integrated with other platforms.

The current internal silos prevent efficient tracking of customer data and interactions that make up a full customer journey, resulting in delayed response time to queries. Integration of data from all teams (marketing, sales, operations, customer service) would provide a holistic view of customers which would be analyzed to determine customer journey.

Leveraging insight from a continuously integrated CRM enables relationship building resulting in delivery of personalized service, leading to customer satisfaction. An effectively integrated system will enable client experience optimization across channels, digitally and in branches. As simple as personalizing messages could make a customer feel valued and increase their engagement.

Investing in a robust connectivity platform (e.g. salesforce) would enhance easy integration of CRM with other applications within the system. This would aid automation of processes and streamline customer journey to ensure faster service delivery.

Social media: As customer behavior changes, it becomes more necessary to increase touchpoints for data gathering. Zenith bank's verified social pages has large followership that could be utilized for gathering customer data needed for delivery of personalized service. Analyzing social data would enable proactive customer care delivery and better engagement through interactions.

To better engage segment 2 (salary earners - STP analysis), interactions must be around their lifestyle. Connecting with this segment on their preferred channel, at the genesis of their earning years would build a lifelong relationship. Short attention span of this group can be captured through visual and micro-blog contents on social pages. By sharing relevant information on the bank's social pages customers become more knowledgeable and better equipped to make financial decisions.

Engagement on social pages provides insight into customers' pain points and competitor strategy, which can be utilized in strategic decision making. Social pages provide the platform for real-time customer support delivery to enhance satisfaction and loyalty.

By engaging customers via social media, Zenith bank could position differently through delivery of relational rather than transactional customer experience.

(Word count - 400)

Task 2b.

External factors impact on delivery of superior service to customer positively and negatively. By leveraging on strengths, these factors are used to Zenith bank's advantage in delivery of quality service. According to the ETOP analysis (task 1b), these have the most impact:

Economy: The Nigerian economic outlook has been fragile for some years due to recession, global decrease in oil price and the covid-19 pandemic. Though slight growth was recorded, it did not translate into decreased poverty levels among citizens.

Currently, the economy is unstable, resulting in decreased consumption and investment due to low expectation of future income and resulting uncertainty.

Movement restrictions during the pandemic affected the income-generating capacity of the informal sector, which accounts for about 65% of the economy, so reducing their consumption expenditure. Rising inflation rates has also caused increased spending and decreased savings. The uncertainty led to decline in stock prices, as recorded by the Nigerian Stock Exchange, undermining the wealth of HNWI, and discouraging long-term investment.

The lack of disposable income for citizens has resulted in low transaction rates in banks and high customer bargaining power. Customers' expectation is heightened as they expect some flexibility and empathy from banks due to their income loss.

Zenith bank continues to revise its marketing strategy to address evolving customer behavior and prioritize relationships. Through responsive communications to reassure customers of the bank's ability to pull-through and be supportive, the bank has positioned itself as a trusted advisor.

Technology: Technology has created an avenue for delivering competitive customer experiences within banking. Sequel to the 'cashless' policy introduced by Central Bank of Nigeria, the use of electronic channels became imperative.

Emerging technology trends keeps increasing competitive intensity by providing customers with channel options and substitutes like FinTech who has set high standards around digital user experience. The modern customer now expects ultra-responsive service and ultra-user-friendly experience in their digital interactions. The many options now available to customers increases their bargaining power and increases the probability for increased churn.

Zenith bank continues to leverage technology to improve operation processes in deploying innovative products and providing convenient banking, for example, the Automated Voice banking service; an interactive voice response solution designed to talk customers through transaction processes when they dial a dedicated phonenumber and follow prompts. By offering superior service with cutting-edge technology, the bank can acquire and retain customers.

The decision by Zenith bank's leadership to adopt a uniform API standard in partnering its large capital and customer base with FinTech's customer service enhancements would strengthen its competitive advantage in superior customer experience. Particularly, the 60 million 'unbanked population (segment 3 – students in rural Nigeria) would have access to affordable banking operations on their mobile phone.

The negative impact of technology has been the increase in cyber-related security issues, which was responsible for low adoption of technology in Nigeria. The multi-layered security on Zenith bank platforms enhances customers' reliability in transactions.

Social: The nation's economy has affected the lifestyle, demographic, and preferences of citizens. With higher bargaining power, customers have become more demanding and expect empathy from their bank at every point in the transaction journey.

Demographic change such as increased entrepreneurial activities has placed a demand for financial support from banks, as the major reason for discontinuance of an enterprise is lack of access to finance.

Zenith bank's annual lifestyle fair organized to support and create value for customers by focusing on various aspects of their lifestyle, positions the bank as a responsive and reliable partner. The three-day fair shows how the bank goes the extra mile to be present in the lives of its customers, thereby building trust. The event which promotes the creative industry and retail businesses provides a value chain and a platform for exposure to international markets for its customers.

By deploying lifestyle-based products customer can enjoy convenience and the satisfaction it brings. The bank would sustain competitive advantage through deployment of lifestyle enablers. For instance, virtual platforms (personalized drive-through-experience) could be used in delivering superior support services like loan processing or the Dubai Visa product which offers convenient and fast processing of visa for travelers, going forward. Streamlining customer journey and supporting recurring payments made of the bank's platform would increase customer satisfaction.

(Word count - 748)

Task 2c.

Environmental scanning using TOWS, ETOP, VRIN analyses (task 1b - strategic audit) identifies that Zenith bank needs to develop effective responses to identified gaps in data management, for sustainable competitive advantage in superior service delivery.

By harnessing data to improve alignment between customer behavior and marketing efforts, personalized superior service can be delivered to each customer, resulting in customer retention, customer satisfaction, and revenue growth for the bank. Developing a data pool (CRM) supports maintenance of a single-source-of-truth for each customer, which can be used to synchronize communication channels and enhance customer centricity for supporting real-time service delivery.

With intense competition from non-traditional banks, Zenith bank would harness data from industry news plus market research to better identify and understand market trends and customer demands for growing market share, customer retention and satisfaction.

Data captured from in-branch visits, call center recordings, in-app, ATMs, website logs, online transactions, surveys, feedback, and various firm are quality content for CRM. Valuable insight may also be gathered externally from industry sources, government statistics, social media, and marketing research reports.

Big data brings huge opportunities and some challenges. With effective planning, mining and analysis issues arising from interpretation errors, confidentiality and privacy concerns will be minimized.

Growth: Data-driven intelligence are effective for creating adverts, optimizing marketing campaigns and customer onboarding. A reliable CRM will enable segmentation, lead activation, cross-selling models, and communication of relatable offers that motivate customers to invest more or subscribe to additional services, resulting in revenue growth. For example, promoting a credit card to a savings account owner. Sentiment analysis of customer spending patterns will enable effective segmentation and targeting for marketing customized services.

Retention: Customer retention in the banking industry is a major feat because of the ease of switching accounts. Understanding churn behavior patterns through regression analysis allows the bank to identify areas of dissatisfaction to better predict operations. Churn behavioral patterns can be ascertained by analyzing existing customer data from various touchpoints. Data mining tools find patterns, correlations, and future trends, which helps to build accurate customer profile based on behavior. Customers indicated to be churned will be targeted with a prevention plan such as offer of added value like discount at select stores for using the debit card or loyalty points from transacting online.

Customer satisfaction: Delivering customized, superior experiences to customers will produce brand advocates that generate word-of-mouth marketing. Real-time insight from data analysis is useful for providing advisory services that will boost engagement and make the customer feel valued.

Survey ratings that suggest dissatisfaction should trigger a notification for such respondent to be contacted. Prompt response to negative reviews gives the opportunity to mitigate associated risks. Due to the large volume of interactions, big data can be harnessed for efficiency. Also, insights from social media activities about customer pain points can be easily identified and quickly resolved.

For example, using clustering analysis to effectively match customer communication preference with specific customer service staff or channel would enhance communication and increase satisfaction.

(Word count – 495)

Task 2d.

Insights from critical factors analysis (page 9) identifies three key areas of improvement emanating from identified gaps in the VRIN analysis. To gain competitiveness in superior customer service delivery, the banks needs build RATER scores through:

Staff: Employees serve as distribution channel for service delivery hence the need for them to be adequately equipped. To provide superior service quality across channels, employees need to develop customer-oriented capabilities necessary for delivery of cross-channel experience. Training front-line branch employees in personal finance for example, would equip them to address customer queries that cannot be answered on digital channels. By walking customers through their peculiar need, (e.g. saving for retirement, personal finance management), customer trust and reliance can be built.

The willingness to educate customers on the bank's differentiating qualities and recommend products, would show the bank's competency, and assure customers of the safety of their transaction. Branches in

rural areas should be managed by qualified multi-lingual employees to prevent issues arising from language barrier.

Easy access to a central repository of knowledge and customer base would equip employees to make informed decisions when planning marketing campaigns, upselling or cross-selling products. Data-driven insight would shorten response time to queries on social pages and time required to reverse erroneous transactions. This would improve customers' reliability, responsiveness, and empathy ratings of the bank.

Systems: As millions of Nigerians use the internet, they leave digital footprints which provides data that can be captured and analyzed to update the CRM system. Leveraging CRM would reduce lack of connectivity (mentioned on page 9 'structure') and duplication of effort among teams. For example, input from a call to customer care when used during the customer's visit to the banking hall, would enhance delivery of timely service since the teller already has a holistic understanding of the customer's situation.

Investing in Artificial Intelligence (AI) to implement process automation will enable superior service delivery, by improving user experience on platforms. Using AI for repetitive tasks like KYC (Know-Your-Customer) process would enhance process optimization, reduce banking hall visits and employee workload. Using chatbots that provide a human element to messaging, in conversational banking will provide real-time interactions round-the-clock, better optimizing social pages.

Risk associated with security issues has influenced adoption of online banking by Nigerian banks. Harnessing Machine Learning algorithms that detects unusual activities and recognizes suspicious-looking transactions, would mitigate fraud risk considerably. Enhancing security on the bank's platforms, would increase customers' feeling of security in their interactions and their assurance in the system, boosting their satisfaction.

Strategy: The customer-focused marketing model currently operated needs enhancement by leveraging social media as a distribution channel and resource for marketing campaigns. With millions of active social media users, Nigeria provides a wide reach for distribution at averagely reduced overall marketing costs. Enhancing marketing on social media platforms would drive lead conversions and enable responsiveness through real-time customer support and interactions.

Consciously seeking continuous feedback throughout the customers' journey across channels, will provide quality information about their expectations and preferences in communication style, channel etc. As customers express their opinion, pain points can be identified which would help in making strategic product development decisions and improve service quality. With the changing environment where customers are more aware and demanding, the customer experience strategy needs to adopt a closed-loop-feedback system.

As customers give feedback, they expect a response or personal follow-up to confirm that they are heard. Besides presenting an opportunity for engagement between the bank and individual customers, responding to feedback improves delivery of service. As aggregate insights from feedback is fed into the system, a drive requiring corresponding action is initiated with the designated personnel. Adopting this approach on all channels will initiate proactive engagement and provide competitive edge in superior customer service delivery.

For example, when customer feedback is inputted in the system, a notification for action is triggered to help identify and resolve the issue.

To promote satisfaction and reduce churn, the loyalty program needs to be expanded beyond only MasterCard users (the current situation). Customers need to feel that transacting with the bank is rewarding, then they will be encouraged to transact more. Developing a loyalty program that is centered around lifestyle identified through data-driven segmentation to determine offers that will be relevant to and appreciated by each customer will be effective and beneficial to customers.

For example, reducing ATM charges, increasing savings interests or discount in select stores after specified number of transactions, would position the bank as empathic and responsive, especially in the current economic headwinds.

(Word count -747)

Task 2ei.

Combining insight from Net Promoter Score (NPS), retention rate, SERVQUAL results with Return on Investment (ROI) will provide holistic knowledge of service quality deficiencies and corrective measures to be taken. With high bargaining power of customers, it is necessary to regularly measure these KPIs to validate competitiveness in service quality and to determine if objectives are being met.

NPS: Customer satisfaction is a goal and a tool for retention that results in increased revenue and brand reputation. NPS provides feedback for the bank and identifies the effectiveness of the marketing strategy. Effectively addressing concerns from detractors would improve service quality and provide the opportunity for consistent communication with customers while delivering personalized banking.

As customers stay satisfied, loyalty and revenue increases through upselling or cross-selling to upgraded or newer products. Measuring NPS helps in calculating customer lifetime value, determining number of brand advocates, and knowing the necessary areas that require change to convert detractors.

Retention rate:

Adding value through service quality, increases retention rate, and sustains competitive advantage. Influenced by customer churn rate and acquisitions, retention rate indicates customers' satisfaction and the success of acquisition strategy. To increase market share (objective 1), regular measurement of retention rate is needed to determine if strategies requires amendment e.g. incorrect analysis of data.

Satisfied customers who are more likely to upsell and recommend, by word-of-mouth or referral, increase retention and drive revenue growth. Tracking retention identifies the effectiveness of service delivery and competitive offerings.

Task 2eii.

Customer: The SERVQUAL model can be used to monitor tactics outlined on the Balanced Scorecard (page 10) for quality dimensions that impact customer satisfaction and to rate improvement in customer experience (objective 2).

Reliability: With expectation that services would be timely, accurate, seamless, and consistent across channels, Zenith bank has made a name by delivering service as promised in its mantra: “In Your Best Interest”. Transactions are secure, confidential, and mostly accurate. Having secured platforms has reduced cases of cyber theft however, with increasing use of digital channels, an upgrade of security systems will be necessary.

Assurance: Employees are professional, competent, and knowledgeable, making customers feel safe about their transactions. During crisis, communications channels were utilized to reinforce messaging of the bank’s capacity and instill confidence in customers.

Tangibility: Ambience in Zenith bank halls are calm and luxurious, as well as its employees. The vast distribution channels make transactions easier and faster, thereby reducing congestion in banking halls, hence improving service quality on all platforms.

Empathy: Customer friendly banking hours and policies centered around customers’ lifestyle needs. However, some frontline customer service staff come across as snobbish or too formal to certain class of customers.

Responsiveness: Employees are honest about duration of service and always willing to assist. Service in banking halls are generally prompt though on social pages responses are delayed and have a formal tone of voice which discourages interaction.

Financial: Increasing financial market share (objective 1) will be measured by tracking ROI. Gaining understanding of customers’ viewpoint through CRM and acting on feedback can influence ROI. As the level of trust from customers increases, churn rate will decline and the increased likelihood of recommendations resulting in referral sales will impact positively on ROI.

Continuous insight of the customer journey performance is required to focus investment on key improvement areas because CX could be under-delivered causing revenue loss or over-delivered, wasting resources.

(Word count - 555)