

## CHAPTER 8 - CONCLUSIONS AND RECOMMENDATIONS

### 8.1 INTRODUCTION

In the previous chapter the propositions set out in paragraph 1.4.3 were answered and either supported or not supported. This final chapter will focus on the main conclusions by answering the primary and each of the secondary objectives set out in chapter one. Recommendations will be made for future research.

### 8.2 CONCLUSIONS

Reference to the literature and research findings will be used to achieve the objectives formulated in chapter one. Conclusions will be based on the literature study and the empirical research. The empirical research was only conducted in the Gauteng area and the results are only representative of the relationship managers in this area.

### 8.3 RESEARCH PROPOSITIONS

Table 8.1 is linking the questions (See Appendix A), the propositions (par.1.4.3) and the main findings (Chapter 7).

Based on Table 8.1 below the following conclusions are drawn:

- It can be concluded that the main findings in question 13.1 and question 13.2 can **support** proposition 1.
- It can be concluded that the main findings in question 18.1 and question 18.2 can **support** proposition 2.

**Table 8.1: Summary table to link the questions as per the discussion guide (Appendix A), the propositions and main findings (Chapter 7).**

Question	Proposition	Main finding
<p>13. 1 New economy leadership impacts on customer relationship management/managers-discuss statement.</p> <p>13.2 Is it a positive or negative impact?</p>	<p>P1: New economy leadership has an impact on customer relationship management (CRM).</p>	<p>13.1 The research indicates that new economy leadership impacts on customer relationship management/managers.</p> <p>13.2 New economy leadership impacts positively on customer relationship management and on relationship managers.</p>
<p>18.1 Does ABSA PFS integrate new economy leadership principles with its relationship marketing strategies?</p> <p>18.2 What impact does new economy leadership have on relationship marketing?</p>	<p>P2: New economy leadership has an impact on relationship marketing.</p> 	<p>18.1 ABSA PFS does integrate new economy leadership principles with its relationship marketing strategies.</p> <p>18.2 New economy leadership has a positive impact on relationship marketing.</p>

#### 8.4 PRIMARY OBJECTIVE

The primary objective is to determine how the implementation of new economy leadership impacts on customer relationship management (CRM) and to use the result as a method of differentiation.

Cristopher et al. (2003:3) stated that as a result of matured markets and other pressures brand loyalty is weaker than it used to be and the 4Ps of marketing is unlikely to win or retain customers either in consumer and industrial markets. New waves of marketing thinking and leadership have become apparent to organisations in a competitive environment. Labels such as new economy leadership, customer relationship marketing and customer relationship management (CRM) have become

descriptions of the revised framework. Grönroos (2000:24) points out that value for customers is created throughout the relationship by the customer, partly in interactions between the customer and the service provider.

The primary objective can be related to questions 1, 8, 9, 10 and 13.

- There is a strong indication that the implementation of new economy leadership principles and behaviours positively impacts on customer relationship management (CRM) (**Main findings** par. 7.2.13, questions 13.1 and 13.2 on page 103).
- CRM is about building relationships between divisions and customers by interlinking different departments in order to function as one organisation to deliver the best possible service (**Main finding** par. 7.2.9, question 9 on page 99).
- Customer relationship management (CRM) is a critical aspect in order to retain clients and to increase the organisation's profit over the long-term (**Main findings** par. 7.2.10, questions 10.2 and 10.3 on page 100).
- New economy leadership/new generation organisations aim to shift the organisation's leadership culture from mediocrity to high performance through change leadership (**Main finding** par. 7.2.1, question 1 on page 87).
- All the participants in the interview states that there are contributing factors of the new economy leadership principles that positively impacts on the role of relationship management and on the role of relationship managers (**Main finding** par. 7.2.8, questions 8(i) and 8(ii) on page 98).



Based on abovementioned main findings the following conclusions are drawn:

- The entrenchment of new economy principles and behaviours can positively impact on customer relationship management strategies and on the role of relationship managers.
- Entrenchment of new economy leadership principles can be used as a method of differentiation in order to improve and align its customer relationship management (CRM) strategies.

## 8.5 SECONDARY OBJECTIVES

### (a) To determine the impact of customer relationship management (CRM) on customer retention within ABSA`s Personal Financial Services division

- Retention is critically important in order to increase the organisation's profit over the long-term (**Main finding** par. 7.2.10, question 10.2 on page 100).
- Customer relationship management (CRM) is a critical aspect in order to retain clients(**Main finding** par. 7.2.10, question 10.3 on page 100).

Based on abovementioned main findings the following main **conclusions** are drawn:

- Customer relationship management (CRM) is critically important to retain clients.
- An effective relationship management (CRM) strategy is needed to ensure that clients are retained.

**(b) To determine if new economy leadership has an impact on the role of relationship managers within ABSA's Personal Financial Services division.**

- All the participants in the interview states that there are contributing factors of the new economy leadership principles that impacts on the role of relationship managers (**Main finding** par. 7.2.8, question 8.1 on page 98).
- New economy leadership principles have a positive impact on the role of relationship managers (**Main finding** par. 7.2.8, question 8.2 on page 98).
- Leadership roles need to change to break down the silo behaviour and enhance ABSA PFS as a high performance organisation (**Main finding** par. 7.2.7, question 7 on page 97).

The main **conclusion** is that the entrenchment of new economy leadership behaviours and principles positively impact on the role of relationship managers.

**(c) To identify which principles and behaviours of new economy leadership impacts on customer relationship management (CRM) within ABSA's Personal Financial Services division.**

This secondary objective can be related to questions 1, 2, 3, 5, 6, 7, 8, 9, and 13 as per the **results** from the interviews conducted in each of the questions (see chapter seven).

The main **conclusion** is that PFS relationship managers and PFS as an organisation need to entrench new economy leadership principles and behaviours as set out in the results of abovementioned questions in order to differentiate its CRM strategy from its competitors.

**(d) To identify which principles and behaviours of new economy leadership impacts on relationship marketing within ABSA'S Personal Financial Services division.**

This secondary objective can be related to questions 1, 2, 3, 4, 5, 6, 7, 14, 15, 16, 17 and 18 as per the **results** from the interviews conducted in each of the questions (see chapter seven).

The main **conclusion** is that PFS relationship managers and PFS as an organisation need to entrench new economy leadership principles and behaviours as set out in the results of abovementioned questions in order to differentiate its relationship marketing strategy from its competitors.

## **8.6 LIMITATIONS TO THE STUDY**

Based on the literature review and empirical research the researcher formulated the following limitations:

- The researcher attempted to include all relevant literature but due to the vast amount of information available it is possible that some sources have not been included.
- The study was limited to the PFS relationship managers in the Fourways suite only.
- The data gathered using qualitative techniques is subjective and non-quantifiable.

## **8.7 RECOMMENDATIONS**

### **8.7.1 Management recommendations**

Most of the results that were obtained from the interviews were positive. The research however indicated that management need to focus on the following aspects in order to support and entrench new economy leadership behaviours and principles:

- The research indicated that there is a concern that other departments' vision is not aligned and therefore the perception that the current strategy does not add value.
- Not enough support from top management to develop people.
- More coaching is needed for new relationship managers.
- Incentives currently not aligned: The performance incentive that a high performer receives is marginal different from what a standard performer receives.
- Structures and processes not properly in place and aligned i.e. relationship managers are not mandated enough to make decisions. This makes the fulfilment of the role of a relationship manager very difficult.

#### **8.7.2 Recommendations for further research**

- A replication study should be conducted in the rest of South Africa to determine how new economy leadership principles and behaviours impact on PFS relationship managers.
- A replication study should be conducted in the rest of South Africa to determine how new economy leadership principles and behaviours impact on all the employees of ABSA Bank.
- Research is needed to streamline strategies and business processes within ABSA PFS to ensure that it is aligned with the vision and value proposition of the whole organisation.

## **8.8 SUMMARY**

The purpose of the study was to explore the impact of new economy leadership amongst ABSA PFS relationship managers.

Both the primary and secondary objectives as stated in chapter one were met.

