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The University of Nottingham Business School

FORMING, MAINTAINING AND ENDING RELATIONSHIPS IN FINANCIAL SERVICES SECTOR: A CASE STUDY OF A NIGERIAN STOCKBROKING FIRM

By

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A Dissertation presented in part consideration for the Degree of Master of Business Administration

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ABSTRACT

BACKGROUND

Many writers have stated that relationship marketing (RM) is becoming increasingly important in the financial service industry, mainly because of the intangible nature of products in this and other service industries that could be problematic for traditional marketers (Egan, 2004; Barnes and Howlett, 1998). This is particularly so for certain financial service organizations such as the stock broking firm. Krishnan et al (1999) felt that the stock broking firm is peculiar since the product delivered is not stock certificate but the investment it represents as well as other peripheral services such as account management and accurate periodic reporting (p. 1197). Hamilton (1968) identified three (3) core functions of the stockbroker with their role as advisers to their clients in the selection and administration of their investments being particularly important. This was considered important since it was felt that this interaction requires personal contact, confidence and trust because of the sensitive nature of securities and investments. It was further suggested that the emergence of insurance companies, pension funds and unit trusts acts as a powerful influence on forcing the stock broking firm to provide more efficient technical services for clients (Hamilton (1968). There has also been limited research on relationship development and management in financial services

As a consequence, it could be argued that examining the foundation of business to consumer relationships (BCRs) in this sector will provide insights for marketers, researchers, managers and firms in this sector on how relationships can be forged, strengthened and developed since managing relationships within these organizations can add value for the organization and

increase its competitive advantage (Morgan and Hunt, 1994; Gruen, 1997; Palmer, 1997). Examining the nature of these relationships could also provide essential ideas and new strategies on how firms could better manage their relationships with clients.

AIM

To analyze how relationships are formed, maintained and dissolved in a Nigerian Stock broking firm focusing on business to consumer relational exchanges using a case study approach.

PRINCIPLE FINDINGS

The major findings were that most relationships within the stock broking firm are formed through referral from family members and friends with clients making contact with the firm through visits to the company or through the email. The study also found that many customers maintained their relationship with the firm once they are satisfied with the services; receive timely and accurate information and advice and interact with honest and friendly staff. The case study further revealed that customers will terminate their relationship with the firm if they experience dishonest and unfriendly staff and if they are dissatisfied with the service especially poor and inaccurate advice and information. Further it was found that most customers will inform the organization that they will terminate services with them but there was still a small group who will not inform the firm of their intentions to terminate. However the study found that most customers will restart a relationship with the firm once their problems are resolved or if they could not find an alternative firm. This is so despite the findings of the study that most customers maintained more than one broker.

CONCLUSIONS

The findings suggest that many business to consumer relationships in the stock broking firm are formed and established as a 'result of word of mouth' with friends and family members referring persons to the firm, it therefore implies that managers, marketers and firms need to ensure that customers receive high quality service and enjoy a positive experience with the firm so that they could continue to refer and mobilise others to establish relationships with the firm. This may also be even more important since many of the customers maintained a relationship with more than one broker suggesting that termination and switching may not be too difficult and/ or challenging.

The results of the study were also consistent with the literature that trust, communicating timely and accurate information, friendly staff and high quality of services were some of the key factors contributing to the maintenance of long standing relationships with clients and once some of these factors are not met, customers will terminate their relationships with the firm. This again suggests that managers and firms need to strengthen these aspects of service delivery to continue to maintain their relationships with customers. There is however the need for further research on relationship formation, maintenance and termination in other stock broking and financial firms before generalization of the results of this study could be done. Investigating the impact of instability amongst staff and high staff turnover rates on maintenance and termination of BCRs in firms would also be useful in providing further insights into relationship development and termination in the stock broking firm.

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LIST OF ABBREVIATIONS AND ACCRONYMS

BBRs OR B2B	Business to Business Relationships
BCRs or B2C	Business to Consumer Relationships
CEOs	Chief Executive Officers
CRM	Customer Relationship Management
EBSCO	Business Source Premier
HM	Head of Marketing
IT	Information Technology
MD	Managing Director
NCM	Nigeria Capital Market
NSE	Nigeria Stock Exchange
PROQUEST	ABI/Inform Global (proquest) database
RM	Relationship Marketing
SEC	Securities Exchange Commission
UNLOC	University Nottingham Library Online Catalogue

Chapter 1 INTRODUCTION

1.1 Relationships and Relationship Marketing: An Overview

Many writers and researchers in the marketing and management field have highlighted the fact that relationship marketing (RM) has become a significant 'buzz word', gaining much prominence in the literature during the last two decades (Egan, 2004; Buttle, 1996; Sheth and Parvatiyar eds., 2000, Gummeson, 1994). Buttle (1996) describes relationship marketing (RM) as the mutually beneficial long term relationship between suppliers and customers (p.1). This, he acknowledged has been cited as the future for marketing while Morgan and Hunt (1994) defined RM as '*all marketing activities directed towards establishing, developing and maintaining successful relationship exchanges'* (p.22). However several writers have questioned whether firm-customer interactions could truly be called a relationship (Egan, 2004; O'Malley and Tynan, 2000). Barnes and Howlett (1998) further expressed the view that two characteristics should be present for an exchange situation to be described as a relationship. They felt that a relational exchange could only be considered a relationship when both parties perceive and acknowledge it as such or when the relationship is recognized as having special status and is more that just an occasional contact (p.16).

Despite these criticisms however, it is generally felt and perceived that some form of relationship exists in commercial exchange situations (Egan, 2004; Gronroos, 1994; Blois, 1998). It could also be agued that relationships were seen as core elements in relationship marketing with several marketing researchers and writers paying particular attention to studying and researching the value of relationships; how they are formed, managed, maintained, and terminated in organizations (Morgan and Hunt, 1999; Gronroos, 1994; Gummeson, 1994; Egan, 2004; Jackson, 1985). Gummeson (1994) shared the view that RM is constantly being advocated but not enough focus was placed on the relationships, how they are managed and what are the benefits of the relationship (p.5). This view was consistent with that of Barnes and Howlett (1998) who felt that a missing element in the area of study in relationship marketing was an examination of the fundamentals of relationships.

As a result, this dissertation hopes to contribute to the debate and research into relationship marketing by examining relationship formation, maintenance and termination of business to consumer relationships (BCRs) in the financial sector.

1.2 Relationship Marketing in Financial Services

Howlett and Barnes (2004) articulated that RM is becoming increasingly important in the financial service industry. In fact Egan (2004) felt that the intangible nature of service industries in general poses a problem for traditional marketers (p.119). This may be so because of the difficulties and challenges associated with measuring and quantifying services. However other writers have argued that service firms have always had some direct contact (not necessarily face to face) with customers so that service industries were already based on some aspects of a relationship (Gronroos, 1994; Gummeson, 1998). Service firms were therefore expected to place much emphasis and focus on relationship development and management. This is particularly so for certain financial services organizations such as a stock broking firm. Krishnan et al (1999) articulated that the stock broking firm is peculiar since the product delivered is not stock certificate but the investment it represents as well as other peripheral services such as account management and accurate periodic reporting (p. 1197). Hamilton (1968) identified three (3) core functions of the stockbroker. These he articulated as arranging for quotations of stocks and shares, acting as agents in the buying and selling of securities and acting as advisers to their clients in the selection and administration of their investments. However it is their role as advisers to their clients in the selection and administration of their investment that has been considered the most important function in RM. He (Hamilton, 1968) further argued that this interaction requires personal contact, confidence and trust because of the sensitive nature of securities and investments. Hence such relationships are particularly important.

There has also been limited research on relationship development and management of relationships in the financial services industry. Ennew and Hartley (1996) felt that the distribution system for financial services should provide some clues towards understanding the issues of customer relationships. As a consequence, it is therefore felt that examining the foundation of business to consumer relationships (BCRs) in this sector will provide insights for marketers, researchers and others especially those firms and managers in this critical area on how relationships can be forged, strengthened and developed. This is also important since it is also generally felt and accepted that managing relationships within organizations especially the service industries can add value for the organization and increase its competitive advantage (Morgan and Hunt, 1994; Gruen, 1997; Palmer, 1997). Hamilton (1968) suggested that the emergence of insurance companies, pension funds and unit trusts acts as a powerful influence on forcing the stock broking firm to provide more efficient technical services for clients. As such, examining the nature of relationships in this sector could also provide essential ideas and strategies on how firms in this sector could better manage their relationships with clients so as to gain competitive edge and improve their performance.

1.3 Aims, Objectives and Purpose of the Dissertation

AIM

To analyze how relationships are formed, maintained and dissolved in a Nigerian Stock broking firm particularly focussing on business to consumer relational exchanges.

OBJECTIVES

It is hoped that this dissertation will provide answers to the following questions:

1. How relationships are developed, maintained and terminated in a financial service organisation and in particular the stock broking firm.
2. How does the stock broking firm manage their BCRs so as to gain competitive advantage and to have successful outcomes?
3. How could the stock broking firm improve its performance to ensure that relationships and relational exchanges within the sector are managed well?

Providing responses to these questions will contribute to answering the overall objective and aim of this study.

1.4 Methodology for Study

This study will focus on the process of forming, maintaining and ending relationships in a stock broking firm. Using a critical review of the literature and a case study method of research, it investigates the process of establishing, maintaining and ending relationships in a stock broking firm in Nigeria. Yin (1989) suggested that a case study methodology is useful for answering such questions as 'how' and 'why' as this research seeks to do. To conduct this investigation, the research will utilise both primary and secondary data. Primary data will be derived from self administered questionnaires distributed among employees and customers of the firm as well as interviews conducted with the Chief Executive Officer (CEO) or Managing Director (MD) and the Head of Marketing (HM) of the firm. Secondary data will be derived from a variety of sources including academic journals, business magazines, company documents and internet websites.

1.5 Structure of the Dissertation

The structure of the dissertation will be as follows:

1. The next chapter (2) will provide the literature review, methods and results. In this

chapter a critical review of the literature on relationship marketing in financial service industries will be done, specifically exploring and analysing how relationships are developed, maintained and terminated. This chapter also explores the literature to identify useful strategies to help manage BCRs in the financial services sector.

2. Chapter (3) will discuss the methods and results from the case study research. In this chapter, the process of forming, maintaining and ending relationships in the stock broking firm, Dominion Trust Limited will be explored and discussed and the findings from the field research will be presented.

3. Chapter (4) will provide some discussions based on the literature review and the findings from the case study. The implications of these findings for managers, marketers and firms in the financial sectors and the stock broking industry in particular will also be examined and discussed.

4. Chapter (5) will discuss the limitations of the study, provide some conclusions and make some recommendations for future research and action.

CHAPTER 2 LITERATURE REVIEW

2.1 Introduction

This chapter will discuss the findings from a critical review of the academic literature on relationship marketing and in particular 'how and why' business to consumer relationships are formed, maintained and terminated in a stock broking firm in financial service industry. Yin (1989, p.20) stated that experienced investigators review the literature to develop sharper and more insightful questions about the topic. It is expected that this literature review will do the same. This chapter will first of all discuss the literature review methodology and strategy and will then discuss the findings from the academic literature.

2.2 Literature Review Methodology and Strategy

To identify relevant literature to be used, an initial search of the University of Nottingham Online catalogue and several databases was conducted. These databases included EBSCO, Proquest and Emerald. Searches were conducted from 1980 to present and several key words and phrases were used including 'relationship marketing', 'service industry', 'financial services', 'relationship termination', 'consumer relationships', 'forming relationships and maintaining relationships'. These keywords were combined using Boolean terms 'and' and 'or'.

After the initial search, other searches were conducted from several organisations websites and from among references from articles retrieved and selected in the initial search. A total of

48 citations were retrieved from these searches (see table 1 for the details of the literature search).

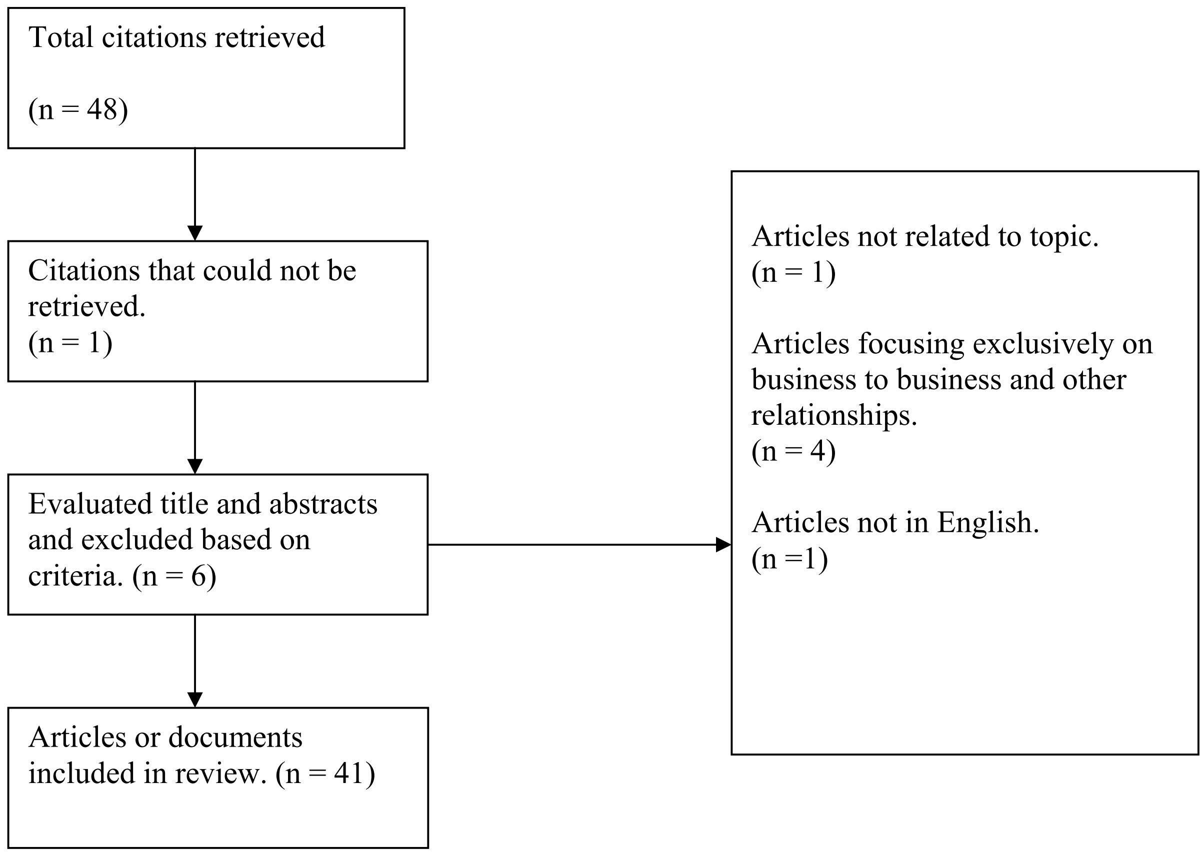
A review of the articles titles and abstracts were done to select articles for the review. Articles discussing relationship marketing in service industries and especially the financial service industry were selected. It was not possible to retrieve the full text articles for some of the abstracts and as such these articles were not included in the review. Some articles were also not in English and due to time constraint; it was not possible to get these articles translated. Hence they were also not included in the review. Figure 1 provides a flow chart depicting how studies (41) were selected for the review.

A review of the selected articles was done to determine the quality of the evidence of the selected articles. There were three books that were critically reviewed (Egan 2004; Sheth and Parvatiyar, 2000; Buttle, 1996). These books offered comprehensive and detailed theories, concepts and discussions on relationship marketing that were consistent with other books and articles on RM. All of the other 38 articles (see appendix 1 for list) were journal articles presenting contextual discussions, findings from cross sectional studies, case studies and other research methodologies. Some of these studies were robust studies involving large samples, testing theories and hypothesis, conducting interviews and administering questionnaires. There were several cross sectional studies reviewed. The limitation of using the findings from these studies is that the cross sectional studies do not show causality as one may be able to do from longitudinal studies. It may not also be possible to generalise the results from some of the small case studies used in the review. Several of the studies were also conducted in specific markets such as the retail industry or the UK market and this may not be applicable to all countries or other sectors. Despite these limitations, the findings from the studies and articles used were consistent with other research and are useful for exploring issues and for offering additional insights and perspectives on relationship marketing.

TABLE 1: DETAILS OF LITERATURE SEARCH CONDUCTED

Database Searched	When Searched	Webb Address	Citations Retrieved	Comments. Keywords used and Restrictions
UNLOC	June and July 2006	Http://aleph.nottingham.ac.uk/ALEPH	12	Restricted to English full text articles. Key words/phrases used: ‘relationship marketing’ ‘business to consumer relationships’ ‘consumer relationships’ ‘relationships and service industry’ ‘relationships in financial services’.
EBSCO	June and July 2006	http://search.ebscohost.com	17	
Proquest	June and July 2006	http://proquest.umi.com/login	13	
Emerald	June and July 2006	http.//www.emeraldinsight.com/insight	6	

FIGURE 1: FLOW CHART DEPICTING STUDIES SELECTED FOR THE LITERATURE.



2.3 Key Issues in Relationship Marketing

Egan (2004) argued that RM is not an easy concept to define which will be acceptable to all (p.19). This is a view shared by several other writers who also suggested that relationship marketing has become a popular term used by many academics and researchers but there was little agreement on definitions, whether relationships do exist, the principles, means and objectives of relationship marketing (Blois, 1998; Gummeson, 1994; Takala and Uusitalo, 1996; O'Malley and Tynan, 2000; Harker, 1999; Palmer, 1997; Gordon et al, 1998). However Harker (1999) in his review of RM definitions found seven fundamental categories for defining RM (p.16). He outlined these as being birth, develop, maintain, temporal, interaction, outputs and emotional content. He further offered a definition of RM based on his review. This definition will be used in this study. He defined RM as:

"*An organisation engaged in proactively creating, developing and maintaining committed, interactive and profitable exchanges with selected customers (partners) overtime is engaged in relationship marketing*."

This definition is consistent with many other views expressed by other academics, researchers and writers. Many of whom shared the view that relationship marketing is concerned with maintaining long term relationships for profitability or competitive advantage (Morgan and Hunt, 1999; McNaughton et al, 2002; Gronroos, 1999). In fact Gronroos (1999) held the view that in relationship marketing, firms must use all resources and activities to create value and enhance satisfaction depending on the nature of the relationship with existing or potential customers (p.329). Therefore RM is seen as representing the market oriented point of view where a firm bases all of its activities on the needs and wants of customers in the selected target market (Takala and Uusitalo, 1996; McNaughton et al, 2002). This again is consistent with that shared by Morgan and Hunt (1994) in their definition of RM where they described it as '*all marketing activities directed towards establishing, developing and maintaining successful relational exchanges'* (p.20).

It was further felt by Gordon et al (1998) that RM has been also used to describe a wide variety of marketing tactics. These tactics they characterised as (1) Continuity where there is continuous interaction between parties such as frequent flier programs; (2) Individualisation where firms customise their marketing mix to each individual needs, provide greater value and achieve better results, (3) Personalization where because of the proliferation of products in every category makes it difficult for customers to make distinctions, behaviours of buyers are thought to be driven by comfort with the people behind the products. O'Malley and Tynan (2000) also felt that RM focuses on long term interaction (continuity) that leads to emotional or social bonds. It could therefore be agued that an essential component of RM is managing the interactions and relationships existing in organisations. Cravens and Piercy (1994) suggested that RM offers an essential framework for understanding, explaining and managing network relationships (p.39). However Takala and Uusitalo (1996) like Egan (2004) questioned what is relationship or a customer relationship? The next few paragraphs (sections) will critically review the literature on relationships in marketing.

2.4 Relationships and Relational Exchanges in Marketing

Egan (2004) argues that '*the use of a highly emotive term to describe a commercial strategy is open to some criticisms*' (p.33). However he went on to further argue that this was not a new phenomenon in the marketing literature but like O'Malley and Tynan (1999) cautioned that there could be difficulties when people start to believe all the 'rhetoric'. O'Malley and Tynan (1999) suggested that the exchanges between consumers and organizations may not be necessarily interpersonal relationships per se but those attributes of interpersonal relationships could be used when describing the exchange (p.593).

Takala and Uusitalo (1996) stated that the concept of exchange has been central in marketing for many years. They quoted (Kotler, 1991) to define exchange as '*the act of obtaining a desired product from someone by offering something in return*' (see Takala and Uusitalo, 1996, p.46). Therefore a relational exchange could be one of several exchanges. Gronroos (1999) argues that there is much more to a relationship than an exchange. He felt that if a trusting relationship exists between two parties in the market place, then exchanges will occur. He further felt that relationship is a 'mindset' and in marketing, it is more important than the exchanges that occur within it. Again it must be noted that there is no agreement on what is a relationship in the context of marketing but what is obvious from the literature is that relationships do exist in business; it involves two parties and is perceived as such by both of these parties (Blois, 1998; Egan, 2004; Barnes and Howlett, 1998). It could also be argued that relationships will also include exchanges which in most cases involve more than one contact and may have social and emotional bonds (Barnes and Howlett, 1998; O'Malley and Tynan, 2000).

There are many relationships existing in the market place and as highlighted earlier in this dissertation, there will be no attempt made in this review and study to highlight and describe all of these relationships. However this study will particularly look at the business to consumer relationship (BCR or B2C) and as such will briefly discuss this type of relationship in marketing.

Dwyer et al (1987) suggested that relationships between a buyer and seller are defined by the amount of investment that each party is prepared to commit to the relationship. They suggested that relationships could take many forms and opined that there were four such types: Bilateral relationships (both invest), seller maintained, buyer maintained and discrete exchanges. However Morgan and Hunt (1994) shared a slightly contrasting view; they felt that in a true sense in strategic alliances such as RM, there are no buyers, sellers or customers but only partners exchanging resources.

Morgan and Hunt (1994) shared the view that there are several key factors central to business to consumer relationships. These include trust, commitment, loyalty, communication and satisfaction (see appendix 1 for definitions). This was a view also held by several others (O'Malley and Tynan, 1999; Egan 2004; Tax et al, 1998; Storbacka et al, 1994). In fact O'Malley and Tynan (1999) suggested that many of the concepts such as trust, commitment, mutuality and communication have proven to be both useful and valid in discussions of relationships in marketing situations. Some of these concepts will be further discussed in terms of services marketing especially financial services. It is now important for some discussions on the relevant literature and theories on developing BCRs.

2.5 Relationship Development: Some Key Issues

Tahtinen and Halinen-Kaila (2000, p. 1) argued that every relationship has a "*beginning, a life* *between and an ending*", suggesting that a relationship is a process extending over a series of stages or phases. This is consistent with the views shared by several writers and researchers who have suggested that relationships in business evolve through five general phases identified as (1) awareness, (2) exploration, (3) expansion, (4) commitment and (5) dissolution (Egan, 2004; Dwyer et al, 1987). Table 2 presents a summary of the relationship development process put forward by Dwyer et al (1987).

However it could be argued that these stages do not necessarily follow in sequence through a step by step process but could fluctuate across stages from time to time with some relationships not extending through all of the stages identified (Egan, 2004). It is also useful to remember that any of these stages could be brief or could extend over a period of time.

TABLE 2: STAGES IN RELATIONSHIP DEVELOPMENT

STAGES	DESCRIPTION
1. AWARENESS	In this phase, there is recognition that each party could be a feasible exchange partner. There is however usually no interaction between parties.
2. EXPLORATION	This is a search and trial phase in relational exchanges. It is usually the stage when partners consider benefits, obligations and burdens. This stage could be brief or extend over a period of time and may involve trial exchanges but with little investment.

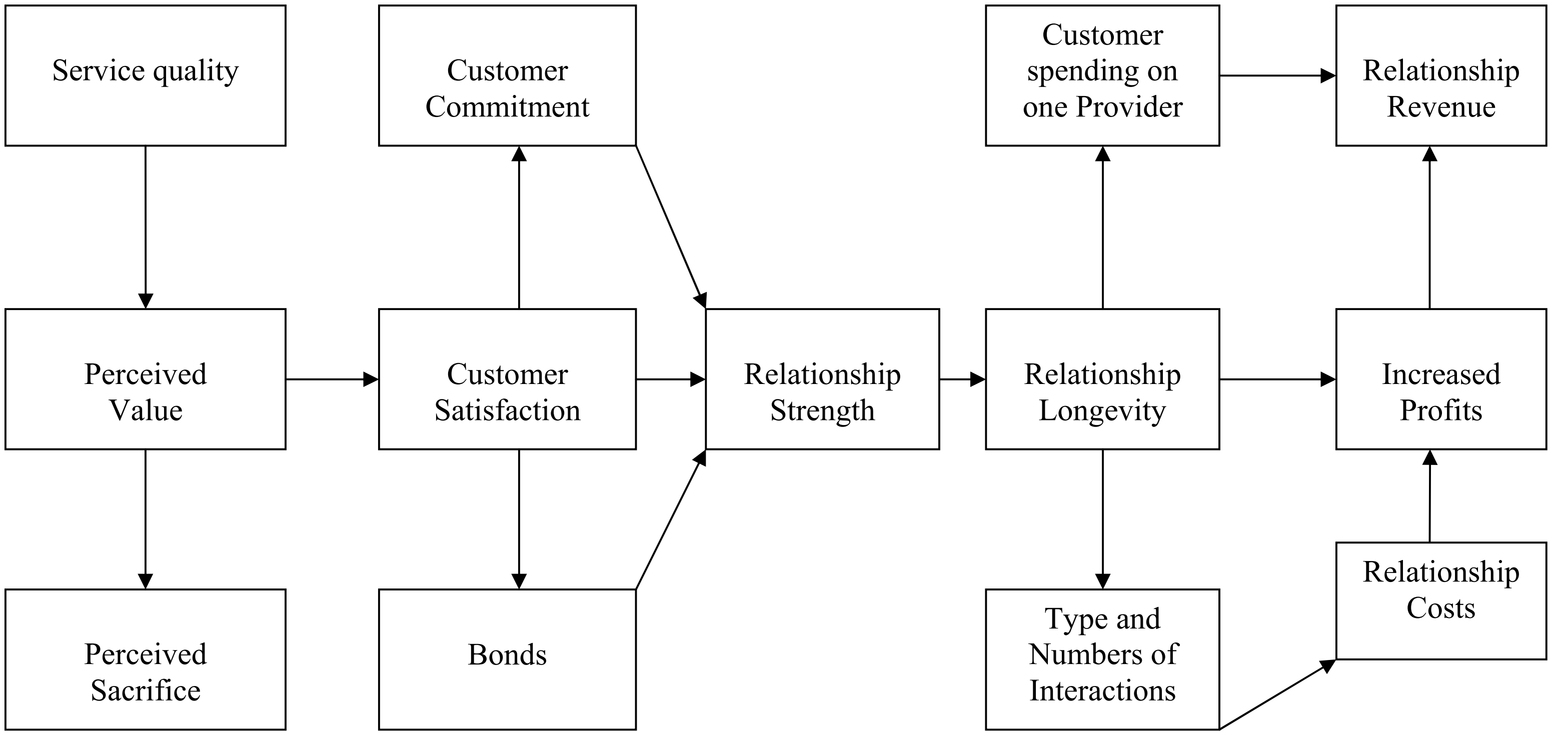
EXPANSION	This refers to continual increase in benefits obtained by exchange partners and then increasing interdependence. It is felt that as partners trust and respect each other as well as there is satisfaction with services, the relationship and exchange expand.
COMMITMENT	This refers to an implicit or explicit pledge of relational continuity between exchange partners. It is agued that the inputs, consistency with which inputs are made to the association and the desirability of association are good measurements of commitment.
DISSOLUTION	This refers to the withdrawal or disengagement of the relationship. This may not always occur but may be as a result of many factors including dissatisfaction with service and lack of trust.

Source: Dwyer et al, 1987, p.19-20.

Storbacka et al (1994) suggested that customers could create a strong relationship with providers/ business as a result of satisfaction with service quality which could lead to relationship longevity. They found that dissatisfied customers tend to defect and shorten their stay with the firm. Many writers on RM have suggested that dissatisfaction is a major reason for the ending of BCRs (Buchanan and Michell, 1991; Hocutt, 1998). In fact Hocutt (1998) quoting (Rusbult et al, 1996) argued that the level of satisfaction, the quality of alternatives and the size of investments made are key factors that will determine the continuity or discontinuation of business to consumer relationships (p. 190). Storbacka et al (1994) also found that bonds between customers and providers and their commitment to the relationship also contribute to lengthening and expanding the relationship. They further analysed the complex return on relationships by presenting a model (see figure 2). In this model, Storbacka et al (1994) argued that service quality impacts on the partner's perceived value and sacrifice in the relationship. They also felt that the perceived value will determine whether customers will be satisfied and this will influence the strength and longevity of the relationship which will impact on profitability of the firm. This again highlights the importance of relationship development for firms since it could determine a firm's revenue and /or profitability.

It is now useful to explore findings in the literature on relationship marketing in services and more especially the financial service industry.

FIGURE 2: COMPLEX RETURN ON RELATIONSHIP MODEL



Source: Figure adapted and reproduced for Storbacka et al, 1994, p. 23

2.6 BCRs in Service Industries

Berry (2000) shared the view that the fact that customers had to form relationships with people rather than goods paved the way for relationship marketing. He suggested that the repeated interaction between customers and service providers facilitated relationship marketing and felt that RM in general would help a company capitalise on its investment in service improvement (p.151). Egan (2004) also felt that the intangible nature of services has posed problems for traditional marketers.

Zeithaml et al (1985) suggested that certain characteristic features of services pose a challenge for marketing. These features include intangibility meaning services cannot be stored, inseparability describing that other consumers are involved, heterogeneity meaning no standardisation and perishability suggesting that services cannot be inventoried. As such many researchers and academics have agued that service industries have been concerned with improving services for customers for the purpose off achieving profits (Knights et al, 1994; Egan, 2004; Matear et al, 2002; Gummeson, 1998). However Ahmad and Buttle (2002) cautioned that allocating resources to keep profitable customers may not always be a practical solution and suggested that there may be external factors affecting the ability of managers to pursue certain types of customer retention strategies as well as customer service improvement programmes. It could also be argued that not all customers are profitable and as such, firms will have to decide what customers they will keep and those relationships that they will 'let go of'. Reinartz and Kumar (2002) and Dick and Basu (1994) argued that while customer loyalty to an organization is important, studies have shown that the correlation between loyalty and profitability is weak, suggesting that customer loyalty may not result in profits for a firm.

Another area highlighted in the literature is the role of service personnel. Bell et al (2005) felt that helping service personnel to engage with clients in a friendly manner and communicating openly could also lead to customer satisfaction and loyalty, increased patronage and maintenance of long term relationships with clients. They also emphasised the need for firms to pay particular attention to older existing customers rather than only pursue new customers. This perspective was also shared by Payne and Holt (2001) who felt that there is a need to focus research on customer satisfaction at the organizational level. They proposed that creating and delivering superior customer value will enhance organizational performance, profitability and competitive advantage. Berry (2000) suggested that there will be benefits to both customers and the firm.

Despite it being widely believed and accepted that service firms have always been relationship oriented (Gronroos, 1999), Egan (2004) suggested that service firms had a potential for loss making. He suggested three areas for attention to reduce this. These include:

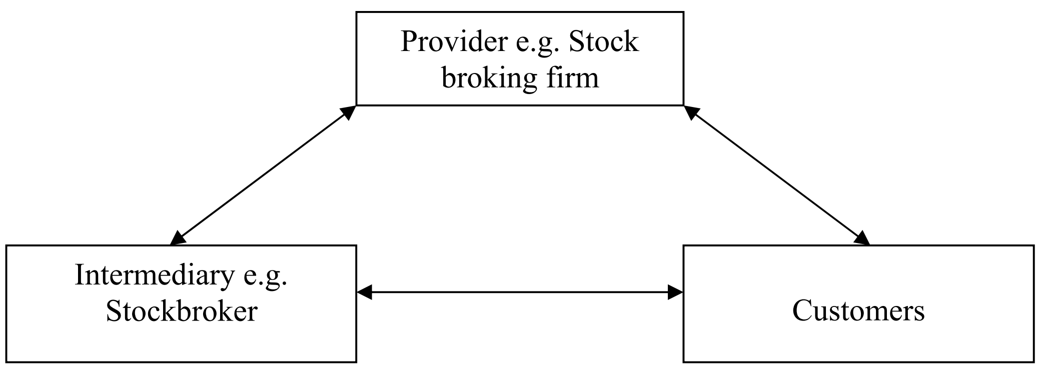
1. The need to manage the initiation of customer relations.
2. The need to maintain and enhance existing relationships.
3. The need to carefully handle the termination of relationships.

This management of relationship is the focus of this research specifically looking at this in the financial service industry. As a result, the next section will discuss the empirical findings on relationship marketing in financial sector, highlighting the role of the stock broking firm in the process.

2.7 BCRs in Financial Services

Ennew and Hartley (1996) suggested that the nature of financial services marketplace appears to offer many benefits for firms especially in the area of improved customer retention (p.121). This is a view shared by others (Knights et al, 1994; Sheth, 2002). Knights et al (1994) suggested that financial services have been concerned with improving services to customers for the purpose of achieving profits and as such have embraced a market rather than a product (p.42). Ennew and Hartley (1996) further argued that the development of RM in personal financial services is heavily dependent on the operation and behaviour of distribution channels (p.122). As such, it is felt that intermediaries such as financial advisers and stock brokers have a broad role to play, advising customers and giving guidance on a large range of financial products (p. 119). Some of these products are considered to be complex and involve high risk for customers. As a result of this, relationships and relationship marketing is considered particularly important in the financial service sector. Figure 3 shows an example of a channel relationship in a financial service organization.

FIGURE 3: CHANNEL RELATIONSHIPS IN FINANCIAL FIRM



Source: Reproduced and adapted from Ennew and Hartley 1996, p. 23.

It is felt that in this kind of relationship and setting, customers develop a closer and stronger relationship with the intermediary and based their relationship with the firm on the nature of their interactions with the intermediary. The intermediary is therefore a key component in the determination of the business to consumer relationship and could play a critical role for firms.

Beckett et al (2000) found in their study that clients felt more comfortable dealing with intermediaries such as financial advisers and brokers when they wanted to make critical decisions such as investment ones. In fact they (Beckett et al, 2000) felt that investing money is more complex than other financial products because their outcomes are not immediate. As such, they felt that clients were more confident in making such decisions with the help of brokers and financial advisers since they perceive them as being experts in the field. They further expressed the view that trust in the firm is highly personalised being based on having a relationship with personal adviser. However Bell et al (2005) shared a contrary view. They felt that the ability of financial firms to deliver consistently high returns while managing client risk is more important for the client than personality (friendliness and courteousness) of service personnel. They suggested that clients with high expertise rely more heavily on technical service quality rather than functional service quality to decide on their relationship with a firm.

Ennew and Hartley (1996) further suggested that strong relationships exist in financial services especially in investment sector between clients and provider when customers feel they are treated as valued customers. Involvement of customers in the exchange is also seen as critical in developing and maintaining strong relationships between firms and their customers (Beckett et al, 2000; Gordon et al, 1998). Regular contact and high involvement service encounters are also critical in BCRS (O'Malley and Tynan, 2000; Gummeson, 1998; Gordon et al, 1998).

In light of the forgoing, it could be considered useful for an examination of relationship development in financial services. Barnes and Howlett (1998) suggested that an examination of relationships in financial services could provide insights for marketers, researchers, academics and others on how relationships with customers could be developed and what are the characteristic that will indicate that a relationship has been formed. This study will therefore propose a model on the process of relationship development and dissolution in financial services. This will be presented in the next section.

2.8 A model on relationship development in a stock broking firm.

The critical review of the literature on relationships and relationship marketing as well as the discussions with the Chief Executive Officer (CEO) of Dominion Trust Limited (DTL) have led to the development of a conceptual model on how and why relationships are formed, maintained and terminated in a stock broking firm as shown in figure 4. Chang and Cheng (1998) explained that clients and brokers have regular face to face contact with many buying and selling orders being placed in person and sometimes clients visit brokerage offices for settlement. Since brokers serve as the major intermediaries in stock broking firm, their interactions and relationship with clients need to be examined and investigated further.

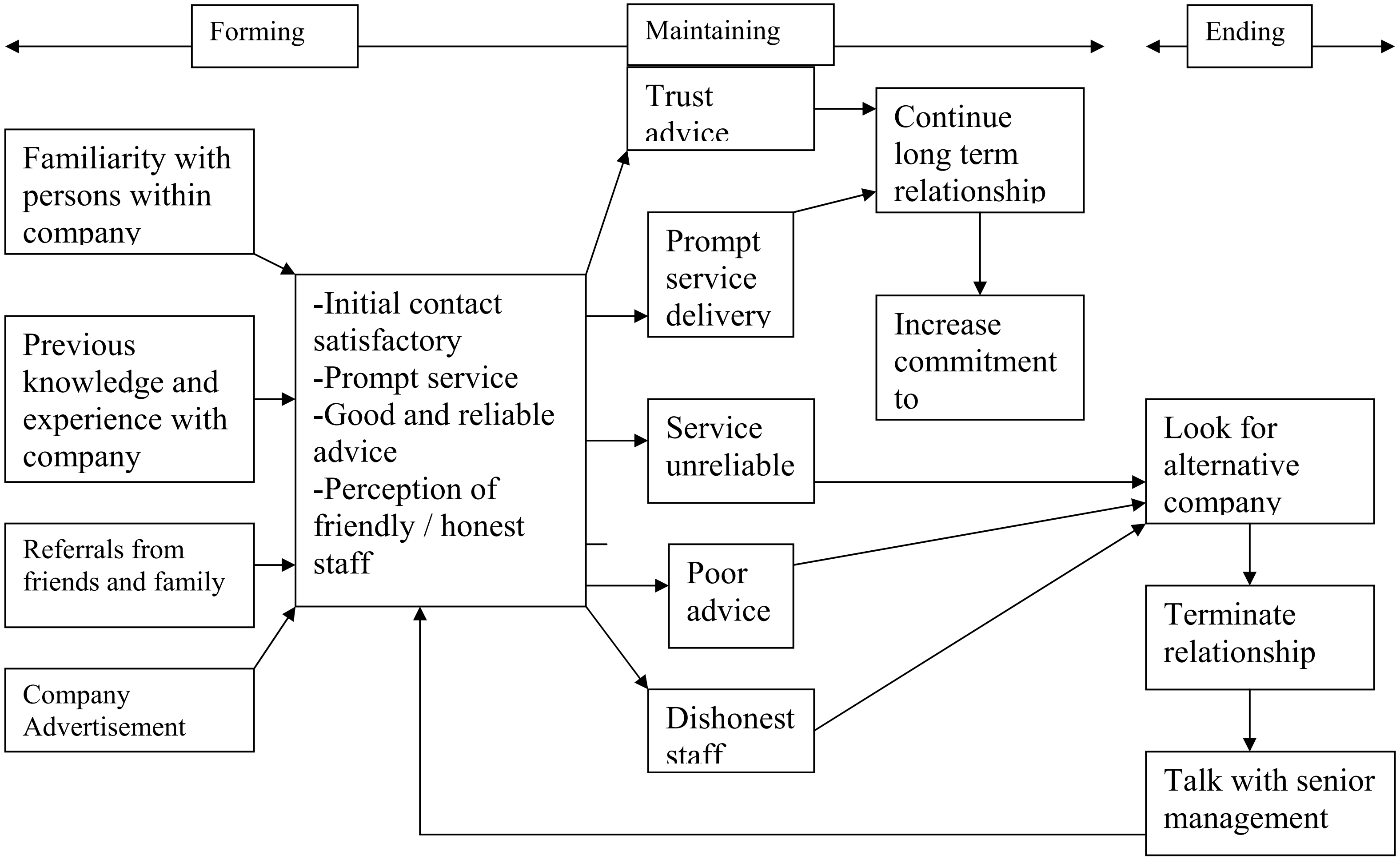
Hamilton (1968) identified three functions of the stock broker (1) Arranging for quotations of stocks and shares, (2) acting as agents in the buying and selling of securities and (3) acting as advisers to their clients in the selection and administration of their investment. It is this third function that is of particular importance in relationship development and marketing and will be the focus of this study. Hamilton (1968) further argued that the personal contact and confidence inspired in clients by a particular person in the firm is critical to whether customers remain. This argument is well supported in the literature with the idea of creating customer value being seen in many firms as providing competitive advantage for that firm (Payne and Holt, 2001; Gronroos, 1999; Sharma and Sheth, 1997; Shani and Chalasani, 1992; Sheth, 2002). It is therefore critical that relations within stock broking firms be managed well to provide both benefit for the firm and customer. It is felt that relationships must be win-win if it is going to be long term and constructive (Gummeson, 1998). However some caution must be exercised as discussed earlier since not all customers can be considered profitable ones (O'Malley and Tynan, 2000; Sheth, 2002, Egan, 2004; Ennew and Hartley, 1996).

In developing this model, some critical areas were also noted these include the role of employees as suggested by Christopher et al (1991) when they suggested RM is both external and internal marketing. They further suggested that for quality improvement in services, focus should be paid to employees. Several other writers also discussed the role of employees and the significance of staff being customer friendly and approachable in developing long term relationships with customers (Gummeson, 1998; Cravens and Piercy, 1994; Palmer, 1997; Chang and Chen, 1998). Another area of focus was on communication between intermediaries and customers which is also seen as critical in building and maintaining relationships with customers (Halinen, 1997). Several other writers suggested that trust is built on communication (Morgan and Hunt, 1994; Duncan and Moriarty, 1998). The Managing Director of DTL also suggested that trust and accurate advice given to customers were also key factors contributing to the maintenance of long term relationship with customers. Finally another critical area from the literature review that was useful in the development of this model was the aspect on terminating relationships.

Many writers have argued that relationship termination could be considered the final stage in the relationship development model (Egan, 2004; Pressey and Matthews, 2003; Bejou and Palmer, 1998) with many reasons highlighted in the literature for the termination of business relationships. These include ineffective communication (Halinen, 1997), lack of trust and commitment (Hocutt, 1998; Sharma and Patterson, 1999), organizational issues and changing service needs (Ahmad and Buttle, 2001; Buchanan and Michell, 1991) and uncontrollable factors such as death, change of organization location, policy or product (Bejou and Palmer, 1998; Buchanan and Michell, 1991). These factors were particularly important in examining the process of relationship development in the stock broking firm where the nature of risk may be high and the clients are sensitive and concerned on their nature of investment and investment returns. As such a crucial component was 'how and why' relationships are terminated in the firm.

The model developed in this section, therefore hypothesizes on a theory of how and why relationships are formed, maintained and dissolved in a stock broking firm. This will be further investigated through a case study research, to determine whether this occurs in a stock broking firm and the implications of this for managing relationships in the financial service organization and in the stock broking industry in particular. Figure 4 presents this model which suggests that relationships are formed through a process of past experience, referrals from friends and family, company advertisements and familiarity with persons within the company. It also demonstrates that to develop and maintain the relationship, the initial contact made is particularly important as it will create a positive or negative perception of the firm. It is also seen that service quality, trust, commitment, advice and timeliness of information also influences the longevity and strength of the relationship. The model also shows how and why relationships are terminated and how it could be restarted in the firm.

FIGURE 4: HYPOTHESIZED MODEL ON HOW BCRs ARE FORMED, MAINTAINED AND DISSOLVED IN A STOCK BROKING FIRM



CHAPTER 3 CASE STUDY

3.1 Introduction

This research seeks to investigate and model how relationships are formed, maintained and dissolved in a financial service firm focussing particularly on a stock broking firm. A single case study research was utilised. This research is considered exploratory and it is hoped that it will provide useful information that could be used as a prelude to further studies and research on relationship development and management in various sectors. It is also expected that the research will contribute to knowledge and theory building. The literature review revealed that not much research has been conducted on how relationships are formed, maintained and dissolved in financial services. One of the reasons that could be suggested for this is the fact that it is not easy to research into financial services especially in the investment sector since they do not quite fit into the unit of full service industries such as hotels and restaurants (Krishnan et al, 1999). As such an examination of relationship development in a stock broking firm provides the unique opportunity to examine this process since these services are not utilised on an every day basis and many customers may not see this product as a full product but must be judged and valued by the services provided as well (Krishnan et al, 1999).

Yin (1989) suggested several reasons for conducting single case research studies. He explained that single case studies are useful for exploring a new phenomenon, for doing research on unique cases and in situations where a phenomenon may have been inaccessible to scientific investigation. As such, the single case study utilised in this project could be justified under the conditions of being exploratory and being used to test a proposed model on relationship development.

This chapter will therefore provide the methods used and the findings from the case study research conducted in the stock broking firm.

3.2 Research Methodology

3.2.1 Questionnaire Development and Data Collection

Yin (1989) suggested that many sources of evidence could be utilised in case studies (p.85). As such for the case study, the data was collected from several sources. These included in-depth interviews with the Managing Director and Head of Marketing of DTL. There were formal surveys conducted among customers and employee. Yin (1989) stated that both formal surveys and focused interviews could be useful in corroborating facts and information while Gilham (2000) felt that quantitative data could strengthen evidence in case studies. Finally, several company documents, reports and minutes of meetings were also collected, reviewed and analyzed which helped the researcher to identify inconsistencies and to corroborate evidence. The company's website was also used to retrieve information and data.

The in-depth interviews utilised structured format and was administered over a short period of time. A shorter interview was also done to clarify some information and issues raised. A question guide was developed and used and included both open and close ended questions (see appendix for summary of interviews conducted). Interviews lasted approximately one and a half hours with the Managing Director and forty five (45) minutes with the head of marketing.

The formal survey to employees and customers utilised self-administered questionnaires. These questionnaires were developed based on the hypothesized model on relationship formation, maintenance and termination developed after discussions held with the Managing Director and the literature review. The customer questionnaire had twenty seven (27) items; these looked at what were customers' views on how they formed and maintained relationships with DTL and their views on whether, how and why they would end their relationship with the company. The employee questionnaire had seventeen (17) items, exploring staff's views on the organization's policy on customer satisfaction and on how they interact and build relationships with customers. Questionnaires for employees were distributed to all employees at the company's head office in Lagos, Nigeria. Customer questionnaires were distributed randomly to customers who came in for business during June 2006 at the company's head office and also to customers who visited the company's marketers. Since this research is more exploratory, the small sample utilised in this research could be justified.

3.2.2 Measurements and Analysis

After conducting the (2) two in depth interviews, the information and data were then transcribed and analyzed relevant to the findings from the surveys. Assessment was made on consistency of findings between the interviews and surveys. Key elements were then highlighted and extracted for use.

Analysis of the formal surveys was done using the Social Sciences Package for Statistics (SPSS) version 13.0.1. Analysis was conducted using both descriptive and inferential data. Frequencies were calculated and in some cases recoding of variables and cross tabulation were done using chi square. Forty (40) customers completed the self administered questionnaires out of 50 questionnaires distributed to customers, indicating that the response rate was 80%. Thirty (30) questionnaires were completed by staff members at the company's head office in Lagos, Nigeria out of a total of 36 members working there (82% response rate).

The review of the company's records and minutes of meetings was done to corroborate some of the findings from the interviews and formal surveys and to provide more insights and clarify issues. Key points were extracted and any inconsistency was noted. The next sections present the findings from the research conducted at Dominion Trust ltd (DTL). This is preceded by an overview of the Capital Market in Nigeria and a background of DTL.

3.3 Overview of Capital Market in Nigeria

In 1960 with the establishment of the Lagos stock exchange, the Nigerian Capital Market (NCM) came to existence. This stock exchange was later renamed the Nigerian Stock Exchange (NSE) which is considered the centre point of the Nigerian capital market (Nigeria business info.com, 2000-2002). The main objective of the NCM is to mobilise long term funds for investment, employing instruments such as ordinary and preference shares for equities, government bonds for depts and debenture stocks to do so. Nigeriabusinessinfo.com (2000-2002) further reports that the Nigerian Capital Market is structured in the form of two markets:

(1) The primary market where new securities are issued.

(2) The secondary market where the trading of existing securities is done.

The major participants in the Nigerian capital market are the Securities and Exchange Commission which regulates and provides oversight for the entire market. These powers include the right to revoke stock broker registration and approve or disapprove of any new stock exchange. Other participants in the CM are the Nigerian Stock Exchange which supervises the operations of the formal quoted market, Nigeria's Central Bank, the Federal Ministry of Finance, Market Operators and investors (Nigeria Stock Exchange, 2001). However for this study, the main focus will be on the market operators and investors. The market operators being stock broking firms, stock brokers, trustees etc who act as agents and also advise investors on their investments. For this study, the focus is on individual investors; however investors could also be unit trust companies and pension funds. This study will therefore focus on the relationship between fund providers (individual investors) wishing to invest in the capital market in the form of buying shares and the intermediary (stock broking firm) which acts as an agent and financial adviser to the investor.

3.4 Background to Dominion Trust ltd (DTL)

The stock broking firm used in this case study is Dominion Trust Limited (member of the Nigerian Stock Exchange). This company has its head office in Lagos, Nigeria with branches located in Abuja, the Federal Capital Territory, Port-Harcourt and Ibadan. DTL was established in 1989 but started brokering in the Nigerian Capital Market in May, 1990.

It is a fairly new company, just 17 years in existence but as articulated by the Managing Director "*it has exploded on the Capital Market in Nigeria and continues to grow at a steady rate in terms of service, clientele and performance*". The main head office is located in Lagos, Nigeria which is a 'hub' of business activity in the country. DTL is a member of the Dominion Group. It is one of the foremost stock broking houses in the Nigerian Capital Market being a member of the NSE since 1990, also having a trading booth in the primary and secondary market.

The mission of the organisation is to be the first choice in financial asset management and the company does this by rendering value adding financial asset management services to clients through well motivated and skilled man power, delivering superior returns to share holders whilst remaining a responsible corporate citizen (DTL, 2006: b). The firm's core values are professionalism, integrity and dedication.

A seven member Board of Directors develops the policy framework for the company (DTL, 2005: a) which is implemented by a five member management team and 68 staff members located across the 3 branch offices of the organisation. The company provides the following services:

(1) Act as issuing house to new issues of shares.

(2) Acts as stock brokers to new issues of shares.

(3) Purchase and sale of shares for individuals and corporate organisations.

(4) Verification of signature at registrars in respect of share certificates pledged as collateral of clients.

(5) Treasury bills.

(6) Portfolio management.

(7) Pension fund management.

(8) Investment advisory services (DTL, 2006: b)

3.5 Characteristics and profile of respondents in the research

Formal interviews were conducted with the Managing Director (MD) and the Head of Marketing (HM) of Dominion Trust Limited (DTL). The MD is Mr. Tope Ashaju who has been with the company for approximately thirteen years as a member of the management team but assumed the role of Managing Director in 2004. The head of marketing is Mr. Kayode who has been with DTL for approximately five years and assumed the head of the marketing division in 2004 as well.

There were forty (40) customers who participated in the survey with more females participating than males (65% females). Most of the customers (70%) were doing business for more than two years (2) with the company. Table 3 shows the profile of customers who participated in the survey.

In terms of employees, there were thirty (30) respondents to the survey and again more females (80%) participated than men with eleven of those who responded being a stock broker or from the marketing department. Table 4 shows the profile of employees who participated in the survey.

TABLE 3: PROFILE OF CUSTOMERS

Age	Male	Female	Total No. (%)	>2yrs. With DTL
15-20 yrs.	2	0	2 (5%)	2
21-30 yrs.	4	4	8 (20%)	4
31-40 yrs.	6	4	10 (25%)	8
41-50 yrs.	0	4	4 (10%)	4
50 yrs. and above	2	14	16 (40%)	10
Total (%)	14 (35%)	26 (65%)	40 (100%)	28

TABLE 4: PROFILE OF EMPLOYEES

Age	Male	Female	Total No. (%)	Working as SB/Marketer
15-20 yrs.	0	1	1 (3.3%)	0
21-30yrs.	3	10	13 (43.3%)	7
31-40yrs	2	8	10 (33.3%)	1
41-50 yrs.	0	5	5 (16.7%)	3
50 yrs. And above	1	0	1 (3.3)	0
Total	6 (20%)	24 (80%)	30 (100%)	11(37%)

3.6 Forming Business to Customer Relationships in DTL

The Managing Director of DTL reported that DTL has had some long standing clients, establishing relationships with the firm from the onset of the company entering the stock broking industry. He also explained that in general most client relationships are established with the company through the following mechanism:

(1) Through referrals from friends and family members

(2) Through initial public offer

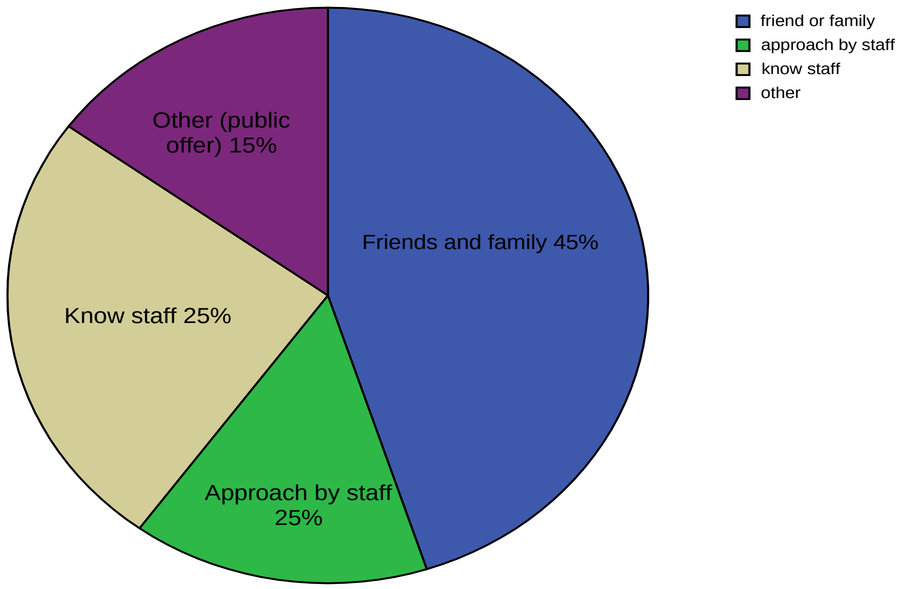
(3) Through contact with staff members that they know

(4) Through past knowledge and experience with the company or other stock broking firms

This was consistent with the findings of the survey conducted among customers of DTL. Most of the customers reported that they started doing business with the stock broking firm through referrals from friends and family (18 or 45%). Figure 5 presents a pie chart showing customers report on how they have established a relationship or started to do business with the company. In general, the survey findings revealed that a relatively high percentage of customers (30%) reported being referred by family or friends to invest in the capital market. However the majority of customers who started investing in the capital market started doing so through an initial public offer (45%). However despite them investing in the capital market through the public offer, they only established their relationship with DTL through referral from family and friends. Majority of customers with over 2 yrs experience (43%) doing business with DTL also reported starting business with the company through referral from friends and family. Even a high proportion of those with less than 2 yrs experience with DTL (50%) also reported starting the relationship as a result of being referred by their friends or family member.

All of the respondents/ customers (100%) who reported starting business with DTL through referral from family or friends also reported good knowledge of the capital market in Nigeria. In fact overall, most of the customers reported being very familiar with the capital market (85%). When this was analysed according to age, most of the respondents under 40 years reported higher levels of knowledge of the capital market than those over 40 years but these findings were not statistically significant (p value was greater than 0.05). The Managing Director of the company also reported that there was a high level of knowledge among customers on the capital market in Nigeria and felt that this at times influenced whether a customer may do business with a company or not. Despite this, there was some inconsistency in the report on knowledge since only (16 or 40%) of respondents actually knew how long the capital market was in existence in Nigeria and 62% of those who reported good knowledge of the Capital Market did not know or suggested incorrect responses to how long the capital market was in existence in Nigeria. However this was not statistically significant (p value was 0.28) suggesting that there was no association between their level of knowledge of the capital market and how familiar respondents were with the length of time the Nigerian capital market was in existence.

FIGURE 5: PIE CHART SHOWING FACTORS INFLUENCING CUSTOMERS TO ESTABLISH RELATIONSHIP WITH DTL.



It was also found that there was a statistically significant association (p value was 0.03) between customers' reported level of knowledge of capital market and length of time they were investing in the capital market with those who reported high levels of knowledge of the capital market being 20% more likely to have over three (3) years experience investing in the capital market.

The Managing Director reported that contact between broker and customer is 'a two way process'. He stated that not only is contact made to provide information to investors but also to maintain contact and as 'a courtesy'. He further reported that contact is made through e-mail, via telephone and through visits by clients to the company's office. A review of company's records also corroborated that clients made contact through visits, telephone and by e-mail (DTL, 2005: c). The formal survey findings also revealed that the majority of customers reported having regular contact with the broker with most times they (customers) making the contact with the broker themselves (60%) rather than vice versa.

Most of the respondents expressed satisfaction with their initial contact with the broker (90%), with both those over age 40 and those under the age of 40 expressing similar levels of satisfaction with their broker (statistically significant). The majority of customers with over 2 yrs experience doing business with DTL also expressed satisfaction with the first contact they made with the company. The Managing Director reported that clients are given personal attention and every client has an account officer and is given the choice to change officers if he or she desires. He further reported that as a part of staff orientation, much emphasis is placed on broker-client interactions and initial contact. He felt that 'first impression is critical' and as such staff needed to be courteous, friendly and approachable during their first contact with clients if any relationship will be established. He also explained that as Managing Director he has an open door policy and being a registered stock broker himself, clients can feel comfortable approaching him at their initial visit or when they have problems. Similar views were also shared by the Head of Marketing at DTL.

The Head of Marketing also explained that it is not so easy establishing a relationship with customers. He felt that the Nigerian market is very competitive and customers are very familiar now more than ever with what is happening in the market. He like the Managing Director placed much emphasis on the initial contact made by clients to the organisation. He also highlighted the role of all staff as marketers.

The findings from the survey conducted with employees revealed that the majority of employees saw striving for customer satisfaction as part of their duty (65%). Most of the employees reported that customer satisfaction was an inherent part of the organisation's policy and programme (96%). Most stated some level of awareness of the policy (87%). Interestingly too all those who reported not knowing of an organisational policy on customer care and satisfaction had less than one year service with the organisation and worked in general office administration.

Employees also reported being given the opportunity to share their views within the organization on how to establish and maintain long term relationships with clients. (80%) of employees reported sharing their views with management and others in the organisation. All (100%) of employees from the stock broking, operations and marketing departments reported sharing their views within the organization.

The next section will present the findings and results of the research relevant to maintaining and expanding business consumer relationships in the stock broking firm case study.

3.7 Maintaining and Expanding BCR's with DTL

It was reported that there are many long standing clients with DTL (DTL, 2005: b), commencing business with the company from the time the company became operationalised in 1990. The company report highlighted several persons who were recognised for their long term relationship with the company. The Managing Director reported that the company has been able to maintain long relationships with clients because of the quality of service provided which is personalized and open. He also outlined other factors including the credibility of the company, the confidence generated by employees and the stability in the management and staff of the organisation including stock brokers/ account managers. He reported that most clients stay with the company for 2 years and over.

The findings of the survey revealed that most customers maintained a relationship with DTL for more than 5 years (see table 5) with 28 or 70 % maintaining a relationship with the company for more than 2 yrs. The majority of customers (60%) who were transacting business with DTL for more than 2 years also reported that their satisfaction with the company's service was the major contributory factor for them continuing to do business with the company. Table 6 provides a comparison of responses to selected relationship development characteristics between customers with less than 2 years experience and those with 2 or more years experience doing business with DTL. Respondents further revealed that they trust the company, the services were good and they were satisfied with information given and their relationship with the company in general; with the majority (55%) reporting satisfaction with the services of the company. Figure 6 shows a bar chart with the factors influencing clients to remain with their broker (DTL).

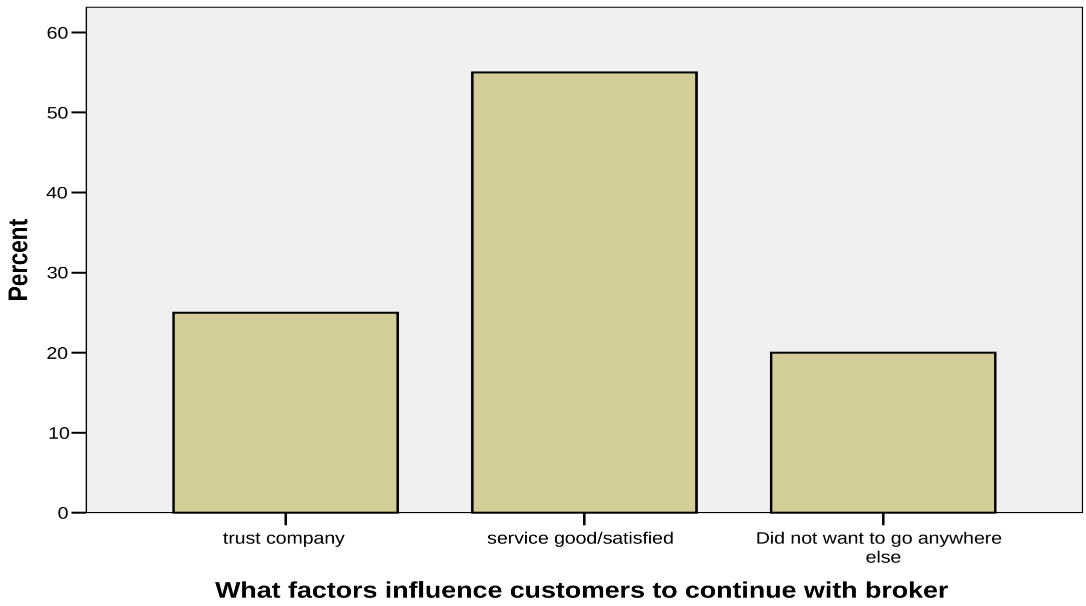
TABLE 5: LENGTH OF YEARS FOR CUSTOMERS DOING BUSINESS WITH DTL

Number of years with DTL	Number of customers (%)
Less than one year	2 (5%)
1 yr < 2 yrs	10 (25%)
2 yrs < 3 yrs	10 (25%)
3 yrs < 5 yrs	6 (15%)
5 yrs and over	12 (30%)
Total	40 (100%)

TABLE 6: COMPARISON OF RESPONSES TO RELATIONSHIP DEVELOPMENT CHARACTERISTICS BETWEEN CUSTOMERS WITH LESS THAN AND THOSE WITH MORE THAN 2YEARS EXPERIENCE DOING BUSINESS WITH DTL.

SELECTED RELATIONSHIP DEVELOPMENT CHARACTERISTICS	LESS THAN 2 YRS. EXPERIENCE. NO. (%)	2 YRS. OR MORE EXPERIENCE	TOTAL NO.
Number of persons reporting that they introduced more than one person to their broker.	4 (15%)	22 (85%)	26
Number of persons reporting that they never had any problems making contact with DTL	8 (25%)	24 (75%)	32
Number of persons maintaining relationships with other brokers	8 (40%)	12 (60%)	20
Number of persons reporting that there is a strong relationship with DTL.	6 (23%)	20 (77%)	26

FIGURE 6: BAR CHART SHOWING FACTORS INFLUENCING CLIENTS TO MAINTAIN RELATIONSHIP WITH FIRM.



Thirty-five (35%) of the respondents reported that they maintained more than one active stock broker. While 80% reported not experiencing any problems making contact with their broker. However most of those who reported having more than one broker also reported not experiencing any problems making contact with their broker. However several of them (30%) also reported not getting good advice on making contact with their broker. A review of the minutes of a management meeting of the company (DTL, 2006: a) revealed that management was concerned with staff- client relationship, advice given to clients, staff attitude and performance in terms of maintaining good relationship with customers. These were some of the issues highlighted in the management meeting. A copy of the training guide (in-house) used for sessions with brokers (see DTL, 2005: c) also revealed this as an area for training with staff.

The Managing Director highlighted several key characteristics that he felt played a major role in many clients maintaining their relationship with the company. These were quality of service, the friendliness of staff and the usefulness and timeliness of information and advice given. He was of the opinion that these characteristics were highly prevalent in the company. However while the findings from the survey done among the customers did not contradict this, it did not demonstrate very high levels of ratings for those characteristics by the customers.

Table 7 shows the proportion of customers and how they rated services provided by DTL. Most clients rated these characteristics of services at average or good with a very small proportion rating services at excellent. Only client friendliness of services had a greater proportion of customers (more than 5%) rating it as excellent.

TABLE 7: PROPORTION OF CUSTOMERS AND THEIR RATINGS FOR SELECTED CHARACTERISTICS OF SERVICES PROVIDED BY DTL

Characteristics	Average	Good	Excellent
Quality of service	40%	55%	5%
Client friendliness of staff	40%	45%	15%
Usefulness and timeliness of information and advice given	40%	55%	5%

Most of the respondents felt that their relationship with their broker was strong (65%). Again most of them felt this was so because of good and open communication they had with their broker (25%), trust and commitment (50%) and support given (10%). All of the respondents (100%) felt that it was beneficial to have a strong relationship with their brokers. Despite this 25% of respondent were not sure whether brokers needed to have a relationship with customers. All those who reported being unsure of whether brokers needed to have the relationship with customers continued to maintain relationship with other brokers and also were not sure whether their relationship with the broker was a strong one.

Sixty five (65%) of respondents reported introducing at least one person to their broker. Most of those who reported introducing others to their broker were satisfied with the first contact made (55%), had over 3 years experience doing business with DTL (65%) and had no problems making contact with officers of DTL (75%). These findings were also consistent with that revealed by the Head of Marketing who reported that most marketing within the company was done through 'word of mouth'. He felt that in the stock broking industry, this was quite an effective tactic because of the nature of the industry and financial products. He explained that customers wanted to be confident of where they go to make an investment or for advice and as such individual experiences are helpful for some clients to better be able to make their decisions. It was also revealed that regulations and policies prohibit open advertisement by stock broking firms and as such 'word of mouth' advertising becomes extremely useful and effective.

The survey done amongst staff revealed that most employees reported that they have at least told one person about the firm. Most of these employees had over three years service with the organisation (55%) and again worked in the stock broking, marketing or operations department.

The next section will now examine the findings on how relationships are dissolved in DTL.

3.8 Ending business relationship

The Managing Director reported that not all customers are profitable to maintain and the firm from time to time have had to end their relationships with customers. He said in most cases, this is done in an amicable manner with the firm explaining to customers that they would not be able to sell a particular product or carry out a particular transaction. He also reported that there were few instances when customers were not particularly pleased with such decisions and may have terminated their relationship with the company if there were other transactions and exchanges being done with the customer. However he said that the company strives to ensure that the 'fallout' from such arrangements does not affect other transactions or exchanges taking place with the customer or other customers.

The Managing Director also reported that most relationships end between brokers and customers because of poor information and advice. He said this was a particular concern for most clients and customers. He also reported that in some cases customers may have been provided with inaccurate information about their accounts resulting in them being dissatisfied with the service and therefore dissolving the relationship. He also outlined that most customers would send them an e-mail, write a letter or visit the office to report their dissatisfaction and their decision to terminate the business relationship with the company.

However, findings from the formal survey done with customers revealed that two major factors contributed to customers considering ending their relationship with the company. These were poor or inadequate advice on their accounts and dishonest and unfriendly staff. Some clients also reported ending the relationship because of inaccessibility of broker since they (the client) moved residence from the city where the offices are located. Findings from the survey also revealed that at least 20% of those interviewed in the survey considered at one time or the other dissolving their relationship with their broker. All (100%) of those who considered terminating their relationship with their broker did not consider their relationship with DTL and broker very strong. The majority of them also rated the quality of service and the timeliness of information and advice as average. Most of those (55%) who considered ending their relationship also maintained relationships with other brokers suggesting that they may have maintained this relationship to keep their options open and to reduce time spent looking for another broker.

The Managing Director rated the proportion of customers terminating relationships with DTL very low. He stated that at most times staff members will try to appease customers who are dissatisfied with services. This explanation was consistent with that revealed by staff members in the survey done among them. Sixty (60%) of them reported that at some time they have tried to pacify customers because of customer's dissatisfaction with service. Some staff members also reported offering apologies to customers and providing alternatives to influence these customers to remain with the organisation.

The Managing Director also reported that there were some external factors that also influenced clients to terminate their relationship with the company. These included low moral of staff and stress due to environmental factors such as lack of electricity, congestion in area where office is located and in general not a conducive working environment which transcends to the customers being dissatisfied. He said the economic situation in the country also creates its own frustrations for clients who may decide against investing in general and as such terminate their relationship with the company.

Most customers in the survey revealed that they will inform management of their decision to terminate (35%); while 25% reported that they will do so by e-mail or by writing a letter. Interestingly 25% of respondents also reported that they will not do or say anything if they are to end their relationship with the company. However most of those (55%) who said that they will not say anything when they are ready to end the relationship reported that they will restart the relationship with DTL once the problem is resolved. In fact, the majority of respondents reported that they will restart doing business with DTL once their concerns are addressed (see table 8). However a small proportion (20%) reported that they do not believe that they will restart business once their relationship is terminated with the company.

The Managing Director expressed the view that most clients return to the organisation when they may have dissolved the relationship because they were not pleased with the alternative that they sought out. He stated that "*most clients when they terminate their relationship with our company, they approach other firms in the industry and on realising that they would not be able to transact such business there as well, these customers return to us. They then prefer to do business with us than the new company they may have approached*". Most of the employees in the survey reported that they felt their actions contributed or helped to influence clients to restart the relationship with the company or in some cases not to end the relationship (stop doing business with the firm). They felt that their immediate response in most cases impacted positively on customers. This was a view also shared by the Head of Marketing of the firm. He felt that immediate positive action on problems and concerns of client could reduce the fall out of clients or help them to consider restarting the relationship. He however felt quite strongly that sometimes when a client wanted to dissolve a relationship, there is nothing that will prevent him/her from doing so or restarting that relationship if they do not want to do so.

TABLE 8: PROPORTION OF CLIENTS AND THEIR REASONS FOR RESTARTING RELATIONSHIP WITH DTL

Reasons for restarting relationship with DTL	**Number of clients (%)**
Resolution of Problem	22 (55%)
Discuss with Senior management	6 (15%)
Never restart	8 (20%)
Encouraged by family or friend	2 (5%)
Restitution	2 (5%)

Not much was found in company records on relationship dissolution or whether clients ended/ terminated their relationship with the company. The Head of Marketing at DTL explained that the organization also tries to reduce any negative impact that such a ‘fallout’ could have on an organization by striving to ensure amicable resolution to problems that customers may encounter so that there is not much to include in company records on this.

3.9 Improving customer relationship and satisfaction in DTL

The Managing Director reported that there were several key activities that the company has been involved in to improve their services to clients and build on their relationship with existing clients. These he outlined as:

(1) Having a fully automated system and improved technology to faster respond to client needs and increase the timeliness and accuracy of information.

(2) Offering personalised service and support for managing client accounts.

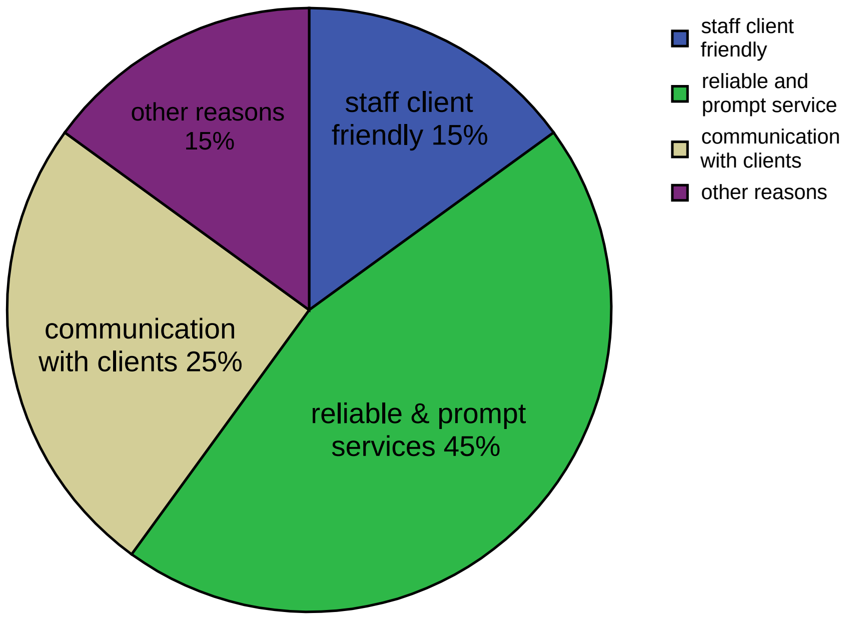
(3) Website and easy access for clients to interact with their account officers.

(4) Increase staff training by providing internal (in-house) training for staff as well as encouraging staff members to attend external training courses including writing professional examinations such as the professional stock broking exams.

This was consistent with that revealed by head of marketing in the interview as well as by staff members in the survey conducted amongst them. Eighty five (85%) of employees reported that they attended a training programme since working with DTL with all of those who reported not attending a training programme working less than one year with the company.

Majority of employees (45%) reported that they need more management support and advice to better provide services to clients. While the majority of customers (45%) reported that brokers needed to provide prompt and reliable services to improve their relationships with clients. Figure 7 provides a pie chart outlining the reasons provided by clients on how brokers could improve their relationship with clients.

FIGURE 7: PIE CHART SHOWING HOW DTL COULD IMPROVE ITS RELATIONSHIP WITH CLIENTS



The Head of Marketing acknowledged that there are still many areas for the organisation to work on to improve its relationships with clients. He opined that the organisation was still fairly new, still expanding and the environment has its own challenges. However he maintained that the organisation was capable of responding to these challenges and providing an excellent service to clients. He felt that it is "*something that the organisation must do to gain competitive advantage in the industry*".

3.10 Summary of findings from case study

1. Most relationships are established with the stock broking firm through referrals from friends and family members with other relationships being established as a result of initial public offer, contact with staff members and through past knowledge and experience with the company or other stock broking firms.
2. There was a statistically significant association found between customers' reported level of knowledge of capital market and length of time they had investing in the capital market with those who reported high levels of knowledge of the capital market being 20% more likely to have over three (3) years experience investing in the capital market.
3. The majority of customers reported having regular contact with the broker with most times they (customers) making the contact with the broker themselves.
4. Most of the respondents expressed satisfaction with their initial contact with the broker with most of those who expressed high levels of satisfaction with their broker having over 2 years experience doing business with the company.
5. Majority of the respondents were doing business for more than 2 yrs with the firm with most reporting that their satisfaction with services was the major reason for them continuing to do business with the firm.
6. A high level of respondents reported that they maintained more than one active stock broker. However most of those who reported having more than one stock broker did not report experiencing any problems making contact with their broker.
7. Most customers rated quality of services, client friendliness of staff and usefulness and timeliness of information and advice at good.
8. While all of the respondents (100%) felt that it was beneficial to have a strong

relationship with their brokers, only 65% of the respondents felt that their relationship with their broker was strong.

9. Majority (65%) of respondents reported introducing at least one person to their broker with most of those who reported introducing others to their broker being satisfied with the first contact made (55%), had over 3 years doing business with DTL (65%) and had no problems making contact with officers of DTL (75%).
10. Most of the employees reported telling at least one person about the firm with those with over three years service within the organisation and those working in the stock broking, marketing or operations department being most likely to do so.
11. Most customers end their relationship with the company as a result of poor or inadequate advice on their accounts and dishonest and unfriendly staff.
12. Most customers in the survey revealed that they will inform management of their decision to terminate. However a small proportion indicated that they will not do or say anything if they are to end their relationship with the company.
13. The majority of respondents reported that they will restart doing business with DTL once their concerns are addressed with most of those (55%) who said that they will not say anything when they are ready to end the relationship reporting that they will restart the relationship with DTL once the problem is resolved.
14. Majority of employees (45%) reported that they need more management support and advice to better provide services to clients.

CHAPTER 4 DISCUSSION AND IMPLICATIONS

4.1 Introduction

This chapter will provide some discussions of the findings presented in chapter three (3) which represented an analysis of data from the case study research. These discussions will relate the findings to academic theory and concepts. The chapter will also discuss the implications of these findings and results for the financial service sector, for managers, researchers and others in the marketing and management field and present a new model on how and why relationships are formed, maintained and developed in a stock broking firm based on the findings of the study.

4.2 Relationships and Relationship Marketing in the financial sector.

The evidence presented supported the idea that the financial service sector remains a very complex one (Ennew and Hartley, 1996). This is particularly so with respect to savings and investment products. This was a view shared by the Managing Director of DTL who explained that in the capital market, it was 'risky business'. Ennew and Hartley (1996) in the literature argued that the emergence of insurance companies, pension funds and unit trusts have forced stock broking industry to change the way it does business in response to competition. They felt that this contributed to the need to focus on relationship marketing (p.18). Even the earlier literature recognised the key role of stock broking/ intermediaries in relationship development and marketing. Harmilton (1968) felt that the global challenges facing the stock broking industry required that stock brokers develop more technical skills and depend less on charm to create long term relationship with clients (p.46). He further argued that the personal contact and confidence inspired in the client by the personality of a particular individual was critical in influencing how the organisation performed in business (p.9). These arguments suggest that relationship and relationship marketing remains a key issue in financial services and could contribute significantly to performance and profitability.

The findings from the case study show that all stake holders in the research (customer, staff, Managing Director and Head of Marketing) all recognised the need for relationship building with customers. Both the MD and Head of Marketing shared the view that focusing on the continuous creation of customer value will enhance the performance of the firm and generate more resources for its profitability. This again has been well articulated in the academic literature (McNaughton et al, 2000; Morgan and Hunt, 1999; Gronroos, 1999). This recognition of customer value has influenced DTL to focus much of its attention on relationship marketing in this sector. However the company staff may not have articulated this as relationship marketing.

Beckett et al (2000) argued that the capital market has experienced considerable growth in recent years. The Nigerian capital market has similarly experienced this growth with the National Investment Promotions Commission (1999-2000) reporting that many reforms in Nigeria's capital market was taking place as a result of continuous growth in the market. This growth could be argued was as a result of increasing/rising disposable income which have increased consumer spending as well as increase disposable incomes; deregulation, changes in fiscal policy and improved technology (Beckett et al, 2000, p.19). It is also felt that because investment products are mostly long term in nature, it provides an opportunity for the development of consumer relationships (Ennew and Hartley, 1996). Though the literature review revealed that consumer relationship may vary across stages with some relationships not experiencing all of the stages, others follow a process with the final stage being dissolution. It could also be agued that the nature of financial services will provide an opportunity where most customers want to form a relationship. The stock broking firm is one such example with clients feeling that they know less of the topic and therefore depending on their brokers to help them in decision making and investment planning and decision making (Barnes and Howlett, 1998). This implies that relationships are therefore critical in the financial services sector and needs to be further analysed and discussed.

4.3 Forming or Establishing Relationships (BCRs).

The academic literature revealed many research and studies examining the need for relationships and the value of forming relationships with customers. However, it could be seen that relationships vary even within the sector.

The MD of DTL reported that most relationships were established through referrals by family or friends, through staff and through initial public offers. This view was tested in the model developed showing relationship development in the marketing department. Again, the survey done amongst customers showed higher proportions of people believing that relationships are formed through referrals and through knowing of a staff member within the organisation.

The literature supports these findings with Ennew and Hartley (1996) explaining that where customer involvement in service delivery is high, relatively complex and involves risk, it is more likely that relationships will be formed: while McNaughton et al (2002) explained that customers could be effective marketing agents once they are satisfied. They felt that customers “spread by word of mouth”, informing and encouraging others to use services. However it may be useful to explore some of these in other sectors since it is felt that some of the ‘processes’ and the reasons for forming relationships (the ‘how’ and ‘why’) will not be applicable in all sectors nor in all countries. It could also be agued that because of the nature of the investment, customers feel much more comfortable depending on the advice given by their family or friends with respect to making a decision on establishing a relationship with a firm, placing high value on the experience of others.

The findings from the study demonstrated that the majority of customers contact their broker regularly. In most cases they initiate the contact rather than the broker suggesting that the customer themselves are keenly interested in interactions with their broker. This may be more so in this sector (investment) because customers are investing with their resources and want to achieve high quality returns on their investments. This also suggests why BCRs are particularly important in this sector and is similar to that suggested in the literature that opportunities to develop BCRs occur for high involvement products (O’Malley and Tynan, 2000; Gummeson et al, 1998) where customer interaction occurs regularly. The Managing Director also highlighted the fact that customers and clients of DTL were very knowledgeable of the capital market in Nigeria and investment issues. Most of the clients in the survey also reported being familiar with the capital market in Nigeria. However only less than half of them actually knew how long the capital market in Nigeria was in existence but this was not statistically significant. It could therefore be argued that this may not be an important aspect of knowledge and information that customers may be interested in knowing or a good tool to measure customer’s knowledge of the capital market.

However the findings show an association between self reported awareness of the capital market and length of time individuals have invested in the market suggesting that those who were more experienced (spent a longer period of time investing in the capital market) were more familiar with the market. This is consistent with findings in the literature. Bell et al (2005) found that as relationships extend several changes occur. He highlighted one such change as customers becoming more experienced with both the organisation with which they are transacting and the market in which the organisation competes. They further argued that long term relationships lead to increase in client confidence. However Beckett et al (2000) found a different result in his study which examined consumer behaviours with respect to their purchasing and monitoring of financial services. They found that in investment decisions, more clients reported feeling less confident in knowledge and decision making on investments with more of them also reporting that they felt that brokers were the experts and depending on them for information and advice. Beckett et al (2000) further identified two critical factors in buyer seller interactions in this sector. These two factors were involvement and uncertainty and these characterised the nature of the relationship. As highlighted earlier, interaction is expected to occur over a period of time in this sector and there may be some uncertainties prevalent because of the risks involved in investment and the need to continually be updated on what is taking place in the market since it determines some of the investment decisions that will have to be made. Barnes and Howlett (1998) also suggested that where customer involvement in delivery of services is high, relatively complex and involves risk, it is more likely that relationships will be established and developed. However two (2) major questions arise; these were whether financial services were fully equipped to capitalise on the opportunities presented because of the nature of the products and how could they respond to strengthen BCRs and improve their market returns and profitability (Barnes and Howlett, 1998). There are no easy answers to these questions since it is argued that forming and establishing relationships do not necessarily bring increase returns and profits for an organisation (Sheth, 2002; Blois, 1998).

However, it has been shown that forming relationships remains particularly important in the financial sector whether these relationships start slowly or begin a bit faster. It is recognised that it can influence the relationship and the nature of the interactions. There is a common metaphor ‘first impressions count’ and this can be related to the establishing of relationships in this sector, if the relationship is to be built and maintained. While it may be a bit speculative to place much emphasis on the initial contact between buyer and seller without robust academic evidence and support, it could be suggested that this may be an area for further exploration and discussion. Palmer (1997) suggested that before relational exchanges occur, there may be a lengthy period during which parties gain acquaintance with each other. The five stage process in relationship development by Dwyer et al (1997) also points to an awareness stage and an exploratory stage where no exchange may occur or parties do trial exchanges as they seek to find out more about each other and to determine whether the relationship may be useful and beneficial for them.

4.4 Developing and Maintaining Relationships

It is widely acknowledged in the literature that a major focus of RM is on maintaining successful relationships (Morgan and Hunt, 1994; Ahmad and Buttle, 2002; McNaughton et al, 2002; Gruen, 1997; Gronroos, 1999). Many researchers and writers have argued that trust, service quality and commitment all contribute to the maintenance of long term relationships

(O'Malley and Tynan, 1999; Morgan and Hunt, 1994; Bell et al, 2005; Ahmad and Buttle, 2002; Palmer, 1997). The study therefore sought to examine how relationships are maintained in the financial sector and the stock broking industry in particular. It also sought to evaluate from the model proposed whether trust, advice given. Prompt and reliable service, communication and courteous staff all contribute to maintaining long term relationships within the sector.

The case study research demonstrated a high level of customer retention by DTL. While it could be argued that the nature of investment requires long term interaction with clients, it is acknowledged that the capital market has expanded in recent years with an increase number of players in the market providing more alternatives for clients. It could also be argued that these alternatives however may not be 'true ones' in every sense because they may offer similar products and services. The Managing Director of DTL explained that clients may switch and approach other stock broking firms and realise that these firms will also not sell or buy the product or carry out the transaction that they may want, forcing the customer to return to them. Beckett et al (2000) felt that customers sometimes have little incentive to change because any switching of providers may not only incur disruption for them but may also result in financial cost while generating minimal benefits. As such, it could possibly be argued that customers are more likely to have longer years of service and association with the stock broking firm in the financial sector because of the nature and complexity of the product and the exchange.

The findings from the survey revealed that service quality, customer satisfaction, prompt and reliability of information and trust in the company were major influencing factors contributing to clients remaining with the company. The Managing Director and Head of Marketing at

DTL also identified these factors as major contributing factors to the maintenance and expansion of their client base. The academic literature again is filled with much analysis on the role of these factors in customer retention and maintenance of relationships. However there is little discussion of the role of staff or the stability of an organisation in terms of staff turnover rates and its impact on customer retention. This is highlighted here since the model proposed did not particularly address this issue. However several of the customers reported remaining with the organisation and maintaining the relationship as a result of continuity with the broker and feeling comfortable and satisfied that they do not have to change or see a different provider/staff each time they relate with the firm. The MD also reported that DTL has had a 'stable' management and staff which he attributes to contributing to customer satisfaction. Even the findings from staff survey revealed that most staff members were with the company for over 2 years indicating relative stability in the work force. Blois (1998) suggested that where there are staff changes in organisation (as people come and go) it affects the firm's culture and its relationship by changing the customer-staff interactions and also by reducing the element of trust which may exist among staff members as well as between staff and customers. Even Beckett et al (2000) found that customers express satisfaction with the personalised nature of their relationship with a personal adviser and wanted to communicate and interface with the same adviser every time they make contact with the firm. The foregoing therefore suggests that stability among staff and managers of firms in the financial sector especially in the stock broking industry will lead to increasing customer satisfaction which can lead to strengthening the relationship (BCRs) and enhancing its longevity. This however may need more research for generalizations could be made.

Bell et al (2005) suggested that firms should pay attention to older existing customers and not only pursue new customers. This was a view expressed by the Head of Marketing of DTL. He outlined the organisation's strategy of paying attention and focus on their existing customers while at the same time pursuing new and potential customers. This is particularly useful in the financial sector and stock broking industry where recommending firms to others seems to be a common feature. This was also demonstrated in the case study research when a high proportion of customers reported introducing at least one person to their broker. Even staff reported telling others about the firm.

The findings of the case study research also revealed that a high proportion of customers retained more than one active broker suggesting that customers again may maintain this so as to have alternatives whenever this is necessary. This is thought to be so since some of those who reported having more than one broker also reported difficulties making contact with their broker at DTL and considered terminating their services with the firm. Despite this, most customers reported that they consider their relationship with their broker as strong with all of them feeling that it would be beneficial to have a strong relationship with their broker.

However what was particularly interesting about the findings from the case study research was the fact that many customers did not know whether brokers needed a relationship with customers suggesting that their view was that only customers needed brokers and not vice versa. Despite this, a review of company records and discussions with the Managing Director and Head of Marketing revealed that much focus and attention needs to be continually emphasized on creating customer value as suggested in the literature (Sharma and Sheth, 1997; Christopher et al, 1991; Payne and Holt, 2001). However Bell et al (2005) cautioned that the ability of financial firms to deliver high quality consistent returns while managing client risk is more important for clients than friendliness and being courteous. It is therefore important that a balance be found in the management and maintenance of relationships if a firm is to succeed.

4.5 Terminating BCRs

Several writers have suggested that all relationships must come to an end (Ahmad and Buttle, 2002; Hocutt, 1998) but how is this process to be managed if firms are to remain competitive and relationships are to survive. The findings of the survey among customers revealed that factors such as inadequate and poor advice, dishonest and unfriendly staff were major contributors if clients were t consider terminating their relationship with the stock broking firm. This underlies the seriousness that individuals place on their investment and was consistent with some findings in the academic literature with Bell et al (2005) suggesting that financial firms needed to focus on both technical and functional elements of service since in their study it was found that managing the client risk and delivering high quality on returns were more important than staff friendliness.

However while the study did not address the issue of what relationships might be useful to terminate, the MD spoke of some relationships not being profitable for the firm and as such they had to terminate these relationships in an amicable way. This is particularly worth exploring more since financial firms such as a stock broking firm focuses a lot on investments and will need to manage their relationships well to ensure profitability. The review of the company minutes (DTL, 2005: C) highlighted some concerns that managers were having with respect to the risks involved in credit businesses and some of the losses and problems they were having as a result of credit arrangements. The academic theory again highlighted the fact that many firms were re-looking their relationship to determine whether they were profitable. Gummeson (1998) articulated that quality productivity and profitability were triplets while Gruen, (1997) found that RM helps firms to retain the most valuable and profitable customers. However Ahmad and Buttle (2002) held a different view. They felt that the idea of allocating resources to keep the most profitable customers is not always practical since they found in one of their case study that it was not practical for an airport authority to let go of its relationships even though they were not as profitable as that of tax and duty concession officers. As such, it could be argued that not always it might be possible for stock broking firms to let go of their 'not so profitable' customers. However they may need to re-look at the relationship to identify ways whereby both parties can benefit from the relationship.

It could also be seen that the nature of investment products makes it easy for customers to be interested in restarting a terminated relationship. Most customers reported that they will restart a relationship once resolution of the problem occurs. This suggests that terminating a relationship at one time does not signal the end of a relationship but could be used as an opportunity to evaluate the relationship and then restart it, making it grow and expand. There may be even more opportunities for further exploration on the impact of termination of the relationship on the future strength and longevity of this relationship once it restarts. It must also be noted that the nature of financial services may also have external factors influencing services and influencing termination of the relationship. This was highlighted by the MD. This may also vary depending on the various cultures and countries. An example of this was the fact that Nigeria is a developing country where the absence of basic infrastructure and many existing circumstances in the environment contribute to frustrations for many people. Palmer (1997) felt that developing exchange mechanisms must be done based on the needs of the society and current stage of its development.

The company records did not report on any issues surrounding terminating relationships in DTL and this may be explained by the fact that relationship dissolution is still a very sensitive area for companies and firms and many firms may not want this to be recorded in their documents and files. This is just speculative and would require further investigation.

4.6 Improving BCRs in stock broking firms and financial sector.

It could be argued that the nature of BCRs in financial sector suggests that these could be improved once several key strategies are implemented. The role of information technology in strengthening BCRs could not be more emphasised. In the financial sector with respect to savings and investment, having accurate and timely advice is very important for the customer. This was revealed in the case study research and highlighted in the academic theory (Gruen, 1997). It could therefore be argued that information technology including database management could be useful in generating timely information on the stock market and enhance the relationship between firm and customers.

Having a company website could also strengthen and improve BCRs in this sector (Gronroos, 1999). Accessing clients through the e-mail was identified as a means of communication between consumers and brokers. It is quick and inexpensive and the MD reported many clients contacting the organization through this mechanism.

The case study research revealed that staff training was a key component of improving staff attitude and building customer focus service delivery at DTL. This has potential to contribute to enhancing relationship development. It could also contribute to increasing motivation among staff members, building their confidence and skill. Most of the staff members at DTL reported having attended training programme within the organisation. However a review of company records (DTL, 2006) revealed that there are still areas for improvement in staff attitude and discipline as this was an area highlighted by managers.

4.7 Implications of findings of the study

The results and findings from the study have several implications for marketers and firms/service providers in the financial sector. The fact that the findings revealed that most relationships are formed in the stock broking firm through referral from friends and family implies that marketers need to do more to utilise this strategy as a marketing tool. There is a need for firms to recognise the importance of the customer experience with the firm so that he/she could spread 'word of mouth' and encourage others to use the firm's services. The fact too that most customers have introduced one other person to their broker further emphasises this point.

The findings that customers maintain more than one broker suggest that customers have an alternative if their relationship with one of the current brokers fails. It is also thought that switching under these circumstances may also be easier for customers whenever there is a likelihood of problems or dissatisfaction with the relationship. It therefore implies that managers and marketers have to work towards ensuring customers are satisfied with the services they deliver. It will also be necessary that managers work towards ensuring that differences that customers may have with the firm are resolved in an amicable manner since the findings also revealed that many customers will restart their relationship with the firm if their differences or problems are resolved

Marketers and managers also need to be honest, communicate openly to clients and develop trust if the relationships are to be maintained or expanded. This is implied because the findings are consistent with academic theory on the value of trust, commitment and communication in relationships especially those in the financial sector.

The fact too that customers reported high levels of knowledge of the capital market suggests that customers now make it part of their every day life to be informed about the products and transactions that they are involved in. This is also very important in the investment sector since customers are expecting quality returns on their investments. It is therefore very important for marketers and managers to make it their duty to be informed and updated on current issues relating to their product so that they could respond appropriately if faced with challenges from customers. Marketers should not believe that clients do not have information on current events but should treat clients with mutual respect as a partner in the process.

The findings also suggested that customers felt more comfortable having consistency with regards to their broker or account manager. This suggests that instability and high staff turnover rates may impact on the relationship a firm has with its customers. This is an area suggested for further research and investigation but it also implies that managers and firms may have to ensure staff stability and consistency for customers so as to enhance their relationship with the firm.

The research findings revealed that a major factor for customers terminating their relationship with the company is poor advice and inaccurate information on their accounts. This implies that managers and firms in this sector will have to work assiduously to ensure that customers' accounts reflect accurate balances and that staff could provide timely, relevant and accurate information to customers. It may also be important for managers to lay emphasis on this in internal staff training sessions.

The study revealed a small proportion of customers who reported that they will not inform the firm of their intentions to terminate their relationship with them. Even though this is a relatively small sample, it may still be useful for the firm to gather information on factors influencing customer dissatisfaction and switching behaviour. It therefore implies that managers and firms could implement other strategies to collect information and comments from customers on their views and opinions on the quality of services offered by the firm or other relevant issues such as using customer comment board or suggestion boxes.

Based on the findings and discussions of this case study research, a new model of how and why relationships are formed, maintained and terminated in the stock broking firm is proposed (see figure 8). There are some differences observed in this new model when compared to the earlier hypothesized model as a result of the findings from the case study. Table 9 shows the similarities and differences between the two models (the first hypothesized model developed as a result of the literature review and interviews with MD and the second proposed model developed as a result of the case study findings). This table also presents the implications of these differences and similarities between the models for managers and firms.

FIGURE 8: PROPOSED MODEL OF RELATIONSHIP FORMATION, MAINTENANCE AND TERMINATION IN A STOCK BROKING FIRM BASED ON THE CASE STUDY RESEARCH FINDINGS

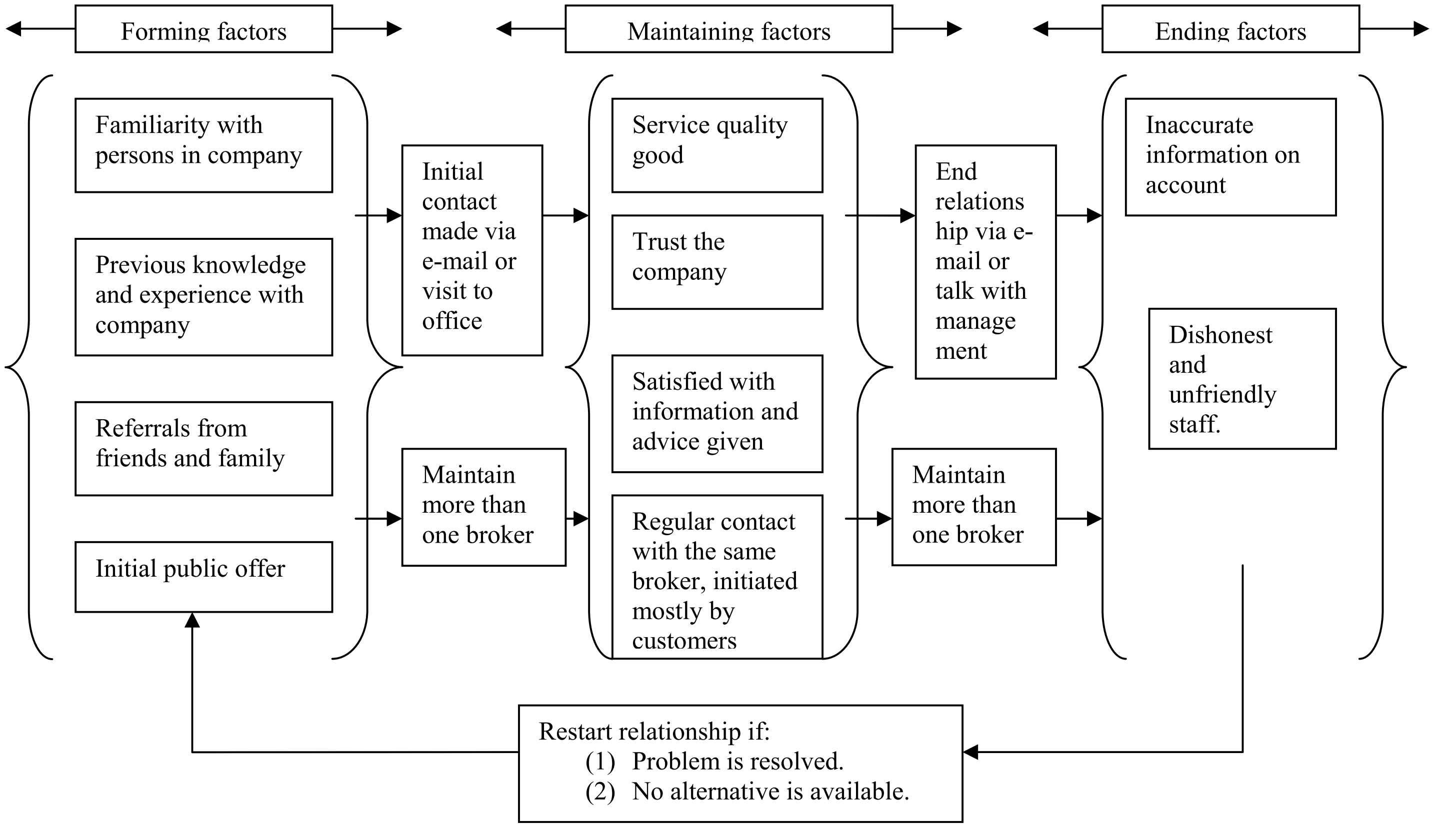


TABLE 9: SIMILARITIES AND DIFFERENCES BETWEEN THE HYPOTHESIZED MODEL (1ST MODEL) AND THE MODEL (2ND MODEL) DERIVED FROM THE CASE STUDY FINDINGS.

STAGES	SIMILARITIES	DIFFERENCES	IMPLICATIONS
Forming	Both models demonstrated that relationships are formed through referrals from family and friends, through staff contact and from past experience or knowledge of the company.	Only the model derived from the case study findings (2nd Model) demonstrated that relationships are formed from initial public offer. The hypothesized model had suggested that relationships are formed through company advertisements but the case study findings revealed that this was not done to attract customers.	These findings suggested that the stock broking firm establishes mainly through referrals from others and as such managers and firms need to ensure customers who transact business with the firm have positive experience so that they can continue to refer others. It is also suggested that firms in this sector should not put as much resources into company advertisement since this may not be an effective way of attracting customers.
	Both models suggested that trust, good service quality and customer satisfaction with accurate advice and information contribute to strengthening and maintenance of BCR's in the stock broking firm.	The second model demonstrated that customers initiated the contact most times with their broker. It also shows that regular contact with the same broker contributes to maintenance of the relationship	This therefore suggests that managers and firms have to ensure that these factors are inherently 'a part' of their organisations and should provide appropriate training for staff to develop the right skills and attitudes to deliver quality service to customers. The fact too that customers feel comfortable seeing the same broker each time they make contact with the firm implies that there is a need for stability in firms but this area may need more research to confirm these findings.

Ending	Both models demonstrated that poor and inaccurate advice and dishonest staff are major contributory factors to the termination of BCR's in the stock broking firm.	The hypothesised model (1st model) suggested that customers look for alternative companies but the model based on findings from the case study demonstrated that most customers retain more than one active stock broker.	These findings suggest that managers and stock broking firms need to ensure that staff provide customers with accurate information and advice and provide client friendly services so as to reduce customer switching and termination behaviour. These findings also suggest that switching and termination may not be too difficult for customers since they are already transacting business with more than one broker.
Restarting relationship	Both models show that customers speak to management about their intentions to terminate relationships.	The proposed model (2nd model) demonstrated that BCR's could be restarted if the problem is resolved or if no alternative is available. The proposed model (2nd model) demonstrated that customers also make contact via e-mail on their intentions to end relationships.	These findings suggest that managers and firms need to ensure amicable resolution of problems with customers since they can be restarted if this takes place. The findings also imply that firms and managers should consider other strategies to gather information on customers' complaints and dissatisfaction such as suggestion box or customer comment board.

CHAPTER 5 LIMITATIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter will present some of the conclusions drawn from the findings of the research on forming, maintaining and terminating BCRs in a stock broking firm. It will also highlight the limitations of the research and finally make some recommendations for future research and action.

5.2 Limitations of the study

This author acknowledges that generalising the results and findings from this study to other firms in the financial services sector is limited due to the convenience sampling done and the use of the single case study method approach and design. This project sought not only to explore how and why relationships are formed, maintained and terminated in a firm in the financial sector (stock broking firm) but also to initiate building a theory on how and why this process occurs by developing a model on the process. Exploration and theory building in case studies have been articulated by Yin (1989, p. 36). However there are limitations on generalising using case study to theory and the single case used, the sample size and sampling method used in the survey all contributed to this limitation. The author however sought to minimise some of the limitations by utilising a multi method approach including using quantitative data. Gilham (2000) suggested that quantitative data has a special place in case study research as it extends the range of evidence on the topic under investigation (p. 86). However the case study could have still benefited from a larger sample and a more random method of selection of customers.

Another limitation of this case study which has again been highlighted by Yin (1989) is the bias that could be inherent in the use of qualitative data garnered from interviews. The Managing Director of the firm highlighted the positive activities and perceptions of the firm with little mention of the negative relations and some of the major problems suggesting a reporting bias. This was also demonstrated in the interview with the Head of Marketing. This occurs as firms used in case studies believe that they will be seen in a negative way and therefore quickly overlook some of their weaknesses but emphasize all of the positive activities of the firm. There may have also been some biases occurring in some of the company documents that they provided for review. They could have provided those reports and meeting minutes that were less controversial.

There was a restriction applied to the literature search and review where only articles written in English were reviewed. This again may have biased the research since some articles published in other languages may have been missed. There were also some restrictions on using articles published after 1980 which could have also excluded some relevant articles that could have contributed to the academic findings and theory. However it could be argued that articles published before this date would have been outdated and not in keeping with current trends and practice since there have been many changes globally from that time to now.

Another limitation in this study was whether this case study research satisfied all the requirements for internal and external validity. Again it is difficult to attribute causal relationships from case studies and cross sectional studies (done as part of the case study). As such, some caution must be exercised in making inferences from the findings and an effort was sought by this author to look at and consider rival explanations and possibilities. In terms of external validity, as was highlighted earlier in this section, the case study method generally limits generalizations to larger population groups. Therefore it may be useful for replication of this study to other firms and organizations in the financial sector before any generalizations of the findings could be done.

The question of whether this case study method design is reliable will also limit the findings. However this author sought to document all aspects of the research conducted so as to strengthen its replicability by other researchers.

5.3 Conclusions

Taking into consideration the limitations of this study, the following conclusions have been derived from the findings of the study:

The findings suggest that many business to consumer relationships in the stock broking firm are formed and established as a 'result of word of mouth' with friends and family members encouraging others to make contact with firms based on their experience with the firm. It was also observed that in most cases first contact with firms and the initiation of the relationship was done by the clients. Therefore it may be imperative for the stock broking firm to ensure that they provide positive experiences for their customers as this may influence how these customers ‘sell or market’ the organization.

Honesty, trustworthiness, timely and accurate information and advice remain important characteristics in sustaining relationships between consumers and stock brokers. Successful and positive first contact also contributes to regular interactions and long term relationships for business and consumers. Customers will consider terminating relationships with stock brokers if these characteristics (identified earlier) are threatened. The fact that most customers maintain relationships with more than one broker suggest that switching may not be difficult since there are ready alternatives available. The findings demonstrated the importance customers place on prompt and reliable advice. This may be especially important in the investment sector where customers are seeking to receive high quality returns on their investments.

The findings also demonstrated that employees have a key role to play in forming, maintaining and in the termination of business to consumer relationships. Customers felt more comfortable dealing with the same staff member on each contact they made with the firm (this again may be attributed to the nature of transactions done and the advice required). It also suggests that high staff and management turn over rates may impact negatively on some BCRs in stock broking firms, an area that is suggested for further research. It may also be necessary for more internal marketing and strengthening of staff skills to ensure that they deliver and provide quality services.

5.4 Recommendations

Based on the research findings and conclusions, the following recommendations are made:

- There is a need for more research using longitudinal studies and other robust methodologies for determining how and why relationships are formed, maintained and terminated in financial sector especially the stock broking firm. This will help to provide stronger evidence on causal relationships and significant associations relevant to some of the findings in the study.
- It would also be useful to conduct similar case studies amongst other firms in the financial sector on forming, maintaining and ending relationships as this could also contribute towards theory building on BCRs and relationship development.
- The study demonstrated that employees could play a role in BCRs but there is need for future research to further explore employees' role in BCRs in financial sector and how it impacts on RM including the impact of high staff turn over rates on BCRs.
- Another area that warrants further investigation and exploration is to look at the reasons for customers maintaining more than one broker and whether this contributes to making switching easier for customers. It should be also explored whether maintaining more than one broker as seen in this study also extends to other BCRs in the financial sector.
- Trust and dishonesty were highlighted as major factors in the maintenance and termination of BCRs in the findings in this study. It is therefore recommended that more research be done to explore the significance of trust and honesty in stock broking and investments including how it is characterised and measured from the customer's perspective.

- Finally, it is recommended that more research be done particularly focussing on forming, maintaining and ending BCRs in the financial sector in different cultures and/ or developing countries. This could be used to compare RM practices and tactics in different context and build more theories on relationship development. It could also provide useful information and further insights on RM.

It is hoped that this study has initiated further ideas, concepts and debate on BCRs in the financial sector focussing on the stock broking industry. It must be recognised that there are still many areas for research and future work (as highlighted). However it is hoped that this study propels the continuation of more research and more analysis on this very interesting area of the financial sector (stock broking).

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APPENDICES

Appendix 1: Glossary

BONDS

Exit barriers that tie the customer to the service provider and maintain the relationship. These are legal, economic, technological, geographical, time, knowledge, social, cultural, ideological and psychological bonds (Storbacka et al, 1994: 25).

CAPITAL MARKET

Is the long term end for financial market. It is made up of market and institutions which facilitate the issuance and secondary trading of long term financial instruments (Nigeria business info.com, 2000-2002).

COMMITMENT

Commitment to a relationship is defined as an enduring desire to maintain a valued relationship (Morgan and Hunt, 1994: 23).

COMMUNICATION

Communication can be defined broadly as the formal as well as informal sharing of meaningful and timely information between firms (Morgan and Hunt, 1994: 25).

COOPERATION

Cooperation refers to situations in which parties work together to achieve mutual goals (Anderson and Narus, 1990)

CUSTOMER SATISFACTION

Customer cognitive and effective evaluation based on the personal experience across all service episodes within the relationship (Storbacka et al, 1994: 25).

INITIAL PUBLIC OFFER

This is the first offering of a company's shares to the public. The shares offered may be existing ones held privately, or he company may issue new shares to offer to the public (Global –Investor.com, 2006).

MARKET ORIENTATION

Implies that business obtains information from customers about their needs and preferences and then takes action based on the information while considering competition and regulation (Chang and Chen, 1998, p.247).

PERCEIVED SERVICE QUALITY

Customers' cognitive evaluation of the service across episodes compared with some explicit or implicit comparison standards (Storbacka et al, 1994: 25)

PERCEIVED VALUE

Service quality compared with perceived sacrifice (Storbacka et al, 1994: 25)

RELATIONSHIP COST

The total cost of incurred from serving a customer relationship- including direct and indirect costs during a fiscal year (Storbacka et al, 1994: 25).

RELATIONSHIP LONGEVITY

The length of a relationship (Storbacka et al, 1994: 25)

RELATIONSHIP PROFITABILITY

Relationship revenue- relationship cost (Storbacka et al, 1994: 25).

RELATIONSHIP REVENUE

The total revenue generated from a customer relationship during a fiscal year (Storbacka et al, 1994: 25).

RELATIONSHIP STRENGTH

Measured both as purchase behaviour and communication behaviour (word of mouth complains). Loyalty (repetitive purchase behaviour) which is based also on positive commitment by the customer indicates a stronger relationship. The behaviour is also affected by the bonds between the customer and the service provider (Storbacka et al, 1994: 25).

SHARED VALUE

Shared value is defined as the extent to which partners have beliefs in common about what behaviours, goals and policies are important or unimportant, appropriate or inappropriate and right or wrong (Morgan and Hunt, 1994: 25).

STOCK EXCHANGE

This exists to provide a market place where borrowers who require capital can be satisfied by lenders who require an outlet for their funds (Hamilton, 1968: 3)

TRUST

Trust is defined as the willingness to rely on an exchange partner in whom one has confidence (Morgan and Hunt, 1994: 23).

Appendix 2: Summary of articles used in literature review

No	Authors (year)	Title of paper	Objective/ purpose	Conclusion
1	Ahmad and Buttle (2002)	Customer retention management: a reflection of theory and practice	To assess whether customer retention practices matches core proposition of Richheld that building and sustaining customer loyalty require retaining employees, investors and customers.	Found that retaining employees could be counter-productive especially when skills and knowledge incompatible with firm. Also found that external factors could limit customer retention strategies.
2	Barnes and Howlett (1998)	Predictors of equity in relationships between financial service providers and retail customers	To present empirical findings on predictors of equity in relationships between financial service providers and their retail customers	Concluded that because many financial services are parity offerings, customers are unlikely to be impressed by core product attributes when all firms are providing similar services. As such, the differentiation will be in the way the financial service provider makes the customer feel during service delivery.
3	Beckett et al (2000)	An exposition of consumer behaviour in the financial service industry	To present and develop a model for classifying consumer behaviour in the purchasing of financial products and services.	Concluded that consumers' purchasing behaviour is greatly influenced by the type of financial product being purchased and suggested that new strategies such as e-based delivery can impact on the service process.
4	Bell et al (2005)	Service quality and customer loyalty in the context of varying levels of customer expertise and switching costs	To investigate the effects of customer investment expertise and perceived switching costs on the relationships between technical and functional service quality and customer loyalty	Concluded that there is strong support for the view that customers change how they evaluate a firm's service as switching costs and expertise vary. As such, it was felt that understanding this is a first step towards effective service management and retaining customers.
5	Berry (2000)	RM of services: growing interest, emerging perspectives	To explore some emerging perspectives on RM of services	Concluded that growing interest and active research in RM of services are bringing newer perspectives including focusing on profitable relationships and strategic alliances. Also suggested that advances in IT are making RM more affordable and feasible.

6	Blois (1998)	Don't all firms have relationships?	To make suggestions on what consumer relationships are appropriate and important for firms	Concluded that every organization should recognize that relationships cost time and effort to establish, relationships need managing and relationships should be established based on an understanding of the benefits for both parties.
7	Buchanan and Michell (1991)	Using structural factors to assess the risk of failure in Agency-client relationship	To investigate the factors contributing to failure in an agency-client relationship	Concluded that factors such as total client advertising and product category risk correlate significantly with the risk of failure but factors such as switching history and newness do not.
8	Chang and Chen (1998)	Market orientation, service quality and business profitability: a conceptual model and empirical evidence	To explore the relationships among market orientation, service quality and business profitability	Concluded that service quality is an intermediate factor in the market orientation-profitability relationship and is a better indicator of the effectiveness of a market-oriented campaign than profitability measures.
9	Christopher et al (1991)	Relationship Marketing: Bringing quality customer service and marketing together	To explore the process the developing and implementing relationship strategies	Concluded that the internal market is the heart of the firm and as such firms needed to work more cross-functionally, participatively and politically in the interest of customers, staff and shareholders, building a platform on which to grow.
10	Cravens and Piercy (1994)	Relationship marketing and collaborative networks in service organizations	To evaluate the processes of network formation and compare them with the emerging RM paradigm to develop greater insight into the importance of this phenomenon.	Proposed a novel network classification scheme which identified hollow, flexible, value-added and virtual networks, leading to a discussion of the need to extend the knowledge base concerning networks and the significance of the RM model to achieving research and managerial goals.
11	Dick and Basu (1994)	Customer loyalty: towards an integrated conceptual framework	To develop a new conceptual framework to understand more fully the cognitive and affective antecedents of customer loyalty and its consequences	Customer loyalty is viewed as the strength of the relationship between an individual's relative attitude and repeat patronage. The relationship is seen as mediated by social norms and situational factors. Cognitive and affective antecedents of relative attitude are identified as contributing to loyalty, along with motivational, perceptual, and behavioural consequences.

12	Duncan and Moriarty (1998)	A communication-based marketing model for managing relationships	To propose a communication-based model of RM and discuss how communication (rather than persuasion) is the foundation of the "new" customer-focused marketing efforts	Using the three key points at which the two disciplines intersect-messages, stakeholders, and interactivity, the authors demonstrated how interactive communication at three levels-corporate, marketing, and marketing communication-leads to the brand relationships that drive brand value
13	Dwyer et al (1987)	Developing buyer-seller relationships	To describe a framework for developing buyer-seller relationships for formulating marketing strategy and for stimulating new research directions.	Concluded that the marital metaphor seems generative and directs research attention to the dyadic process of power and bargaining as well as fagging trust. The model suggested several avenues for relational marketing conduct.
14	Ennew and Hartley (1996)	Financial advisers and savings and investment products	To examine the importance of RM in the context of financial advisers and savings and investment products	Concluded that RM provides a mechanism for reducing perceived risk, mitigating feelings of dissonance and reducing search and transaction cost for financial advisers and in the investment sector.
15	Gordon et al (1998)	Relationship marketing effectiveness: the role of involvement	To examine the circumstances that influence the effectiveness of particular types of relationship marketing tactics.	Concluded that the effectiveness of each type of tactic is influenced by buyer involvement in the product category, although the nature of this influence differs by country and gender.
16	Gronroos (1999)	Relationship marketing: challenges for the organization	To explore the RM challenges for the organization	Concluded with eight (8) viewpoints on the implementation of RM
17	Gruen (1997)	Relationship marketing: the route to marketing efficiency and effectiveness	To address the criticisms put forward by John Petrof on RM	Concluded that RM is neither a fad nor a reinvention of the wheel but offers a valuable contribution to a maligned domain of business practice
18	Gummeson (1998)	Productivity, quality and relationship marketing in service operations	To draw the reader's attention to service productivity and its connection to service quality and eventually to profits.	Concluded that in service operations the customer plays an active role in influencing productivity and quality. Felt that companies are networks, not delimited hierarchies, and the productivity and quality issues affect all members of a network, not just the provider and the customer.

19	Harker (1999)	Relationship marketing defined? An examination of current relationship marketing definitions	To examine 26 definitions of RM collected as a by-product of a literature review.	Concluded that any "true" and complete integration of RM theory must wait until a coherent understanding of these fundamental concepts has been developed. Also proposed a new definition of RM
20	Hocutt (1998)	Relationship dissolution model: Antecedents of relationship commitment and the likelihood of dissolving a relationship	To develop a model that depicts some of the key antecedents of relationship commitment as revealed in the context of the dissolution of a buyer-seller relationship	Concludes that trust, social bonds, closeness, quality of alternatives, investment, satisfaction with service provider and the duration of the relationship all can impact on an individual's commitment to the relationship which can ultimately contribute to ending the relationship.
21	Knights et al (1994)	The consumer rules? An examination of the rhetoric and reality of marketing in financial services	To question the rhetoric of consumer sovereignty and the efficiency of market relations to legitimize its role as an academic discipline and as a management practice	Concluded that many of the limitations of marketing revolve around the problematic nature of its assumptions about the consumer and the contradictory tension between claims to satisfy consumer needs while ensuring high levels of profitability.
22	Matear et al (2002)	How does market orientation contribute to service firm performance? An examination of alternative mechanisms	To examine alternative mechanisms through which market orientation contributes to service firm performance.	Concluded that market orientation contribute to firm performance through a dual mechanism, both directly and through innovation with the latter mediating the contribution
23	McNaughton et al (2002)	Market- oriented value creation in service firms	To propose a model that identifies important intermediate variables between a market orientation and increased firm value	Proposes that market orientation and emphasis on customer value can enhance financial performance and ultimately create wealth for owners of a firm
24	Morgan and Hunt (1999)	Relationship-based competitive advantage: the role of RM in marketing strategy	To discuss the strategic impact of RM	Concluded that RM is increasingly becoming important to the overall marketing strategy of many firms and as such firms should try to understand the resources needed, the various partners to be involved and how sustainable it could be.
25	Morgan and Hunt (1994)	The commitment-trust theory of relationship marketing	To explore RM and whether commitment and trust are required for its success	Proposed that relationship commitment and trust develops when firm attends to relationships by providing resources, maintaining high standards and communicating while not taking advantage of the partner.

26	O'Malley and Tynan (1999)	The utility of the relationship metaphor in consumer markets: a critical evaluation	To investigate the extent to which the metaphor of interpersonal relationships remain apposites within the domain of consumer markets	Concluded that the domain extension of RM into consumer markets has directed attention away from more fundamental issues and therefore suggested that the boundaries of RM be redrawn to deal only with those situations involving a high degree of interpersonal interaction and that alternative metaphors be actively sought to better explain exchange in a mass marketing context.
27	O'Malley and Tynan (2000)	Relationship marketing in consumer markets: rhetoric or reality	To critically review the history of RM in consumer markets and incorporate important conceptual, practical, empirical and popular contributions	Suggested that academy has extended the domain of RM into consumer markets despite a dearth of conceptual and empirical justification. Also suggested that RM in consumer markets is more rhetoric than reality
28	Palmer (1997)	Defining relationship marketing: an international perspective	To review the complexity of cultural priorities and make suggestions for methods by which firms can sensitively adapt the basis of their relationship with customers.	Concluded that RM means different things in different cultures and marketers should be wary of prescribing universal solutions for exchanges similarly as that done for products and promotions
29	Payne and Holt (2001)	Diagnosing customer value: integrating the value process and relationship marketing	To review and categorize past and current literature on value	Concluded that the concept of value has its roots in many disciplines that overlap with a blurring of distinctions across different forms of value.
30	Reinartz and Kumar (2002)	The mismanagement of customer loyalty	To examine the relationship between customer loyalty and profits	Concluded that not all loyal customers are profitable, and not all profitable customers are loyal. Therefore suggested an alternative approach, based on well-established "event-history modeling" techniques, that more accurately predicts future buying probabilities.
31	Shani and Chalasani (1992)	Exploiting niches using relationship marketing	To explore the synergy between niche and relationship marketing	Concluded with a suggestion of a three-stage process for implementing RM and provided guidelines for packaged-goods companies wishing to adopt RM.
32	Sharma and Sheth (1997)	Relationship marketing: an agenda for Inquiry	To discuss the importance of RM in the effective functioning of marketing organizations	Concluded that the papers reviewed make an important contribution to RM thinking in the domain of business markets and will serve as an impetus to future research in this area.

33	Sheth (2002)	The future of RM	To explore the future of relationship marketing	Concluded that RM shifted in focus to customer retention and will shift again to customer retention management (CRM) with different marketing relationship programs.
34	Storbacka et al (1994)	Managing customer relationships for profit: the dynamics of relationship quality	To discuss factors affecting customer relationship economics and customer profitability relative to customer satisfaction and service quality	Concluded that successful RM to a large extent depends on the capability of firms of adding value through various types of services. Also suggested that firms needed to know how to manage service quality to better utilise RM strategies.
35	Tahtinen and Halinen (2000)	Ending exchange relationships: what do we know about them?	To review and assess previous research concerning the ending of exchange relationships	Concluded that the literature review indicated that exchange relationship ending is best described as a process, not as a decision, Further suggested that future research should pay much attention to a proper definition of exchange relationships.
36	Takala and Uusitalo (1996)	An alternative view of relationship marketing: a framework for ethical analysis	To analyze relationship marketing from the viewpoint of ethical theories	Concluded with a model or code of business ethics for relationship marketers. It is suggested that this code will help make relationship marketing practices ethically longer lasting and, in this way, make the practices also more competitive and profitable.
37	Tax et al (1998)	Customer evaluations of service complaint experiences: implications for relationship marketing	To provide an understanding of service complaint handling evaluations and help managers to develop effective complaint handling programs.	Concluded that providing fair outcomes requires that firms understand the full costs incurred by customers as a result of both the service failure and the complaint process. Felt that fair interactions and procedures could lower the cost of complaints.
38	Zeithaml et al (1985)	Problems and strategies in services marketing	To compare problems and strategies cited in the services marketing literature with those reported by actual service suppliers	Concluded that service marketing is becoming a recognized and accepted area in marketing. Also suggested that there is a need for services marketing research to enter a new phase of empirical work that integrates various disciplines and various service industries.

Appendix 3: Summary of interview with Managing Director

Interview was conducted by Adetunji Adeniran via telephone. The interview lasted approximately one hour.

MD – Managing Director

AA – Adetunji Adeniran

AA- I am carrying out my dissertation on relationship marketing, particularly focusing on how business to consumer relationships are formed, maintained and terminated in a stock broking firm. As you are aware, I am using DTL as a case study. Thank you therefore for agreeing to do this interview with me.

AA- Could you tell me, how long you have been with DTL and how long as the MD?

MD- I have been with DTL for about twelve (12) years now. I assumed the role of managing Director in early 2004.

AA- Tell me about DTL, where it started and where it is today.

MD- DTL started operating in the stock broking industry in May 1990. DTL is now two (2) subsidiaries: Dominion Finance and Dominion Trust. From its inception, DTL has exploded on the market and continues to grow at a steady rate in terms of clientele, services and performance. The Capital Market is a risky business and has many challenges. Even more so in a country like Nigeria but DTL has done well and continues to do so. DTL has ever since continued to expand and grow. It is a credible organisation and is well respected in the Capital Market. DTL ensures it meets all of the requirements and standards for conducting business in the market. It has high integrity and is recognised for doing business in an open and transparent manner. DTL doesn't do business 'under the table'. DTL has faced many challenges but has responded to these challenges and continues to mobilise resources to meet its obligations and to deliver an efficient service.

DTL has offices in Abuja, Port Harcourt, and there are more opportunities for further expansion and growth. The company's head office is located in Lagos, Nigeria which is a hub of business activity and again creating more opportunities for the firm.

AA- Referring to BCRs, how are these formed or established between your firm and clients?

MD- Most relationships are established through referrals of clients by family or friends, through staff, through previous experience with the company and through public offer. You do find that many clients have good knowledge of the capital market and this sometimes influence whether they do business with a particular company.

AA Is there any organisational strategy to develop new relationships with clients?

MD- Yes we do have an organisational strategy which is both 'on paper' and 'not on paper'. We try to establish new relationships with clients by providing an efficient service so that clients can go and tell others or recommend us to their friends and family. However we do feel it necessary to maintain good long term relationships with our existing clients. As such some of our strategies include training staff to be client friendly, provide prompt and accurate information and advice etc. in this way we believe that we will attract other clients.

AA- Tell me more on how you maintain your client base.

MD- Well, we have placed major emphasis on the provision of high quality service to clients. We want to stand out in terms of our service delivery. We believe that it is an effective way to maintain our client base. Staff training, proper and accurate information, friendly and courteous staffs, personalised attention are some of the activities that we have been involved in and encouraging.

AA- Do you have many long standing clients? What are the factors contributing to them maintaining their relationship with your organisation?

MD: Yes we do have many long standing clients remaining on an average of about 2-3 years with us. We have some that have been with us from the onset of us entering the market. Again it has to do with the service we offer. It is high quality, it is personalised and clients have the option to change contact officers and their account managers. We also have a stable management and staff, we follow up and follow through with our transactions and we do have credibility and integrity as an organization. Clients express confidence in us and we try to deliver as we promise.

AA- What is the contact like between customers and brokers?

MD- The contact between clients and brokers is mostly a two way process. Stock brokers call clients regularly not only to provide information but also to provide courtesy. Clients also visit our offices to see staff and some make contact by e-mail. The contact they make varies and depends on the clients and the nature of the business.

AA- How do clients report problems they have with the organisation?

MD- They do this in several ways. I have an open door policy being a qualified broker myself, customers can come to me. Some of the clients also write to us with complains or discuss it with other managers.

AA- Do many clients terminate their relationship with your organisation?

MD- The rate is very low but they do happen. Most times when this occurs, it is as a result of poor or inaccurate information and advice. Sometimes clients report not being able to get an accurate position of their accounts and this frustrates them.

AA- How do you deal with this?

MD- Well we try our best to appease customers. We believe it is important for them to trust us and to have confidence in us. After all we are investing their money. I wanted to mention earlier that we place a lot of emphasis on the initial contact we make with clients. We believe that first impression is important. We will also try to maintain open relationship with our customers, providing opportunities for them to communicate openly with us so that we could address their concerns and needs. We expect our staff to be courteous, friendly and approachable.

AA- Do clients restart their relationship with your firm? What factors would help them to do so?

MD- That is a good question of course, not all relationships are profitable for us so some we have had to let go of. We try to do this in an amicable manner explaining to clients openly and honestly that we would not be able to do this transaction. Some clients are offended and may approach other firms in the industry and on realising that they would not be able to transact business there, these customers return to us since some of these firms do not do such transactions as well because they are not profitable.

There are other external factors contributing to clients terminating their relationship. Nigeria on the economic front has its own problems and challenges. Unstable electricity, water problems, transportation problem i.e. for our in house courier system, all of these things also frustrate clients, force them to move to other locations etc and this at times influence whether they are able to maintain the relationship with us. These are factors that we do not have any control over.

AA- Tell me about some of your activities to develop and improve customer relationships?

MD- Well, lots of emphasis on training staff, having a fully automated system and improved technology providing us with opportunity to respond more quickly to customers needs, offering personalised service and support our website and e-mail allowing us to interact with clients.

AA- Tell me more about your staff training.

MD- Well, we provide in house training for staff especially so that we could improve their interactions with customers but also encourage them to attend external training programmes even the professional ones such as those for stockbrokers or accounting. Many of our staff members have also done so.

AA- Are there any other comments you would like to make?

MD- Just to say that our firm believes that it is critical to maintain and build our relationships with clients. We are still a young company but the potentials are great for us and we hope to continually respond to this in the future.

AA- Thank you for your time and best wishes for the success of your organisation.

Appendix 3: Summary of interview with Head of Marketing

AA- Hello Sir, my name is Adetunji Adeniran and I am assuming you have an idea of what this interview is all about, Anyway, for clarification purposes, I am writing a dissertation on forming, maintaining and dissolving B2C relationships in the financial service sector and using your organization as a case study.

HM- O.k., that sounds like an interesting and relevant topic for research.

AA- Thank you. Please tell me, how long have you been head of the marketing department?

HM- I would say two (2) years now.

AA- That's good, you must have had lots of experiences with clients during that time.

HM- Well that comes with the job.

AA- Please tell me, what are some of the marketing strategies that you have been implementing to attract new clients and also retain existing ones?

HM- Well establishing a relationship with clients is not always that easy but to attract our customers or form relationships if I may say so, we adopt quite a few methods. These include writing up proposals to prospective clients, making presentations, seminars and what I may call walk in marketing i.e. make visits to prospective clients mainly in their offices and tell them about the services we offer and what they stand to gain from making such investments. Most times these visits are made based on a referral by an existing client who might have introduced us informally prior to our visit. We therefore try to focus and deliver very good customer service to our existing clients because the bulk of our clientele comes from referrals from existing ones (word of mouth) but we also continue to pursue new clients as well. We also believe that it is important that all staff be marketers themselves.

AA- What are some of the ways with which you deliver good service to your clients?

HM- Let me say that clients are now more than ever very familiar with what is happening in the capital market so it is important for us to deliver good service to them since they could judge well the services that are offered to them. One of the ways in which we try to deliver good service is that of personalizing the service delivery process. Each client is appointed an account officer and is informed of his/her rights to change account officers if dissatisfaction occurs. We also try as much as possible to make sure that we always make money for our clients i.e. good research before speculating on share prices. And in cases where the customers are aggrieved for some reason or the other be it service failure in terms of service delivery based on sometimes internal but mostly external factors, we take responsibility to ensure service recovery and in some cases go an extra mile from apologizing to granting rebates to customers (rebate on commission paid to the broker).

AA- What are some of the challenges you face in marketing.

HM- One of the main challenges is advising people on the types of investments that they should make, especially in the case of our northern clients who seem to prefer investing in physical things they can see like real estate. It is quite a challenge convincing such people to make CM investments. Customers want to be confident of where they go to make investments as well. This brings in the issue of trust. Most people have these ideas that stock brokers are dubious people who use clients funds to trade for personal gain and so on. So for this reason it is quite a challenge convincing people. This is why referrals come in very handy because Nigerians in my view feel better or safer if they know someone who has had some experience with the firm. We also have challenges in the area of dealing with difficult clients who have very small portfolios that are not very viable for the firm but demand a lot of attention which transcends costs to the firm in terms of time and resources. Managing such clients can also be a challenge for us. We have sometimes considered ending relationships with such clients but sometimes keep them on for reasons of referrals.

AA- How do you propose to deal with some of these challenges?

HM- Well I believe in always taking positive action on problems and concern especially those of the clients. As this could reduce the fallout of clients and help them to consider maintaining their relationship with us. Even though, I also feel that when a client wants to dissolve a relationship, there is sometimes nothing that will prevent him/ her from doing so. I believe however that it is important for us to try to end our relationships in an amicable manner. It is also necessary that we continue to try to improve the customer experience with our firm. There are still many areas for us to improve on but we are a young company and expanding all the time and I am sure we will be able to overcome all of the challenges and succeed.

AA- How do you see the future of marketing in the CM or financial market?

HM- Well, due to the growing increased awareness of the CM, marketing should be much easier than it is today. The growth in the Nigerian stock market is making it increasingly attractive to investors and the public at large. Also various government reforms are also making the market more attractive. The main thing is really awareness and the NSE too is helping a lot in this regard in that a lot of emphasis has now been placed on educating the public on the gains of investing in the CM.

AA- Thank you for your time.

Appendix 4: Customer Questionnaire

UNIVERSITY OF NOTTINGHAM BUSINESS SCHOOL

QUESTIONNAIRE FOR INVESTORS IN THE CAPITAL MARKET IN NIGERIA ON FORMING, MAINTAINING AND DISSOLVING CLIENT RELATIONSHIPS

This survey is carried out to fulfil part of the requirements for the MBA Project Dissertation. It is voluntary and you are also not required to provide your name.

Kindly put a tick √ in the box next to your answer

PERSONAL DATA
1. WHAT IS YOUR AGE GROUP? □ 15 – 20 yrs □ 21 – 30 yrs □ 31 – 40 yrs □ 41 – 50 yrs □ ≥ 51 yrs
2. WHAT GENDER ARE YOU? □ MALE □ FEMALE
3. ARE YOU FAMILIAR WITH THE OPERATIONS OF CAPITAL MARKET IN NIGERIA? □ NOT AT ALL □ FAINTLY □ AVERAGELY □ FAIRLY WELL □ VERY WELL
4. IN YOUR OWN OPINION, ABOUT HOW LONG HAS THE CAPITAL MARKET BEEN IN OPERATION IN NIGERIA? □ DON'T KNOW □ 20 YEARS □ 50 YEARS □ 75 YEARS □ 100 YEARS
5. BY YOUR ESTIMATION, WHAT % OF THE URBAN POPULATION IS AWARE OF THE CAPITAL MARKET? □ < 1 % □ 1-5 % □ 5-10 % □ 10-15% □ > 15 % □ DON'T KNOW

6. HOW MANY YEARS HAVE YOU BEEN DOING BUSINESS WITH YOUR STOCKBROKER (DTL)?

- [ ] < 1 YEAR
- [ ] 1-2 YEARS
- [ ] 2-3 YEARS
- [ ] 3-5 YEARS
- [ ] > 5 YEARS

7. WHEN DID YOU START INVESTING IN THE CAPITAL MARKET?

- [ ] LESS THAN 1 YEAR
- [ ] 1-3 YEARS
- [ ] 3-5 YEARS
- [ ] > 5 YEARS

FORMATION OF RELATIONSHIP

8. HOW DID YOU START INVESTING IN THE CAPITAL MARKET?

- [ ] ONE OF THE MARKETING STAFF OF A STOCKBROKING FIRM
- [ ] FAMILY / FRIEND
- [ ] INITIAL PUBLIC OFFER
- [ ] OTHER, PLEASE SPECIFY, ___________________________

9. HOW MANY STOCKBROKERS (ACTIVE) DO YOU HAVE?

- [ ] 1
- [ ] 2
- [ ] 3
- [ ] 4
- [ ] > 4

10. HOW DID YOU START DOING BUSINESS WITH YOUR STOCKBROKER?

- [ ] FRIEND/ FAMILY REFERRAL
- [ ] COMPANY ADVERTISEMENT
- [ ] APPROACHED BY COMPANY STAFF
- [ ] KNOW ONE OF THE STAFF
- [ ] OTHER, PLEASE SPECIFY, ___________________________

11. WERE YOU SATISFIED WITH THE FIRST CONTACT YOU MADE WITH YOUR BROKER?

- [ ] YES
- [ ] NO
- [ ] NOT SURE

12. WHAT FACTORS INFLUENCED YOU TO CONTINUE DOING BUSINESS WITH YOUR BROKER?

- [ ] TRUST THE COMPANY
- [ ] SERVICE DELIVERY IS GOOD / SATISFIED WITH THE SERVICES
- [ ] DO NOT KNOW ANY OTHER COMPANY DOING THE SAME BUSINESS
- [ ] OTHER PLEASE SPECIFY ____

13. HOW MANY PEOPLE HAVE YOU INTRODUCED TO YOUR BROKER?

- NONE
- 1-5
- 5-10
- 10-15
- > 15

MAINTAINING THE RELATIONSHIP

14. HOW OFTEN DO OFFICERS CONTACT YOU?

- EVERY DAY
- ONCE A WEEK
- ONCE IN TWO WEEKS
- ONCE A MONTH
- OTHER PLEASE SPECIFY ____________________________

15. DO YOU ENCOUNTER ANY PROBLEMS MAKING CONTACT WITH THE STAFF?

- YES, VERY OFTEN
- NO, NOT AT ALL
- SOMETIMES

16. WHAT PROBLEMS DO YOU ENCOUNTER MAKING CONTACT WITH STAFF?

- STAFF NOT AVAILABLE
- STAFF DO NOT GIVE PROPER ADVICE
- OTHER PLEASE SPECIFY ______________________________________

17. DO YOU STILL MAINTAIN YOUR RELATIONSHIPS WITH YOUR OTHER STOCKBROKERS?

- YES
- NO

18. HOW WOULD YOU RATE THE FOLLOWING CHARACTERISTICS AS COMPARED TO OTHERS

Quality of service

- BELOW AVERAGE
- AVERAGE
- GOOD
- EXCELLENT

Client friendliness of staff

- BELOW AVERAGE
- AVERAGE
- GOOD
- EXCELLENT

Usefulness and timeliness of information

- BELOW AVERAGE
- AVERAGE
- GOOD
- EXCELLENT

19. DO YOU CONSIDER YOUR RELATIONSHIP WITH YOUR BROKER A STRONG ONE?

- YES
- NO
- NOT SURE

If you answer yes here, go to number 20 but if you answer no or not sure, go to number 21.

20. WHAT ARE YOUR REASONS FOR CONSIDERING YOUR RELATIONSHIP WITH YOUR BROKER A STRONG ONE?

- THE GOOD COMMUNICATION
- THE TRUST AND COMMITMENT
- THE SUPPORT GIVEN
- OTHER, PLEASE SPECIFY ______________________________

21. DO YOU THINK THAT IT IS BENEFICIAL FOR YOU TO HAVE A STRONG RELATIONSHIP WITH YOUR BROKER?

- YES
- NO

22. HAVE YOU EVER CONTEMPLATED TERMINATING YOUR RELATIONSHIP WITH YOUR BROKER?

- YES
- NO

TERMINATING THE RELATIONSHIP

23. WHICH OF THE FOLLOWING FACTORS WILL BE YOUR MAIN REASON FOR TERMINATING YOUR RELATIONSHIP WITH YOUR BROKER? (**YOU CAN TICK MORE THAN ONE)**

- POOR SERVICE
- POOR AND INADEQUATE ADVICE
- DISHONEST AND UNFRIENDLY STAFF
- OTHER PLEASE SPECIFY ______________________________

24. HOW WOULD YOU TERMINATE YOUR RELATIONSHIP WITH YOUR BROKER?

- TALK WITH SENIOR MANAGEMENT ABOUT YOUR DECISION
- END IT WITHOUT SAYING ANYTHING
- COMMUNICATE TO THE BROKER THROUGH SOMEONE ELSE
- WRITE A LETTER OR EMAIL
- OTHER, PLEASE SPECIFY ______________________________

25. IF YOU DECIDE TO TERMINATE YOUR RELATIONSHIP WITH YOUR BROKER, WHAT COULD MAKE YOU RESTART THE RELATIONSHIP WITH THEM?

- RESOLUTION OF THE PROBLEM
- DISCUSSION WITH SENIOR MANAGEMENT
- ENCOURAGEMENT FROM FRIENDS AND FAMILY
- I WILL NEVER RESTART IT
- OTHER, PLEASE SPECIFY ______________________________

26. DO YOU THINK THAT YOUR BROKER NEEDS TO IMPROVE ITS RELATIONSHIP WITH CUSTOMERS? □ YES □ NO □ NOT SURE
27. IN YOUR OPINION, HOW COULD YOUR BROKER IMPROVE ITS RELATIONSHIP WITH ITS CUSTOMERS? □ ENSURE STAFF MEMBERS ARE MORE CLIENT FRIENDLY □ PROVIDE MORE RELIABLE AND PROMPT SERVICE □ IMPROVE ON THEIR COMMUNICATION WITH CLIENTS □ PROVIDE MORE INCENTIVES □ OTHER, PLEASE SPECIFY ______________________________

THANK YOU VERY MUCH FOR YOUR TIME.

Appendix 5: Employee Questionnaire

UNIVERSITY OF NOTTINGHAM BUSINESS SCHOOL

QUESTIONNAIRE FOR DOMINION TRUST LTD EMPLOYEES ON FORMING, MAINTAINING AND DISSOLVING CLIENT RELATIONSHIPS WITH DTL

This survey is carried out to fulfil part of the requirements for the MBA Project Dissertation. It is voluntary and you are also not required to provide your name. Kindly be assured that your responses will not be attributed to you in any way.

Kindly put a tick √ in the box next to your answer

PERSONAL DATA
1. WHAT IS YOUR AGE GROUP? ☐ 15 – 20 yrs ☐ 21 – 30 yrs ☐ 31 – 40 yrs ☐ 41 – 50 yrs ☐ ≥ 51 yrs
2. WHAT GENDER ARE YOU? ☐ MALE ☐ FEMALE
3. HOW LONG HAVE YOU BEEN WORKING IN DTL? ☐ ≤ 6 MONTHS ☐ 6 MONTHS - 1 YEAR ☐ 1 - 2 YEARS ☐ 2 - 3 YEARS ☐ 3 - 4 YEARS ☐ 4 - 5 YEARS ☐ 6 - 9 YEARS ☐ ≥ 10 YEARS
4. WHAT QUALIFICATIONS DO YOU HAVE? ☐ SCHOOL CERT ☐ OND OR EQUIVALENT ☐ DEGREE OR EQUIVALENT ☐ POST GRADUATE DIPLOMA ☐ MASTERS ☐ PROFESSIONAL ☐ OTHER PLEASE SPECIFY

5. WHICH DEPARTMENT ARE YOU CURRENTLY WORKING IN?

- ACCOUNTING
- CREDIT
- MARKETING
- INFORMATION SYSTEMS
- LEGAL
- CORPORATE FINANCE
- ADMINISTRATION
- RESEARCH
- AUDIT
- STOCKBROKING
- OPERATIONS
- OTHER – PLEASE SPECIFY ____

6. WHAT STEPS HAVE YOU TAKEN TO IMPROVE YOURSELF SINCE YOU JOINED DTL?

- NOTHING
- TRAINING - SELF
- TRAINING – COMPANY
- FURTHER TERTIARY EDUCATION
- PROFESSIONAL QAULIFICATION
- OTHER – PLEASE SPECIFY ________________________________

7. HOW MANY DEPARTMENTS / SECTIONS HAVE YOU WORKED IN SINCE YOU JOINED THE COMPANY?

- 1
- 2
- 3
- 4
- >4

8. IS CUSTOMER SATISFACTION PART OF YOUR ORGANIZATION'S VISION?

- YES
- NO
- NOT SURE

9. ARE YOU AWARE OF ANY POLICY ON CUSTOMER SATISFACTION IN YOUR ORGANIZATION?

- YES
- NO

10. WHAT IN YOUR VIEW IS THE COMPANY'S POLICY ON CUSTOMER SATISFACTION?

- THE CUSTOMER IS ALWAYS RIGHT
- THE CUSTOMER SHOULD ALWAYS LEAVE SATISFIED
- TREAT CUSTOMERS WITH LEVITY
  - OTHER PLEASE SPECIFY

11. HOW DO YOU HANDLE / PACIFY AGGRIEVED CUSTOMERS?   CALL A SUPERIOR OFFICER BE INDIFFERENT APOLOGISE RESTITUTION OTHER PLEASE SPECIFY____
12. DOES YOUR ORGANIZATION HAVE ANY TRAINING PROGRAM WHERE EMPLOYEES ARE TRAINED TO PROVIDE CUSTOMER FRIENDLY SERVICE?   YES NO
13. HAVE YOU ATTENDED ANY TRAINING PROGRAM WITHIN YOUR ORGANIZATION ON PROVIDING CUSTOMER FRIENDLY SERVICE?   YES NO
14. ARE EMPLOYEES ALLOWED TO SHARE THEIR VIEWS ON HOW TO INCREASE CUSTOMER SATISFACTION?   YES, VERY OFTEN NO, NOT AT ALL SOMETIMES
15. HAVE YOU EVER SHARED YOUR IDEAS ON HOW TO INCREASE CUSTOMER SATISFACTION WITH DTL MANAGEMENT?   YES NO
16. HOW ARE STAFF MEMBERS OF YOUR ORGANIZATION REWARDED?   FIXED SALARY COMMISSION OTHER PLEASE SPECIFY ____
17. WHAT ARE SOME OF THE ACTIVITIES THAT YOU THINK WOULD HELP AN EMPLOYEE TO BE MORE COMMITED TOWARDS PROVIDING CUSTOMER SATISFACTION?   TRAINING COMMUNICATION REWARDS MANAGEMENT GUIDANCE AND SUPPORT OTHER PLEASE SPECIFY