

ST. MARY'S UNIVERSITY COLLEGE
FACULTY OF BUSINESS
DEPARTMENT OF MARKETING MANAGEMENT

AN ASSESSEMENT OF SERVICE DEVELOPMENT
PROCESS IN THE CASE OF ABAY BANK

BY
YEWUBDAR GELETU

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SMUC
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DECLARATION

I, the undersigned, hereby declare that this senior essay is my original work prepared under the guidance of Ato Yalew Gorfu. All sources of materials used for the manuscript have been duly acknowledged.

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ADVISOR'S DECLARATION

This paper has been submitted for examination with my appropriate approval as university college advisor.

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Table of Contents

Acknowledgements	i
Table of Contents	ii
List of Tables.....	iv
List of Abbreviations	V
Chapter One	1
Introduction.....	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem	3
1.3 Basic Research Questions	4
1.4 Objectives of the Study.....	4
1.4 .1 General Objective	4
1.4.2 Specific Objectives.....	4
1.5 Significance of the Study	5
1.6 Delimitation of the Study.....	5
1.7 Research Design and Methodology.....	6
1.7.1 Research Design.....	6
1.7.2 Population and Sampling Techniques	6
1.7.3 Type of Data collected.....	7
1.7.4 Data Collection Methods.....	7
1.7.5 Method of Data Analysis	7
1.8 Limitation of the Study.....	7
1.9 Organization of the Paper	7
Chapter Two	8
Review of Related Literature	9
2.1 Services.....	9
2.2 Service Development	9
2.3. New Service Development Strategy	11
2.3.1 New Service Development Process.....	11
2.4 Substantive Issues in New Service Development Process Cycle	13

2.5 New Service Development Performance and Antecedents	13
2.6 New Economy Pressure and New Service Development	14
2.7 What is Innovation in Services?	15
2.8 Dimensions of Innovation in Services	15
2.9 Managing Key Activities in the NSD Process	17
2.10 Marketing Streams on Service Development	20
2.10.1 The Success/Failure Stream.....	20
2.10.2 The Means/Method Stream	21
2.10.3 The Incremental/Radical Stream	23
Chapter Three	25
Data Presentation, Analysis and Interpretation	25
3.2 General Characteristics of the Respondents.....	26
3.3 The Process of Service Development	28
3.4 The Introduction of the New Services by the Bank	31
3.5 Success of the New Services Developed by the Bank	36
3.6 Considerations Taken by the Bank during Service Development	36
3.7 Methods of New Service Development	36
3.8 Opportunity Identification in Service Development.....	36
3.9 Reaction of the Company to Competitors' Strategy.....	37
Chapter Four	38
Summary of Major Findings, Conclusions, and Recommendations	38
4.1 Summary of Major Findings	38
4.2 Conclusions	40
4.3 Recommendations	41
References	
Appendices	
Appendix A	
Appendix B	
Appendix C	

List of Tables

Table 1 General Characteristics of the Respondents	26
Table 2 The Process of Service Development of the Bank	28
Table 3 Data about the Introduction of the New Services by the Bank.....	31
Table 4 The Success of the New Services Developed by the Bank	33

List of Abbreviations

NSD	New Service Development
EDI	Electrical Data Interchange
QFD	Quality Function Deployment

Chapter One

Introduction

1.1 Background of the Study

According to Ben (1980) in today's banking industry dynamics, service development processes is becoming increasingly important to the competitiveness, growth, and survival of organizations. Unfortunately, new service development has proven to be a complex and difficult task. Moreover, new service development is a topic of high relevance for decision makers in service firms and manufacturing firms alike. Although there is a substantial amount of literature covering new service development success factors, the numerous publications are fragmented and do not provide a comprehensive overview. In this paper, service development will be assessed by measures which refer to the service as well as the success of the developed and implemented service, expressed through financial or market factors in the bank (Weinstein, 1997:13).

Apparently, the benefits that accrue from providing new services include: (1) enhancing the profitability of existing offerings, (2) attracting new customers to the firm, (3) improving the loyalty of existing customers, and (4) opening markets of opportunity (story and Easing wood, 1999:23).

The other author Weinstein, (1997:13) indicates that generally the management of new service development has become an important competitive concern in many service industries. However, new service development remains among the least studied and understood topics in the service management literature. As a result, the study will try to assess the practice in the bank and provide theoretical framework about the issue.

Almost two years have elapsed since Abay bank was legally registered and obtained its license from National Bank of Ethiopia on July 14th 2010. In its journey during the stated period, the bank performance in all aspects was quite encouraging despite the huge challenges faced by the industry especially

as new entrant to the market. As of June 30, 2012 total asset of the bank is Birr 1.2 Billion. The total numbers of staff reached 275 of the total staff about 36 are in managerial position. The bank generated a total income of Birr 102.82 million during the year ended June 30, 2012.

Apart from this, Abay Bank was named by relating the idea “Ethiopia's mightiest river, the Great Abay, the most dramatic spectacle and a vision of natural strength and grandeur is no more only a magnificent sight to visit, but also a river with immense potential for our country's development”. This tremendous strength similarly explains why the bank named Abay, to foster growth and development through promoting formulating and financing different sectors, which can provide employment and accelerate capital formation, by ensuring healthy, safe, stable, and sound financial system. The bank offers a variety of customer services: accounts with attractive Interest rates, international banking, loan service, and current account, promissory notes, saving service, foreign exchange service and more.

Thus, this study has attempted to assess the service development process of Abay Bank. Hence banks like Abay are currently promoting new service packages like working until 9:00 p.m night. This requires extra effort to attract existing as well as upcoming new customers. Regardless of all the challenges associated to new service development, the bank is currently on the verge of promoting newer other services for the banking industry users.

1.2 Statement of the Problem

New service development (NSD) is an emerging subject of scholarly inquiry in operations management .Any discussion of new service development must begin with a definition of what is meant by a “new service” (Lovelock, 1984).

According to Cooper (1994), effective development of new service is vitally important primarily because it influences the success of the resulting service product. This influence extends across industries and firm sizes and has obvious and significant implications for organizational performance. Yet many, If not most, service organizations have not adopted formalized or well structured new service development efforts. As noted by Brentani (1989), many service firms are still using a hit-and-miss approach when developing new service.

Cooper (1994), has pointed out that in times of fierce competition, shortening development cycles of new technologies, and more demanding customer expectations, companies are in constant need of new approaches to service design and delivery. As a result, service development has not only become an important competitive factor in many industries, but has also raised the interest of researchers in the fields of innovation management, marketing management and operations management.

Technologies have become one of the most significant strategic weapons for banks to survive in increasingly competitive bank markets. Today, banks in Ethiopia are competing aggressively to introducing new types of products and services that are driven mostly by technology and have made great progress in general, but at present the homogenization of banking products, restricts their development. However, Abay bank as a new entrant in the banking industry lack to render many services such as to provide cash advance service for VISA and Master Card holders, money gram, western union, ex-press money and related service. Along with the installation of the new technology, the

complimentary human resource has also been made ready through providing the necessary training packages for frontline and back office worker. So it is unquestionable that the bank needs to introduce a new service to the market. Having understood such problems, the student researcher is inspired to conduct a study, in the Bank. Thus the preliminary research result has shown that:

- There are customer complaints with regard to the difficulty of the services developed by the bank
- The company is somehow reactive to the service development process.

Consequently, the research is particularly focused on these aspects and has been undertaken in this regard.

1.3 Basic Research Questions

- What are the factors affecting the company in the new service development process?
- What are the different activities the company uses in the new service development process?
- What is the company's reaction to the service development process in response to challenges in the external environment?
- What should be done to improve its new service development strategy?

1.4 Objectives of the Study

1.4 .1 General Objective

The general objective of the study was to assess the service development processes followed by Abay Bank.

1.4.2 Specific Objectives

- To identify the factors affecting the company in the new service development process.
- To point out company's strategy for new service development.

- To pin point the different activities the company uses in the new service development process.
- To identify the company's reaction to the service development process in response to challenges in the external environment.

1.5 Significance of the Study

This study is significant for:

- The case company will take advantage of recommendations that will be given and will address the problems.
- It will help other service giving institutions to learn from the strengths and weaknesses of the Bank and take their own action in time.
- Beside its primary intention required as a senior essay for the prospective graduate student researcher.
- In conducting the study, the student researcher practice and implement those lessons on research that learning in theory.

1.6 Delimitation of the Study

The study is very much delimited in the assessment of the service development process specifically in the selected service development, in Abay Bank. In order to arrive at sound conclusions on the service development practice of the Bank entirely, it was necessary to assess the issue broadly. However, the student researcher is not able to do so due to financial and time constraints make Difficult to undertake such a wide scope research. Thus, the scope of the research is delimited to the assessment of the main branch of the Bank. The main branch was selected because many customers visit it and for the student researcher it provided better opportunity to access the respondents. What is more, new service development decisions and operations are run at the head office and the implementation process begins at the head office. Consequently, the student researcher can access the Marketing Manager and the Service Development Manager of the Bank. Data was collected for all that is available

from 2010 April-2013. Furthermore, the study was confined its assessment in business development department in the branch

1.7 Research Design and Methodology

1.7.1 Research Design

The study has employed descriptive research design. This is so because descriptive research involves gathering data that describe events and then organizes, tabulates and describes the data collected. Thus it often uses descriptive statistics to aid the reader in understanding the data distribution. Khothari (2007) states that descriptive research studies are those studies concerned with describing the characteristics of particular individual, group or phenomena under study. Thus studies concerned with specific prediction, with narration of facts and characteristics concerning individual, group or situation are all examples of descriptive research studies. Hence this study employed on using such a design since it is typical of such description.

1.7.2 Population and Sampling Techniques

The main branch was selected by using purposive sampling because many customers can be accessed and the responsible managers, the service development manager and the Marketing Manager are found at the head office. The target populations of the study were managers and customers of Abay Bank. The selection of the customer respondents was carried out by using non probability sampling technique. Among the various non probability sampling techniques accidental or convenience sampling was used to contact customers. According to Anol, (2012: 70) convenience sampling also called accidental or opportunity sampling, is a technique in which a sample is drawn from that part of the population that is close to hand, readily available, or convenient. In this case the student researchers had customers who visit the bank that were easily accessible as they use the services of the bank and were provided the questionnaire to fill out and return. The student researcher has gone four days at a row and distributed 100 questionnaire and three fourth of the respondents, 75 of them, have filled out and returned.

1.7.3 Type of Data Collected

Primary and secondary data was used for the study. The primary data was obtained from the Manager and customers, whereas, secondary data was gathered from company profile, research works, books and web pages.

1.7.4 Data Collection Methods

Both primary and secondary data was used. The primary data was obtained through personal interviews with the managers and questionnaire was distributed to the customers. Secondary data was collected from books, journal articles, research works and web pages.

1.7.5 Method of Data Analysis

The collected data was analyzed and interpreted by using both qualitative and quantitative data analysis techniques. The data collected from open ended and interview responses was analyzed qualitatively. Data that was gathered from closed ended questions was analyzed quantitatively specifically by using tables and percentages.

1.8 Limitation of the Study

The student researcher had planned to contact the Deputy Manager of the Bank, but it was difficult to contact him as he was engaged with some routines and meetings. In addition, there were scarcity of up to date references and empirical data pertaining to new service development. What's more there were not researches undertaken in the area that are related to the issue at hand. Consequently, it was a problem for the student researcher to have ample references to back this paper with as intended. Nevertheless, the student researcher has made gigantic effort to get the relevant literatures and resources to meet the case at hand.

1.9 Organization of the Paper

The paper was organized into four chapters. The first chapter consists of the introduction part which consists: Background of the study, statement of the Problem, objectives of the study, significance of the study, delimitation of the study, methodology and method of data collection. The second chapter presents, Literature Review while the data presentation, analysis, and interpretation is Chapter Three and finally Summary of Findings, Conclusion and Recommendation will be presented Chapter Four.

Chapter Two

Review of Related Literature

2.1 Services

Services are intangible products such as accounting, banking, cleaning, consultancy, education, insurance, expertise, medical treatment, or transportation. Sometimes services are difficult to identify because they are closely associated with a good; such as the combination of a diagnosis with the administration of a medicine. No transfer of possession or ownership takes place when services are sold, and they

- (1) Cannot be stored or transported,
- (2) are instantly perishable, and
- (3) Come into existence at the time they are bought and consumed.

Services differ from goods in some important ways and these differences present special challenges to service developers. When developing new services, the following four service characteristics need to be considered: intangibility, inseparability, variability and perishability. This means the service cannot be examined before purchase (as in the case of tangible goods), it is produced and consumed at the same time, it varies from one service to another within the same category and it cannot be stored. The nature of services affects their development and management (Goldstein, 2002:37).

2.2 Service Development

Both service and manufacturing organizations try to satisfy identifiable user needs. The satisfaction of needs in each case requires stages of development (well defined and well-researched in the case of goods, but not services) for the creation, purchase, use and evaluation of the new product/service. The difference between services and goods lies in the distinctiveness or separability of the steps and the degree of involvement between the user and service staff in each step. The partnership of the service staff and the user is a direct result of

the unique characteristics of services. This leads to important issues of process management of the service staff and users (Goldstein, 2002:38).

The two main causes of service failures have been found to be poor, or lack of, market research and process. Few relatively recent studies deal with the formal process of service development and the user's participation in the stages of development (Goldstein, 2002:38).

Fialam, (2002:22) emphasized the integration of user research into the product development process and the evaluation of the market, particularly in the early stages. Most services involve a close interaction with users. The interaction is the distinguishing feature of service offerings (Johne and Storey, 1998, p. 6). It poses special challenges for service development. This means the development should not only look at the service product but also the nature of interaction of with users. Johne and Storey, 1998, point out that because the interaction process is typically an integral part of a service, the development of a new service is usually far more complex than the development of tangible products. Table 2 shows a comparison of the user's interaction in the various stages of development of manufactured products and services (Brentani, 2001:13).

Griffin's (1997:45) review on development practices, reports a focus on qualitative market research and a trend towards direct contact with users. Best practice studies recommend that New Product Development (NPD) and New Service development (NSD) should start from a product or service strategy, use multi-functional teams and do more qualitative market research (Kelly and Storey, 2000). Scheuing and Johnson (1989) have developed a New Service Development model (Figure 1.) that incorporates the design of both the service and the delivery process. They concluded that service innovators must use more market research in the development process (Brentani 2001:13).

2.3. New Service Development Strategy

Theory has advanced to the degree showing that services have marketing and development needs which extend beyond those of tangible products. In particular, the intangibility and experiential dimensions of services suggest a need for a specific research focus for NSD. Furthermore, noting that the failure rate for NSD remains high, several researchers argued that there is a lack of knowledge about how new services are or should be created. Approaches to NSD are less well understood. But, in view of the shift in economic activity away from manufacturing towards services, it is increasingly important to understand the NSD process (Brentani 2001:14).

2.3.1 New Service Development Process

There are three main activities in the NSD process: service concept development; service system development; and service process development Lovelock, Vandermerwe & Lewis, (1999: 408- 410). Service concept development includes objectives and strategy, idea generation and screening, concept development and testing Scheuing & Johnson, (1989a: 17-21). Service concept development relates to ideas about how to meet customer needs, and it should start from a thorough description of customer requirements and how NSD can meet those requirements to the customer's satisfaction. Service system development is about the infrastructure needed to deliver the service, and static resources required to set up such systems if they do not exist or only partially exist. These resources consist of the service company's staff, physical/technical environment, administrative support system and customers themselves (Johne & Storey, 1998: 184-251). Service process development builds a sequence of activities that must take place for the service to function or be effectively delivered. Johnson *et al.* (2000: 17-18) suggested a model describing the NSD sequence which identifies four broad stages and 13 tasks that must be produced to launch a new service, as well as the components of the firm which are involved in the process. The NSD process cycle represents a progression of planning, analysis and execution activities. Johnson *et al.*

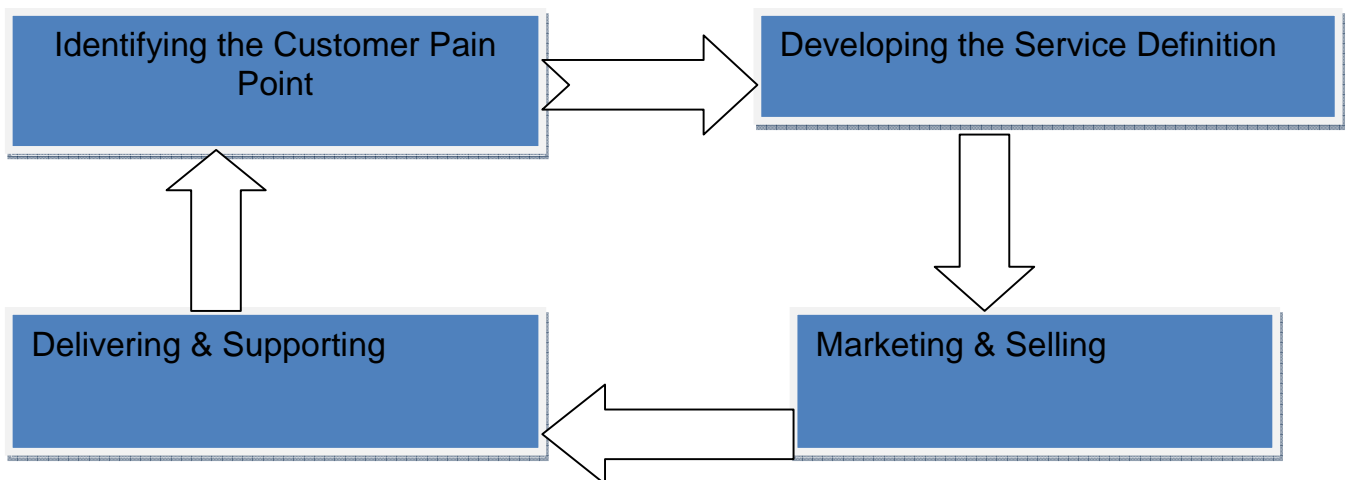
(2000:18) integrate many of these facilitating conditions, activities and outcomes in their NSD process cycle. The cyclic nature is meant to suggest the highly iterative and non-linear processes typically employed in most NSD efforts. Additionally, the NSD process cycle recognizes that the fundamental NSD stages revolve around the design and configuration elements and that the resources such as development teams and tools play an enabling function in the development process. According to Johnson *et al.* (2000: 2-3) articulating the interaction among the three strategic components (service design, service development and service innovation) is important because it influences the configuration of the product and processes employed in developing new services. Scheuing and Johnson (1989b: 25-34) make the important distinction between the design of the service and the design of the delivery process. Because services are, by their nature processes, delivery systems assume a high importance in the development of successful new services. The model shows the involvement of customer-contact staff and customers in the process. More recently, Zeithmal, *et al.* (2006: 258) suggested a model describing the NSD sequence which identifies nine tasks that must be produced to launch a new service (Atuahene, 1996:9).

Lovelock and Wirtz's (2007: 34) four-way classification placed hospitality and financial services in different quadrants, indicating that they have different service characteristics. Hospitality enterprises provide people-processing services, because they involve tangible actions to people's bodies. Furthermore, the implication is that customers need to be physically present throughout the core service delivery in order to receive the desired benefits of such services. In addition, there are a number of tangible as well as intangible services that surround the provision of hospitality services, adding to the complexity of the service experiences (e.g. facilitating hotel booking over the internet). Nevertheless, hospitality involves the physical person and his or her experiences (Atuahene, 1996:9).

2.4 Substantive Issues in New Service Development Process Cycle

Services marketing is built on carefully understanding the deeper needs of your customers, and then providing services that will help to make them more successful. There is a great deal of leverage in providing services, since after your organization has started to delight your customers with your first services, you'll have the opportunity to hear your customers articulate progressively higher impact areas that they'd like you to address. This is when a virtuous cycle emerges: your most demanding, early adopter customers help you to identify services that will subsequently address the needs of your mainstream market customers months or years later. When this occurs you have succeeded in building a services business based on a deep understanding of your customers! (Atuahene, 1996:78).

The diagram identifies the four phases of the Service Development

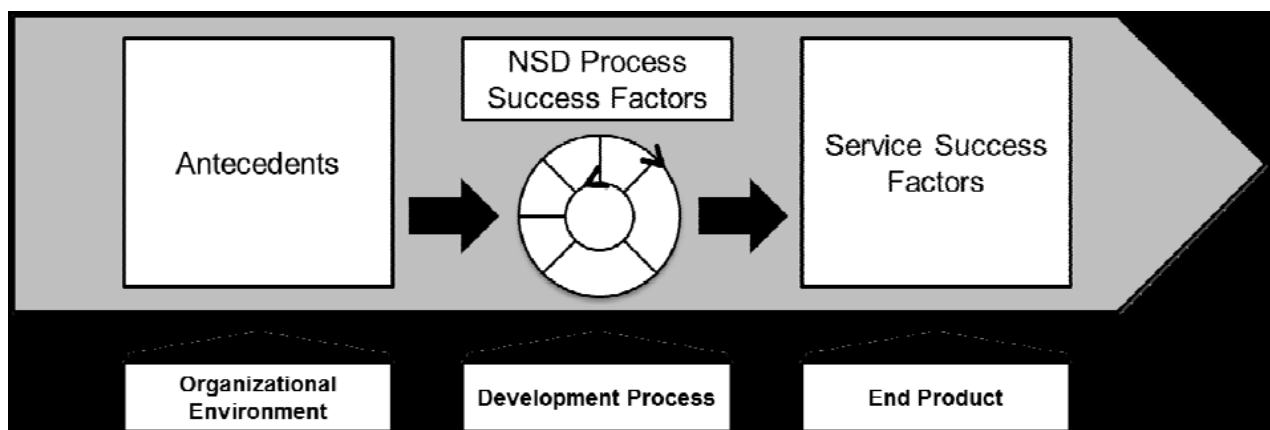


(Atuahene, 1996:78).

2.5 New Service Development Performance and Antecedents

In times of fierce competition, shortening development cycles of new technologies, and more demanding customer expectations, companies are in constant need of new approaches to service design and delivery (Smith et al., 2007). As a result, NSD has not only become an important competitive factor in

many industries (Menor et al., 2002), but has also raised the interest of researchers in the fields of innovation management, marketing management and operations management. the success of NSD is defined by measures which refer to the NSD project itself (for example by measuring its duration or cost), as well as the success of the developed and implemented service, expressed through financial or market factors. Although the differences among service types are widely recognized (Storey and Hull, 2010), there has been little research concerning the influence of service characteristics on the factors which determine NSD success. The main reason for the difficulties in identifying general principles for managing operations and marketing practices across different service types is the poor knowledge about the diversity of service offerings (Chase and Apte, 2007). It is the objective of this study to provide an overview and categorization of NSD success factors prevalent in previous literature. Since the requirements of service development differ according to various context factors, it is also intended to identify such influential factors (Easingwood and Storey, 1998:65).



(Easingwood and Storey, 1998:65).

2.6 New Economy Pressure and New Service Development

The process of developing new services can be defined and visualized in process models. These models specify the development phases which have to be completed from the initial idea until the final launch of the service (Bullinger

and Schreiner, 2006). In the start phase, new service ideas are generated. These ideas are analyzed in terms of the costs and time required, and the risks involved. The most promising ideas are selected and an assessment of initial business opportunities is performed (Song et al., 2009). Thereafter, the specifications of the new service, i.e. resources required, the service delivery process, market measures, and performance expectations, are defined. After the necessary resources have been allocated to the task, a final test of the service specifications is performed in order to detect possible weaknesses. If the specifications pass the testing phase, the new service is finally introduced to the marketplace (Atuahene, 1996:66).

2.7 What is Innovation in Services?

Nature of services: The differences between services and physical products have been well covered in the existing literature. Generally speaking, services tend to be intangible, heterogeneous, simultaneously produced and consumed, and perishable. As a consequence, innovation in services mostly involves small and incremental changes in processes and procedures, and innovations in services are easier to imitate (Atuahene-Gima, 1996). It does not require much R&D nor do service firms invest much in fixed assets to support innovations or spend much money on buying patents and licenses (Easingwood and Storey, 1998:56).

2.8 Dimensions of Innovation in Services

All definitions of innovation include the development and implementation of 'something new'. Apart from that, King and Anderson (2002) conclude that an innovation is aimed at producing some kind of benefit (profits, personal growth, etc.). It is restricted to intentional attempts to derive benefits from change. An ideally, innovation involves an application component, so just developing something new cannot be regarded as an innovation unless it is used. Authors like Cook *et al.* (1999), Den Hertog (2000), Avlonitis *et al.* (2001), Gadrey *et al.* (1995) and Chase *et al.* (1998) have stressed that innovation in services can be

related to changes in various dimensions. Some examples include innovation in the service concept, the client interface, the delivery system and technological options. Innovation in the service concept includes changes in the characteristics of the service itself. This dimension is most widely recognized.

Innovation in services can be related to a new client interface as well. Service offerings are increasingly marketed and produced in a client-specific way (even with client-specific pricing). Often, the characteristics and desires of existing and potential clients tempt a service firm to make adjustments in the client interface. This dimension of innovation can even entail clients acting as co-producers of the service offering (Van der & Elfring, 2002:45).

One example of an innovation in the client interface is electronic data interchange (EDI). Innovation in the delivery system refers to the internal organizational arrangements that have to be managed to allow service workers to perform their job properly, and to develop and offer innovative services (e.g., Cook *et al.*, 1999; Gadrey *et al.*, 1995; Den Hertog, 2000; Avlonitis *et al.*, 2001). It could be interpreted as the internal work processes and arrangements. This type of change is often the direct result by the preceding ones (the linkage between the service provider and its client, and/or the service concept). Also, the capabilities, skills and attitudes of existing co-workers can make any necessary adjustments in the service delivery. One example of innovation that led to changes in the delivery system is the introduction of e-commerce, which required serious business process re-engineering efforts. E-commerce may have a substantial impact not only on the way in which the actual is a necessary condition for an innovation, but cannot be called an innovation in itself. commercial transactions occur, but also on the processes preceding and following the transaction (Van der & Elfring, 2002:45).

Although it was argued that service innovations are often non-technological, this is still the center of much analysis and debate (e.g. Kandampully, 2002). It is clear that service innovation is possible without technological innovation (Cooper & De Brentani, 1991). Nonetheless, in practice, there is a wide range of

relationships between technology and innovation in services. Examples of innovations with a strong technological component include tracking and tracing systems, enabling transport service providers to monitor the progress of their fleet and thus to manage their transport services more closely. Following Den Hertog (2000), we stress that in real life it is difficult to provide 'pure' examples of the above-mentioned dimensions. Most new services will involve a combination of changes in various dimensions at once (Atuahene,1996:34).

2.9 Managing Key Activities in the NSD Process

In general, managing key activities enhances an effective implementation of new services. Current literature reveals eight organizational characteristics that directly enhance the development of innovative services. Some of them focus on the role of key persons in the innovation process (people), while the others aim to initiate formal structures that are most suitable for new service development. It is widely believed that any organization's co-workers are at the heart of the innovation process (e.g. Schneider & Bowen, 1984; Van de Ven, 1986). They are the ones who have to come up with ideas for new or improved services, and turn these into successful innovations. The involvement of front-line employees increases the likelihood of a successful implementation of innovative services. Those who are responsible for sales and service delivery usually play an essential role in embodying a new service, in differentiating it from competitive services, and in helping clients to make the switching decision (Atuahene-Gima, 1996; John & Storey, 1998). Consulting them before an implementation decision is made will enhance their motivation to strive for success. Co-workers who have considerable influence on decision-making tend to identify with an idea and perceive it to be 'their' innovation. Frontline-employees' knowledge of customers and competitive offerings can help in defining the appropriate level of service customization and user-friendliness (Martin & Horne, 1995). Except for implementation, involving front-line employees can be beneficial for initiating new services as well. They usually

have an excellent view on unsatisfied client needs and are the first to recognize opportunities for innovation (Bellamy, 1995:79).

The presence of a so-called product champion is another people-related element in organizing NSD. A product champion is someone in an informal role that pushes a new product or service beyond roadblocks within the organization (Shane, 1994). A champion occupies himself with persuading opponents and mobilizing resources. He plays a critical role in the implementation stage of an innovative development project. Research in manufacturing firms shows that successful firms are more likely to use and keep product champions. This is often not the case in service firms (Bellamy, 1995:79).

Management support is all about the daily behavior of those who are in charge. It is important that senior management consistently encourages innovation. In the initiation stage, managers should encourage creative behavior and the development of ideas, not only by emphasizing the importance of innovation in words, but also by setting examples with their own actions (Debackere *et al.*, 1998). In the latter stages of the NSD process management support is also needed. The outcome of an innovation project is always uncertain, and co-workers must be convinced that they will not be punished for failure (Bellamy, 1995:80).

Structure. To enhance efficiency and effectiveness, organizations can initiate formal systems of work relationships to divide up various work tasks between co-workers, and to provide co-ordination between these tasks. Of course, managers can initiate structure to new service development activities as well. Much of the NSD literature discusses some formal systems and tools that can (a) trigger and channel employee creativity, such as creativity techniques and formal systems to gather and screen promising ideas of co-workers and (b) provide rules and procedures to guide the development process. Such tools can be beneficial to initiate new service development (Kelly & Storey, 2000). Of course, creativity techniques like brainstorming serve as a direct trigger to

generate ideas for innovations. Research evidence in service firms suggests a positive relationship with co-workers' innovative behavior. Van Dijk and van den Ende (2002) investigated the effects of formal systems to gather ideas of co-workers and to judge and select among them. Their analysis includes a case study in a service firm (telecom provider) as well. Although the effects on innovative success depend on other organizational conditions (like an innovative culture), they conclude that using formal systems can certainly be beneficial. However, formal systems to manage the innovation process have been found to be a rare species in service firms (Bellamy, 1995:80).

The employment of multifunctional teams contributes directly to the overall effectiveness of developing new services (Avlonitis et al., 2001). Gallouj and Weinstein (1997) reflect this belief in their statement that flexible, cross-functional teams are successful in development activities because of the new combinations of knowledge and competencies they offer to service organizations. This also increases problem-solving ability when obstacles arise in the implementation stage. It is very important that representatives from functional departments co-operate and share information during the development process (Hart & Service, 1993; Edgett & Parkinson, 1994). Firms that develop new services without using multifunctional teams may suffer from functionally departmentalized structures that impede NSD (Bellamy, 1995:80).

The availability of resources is particularly important in the implementation stage. Time and money are required to develop new services. Money can be a problem in a service environment, because the attitude of financial institutions towards financing innovation is still determined by typical manufacturing innovations. Investment in innovative service concepts is not an asset banks are very pleased to lend money against, because there is no inherent material security (Preisl, 1998). Also, employees should be explicitly assigned to development projects. When employees are allowed to work on NSD only a small part of their time, they experience working on a project as something additional to their daily activities, which often results in longer development

times because team members' priorities are with their daily work. Projects that are carried out by teams with at least a few full-time team members are finished much quicker (Vermeulen, 2001:13).

2.10 Marketing Streams on Service Development

2.10.1 The Success/Failure Stream

The aim in this research stream is to identify and describe those 'critical' factors that determine the performance of the outcome of the development process: in other words, whether the new service is to be labelled a success or a failure. The underlying premise is that retrospective analysis of past successes and failures provides insights that can help firms to avoid pit falls and manage the development process more efficiently. Hence, this stream aims to prescribe what ought to be and what practitioners ought to do. According to de Brentani(1991: 44), this means that the following activities are performed in the development process: a number of up-front activities, including in-depth market studies, customer researched concept descriptions. . .pre-launch testing to determine customer response. . . In addition to the argued positive relationship between market research and new service success it is also argued within this stream that an under- standing of customer needs through the conduct of market research is essential in order to prevent financial loss or new service failure(Olden boom &Abratt,2000). While several authors argue that turning to the customer is more important to new service success at certain keystages of the development process(e.g.Martin &Horne,1995;vonHippel,1988), others emphasize the need for customer input to be obtained throughout the whole service development process(Blazevic, 2003:94).

In this stream a distinction is sometimes made between the so-called 'latent' and the 'expressed' needs of the customer (e.g. Narver et al.,2004). An expressed need is one which the customer is aware of whereas a latent need is one that is 'not in the consciousness of the customer'(Narver et al.,2004: 336).It has been

suggested that to develop a successful service it is very important that the developer should understand the customer's latent needs (Kristensson, 2008:34). In order to identify the 'critical' success factors, studies in the success/failure stream focus on a broad range of variables related to the management of the development process. Thus, the perspective is often broad in terms of the number of variables investigated, and subsequently low in level of detail. Typically, researchers use surveys with self-administered questionnaires in which the respondent is asked to select two recently developed outcomes, one success and one failure, and thereafter rate (on a 5-or-7-point Likert scale) how much s/he agrees with a predetermined statement representing the variable that caused the success of the developed outcome. The methodological approach typically used in this stream to generate normative prescriptions has been criticized, for example by Brown and Eisenhardt (1995: 353). Individuals often are asked to quantify subjective judgments surrounding long lists of success and failure factors. . . Thus, the research results are likely to suffer from a host of attribution and other biases, memory lapses and myopia, which are associated with subjective, retrospective sense-making tasks (Blazevic, 2003:94).

2.10.2 The Means/Method Stream

This stream focuses on how customer information can or should be acquired with the purpose of using it in development. The underlying premise is that services that are developed based on information about customer needs and preferences perform successfully. There is a general agreement that the content and quality of the acquired information is largely dependent on the means employed to generate it. This has resulted in a large number of competing prescriptions of the way or method the developer ought to use to obtain customer input. For example, the lead user method presented by von Hippel (1986) is an often cited example recommended to be applied on those 'users whose present strong needs will become general in a market place months or years in the future' (1986:791). Hence, this group of users, it is

argued, can serve as a 'need forecasting laboratory for marketing research'(von Hippel,1986: 791). Empathic design (Leonard &Rayport,1997) is presented as particularly useful when the customers themselves do not recognize their needs. The key idea is to observe the customer in her/his natural setting while s/he is using the service in order to identify the user's possible problems and needs. Focus group interviews or discussions are also recommended: this method is based on the assumption that group synergies produce more information on customer needs as each customer builds up on the ideas of the others. Stemming from the total quality management movement is there commended QFD (Quality Function Deployment) method (Blazevic, 2003:95).

This has been described as a system to assure that the 'voice of the customer is translated into product design and has been applied in both product and service development contexts(e.g. Griffin &Hauser,1993). It has also been argued that the Internet could be used to acquire customer information, since this channel makes it feasible to reach a large number of customers in an inexpensive way, and that through electronic channels companies can engage in ongoing dialogues, through which they may achieve mutual understanding and interpretations with customers'. Hence, methods such as listening-in and customer virtual integration have been recommended. Some methods are recommended as suitable at certain stages of the development process while others are argued to facilitate customer information acquisition throughout the development process. If a method specific only to a certain stage issued, then it is prescribed that the developer should employ a combination of several methods, implying that customer input should be obtained throughout the entire development process. Two general key characteristics among the means and methods suggested in this stream of literature can be identified (Cowell, 1988:79).

First, the information should be formally acquired. This means that typically, the acquisition is planned, has a goal and is solicited according to a

predetermined structure or form. Second, the customer is the primary and direct source of the acquisition: a basic assumption is that information about the customer should be directly acquired from that customer. Methodologically speaking, and as noted by Nijssen and Lieshout (1995), little is actually known about the extent to which, and the way in which, information from the customer is actually collected in real cases of service development praxis. Instead, taken together, this research stream normatively recommends, without much empirically based research, numerous sophisticated methods to be used by practitioners in order to bring the voice of the customer into the development process (Cowell, 1988:80).

2.10.3 The Incremental/Radical Stream

This stream discusses the customer focus in relation to incremental and radical new innovations. The terms 'incremental' and 'radical' refer to the degree of novelty or newness of the new service. The innovation is viewed as existing on a continuum ranging from 'radical' to one that is just 'incremental' in nature. Hence, radical and incremental services represent the opposite ends of the newness spectrum. Since the investigated service development case is about an incremental service, the findings from this stream that are most relevant to the present study relate to incremental innovations. Two sub-streams can be identified within the incremental/radical stream. First, some studies focus on how customer input relates to new incremental/radical innovations and their performance (Blazevic, 2003:95).

In this sub-stream it is argued that the factors that contribute to the success/failure of the new innovation may differ depending on whether the new service is radical or incremental, and thus studies tend to be comparative between radical and incremental new services. Very few of these studies are empirically based and the results of these are rather mixed. It has been found in one study that customer input contributes positively to the performance of developed services when they are incremental, but not when they are radical. On the

other hand, several other studies examining incremental product or service innovations have been more inconclusive regarding whether customer input contributes positively to performance. Second, in the other sub-stream, studies focus on how customer input relates to the degree of newness of the developed innovation. Studies are conceptual with prescriptions supported by illustrative empirical examples. The majority of these prescribe that customer input should be acquired in the case of incremental new services, but not in the case of radical ones (Blazevic, 2003:95).

Chapter Three

Data Presentation, Analysis and Interpretation

This chapter is dedicated to data presentation, analysis and interpretation that is obtained from the primary and secondary data sources. The data collected from the customers of the bank were collected using questionnaires and interview was held with the service manager and marketing managers. The data are presented by using tables followed by its analysis. Moreover, the result of the interview with the managers was analyzed to support and elaborate the facts. The questionnaire was distributed to 100 customer respondents and 75 customers who visited the head office Addis Ababa, Ethiopia have filled out the questionnaire and returned. This chapter is organized in the same way the measurement questions in the questionnaire are organized. Accordingly, the chapter has four sections.

3.2 General Characteristics of the Respondents

Table 1 General Characteristics of the Respondents

Item	Question	Category	Frequency	%
1	Sex	Male	40	53
		Female	35	47
Total			75	100
2	Level of Education	Some Formal Education	-	-
		Certificate	10	13
		Diploma	20	27
		Degree	45	60
		MA/MSc and Above	-	-
Total			75	100
3	Customer	Less than 6 months ago	10	13
		6 months -1 years	30	40
		1-3 years	35	47
Total			75	100

As we can see in table 1 above there are three items in which three variables were described. As it has been indicated in the table 1 above of item1 the gender of the respondents is described and the composition of the respondents is somehow proportional in that 40(53%) of the respondents are male where as 35(47%) of the respondents are women. Based on the data indicated above the student researcher can deduce that more male respondents participated in filling up the questionnaire compared to female respondents.

As it is indicated in item 2 of table 1 above 10(13%) of the respondents have attended formal education, those who have attained diploma account for 20(27%) of the respondents and those who have achieved their first degree is composed of 45(60%) of the respondents while no one has attended MA/MSC

and above and also no one has attended certificate level course. From this the student researcher can deduce that the majority of the respondents have more than diploma which would help them to understand and respond to all the questions in the questionnaire.

Item 3 of the same table in the previous page the respondents were also evaluated based on the length of time since the respondents being a customer of the bank and 10(13%) of the respondents have been customers for less than a year 30(40%) of the respondents have been customers of the bank one up to two year 35(47%) of the respondents have been customers for two to three years. From this it is possible to infer that most of the respondents have been customers of the bank for more than a year and based on the entire age of the bank, three years, it is meant to say that most of the customers have been loyal and working towards to it and it is expected that they know better about the bank's service development more than the new customers.

3.3 The Process of Service Development

Table 2 The Process of Service Development of the Bank

Items	Questions	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
		No	%	No	%	No	%	No	%	No	%
1	The services development process of the bank appeared to be technology driven rather than user driven.	43	57	18	24	-	-	14	19	-	-
2	The bank often promotes effective customer say by using suggestion box	16	21.5	16	21.5			43	57	-	-
3	The bank uses questionnaire to ask customers before addition of new services	-	-	-	-	-	-	18	24	57	76
4	New services developed by the bank are often customer friendly with regard to ease of use	-	-	-	-	14	19	61	81	-	-

From table 2 of item 1 above it is indicated that 43(57%) of the customers strongly agree 18(24%) agree while no one said neutral, 14(19%) of the customers disagree and 0(0%) of the respondents disagreed when asked if the services development process of the bank appeared to be technology driven rather than user driven. Then it is possible to say that the bank's service development process is highly technology driven. This means it is difficult for customers to operate and it has given less consideration of making the application easy with regard to ease of use. Hence technology leadership appears appealing when it doesn't make users confused.

As one can see in table 1 of item 2 in the previous page when asked if the bank often promotes effective customer say by using suggestion box 16(21.5%) of the respondents strongly agree 12(16.5%) of the respondents agree, no one said neutral and 43(57%) of the respondents disagree and 0(0%)of the respondents strongly disagree. Based on this figure it is possible to deduce that the company doesn't often use suggestion box as a tool to gather the views and opinions of its customers in order to develop new service or to upgrade its service related aspect by using suggestion box. Nevertheless, it is very common that companies address the needs and interests of their current as well as existing customers via various ways among others they request their customers to give them suggestion boxes. Nevertheless the bank has failed to do so according to most of the respondents. It proves that less likely customer say is being entertained by the bank.

Interview that has been undertaken with the manager of the branch, however, reveals that:

The company undertakes a needs analysis by involving the customers in various ways. This could be done by asking the views of randomly selected respondents as they are waiting to get the service and the management believes that this is the appropriate and timely addressing the problems that could be faced.

In addition customer need analysis in this regard entails that customers will be asked about the service development that is being underway by the bank and they will be requested to have a say. However not every customer gets the opportunity only the randomly selected few.

As it is indicated in table 2 of item 3 in the previous page the customers were asked if they were inquired to give their suggestions, comments and complaints about the service that is to be introduced and for further service development via questionnaire and 0(0%) of the respondents strongly agreed, 0(0%)of the respondents agreed to the statement, 0(0%) said neutral to the statement 18(24%) disagree and 57(76%) of the respondents strongly disagreed to the

statement. From this one can infer that the respondents have never been invited to fill out questionnaire regarding the new service development that is to be introduced. This shows that the bank is not in a position to gather data regarding any service to be introduced proactively via questionnaire.

As it is indicated of item 4 of table 2 of the previous page the respondents were inquired about whether new services developed by the bank are often customer friendly with regard to ease of use no one strongly agreed, 14(19%) said neutral while 0(0%)agree and 61(81%)of the respondents disagree, 0(0%)strongly disagree to the statement. This shows that the new services developed by the bank are not customer friendly. This issue has also been raised earlier in the first item of this table. Hence the bank's new service development process is not in a position in making customer access them easily. Ease of access is one of most important issue that needs to be considered during service development. This can be made by making informed about the new services earlier before implementing the service.

As per the interview made with the management of the bank, the management thinks that

The services developed by the bank are not as such complicated and difficult for the customer to understand. The bank so far has developed a service that is easy and can be accessed easily.

Therefore, the management believes that the new service developed by the bank considers innovation and technological leadership with its ease of use all along. Hence difficulty of new service developed is compared against the ease of use.

3.4 The Introduction of the New Services by the Bank

Table 3 Data about the Introduction of the New Services by the Bank

Items	Questions	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
		No	%	No	%	No	%	No	%	No	%
1	The introduction of new services by the bank is often a proactive process	8	11	-	-	-	-	38	51	29	38
2	The introduction of new services often eases problems that often reported by customers	50	67	-	-	-	-	20	27	5	6
3	The rate of new service creation is quicker	70	93	-	-	-	-	3	4	2	3
4	User adoption of new services are slower, relative to new products	-	-	-	-	-	-	72	96	3	4
5	There are more service improvements rather than service innovations by the bank	-	-	-	-	-	-	8	11	67	89

As it has been indicated in table 3 of item 1 above one can see that 8(11%) strongly agree, 0(0%) of the respondents said agree, and no one is neutral 38(51%) disagree and 29(38%) strongly disagree to the idea that whether the introduction of new services by the bank is often a proactive process. Based on this data we can infer that new services are introduced after some complaints or problems have happened instead of it is a proactive in response to what customers never thought about it was a challenge anymore. Hence this creates a problem as the new service development is a reactive to certain problem the bank has faced. In other words new services are developed by the bank are often responses to problems that have already happened.

According to table 3 of item 2 in the previous page 50(67%) of the respondents strongly agree, 0(0%) of them said agree while 0(0%) of them said neutral 20(27%) disagree and 5(6%) of the respondents strongly disagree to the issue that the introduction of new services often eases problems that often reported by customers. From this we can understand that the new services developed by the bank are problem solvers and are often solutions in place to the problems that customers have raised. The respondents were also asked about the rate of service creation as it has been shown in table 3 of item 3 in the previous page 70(93%) of the respondents strongly agree 0(0%) of them said agree while 0(0%) of them said neutral and the other 3(4%) disagree and 2(3%) strongly disagree that the rate of new service creation is quicker. The management of the bank was also asked about the pace of new service development and has confirmed that the rate is quicker as the bank is new entrant to the industry.

From this it can be understood that for many reasons the bank has become quicker in developing new services. It becomes an opportunity as the bank creates new opportunity due to new services developed and a threat because failure after developing new service in a costly way and unable to operate.

As it is shown in table 3 of item 4 in the previous page 72 (96%) of the respondents disagree 0(0%) of them said agree while 0(0%) of them said neutral 0(0%) of the respondents said disagree to the statement and 3(4%) of the respondents strongly disagree that user adoption of new services are slower, relative to new products. From this data one can deduce that they adopt or get acquainted to new services quicker than they do with the products. Hence the bank at most provides, of course, service.

As it is indicated in table 3 of item 5 of the previous page the respondents were also asked if there are more service improvements rather than service innovations by the bank 8(11%) disagree 0(0%) of them said agree while 0(0%) of them said neutral 0(0%) of the respondents said disagree to the statement

and 67(89%) strongly disagree in this regard. From this we can understand that there are service innovations mostly and the bank heavily relies on service innovation and creation. This shows that the bank is developing novice technologies.

3.5 Success of the New Services Developed by the Bank

Table 4 The Success of the New Services Developed by the Bank

Items	Questions	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
		No	%	No	%	No	%	No	%	No	%
1	The bank often undertakes customer satisfaction survey following the introduction of new service	6	8	-	-	-	-	32	43	37	49
2	New service developed by the bank are often a success	47	63	-	-	-	-	28	37	-	-
3	The service development process of the bank has considered the customers' latent needs	19	25	-	-	-	-	66	75	-	-
4	I feel that the voice of the customer is translated into the service development context	-	-	-	16	21	-	59	79		
5	Currently the bank is promoting services that are timely	53	71	-	-	-	-	22	29	-	-
6	I have observed that employees of the bank getting confused following the introduction of new services	48	64					27	36		
7	The introduction of new services is resolving the problems that customers find	71	95					-	-	4	5

As it can be seen in table 4 of item 1 of the previous page one can observe that customers were asked if the bank often undertakes customer satisfaction survey following the introduction of new service and 6(8%) of the respondents

strongly agree 0(0%) of them said agree while 0(0%) of them said neutral to the statement 32(43%) disagree and 37(49%) of the respondents strongly disagree. From this one can deduce that the bank does hardly undertake customer survey and their attitudes towards the service once the service has been implemented.

According to table 4 of item 2 of the previous page 47(67%) of the respondents strongly agree 0(0%) of them said agree while 0(0%) of them said neutral to the statement 0(0%) of them said strongly disagree and 28(33%) disagree with regard to the issue raised new service developed by the bank are often a success. Based on this we can infer that it possible to say that the bank is mostly successful in the new service development it develops, yet significant number of respondents attested that the service development process is not a success.

According to table 4 of item 3 of the previous page 19(25%) of the respondents strongly agree 0(0%) of them said agree while 0(0%) of them said neutral to the statement 0(0%) of them said strongly disagree and 66(75%) of them disagree of the customers were asked if the service development process of the bank has considered the customers' latent needs. Customers have lucid needs and also they have concealed needs to be addressed and they often enjoy each of these needs addressed. Consequently, the customers visit the bank to address one or both of these needs addressed. Nevertheless, the bank often doesn't address customers' latent needs in its service development process.

According to table 4 of item 4 of the previous page the entire respondent customers 0(0%) of the respondents agreed, 0(0%) of the respondents disagreed to the statement, 16(21%) said neutral to the statement and 0(0%) of the respondents strongly disagreed but all of the respondents 59(71%) strongly agree that the voice of the customers is translated into the service development process. Based on this it is possible to conclude that often times there are various requirements that the customers want and they want that need to be

put in to action. However in the bank little seems to be done to listen or to put this needs into action.

According to table 4 of item 5 of the previous page 0(0%) of the respondents agreed to the statement, 0(0%) said neutral to the statement and 0(0%) of the respondents strongly disagreed but most of the respondents 53(71%) strongly agree and 22(29%) of the respondents disagree that currently the bank is promoting services that are timely. From this one can infer that the bank is promoting services that go with the time and there still respondents who admit that the bank believe that it is not timely in contrast.

According to table 4 of item 6 of the previous page most of the respondents 48(64%) of the respondents have pointed out that the employees of the bank getting confused following the introduction of new services. In contrast more than a third of, 27(36%), of the respondents don't think that the employees confused about the application of the new services developed by the bank. 0(0%) of the respondents agreed to the statement, 0(0%) said neutral to the statement and 0(0%) of the respondents strongly disagreed. From this it is possible to infer that the employees are not backed by the required training so that they won't be confused about the new service developed by the bank. Hence, if that is not so confusion and not doing things right the first time gets true.

It is indicated in table 4 of item 7 previous page 71(95%) strongly agree and 4(5%) of the respondents strongly disagree 0(0%) of the respondents agreed to the statement, 0(0%) said neutral to the statement and 0(0%) of the respondents strongly disagreed when asked if the introduction of new services is resolving the problems that customers find. From this we can understand that the new services are solving problems that used to be during the service delivery by the bank.

3.6 Considerations Taken by the Bank during Service Development

According to the customers and the management they have listed the following as the priority issues that the bank considers in developing new services

- Cost leadership
- Technologically efficient and innovative enough
- Customer friendly novice services

Therefore, the bank wants to be one of the leading innovative and effective service providers satisfying its customers by using novice technologies and service that will highly ease with regard to use.

3.7 Methods of New Service Development

The Interview with the service development team manager:

The new services are developed by series of process with regard to the composition of expertise, experience and the like of human resource. To begin with the service development starts with planning, and organizing the committee under the service development department. Idea generation and screening will be undertaken under direct supervision of this department. The composition of the committee will be based on experience and tenure in the area. The process is series of action with many ups and downs testing checking, and twists downturns.

This entails that the management of the bank has series of activities starting from the initiation, planning up to its execution and follow up and implementation.

3.8 Opportunity Identification in Service Development

Opportunity identification is based on the initial forecast the department makes on. In this regard the planning phase takes the most part. Hence it is in this phase that we anticipate opportunity and identify.

From this we can infer that the opportunity identification process is undertaken during the initial planning phase where in selection of the type of service to be developed.

3.9 Reaction of the Company to Competitors' Strategy

The company undertakes a frequent scanning of the business environment and it is true that the bank is very young to the industry. Therefore, it has to go very carefully and the competition is not easy. With a blink everything brings an opportunity and it is also worse to stand and wait. Here a competitor has a lot more. So our company has to undertake various surveys and various scanning over the environment.

From this the student researcher can infer that the company controls the moves that competitors make by carefully analyzing the environment contentiously.

Chapter Four

Summary of Major Finding, Conclusions, and Recommendations

4.1 Summary of Major Findings

This section is devoted to present compactly the major findings obtained from the data presented analyzed and interpreted in chapter three above.

- ♣ The technology driven nature of the service development practice followed by the bank remains challenging to adapt to the customers easily. Thus it requires frequent support services in place.
- ♣ In the development of new services it is important for the bank to consider the views of customers through suggestion boxes. Thus it eases the inclusion of some additional features that customers will enjoy and be attracted to use the services. What's more, the inclusion of the views of the customers is of great importance for service providing institutions in such fierce competition are in place.
- ♣ The bank should view the development of new services in view of ease of use. Thus lack of such detailed concern will have impact on the access of new customers and will likely increase cost of orienting the employee as well as the users.
- ♣ Proactive services help institutions to minimize cost that could otherwise be incurred if they could have been done reactively.
- ♣ Customers have reportedly concluded that the introduction of new services often eases problems that often reported by customers.
- ♣ As per the question raised regarding the pace of the creation of new services were studied and the rate of new service creation is quicker.
- ♣ It was reported by the respondents that there are more service innovations than service improvements rather by the bank. This entails that the bank has focused on the innovation aspect of the services.

- ♣ The bank rarely if ever undertakes customer satisfaction survey following the introduction of new service. The cost of not considering the responses of the customers in the development of new services.
- ♣ The most interesting thing is that the facts that the new services developed by the bank and used by the customers were reportedly difficult to be used.
- ♣ It is found that it did hardly true that the service development process of the bank has considered the customers' latent needs.

4.2 Conclusions

As it has been observed in the previous sections the major findings indicated to imply the following conclusion.

- The company has focused on technological leadership, cost leadership and innovativeness whereby it has overlooked the ease of use in its new services developed. The new services developed by the bank were found to be difficult to use technology driven. As a result the respondents have rated the new services developed by the bank as difficult to operate.
- The company organizes a service development team that continuously works towards assessing the importance and the novelty of new services that are to be developed.
- The company makes a forecast and identifies opportunity. After that it bases the development of new services on the market assessment it has done so far and implements it in a way that is technologically novice and cost effective way.
- There are various phases it follows in developing new services. It starts with planning and then organizing a concerted effort towards achieving the plan. The organization phase constitutes the idea screening, negotiation and budget allocation all taking various other processes like checking, twisting and turns throughout the phases
- On the positive side the company has remained focused on technology oriented in that it is underway in looking for ways to be assessing novice ideas with regard to new service development, cost effectiveness, diversifying its branches and working towards services developed to be problem solvers.

4.3 Recommendations

- ☞ The company had better consider the needs and interests of customers before developing new services. Technological leadership could be one of its competitive advantages, yet an overlooked customers needs interests will be a threat. Thus the company should involve customers in the type of service development and ease of use issues.
- ☞ Customers have a lot to benefit the company in that if the company starts the idea generation and idea screening phase of selected new service development with it customers, along with developing loyal customers this could be another competitive advantage. In addition various new services could be developed in a very cost effective way.
- ☞ Technology leadership should be an option instead of becoming a motto to the bank. This is because for an immerging bank it is very expensive to be a leader in such instances of introducing technologically new services.
- ☞ As a financial in the situation in a very turbulent situation it is expected to use variety of ways in the way it handles its service development, introduction and intrusion in the market. This could be making an extensive advertisement in promoting its services that make it unique in the business otherwise it will have a curse up in front.
- ☞ The new service development should primarily consider the needs of the customer like the expected and the latent needs.

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Appendix A

St. Mary's University College

Faculty of Business

Department of Marketing Management

Questionnaire filled by customers of Abay Bank

This questionnaire is designed to gather information on “An Assessment of Service Development in Abay Bank”. The purpose of the study is to fulfill a senior essay requirement for the Bachelor degree on the field of Marketing Management at St. Mary's University College. Your highly esteemed responses for the questions are extremely important for successful completion of my senior essay. The information that you provide will be used only for the purpose of the study and will be kept strictly confidential.

You do not need to write your name.

Finally, I would like to thank you very much for your cooperation and sparing your valuable time for answering my request.

Please tick to show how much you agree or disagree.

1. Gender

1. Male

2. Female

2. Educational qualification

A. Grade 1- 12 diploma C.1st degree B. Masters degree

Doctorate degree E. Other please specify _____

3. How long have you been customer of the bank _____

Section II: Please indicate on a five point scale the extent to which you find the following statements important by ticking on the box in the column on a five point scale the extent to which you are satisfied or dissatisfied with the following statements.

1= Strongly Agree 2= Agree 3= Neutral 4= Disagree 5= Strongly Disagree

S.N	Items	1	2	3	4	5
1	The services development process of the bank appeared to be technology driven rather than user driven.					
2	The bank often promotes effective customer say by using suggestion box					
3	The bank uses questionnaire to ask customers before addition of new services					
4	New services developed by the bank are often customer friendly with regard to ease of use					
5	The introduction of new services by the bank is often a proactive process					
7	The introduction of new services often eases problems that often reported by customers					
8	The rate of new service creation is quicker					
9	User adoption of new services are slower, relative to new products					
10	There are more service improvements rather than service innovations by the bank					
11	The bank often undertakes customer satisfaction survey following the introduction of new service					
12	New service developed by the bank are often a success					
13	The service development process of the bank has considered the customers' latent needs					
14	I feel that the voice of the customer is translated into the service development context					
15	Currently the bank is promoting services that are timely					
16	I have observed that employees of the bank getting confused following the introduction of new services					
17	The introduction of new services is resolving the problems that customers find					

18. Can you list some of the factors that bank considers in developing new service?

19. What do you think should the company do in order to make an effective service development?

20. Do you have any other thing to say?

Appendix B

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Appendix C

St. Mary's University College

Faculty of Business

Department of Marketing Management

Interview Checklist for Service Development and Marketing Manager

Dear Sir/Madam

The intention of this interview checklist is to assess the existing service development process the company follows. The intention of this research is for a senior essay in fulfillment of the degree program in department of Marketing Management in St. Mary's University College. I hereby ask you sincerely to provide your genuine response to the questions listed here.

1. In developing new service what are the factors you consider?
2. How do you undertake the service development process with regard to composition of expertise, experience and the like of human resource?
3. What are the ways you follow in opportunity identification with regard to service development?
4. Do you undertake customers' needs analysis? If so how?
5. Are there phases of service development that you follow? If so what are the phases?
6. How does the company react to the challenges by competitors with respect to service development?
7. What are the criteria, if any, you follow service concept development?
8. Is there a discussion with service managers? How is that undertaken?

Thank you!