An analysis of the entrepreneurial orientations of retail banks in the Tlokwe Municipality area

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Dissertation submitted in partial fulfillment of the requirements for the degree Master of Business Administration at the Potchefstroom Campus of the North-West University

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ACKNOWLEDGEMENTS

"*Die Here is my sterkte en my beskermer, op Hom het ek vertrou. Hy het my gehelp......" Psalm 28:7*

Writing the dissertation was an academic challenge for me but a journey that enriched my life. The following people played a significant role during the process:

- Our Creator Jesus Christ that provided me with strength and perseverance to complete this study.
- My wife Sureta and my wonderful kids that stood by me during difficult times.
- My father and mother with supporting phone calls during my study period.
- Lynette Brooks from FNB Learning and Development whom provided me with wonderful service on all requirements that were necessary to complete my studies.
- My employer First National Bank that gave me the opportunity by means of a bursary to complete my studies.
- Riaan Botha, Regional Manager for First National Bank, whom encouraged me to complete my studies.
- My syndicate group: Thank you for your support during the study period and all the knowledge you have shared.
- And lastly Dr Henry Lotz, my study supervisor, for his support, ideas and sharing of knowledge that helped to successfully complete my studies.

ABSTRACT

Corporate entrepreneurship has different strategies as referred to by researchers. An entrepreneurial orientation is one of these strategies. In the overall corporate entrepreneurial process, entrepreneurial orientation is referred to as entrepreneurial intensity. Corporate entrepreneurship is a process where organisations think differently to overcome barriers to improve the performance of the organisation. Entrepreneurial orientation is a process of decision making to develop new innovative products, services or processes to intensify the organisation's performance.

The South African banking system is supported with a well-managed regulated framework and is favourable in the global environment. South Africa is the financial gateway to the rest of Africa and the environment is highly competitive. During the last twenty years the banking industry went through exciting changes and turmoil when refering to the financial of 2008 crisis. Retail banks need to think differently and small competitors are more prominent than ever before. The lower end of the market created fierce competition between the retail banks in South Africa.

The reason for this study is to focus on entrepreneurial orientations from a customer's perspective. Customer perspective is critical for the survival of an organisation and banks are no different. Based on the literature, entrepreneurial orientation is the level of intensity of corporate entrepreneurship visible in the organisation.

The results obtained in the empirical study enabled recommendations that can provide retail banks with useful information from a customer's perspective that can assist retail banks in general. Recommendations found in the study include; retail banks need to reinvest in their own systems to mine useful information to assist customers, be more open to autonomy approaches and redesign job descriptions, re-look calculated risk areas that will have no influence on credit processes, regulate innovations better and involve the customer and be more unique to create a better customer experience.

Key terms: Corporate entrepreneurship, retail banks, financial industry, bank system, global environment, customer perspective, competitors, entrepreneurial orientations, financial crisis.

Table of Contents

List of Tables

No table of figures entries found.

List of Figures

No table of figures entries found.

Chapter 1

Nature and scope of study

1.1 INTRODUCTION

The banking industry in South Africa has never been as competitive since 2004 till 2010 (Singleton & Verhoef, 2010). The global financial crisis, the regulatory factors, affluent middle class and technological innovation are all part of the ever changing and competitive environment. To be successful and to be able to handle the competitive environment, banks need to think differently and be more innovative to attract customers (Harris, 2013).

The balance sheet size of the South African banking sector is controlled by the four major banks in South Africa that represent eighty four percent of the banking sectors (Maredza *et al*., 2012:1). To have a competitive advantage, organisations and especially banks need to see the importance of corporate entrepreneurship to move the organisation to new opportunities that have never been exploited before. Lassen (2007:109) argued that established organisations must strike a balance between existing knowledge and new avenues to seek opportunities.

The customer's voice will be more important than ever before to improve market share and to be ahead of the competition (Singleton & Verhoef, 2010). The 2008 financial crisis proved a turning point in consumers' attitudes towards the financial services industry around the globe. In response, the industry had to improve the current performance in terms of quality, service and innovative products and ideas to highlight the value offered to customers beyond transactional utility of banking services. Understanding customers' interaction with their banks - positive or otherwise - has never been more important in the banking industry. The myriad touch point's customers now have with their banks each offer an opportunity to positively impact their perceptions of service and in turn, influence their loyalty towards the bank. In an increasingly competitive market where customers are more empowered to switch providers than ever before, neglecting the customer's voice from the boardroom through to the ATM could spell problems for retail banks.

1.2 PROBLEM STATEMENT

The banking industry in South Africa is highly competitive and profit growth is one of the measurements that banks use to determine performance (Singleton & Verhoef, 2010). Entrepreneurial flair is a high source of innovation; a major role player in established organisations. The primary goal for an organisation is to grow and for a bank they need a growing net account base that will ensure sustainable revenue growth. The role of corporate entrepreneurship will be critical for the retail banking industry as the primary goal will be to grow their customer base with profitable customers. To ensure that the banking industry is successful, corporate entrepreneurial orientation will be critical from a customer perspective as customers want to observe the changes and to see new innovative ideas that will improve their banking experience (Singleton & Verhoef, 2010).

Customer centricity will ensure a competitive advantage to assist retail banks with the process to make banking a better experience (Mckinsey, 2012). Banks need to think differently and the customer needs to be the centre of the business models on a greater scale. McKinsey (2012) argues that banks globally do not have a customer-centric approach. In order for retail banks to survive they need to be more entrepreneurial orientated and focus on the customer more.

Lumpkin and Dess (1996:136) refer to entrepreneurial orientation as a process of decision making that will lead to a new entry or an innovative process to create a unique solution. McKinsey (2012) stated that retail banks need to know their customers, be innovative, look at customer needs proactively and bring their custom-made products or solutions to the market.

For a retail bank to be successful the five dimensions of entrepreneurial orientation will be important (autonomy, innovativeness, risk taking, proactiveness and competitive aggressiveness) to ensure that they are customer-centric (Mckinsey, 2012). The study was conducted to analyse the five dimensions from a customer perspective as the customer will determine the success of a retail bank (Lumpkin and Dess, 1996).

1.3 RESEARCH OBJECTIVES

The following primary objectives were set for this study:

1.3.1 Primary objective

The primary objective for this study includes:

- the participants in the research experience entrepreneurial orientation in retail banks.

1.3.2 Secondary objective

The following secondary objectives were devised as means to address the primary objective:

- Customer perspective in retail banks is necessary to improve entrepreneurial orientation.
- Technology IS important to retail banks in the future.
- The importance of entrepreneurial orientation.
- Correlation between the dimensions of entrepreneurial orientation in retail banks in the Tlokwe municipal area

1.4 SCOPE OF STUDY

1.4.1 Field of study

The study focuses on an analysis of entrepreneurial orientations in retail banks from a customer perspective in the Tlokwe municipal area.

1.4.2 Industry demarcation

This study will focus on retail bank customers and is not limited to a specific retail bank. The experience of entrepreneurial orientation will be tested in a specific municipal area from a customer perspective. The reason for this research is to determine whether customers experience the five dimensions of entrepreneurial orientation in retail banks. Globally, ten percent (Financial Mail, 2009) of customers state that they are likely to switch banks if the experience is dissatisfying. With this, retail banks will face major challenges to retain or gain customers in the future.

Customer experience is a journey that a customer takes along with a series of touch points: they become aware of a brand, consider what's on offer, make enquiries, make a purchase and use the product or service. During this journey the customer can choose to stay or to end the relationship with the retail bank. This study will determine if retail banks are entrepreneurial orientated.

1.4.3 Geographical demarcation

The area of study will focus on the Tlokwe municipal area as indicated in Figure1.1

Figure 1.1: Area of research

Source: First National Bank (2013)

The Tlokwe municipal area is highly competitive in the North-West province and all the major retail banks operate in this area. The current population is 162,762 with an unemployment rate of 21.6% (First National Bank, 2013). The banking population currently stands on 62,194 (First National Bank, 2013). The current market share stipulates no real dominance of one competitor and retention is an important factor in this environment. The customer segments in this area are: mass market, consumer market and the business market. One of the major role players in the area is the North-West University with a total of 47,001 (North-West University, 2014) enrolled students. The students provide an opportunity for future relationship building to the retail banking sector.

1.5 RESEARCH METHODOLOGY

The study was conducted in an empirical cycle:

- Formulating a research hypothesis.
- Design a research design.
- Collecting of data.
- Analysis and interpretation of the data collected.

1.5.1 Literature study

The literature review focuses on an analysis of entrepreneurial orientation in retail banking from a customer perspective. The review will be on:

- The five dimensions of entrepreneurial orientation.
- Overview of retail banking and a future approach to be more customer centric.

The literature review will consist of secondary sources that will be analysed to ensure that a thorough understanding of the problem is researched and to ensure that a suitable empirical methodology is conducted.

1.5.2 Empirical research

Empirical research is a method of empirical observation or data collected to answer a research question or a practical question (Levine *et al*., 2014).
A nil hypothesis will be tested to indicate that entrepreneurial orientation is relevant to retail banks as well.

1.5.3 Study population

The study was conducted to test the positive hypotheses of entrepreneurial orientations from a customer perspective and to identify a correlation between the population and the five dimensions of entrepreneurial orientation.

1.5.3.1 Collection of data

The following procedure was followed to collect the data:

- The data was collected from the local mall, the central business area and surrounding schools which consisted of any person in the demographical area that has a relationship with a retail bank.

1.5.4 Data analysis

To perform the analysis Microsoft Excel Professional and SPSS version 22 were used. SPSS version 22 is a statistical software program package of the North-West University to analyse statistical data (Field, 2009). The Statistical Consultation Service of the North-West University undertook the task in performing the analysis for this mini-dissertation.

1.6 LIMITATIONS OF THE STUDY

The study was only compiled in one municipal area in South Africa and the environment was in a rural setup. The impact can be different if the research is done in a metro environment. The research does not specify the different competitors in the area and more research on a specific competitor will open more challenges to the specific retail banking group to identify specific areas of research.

1.7 LAYOUT OF THE STUDY

The research study is divided into the following chapters:

1.7.1 Layout of study

Chapter 1: Nature and the scope of the study.
Chapter 2: Literature review of entrepreneurial orientation.
Chapter 3: Overview of the retail banking and a futuristic approach.
Chapter 4: Research methodology and main findings.
Chapter 5: Summary, conclusion and recommendations.

1.8 SUMMARY

During the last decade South African banks have seen exceptional growth in the usage of technology-improved products and services and together with this a total change in customer needs. Cellular penetration has grown to 63 million SIM cards in use and the prediction is that smartphones will be more popular than ordinary phones (Goldstuck, 2012). To compete in the global environment, retail banks need to be customer-centric.

The understanding of local markets will be a key building block and to tailor product and service packages for customers with different needs. To understand and listen to customers will be essential to create a personal interphase that will assist the retail banking industry to understand customer preferences in the future. Entrepreneurial orientation from the customer perspective will be researched to see what role it can play to assist retail banks to better understand customers.

Chapter 2

Literature review of entrepreneurial orientation

2.1 INTRODUCTION

The entrepreneurial process has fundamental strategies to determine the success of corporate entrepreneurship. Lumpkin and Dess (1996:139) refer to this as "the dimension of entrepreneurial orientation." This study wants to determine if retails banks are entrepreneurial orientated.

Corporate entrepreneurship has been a well-researched topic over the last couple of years (Lumpkin and Dess, 1996). New marketing processes, innovative ideas and management processes were developed from research to assist organisations to think differently and to operate with an advantage to enable them to outperform their competitors (Fitimmons *et al*., 2004:3).

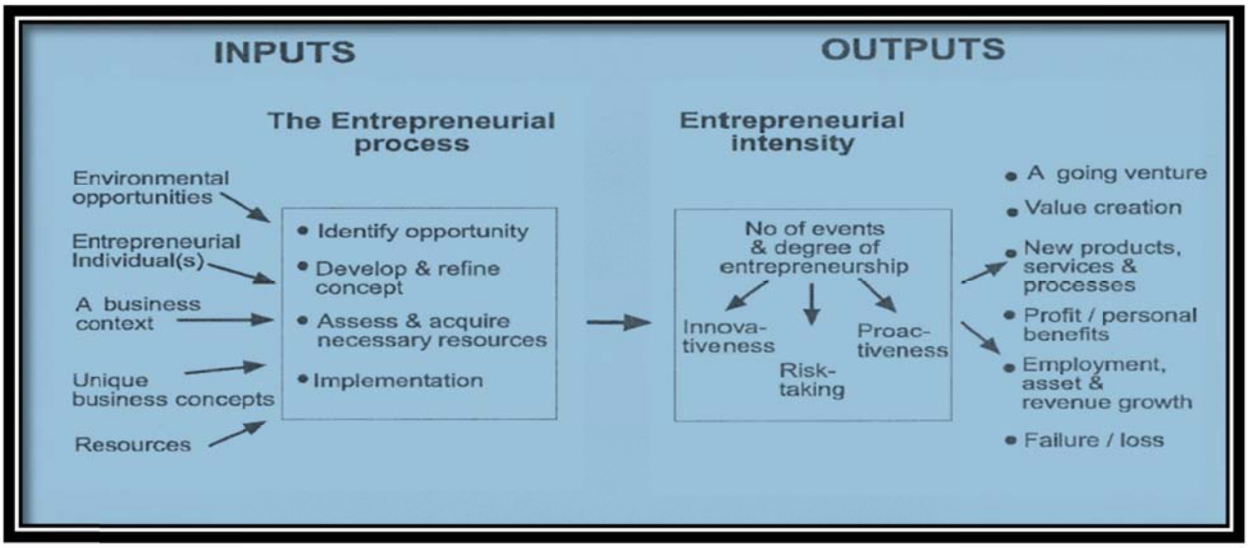
To overcome new barriers organisations need individuals that will seek new opportunities to change the business world. Kuratko (2007:1) argues that these individuals will be an important and aggressive catalyst that will make the organisation more competitive. Corporate entrepreneurship is a concept that has been widely researched with no exact definition. Most of the researchers argue that corporate entrepreneurship is "a managerial strategy aimed to stimulate entrepreneurial behaviour among employees to promote innovation and continuous improvement in the organisation" (Srivastava & Agrawal, 2010:164).

This chapter will provide the reader with information to understand the importance of entrepreneurial orientation in the wider space of corporate entrepreneurship. To understand the process the integrative model of entrepreneurial inputs and outputs will be used. The main focus will be on the output side of the model for the purpose of the study as the research will test entrepreneurial orientation.

2.2 THE INTEGRATIVE MODEL OF ENTREPRENEURIAL INPUTS AND OUTPUTS

Morris *et al*. (1994:29) presented this model which is widely applied to an independent start-up business or a larger corporate business. Areas of discussion are on the intensity part of the model to illustrate if retails banks are inline of corporate entrepreneurial orientations.

Figure 2.1: An integrative model of entrepreneurial inputs and outputs



Source: Morris *et al*. (1994:29)

The model illustrated the concept of inputs and outputs that influence the entrepreneurial process. The model will be briefly discussed to highlight the total process but the main focus of the research will be on the output side of the model.

The input components in Figure 2.1 focus on the entrepreneurial process and five key elements are visible namely:

- Environmental opportunity: development of new technologies.
- Individual entrepreneur: the person who will take responsibility of the new venture.
- Business concept: to look at the customer's needs.
- Organisational context: the large organisation in total.
- Resources: Financial and non-financial resources required for the venture.

The output component illustrates the entrepreneurial intensity; the main areas on what the organisation wants to improve. Areas can include the following:

- Current ongoing venture.
- Value creation.
- New products.
- Profit concepts to improve the financial situation of the organisation.

Failure is also part of the model as innovative ideas or new products are not always accepted by the market. The main reason why the research focuses on the output side of the model is that the level of entrepreneurial orientation will be measured in retail banking to identify areas of concern as from a customer’s perspective.

2.3 POPULARITY OF CORPORATE ENTREPRENEURSHIP AND THE FOCUS ON ENTREPRENEURIAL ORIENTATION AS A PERFORMANCE STRATEGY

The popularity of entrepreneurship increased during the last decade as researchers have used the information from past research on individual entrepreneurs and applied it to corporate organisations with success (Harms, 2013:411) and with this the term “corporate entrepreneurship” was defined. Entrepreneurial orientation (EO) was totally underscored till the performance element was discovered by a strong meta-analysis.

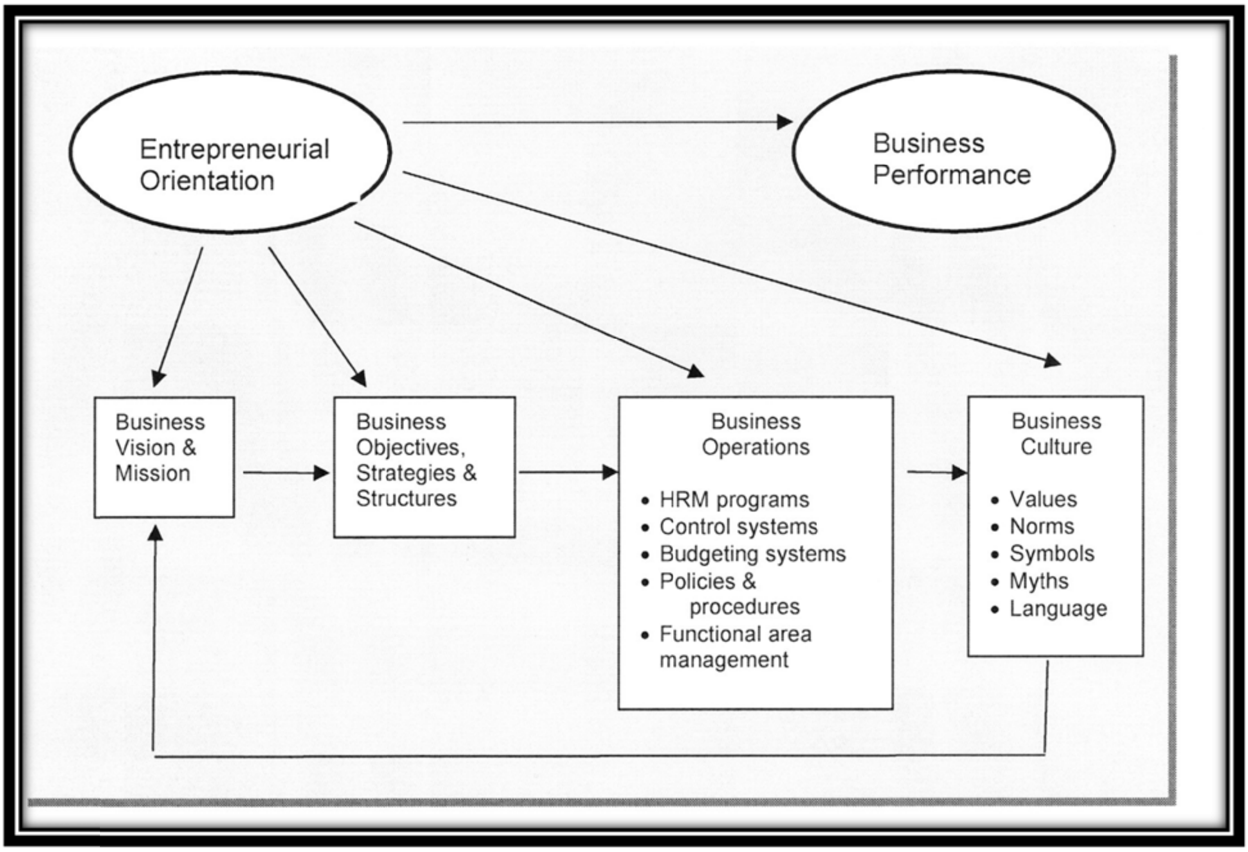
Research has clearly indicated that EO is a dominant strategy that is globally used by managers to increase performance of the organisation (Harms, 2013:411). Core dimensions that were identified in the early stages of EO were innovativeness, risk taking and proactiveness.

To link EO with performance on an abstract level is to see EO as a dynamic capability to discover valuable, rare and non-sustainable resources as a combination to better perform as an organisation (Alvarez & Busenitz, 2001). EO acts as a framework for action that will measure the organisation towards corporate entrepreneurship.

To add to the core dimensions of EO, Lumpkin and Dess (1996:139) believe that autonomy and competitive aggressiveness will complete the dimensions to measure the organisation's performance. To be fully dimensional and successful, organisations need to develop new ideas for the market they operate in, be more innovative and provide useful ideas to outperform their competitors (Alvarez & Busenitz, 2001).

To illustrate corporate entrepreneurship and EO, Morris *et al*. (2008:50) designed a framework that linked the influence to the performance of an organisation.

Figure 2.2: Entrepreneurial orientation model of an organisation.



Source: Morris *et al*. (2008:50)

The model illustrated the important role between entrepreneurial orientation and the performance of the organisation. The business vision is linked to the strategic structures which influence the business operation that define the culture of the organisation.

2.4 DIMENSIONS OF ENTREPRENEURIAL ORIENTATION

The Entrepreneurial orientation model from Morris is used in the study to focus on the dimensions of entrepreneurial orientations. Each of the dimensions will be discussed to illustrate the role of each dimension.

2.4.1 Autonomy

Autonomy is an independent action by an individual or a team with a creation of a new idea or the identification of an opportunity that will enhance performance. The individual or group will take full accountability of their actions even if it is a failure; the group is free or act independently. Autonomy may vary from organisation to organisation as the function, size and management style may differ (Lumpkin & Dess: 1996:141). The organisation size will determine the level of delegation and the centralisation of the leadership. A flat organisation structure will benefit autonomy and will encourage autonomous behaviour. Lumpkin and Dess (1996:141) argue that entrepreneurial organisations are led by autonomous leaders as they constantly seek for new opportunities.

To promote entrepreneurial promotion in the organisation the authority to delegate to different operating units is an important function and a sense of accountability and ownership of an operating unit. To execute and exercise the process of autonomy is important for an organisation. Successful employees, called “champions,” are needed to promote entrepreneurial activities and to shield new ventures against organisational norms and resource constraints which could put a curb to new ideas and opportunities. A two stage process is needed to execute the process. The first stage is to clearly define the opportunity; this is done by the operating unit. The second stage is to ensure that the project impetus is done; this is implemented by the “champion.” The critical link in the two stage process is the champion, as this person needs to procure resources and to create market interest in the new project. Individuals that are part of the new project must be managed in the correct way to encourage autonomous behaviour and be incentivised to create a climate of entrepreneurship. Support structures must be in place or designed that will be of benefit to the new project (Lumpkin *et al*., 2009:49).

Dess and Lumpkin (2001:150) made it clear that autonomy must be managed and measured as the process can be expensive. Actions that are not necessary should be eliminated from the opportunity and a balanced approach should be followed at all times to ensure that the venture is within the budget.

2.4.2 Innovativeness

In a reality characterised by intensified global competition, dynamic change and increasing uncertainty, the need for organisations to become more innovative in order to survive becomes more important. The importance of corporate entrepreneurship becomes increasable critical as organisations need to explore the unknown and to move to better heights (Stevenson & Jarillo: 1990). Innovations are poorly managed and exploited due to the risk involved and the issue of disappointment when the new venture is not a success. Innovation is about dreams, create, explore, invent, pioneer and imagine. In general it is to create something that will improve a process or a product that the market will accept. The key points of innovation are simply to renew or better a situation.

After having experienced an enormous financial crisis in 2008 all over the world, organisational survival has emerged as the most crucial issue and to be innovative will provide a competitive advantage. Innovativeness provides an organisation the willingness to engage in new ideas, to experiment and also the willingness to use new technology to create new ideas that will be attractive to a certain market (Lumpkin & Dess: 1996:142).

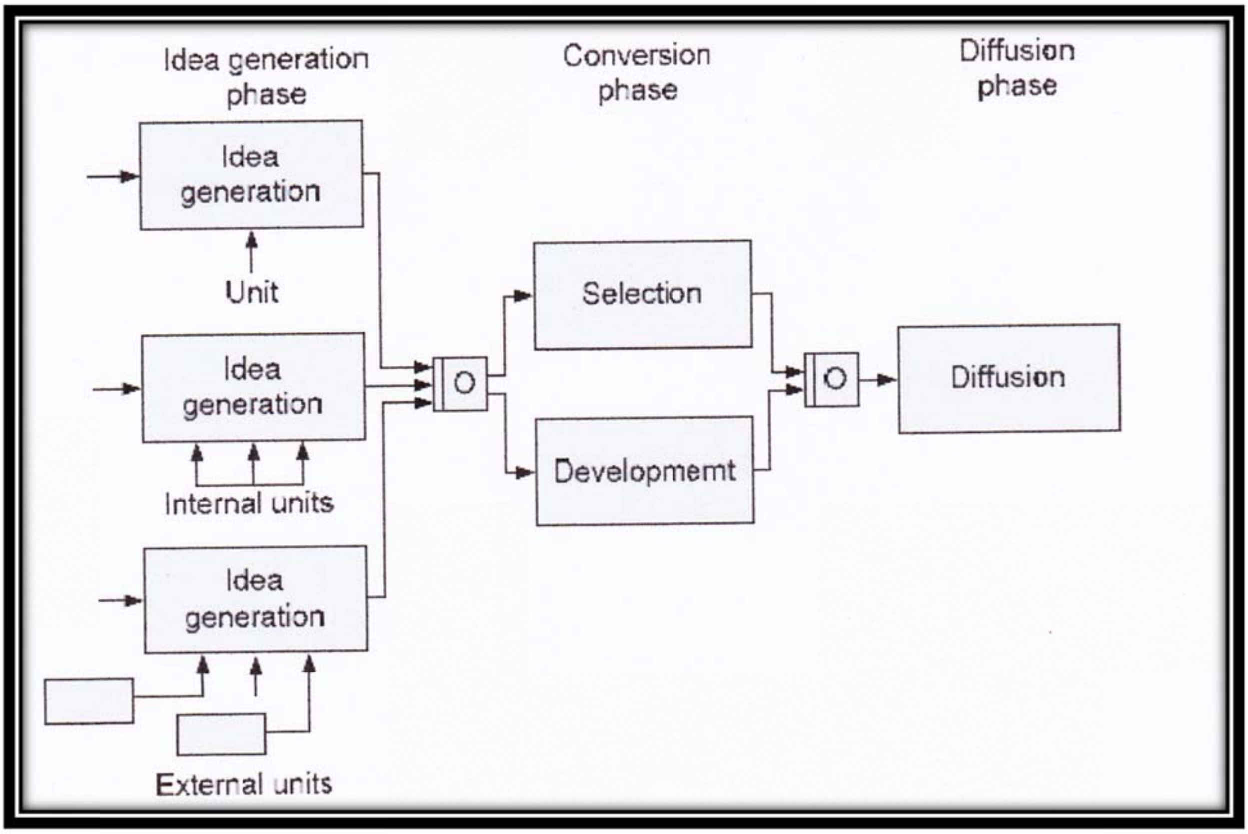
The two basic innovation areas for an organisation are product innovation and service innovation. Product innovation refers to the introduction of new products or the redevelopment of a product and service innovation is concerned with creating or improving a current model for service (Kusiak: 2007:1).

2.4.2.1 Innovation value chain

According to Hansen and Birkinshaw (2007) no generic model exists to manage innovations properly. Every organisation uses its own methods to put new ideas on the drawing board. The innovative ideas must be integrated into a model and transformed into products or new services. The model consists of three areas namely:

- *Idea generation*: Ideas are generated locally or externally by different units.
- *Conversion*: The main ideas are: 1) selected if they are matured and no further development is needed, 2) developed in a market acceptable solution and 3) selected and further development is done to be accepted by the market.
- *Diffusion:* The output from conversion undergoes diffusion.

Figure 2.3: Model of the innovation value chain



Source: Hansen and Birkinshaw (2007:2).

The process to manage the value chain is important and this is the key to the success of an organisation. During this process the organisation needs to evaluate the new ideas and ensure that resources are not wasted. The value chain model will provide the organisation with a guideline to ensure that the correct ideas are implemented or more research needs to be done to ensure that the market will accept the new idea.

An organisation can have different forms of innovativeness. Figure 2.4 illustrates these forms. To the organisation it will all depend on available resources and the research that was done to determine the process.

Figure 2.4 Different forms of innovativeness in an organisation

Source: Morris *et al*. (2008:55)

Figure 2.4 address the following:

- Will the idea address the market concern?
- Will the idea change the current way and thinking?
- Is the idea totally new or is it just a solution?
- To implement the idea - is a minor modification needed to the existing process?
- Is a geographical change needed for the idea?

Innovations do make a difference in the overall performance of an organisation but only a few organisations are able to do it well (Roos: 2007). Innovations are a result of hard work and not a stroke of genius that is well-planned and executed.

What do companies think of innovations? (Roos: 2007)

Innovation-based profit is top of the agenda.
Innovation excellence can improve profit growth by four percent.
Innovative organisations have two and a half times more sales and their return on investment is ten times higher than an organisation that does not promote innovativeness.
A balanced innovative process is the key to an organisation's success.

The environment and customer preferences do change constantly and organisations must adapt to survive and to be competitive. To manage the process correctly and to involve key role players during the process, will determine the success of a new product/service.

2.4.3 Risk Taking

Yates and Stone (1992) define risk taking as "a degree of uncertainty and potential loss which may follow from a given behaviour or behaviours." Risk does have different meanings but in the context of strategy it will focus on three areas namely:

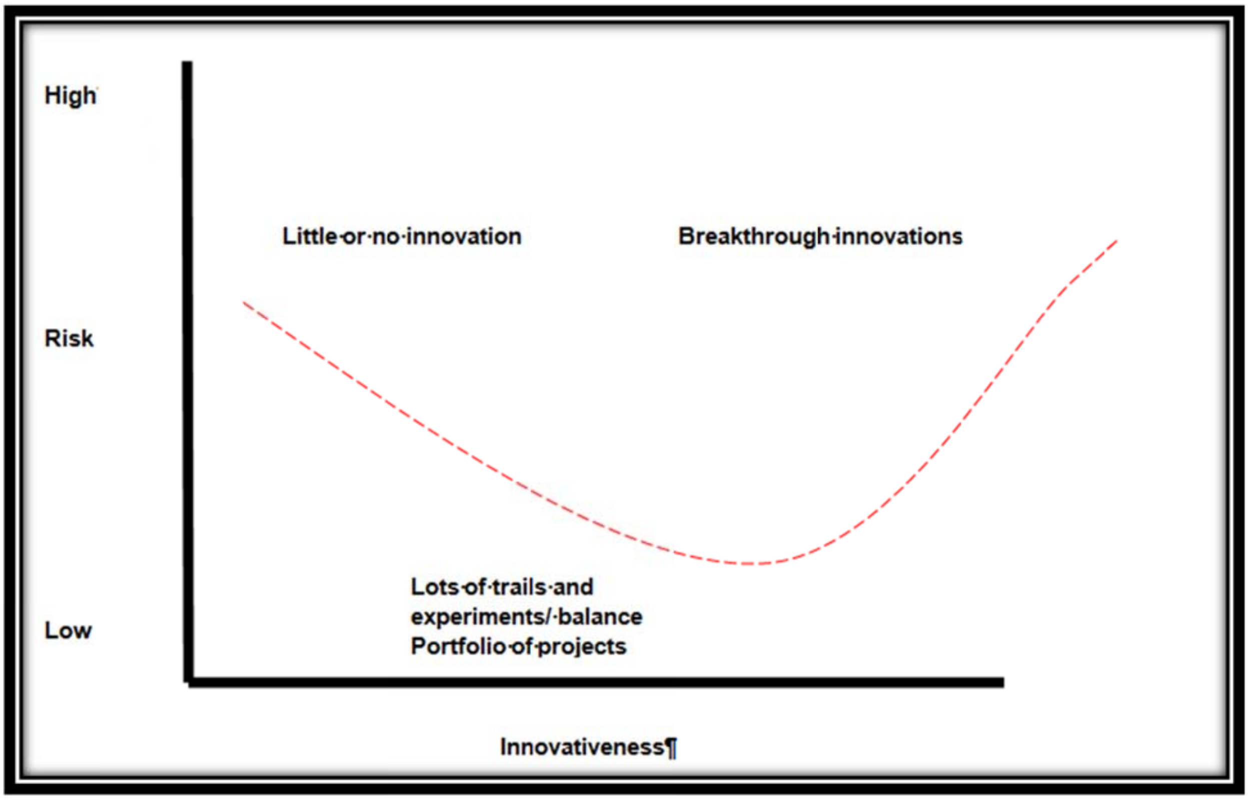
a) Venturing into the unknown.
b) Committing a relatively large portion of assets.
c) Borrowing heavily.

Absolutely no risk does not exist because an organisation will always be involved in some degree of risk. Lumpkin and Dess (1996) identify three nominal levels of risk: safe risk, highly risk actions and to bring new products to the market.

Risk is central to innovation and a neutral part of human life. Risk-taking has traditionally been defined as "choice among alternative outcomes under conditions of probabilistic uncertainty."

To be innovative is risky as innovations are uncertain and because the organisation will not be a hundred percent certain if the new idea will be a success (Knight: 1971). Risk is part of operations of an organisation as well as the discussion making process of management. When we refer to risk, it is referred to as a moderate or calculated risk. Morris *et al.* (2008:52) argue that risk and innovations are more complex and are supported by the argument of Burns (2008:291) that, if organisations ignore new opportunities or innovated technology, they open themselves to risk. Figure 2.5 is illustrating the correlation between innovativeness and risk. Risk and innovation is curvilinear and if the organisation has little or no innovation the risk will increase. If innovation increases with calculated risk, the risk-taking will decrease. The opposite is true where organisations tend to have numerous ideas and innovations but with no execution thereof. Then the risk will increase and the organisation is wasting resources. The role of management will be critical in the management of risk.

Figure 2.5: Correlation between innovativeness and risk



Source: Morris *et al*. (2008:63)

Managers have the tendency to see risk as obstacles because their risk propensities depend on how the situation is perceived. Risky situations will be taken by managers when they have full control over the desired outcome or renegotiated conditions or they will use tactics such as sharing risk with others or delegate the decisions (MacCrimmon & Wenrung: 1986). Managers see successful risk-taking as a trait and they tend to reinterpret events after inflating the perceived riskiness of their own successful initiatives. Management need to look at the balance portfolio and ensure that the two extreme points are managed. With this approach it will resemble entrepreneurial orientation.

In summary, risk is a major issue in all human actions but if calculated risks are well managed, the organisation will benefit from it. Globalisation, new technology, legislation and a competitive environment will challenge all organisations to think differently and to be more innovative to outsmart the competition and to ultimately survive any crisis. Risk-taking in entrepreneurial orientation emphasises the transformational nature of risk perceptions, attitudes and intentions.

2.4.4 Proactiveness

Covin and Miles (1999) define proactiveness as "the process to take the competition to a new arena where its first or early mover status is hoped to create some basis for sustainable competitive advantage." With this the organisation anticipates future needs which the marketplace creates and to be the first with a product or new service. Organisations that actively and constantly focus on the definition create new opportunities for themselves. To be proactive organisations position themselves to take advantage of the changing environment (Dess *et. al*., 2003). Organisations that act proactively will situate themselves better to benefit from future market opportunities, resulting in a greater ability to engage and compete with competitors. The ability to anticipate future market trends will benefit the organisation not to fall behind competitors. To create a competitive advantage, organisations utilise proactive behaviour in a manner that it strategically provides the organisation with a competitive advantage in a specific industry.

Organisations that are proactive will be in a better position to use and create opportunities of future markets. Proactiveness represents a driving factor in shaping an organisation's perception regarding the availability of new opportunities in the market environment they operate in. To be the market leader, proactive behaviour is essential and an integrative factor of entrepreneurial orientation. The advantages to be proactive and to be the first mover is that organisations will secure rare resources and gain essential knowledge of a specific opportunity that is not at hand to the competition.

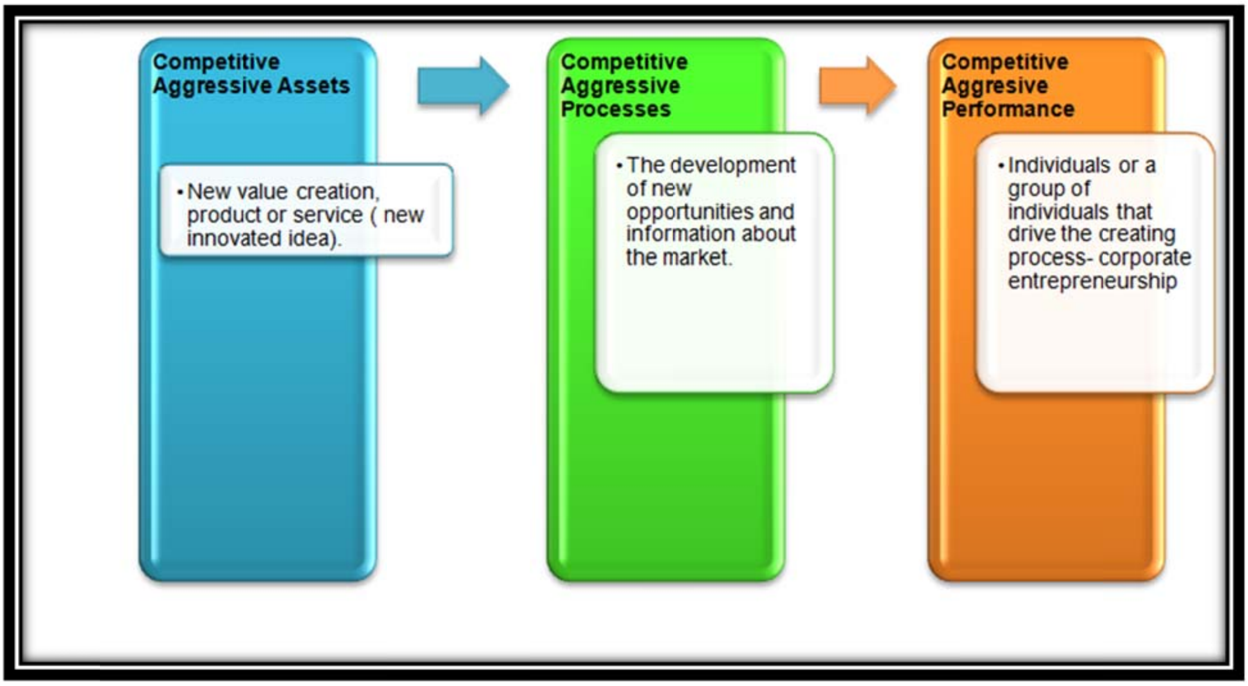
Proactive strategy analysis and research management is the key to success because an opportunity or new idea may not be accepted by the market in its current stage but redefining and continuous research will (David, 2007:200). To be first in the market according to Lumpkin and Dess (1996:146) is narrowly constructed because an organisation can be novel, creative, futuristic and fast without being first.

To be a proactive organisation means to be a leader and not a follower, to create and to seize the new opportunity in a manner that the competitors are not able to copy the idea. To be proactive the organisation needs to take the initiative to shape the environment to its own advantage and create a profitable return on investment for the identification of future needs.

2.4.5 Competitive aggressiveness

To enhance the competitive aggressiveness of an organisation, there is a need to identify the source of competitive aggressiveness. It will focus on the direct competition challenge as the organisation wants to improve its position in the market place (Lumpkin & Dess:2001). The source of competitive aggressiveness includes tangible and intangible assets and processes within an organisation. The reason for this is that the organisation wants to create a value chain as corporate entrepreneurship provides the platform for this. The framework to describe this is the Assets-Processes-Performance framework of competitive aggressiveness (see figure 2.6).

Figure 2.6: Assets-Processes-Performance framework of competitive aggressiveness



Source: Bhardwaj and Momaya (2007:132)

Figure 2.6 illustrates that the organisation needs to show competitive aggressiveness on three areas to outperform competitors and the value chain creation supported by corporate entrepreneurship. If all areas are executed the organisation will be in a position to intensely challenge its competitors in the marketplace. The model will assist organisations to identify areas of concern and will indicate if the organisation can confront competitors directly if they take them head-on in the marketplace. The organisation will be in a better position to respond to market demands and to do operational changes to improve their current processes (Lumpkin & Dess, 2001:434).

With entrepreneurial orientation in an organisation in place, the process to adopt, to be proactive, comprehensive, risk-taking, innovative and competitive aggressive will provide the organisation with capabilities to address any threats from competitors (Bhardwaj & Momaya, 2007:132).

Lumpkin and Dess (2001) suggest that organisations must clearly distinguish between proactiveness and competitive aggressiveness because organisations must use these terms in certain situations as resources could be wasted if the terms are used incorrectly. For an organisation to be proactive they will scan the environment and anticipate future demand and seek for new opportunities. The current operations will be relooked at and strategically eliminate mature or declined products that are not attracted in the marketplace (declined in the product lifecycle).

When Lumpkin and Dess (2001) refer to competitive aggressiveness they refer to the method of outperforming competitors with attacking the market share with deliberate tactics such as cutting the price of certain products or improve product or service quality. In short, proactiveness is to respond to opportunities and competitive aggressiveness is to act on threats.

When organisations follow the Assets-Processes-Performance framework of competitive aggressiveness and they understand the difference between proactiveness and competitive aggression, they will have a clear indication on the strategy they need to follow to outperform their competitors. Kotler and Armstrong (2012:560-561) suggest the following three winning strategies and one loosing strategy:

- Overall cost leadership: The organisation focus on operations and ensure that they produce their product at the lowest possible price with the lowest distribution costs.
- Differentiation: The focus will be to create a product that is totally different from the competitors with a unique marketing concept as the organisation wants to come across as the market leader.
- Focus: The market environment is the key as the organisation will divide the market in certain segments and only focus on identified segments.

Organisations that follow a clear strategy as per above will perform better than the organisation that follows the middle-of-the-roaders strategy (loosing strategy).

2.5 Summary

For organisations to be competitive or to survive in the changing global economic environment, they will need to be entrepreneurial orientated. Barriers to operate successful will exist and to perform financially will be a high priority for all stakeholders in the organisation.

The dimensions of entrepreneurial orientation will be the key components for an organisation to evaluate their performance on a regular basis. Each factor does play a role but the combination of all the factors and the way the organisation effectively uses them will determine the success.

The integrative model of entrepreneurial inputs and outputs is a widely used model and this model highlights the process and the intensity of the entrepreneurial process. This study focus only on the output side but the entire model is important to illustrate the importance of corporate entrepreneurship.

Entrepreneurial orientation (EO) acts as the framework for action by organisations to perform and as a measurement for corporate entrepreneurship. With EO the vision of the organisation is linked to the strategic structures that influence the operation of the organisation as well as the culture. The five dimensions of EO (autonomy, innovativeness, risk taking, proactiveness and competitive aggressiveness) are linked and the organisation will be at risk if they neglect one of these dimensions.

Chapter 3

Overview of retail banking and a future approach

3.1 INTRODUCTION

The establishment of banks in South Africa was built on the British banking traditions. The banking system began in the early 1860's with the London South African Bank and the Standard Bank of British South Africa. The main function of these two banks was to serve the agriculture area in the Cape (Singleton & Verhoef, 2010:540).

In the early 1980's the South African banking industry was tightly regulated and it was extremely difficult for foreign banks to operate in South Africa (Singleton & Verhoef, 2010). During the end of apartheid the newly appointed democratic government established new liberated programmes to encourage foreign banks to operate within the South African borders.

South Africa has developed a well regulated banking system that compares favourably in the global environment. Since the end of apartheid, the past twenty years, the sector has transformed through new technology and legislation. The introduction of the Banks Act (94 of 1990) led to an industry growth spurt with a number of new banking licences being issued and by the end of 2001, the number of registered banks increased dramatically (Banking Associate of South Africa: Annual review 2013).

South Africa remains the financial gateway to Africa with a solid legislation and democratic environment. Due to this a number of foreign banks established branches or representative offices in the country. The banking environment remains competitive and smaller banks are more prominent in the market with Capitec as the main competitor that is not afraid to compete with the major banks in South Africa (Banking associate of South Africa: Annual review 2013).

The World Economic Forum's 2012/2013 Competitive survey rated the South African banking industry second out of 144 countries for soundness and third for financial sector development (Banking Associate of South Africa: Annual review 2013). The South African banking industry consists of fifteen locally controlled banks, six foreign controlled banks, fifteen registered branches, two mutual banks and thirty foreign representative offices (South African Reserve Bank, 2014).

The financial services industry has become an industry that depends on technology increasingly to be efficient and to deliver what the customer expects from them as a service provider (Banking Associate of South Africa: Annual review 2013). Customer information will be the main differentiator as the industry has access to customer information, but the question will be “How will they create meaningful solutions to improve a positive customer experience?” (Capgemini Consulting, 2013).

The market rewards innovative ideas and to play a pivotal role and to have the edge, banks need to be technological advanced. With the load of information and the ability to drive innovations, South African banks can keep up with the demand for change or they can even lead the process (Capgemini Consulting, 2013).

Legislation is one of the major challenges the bank industry currently have and innovative ideas can provide banks with the opportunity to use legislation as a advantage to be more customer-centric and to outperform competitors in the industry. For example the FAIS act on customer information, to ensure customer information is correct and up to date (Banking Associate of South Africa: Annual review 2013).

Legislation affecting the banking industry includes the following:

- The Banks Act.
- The National Payment System Act.
- The Financial Intelligence Act (FICA).
- The Financial Intermediary and Advisory Act (FAIS).
- The National Credit Act.
- The Consumer Protection Act.
- The Home Loan and Mortgage Disclosure Act.
- The Competition Act.

The South African banking system went through exciting changes since 1994 and compares favourably with the rest of the world. The South African system is viewed as world class and is well respected after the turmoil of the financial crisis in 2008. The macroeconomic environment provides challenges for retail banking in the form of lower demand in credit, increased funding cost, and lower income fees.

The catering for entry level banking has created a new area of competition to ensure that the lower end of the market has access to banking at a very low cost (Banking Associate of South Africa: Annual review 2013).

3.2 THE INFLUENCE OF TECHNOLOGY PROJECTS ON RETAIL BANKS

Technology budgets globally will increase from $430 billion in 2014 to $500 billion by 2020 as illustrated in figure3.1 and the major improvements will be on mobile banking, data management, customer analytics and core operation systems (Crosman, 2014).

3.2.1 Technology spending for 2014 (Crosman, 2014).

- *Digital and mobile payments:* Interface between the mobile platform and the computer platform with apps to assist digital payments and mobile payments. Retail banks do not want to fall behind as this will be a competitive edge.
- *Marketing analytics:* Data-related technologies that will assist with accurate management information, data mining and online analytical processing that will enable retail banks to be proactive with customer needs.
- *The omnichannel*: To synchronise interactions across all channels. To enable the customer to interact on the web and to receive assistance from a call centre on any information, on one system.
- *Core banking technology:* New expensive technology to enhance efficiency on basic transactions.
- *Private clouds:* Private clouding for persons working for the bank which is accessible anywhere in the world, that will result in improved decision making. With this technology the bank can globally compete more effectively from a tablet or a smartphone.
- *Efficiency:* Elimination of paper-based tasks and to operate on a web-based platform.

- *Security:* Cyber security will remain the number one priority for retail banks to ensure all customer information is well managed and protected. Regular system enhancement software will be introduced.
- *Compliance and risk management:* The investment in stress testing software that will enable retail banks to manage credit risk, credit decision making and liquidity risk better.

Figure 3.1 Capital spending in 2013 of retail banks to improve performance:

	% in 2013	% in 2012
Information technology	54	58
Regulation/control environment	44	40
Geographic expansion	37	14
New products or services	29	37
Advertising and marketing	19	15
Business model transformation	17	20
Acquisition of a business	14	32
Employee compensation and training	11	13
Expanding facilities	5	5
Green/sustainability initiatives	4	8
Research and development	3	7

Source: KPMG (2013:4)

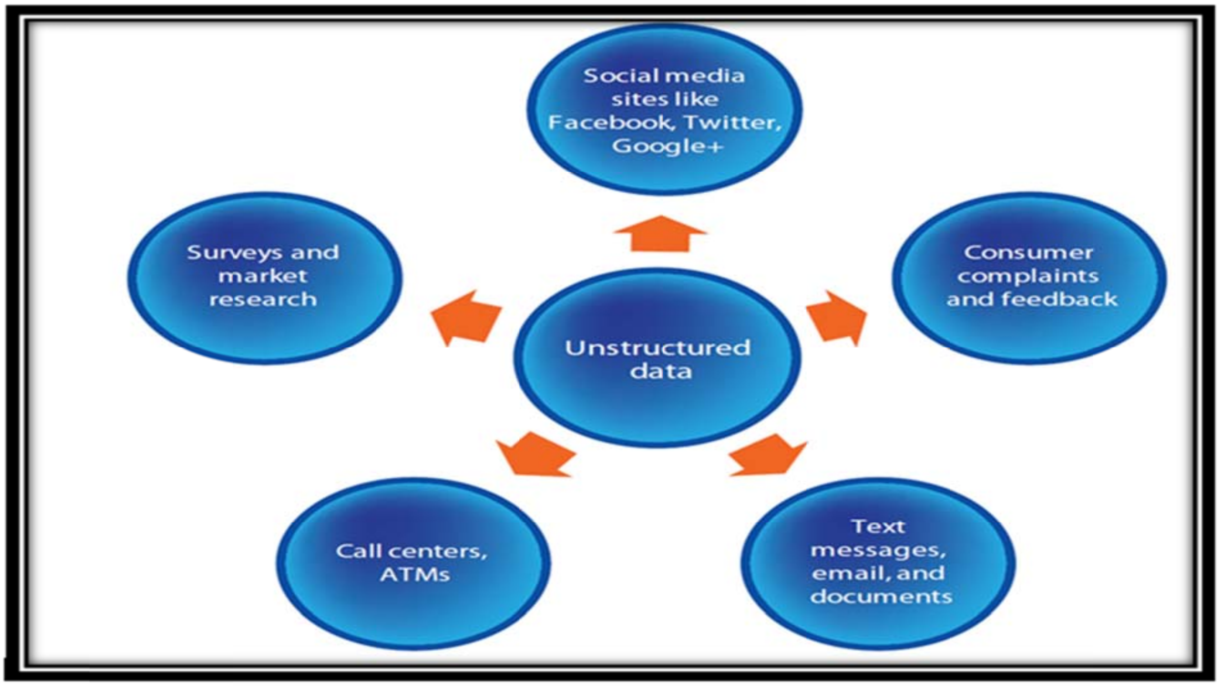
3.3 PERSPECTIVE ON CUSTOMER INSIGHT IN RETAIL BANKING

Retail banks have assets of data regarding customers and the extraction of the data will provide retail banks with opportunities to be more involved with customers and their day to day needs. The current systems are very complex and the resources to extra valuable data are expensive. Most of the systems used by retail banks are product-centric and not customer-centric. The current system focuses only on data that will provide information on products and not real solutions (KPMG, 2012).

The three main challenges for banks will be (KPMG, 2012:3):

- The ability to link external data to individual customers.
- Privacy concerns to tapping into external data of customers and the reputational risk attached for retail banks.
- How to use the external data and to create solutions that will add value for the customer?

Figure 3.2 Leveraging from unstructured data:



Source: Ramachandran & Malladi (2013:2)

Figure 3.2 illustrates the value of unstructured data from technology-based platforms that will assist retail banks with service design and to identify customer specific solutions. Unstructured data refers to data that is not in used and structured data is data that is used for information regarding customers that add a certain value (Ramachandran & Malladi: 2013:2). The crux of the matter is to convert the unstructured data into meaningful information that will assist with individual customer solutions and service offerings.

3.4 A CUSTOMER CENTRIC APPROACH

Mckinsey and Company (Auerbach, P., *et al*. 2012) argue that retail banks do not have a close relationship with their customers and due to this do not understand their needs. The financial crisis in 2008 damaged the trust relationship between banks and customers. Since then retail banks struggled with innovative ideas to provide tailor-made products and services to satisfy customer expectations.

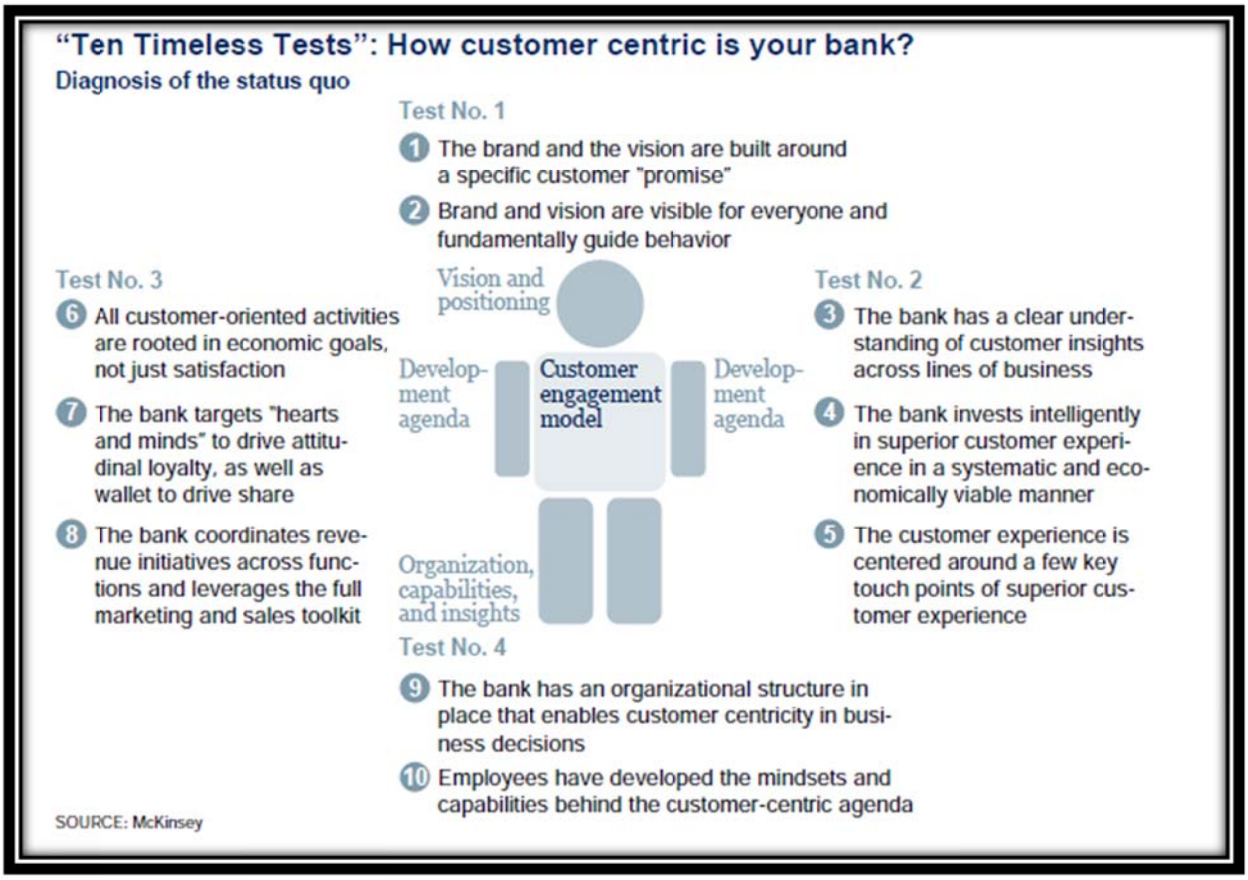
Online platforms created a mouthpiece for customers to express their concerns regarding customer relationships and negative service experiences at retail banks. Retail banks realised that the customer is the centre piece for the development of new products or systems to improve service and therefore involvement from customers is necessary. Retail banks with a business model that is customer-centric will improve profit growth and outperform competitors (Auerbach, P., *et al*. 2012).

Organisations that were highly successful with a business model which is customer-centric are (Auerbach, P., *et al*. 2012):

- Apple: To put the customer in the centre of the product universe, Apple staff members were not based behind counters; they operate between customers and directly assist customers with advice.
- Disney: The frontline staff took direct ownership of customer experience. Disney encourages staff to have aggressively friendly interactions with customers. Obsessive attention to customer detail assists Disney with the key to be customer-centric.

McKinsey (2012:12) uses the “Ten Timeless Tests” for retail banks to diagnose themselves to see how customer-centric they are. McKinsey (2012) argues that when a retail bank is customer-centric, it will lead to greater loyalty, higher cross-selling, less attrition and ultimately to higher sales that will increase profit growth.

Figure 3.3 “Ten timeless Tests”: How customer-centric is your banks?



Source: McKinsey and Company (2012:12)

The model is useful as it will indicate whether the retail bank is on par with their analytical systems to ensure the customer is part of the banks vision. Value chain analysis is part of the model; as with this the bank will be in a position to determine if their processes are in line to services the expectations of the customer in a fast efficient manner.

Basically the test is built around the following:

i. *Vision and positioning; living and breathing the customer*: The vision of the retail bank must be clear and focuses on the customer. The vision must not be lip service; the retail bank must execute what they promise.
ii. *Customer engagement model*: Communication processes must focus internally to ensure information around new innovation is surfaced externally. The brand promise to become tangible and a real life experience.
iii. *Development agenda: Increasing sales and profits by focusing on customer needs:* Retail banks have to focus their energy on customer activities into clear actions that will boost profit growth.
iv. *Organisation, capabilities, and insights: Anchoring customer centricity deep within the retail bank*: The key to success of a retail bank is to establish a special unit that will dig deep into customer information to clearly define customer needs. The process must not be a once-off effort but continuous because needs and different environmental aspects can change.

The “Ten Timeless Tests” will provide clear knowledge regarding the status quo of the retail bank and will provide a platform for discussion to identify strategic analysis to improve the current situation. To operate as an organisation that is customer-centric will improve the trust relationship and within the banking industry this is very important (Auerbach, P., *et al*. 2012).

Retail banks that do the initial investment will receive returns with interest and will boost profitability as they will retain and gain profitable customers and with this achieve above-average growth (Auerbach, P., *et al*. 2012).The involvement of the customer during the relationship cycle is important and to obtain useful information will assist the retail bank with tailor-made solutions for customers.

3.5 COMPETITION IN RETAIL BANKING

An indicator to measure the competition in the South African banking industry is to look at the assets held by foreign banks. The take-over of ABSA by Barclays Bank created a thirty percent increase in foreign assets; a healthy increase in foreign competition (Mlambo & Ncube, 2011).

More South Africans have access to ATM's and better service than most African countries. The top four South African banks team up with the Post Bank to ensure that more of the adult population have access to bank accounts and with this the Mzansi account was created in 2008 (Mlambo & Ncube, 2011). It is difficult for foreign banks to penetrate the market because the major four banks in South Africa has a good working relationship with each other and they do understand the market conditions better.

The banking industry is more competitive than ever due to the financial crisis in 2008, affluent middle class and lazy balance sheets (deposit's in accounts that is not invested in the correct type of investment account) in the corporate environment where banks prefer to lend money (Harris, 2013). Retail banks are in a process to increase customer volumes that will assist with fee income through service-generated transactions (card fees, administration fees and transaction fees). Smaller banks are making sustained encroach on the volumes of the four major banks as they improve the opening of accounts; simplify banking and making it more convenient for customers. The flow from one bank to another are easy these days as most of the retail banks offer salary switching and debit order switching at no additional cost. In South Africa the competition remains around competitive fees as well as the service the customer receives. The four major banks in South Africa (Standard Bank, ABSA, FNB and Nedbank) have relative monopoly and they make it extremely difficult for foreign banks to compete. The smaller retail banks (Capitec, Bidvest and African Bank) are in the process to compete more aggressively at the lower end of the market and to make it affordable to bank. In relation with developed markets, banking fees in South Africa are considered high (Harris, 2013).

The time to gain profitable customers has started and the price war will remain a strategy for retail banks. With the value-added and reward programmes offered by retail banks, the cost of banking will remain a talking point among customers.

3.6 SUMMARY

The South African banking industry has a long history and strong regulations that make it difficult for foreign banks to operate in South Africa prior to 1994. New programmes encourage foreign banks to operate in South Africa after the apartheid years. The re-introduction of Barclays to the market increased foreign assets that created an increase in foreign competition.

The current retail banking industry in South Africa is well placed in the international environment due to solid legislation. The World Economic Forum rated South Africa second out of a hundred and forty four countries for soundness and third for financial sector development.

Retail banking in South Africa faces a lot of new challenges, legislation and new regulations that will change the method of banking in South Africa. The customer will be the centre of attention as competition among retail banks increases. Innovativeness with new technology will enable retail banks to use unstructured data to proactively determine customers' needs to enable them to provide sound financial solutions.

To be customer-centric will be the global focus for retail banks. Business models will be created to be more innovative with customer information to enable retail banks to be more proactive with customer data analytics.

Retail banks that are willing to invest in technologies, which will enable them to refine data from customers, will create more effective banking solutions and products and they will receive the return on the initial investment. The market tends to reward successful innovative ideas and the execution of a customer-centric strategy.

A combination of new ideas, better technology and attractive solutions will attract customers, but the major strategy will be to retain customers with a customer-centric approach.

Chapter 4

Results and discussion of empirical research

4.1 INTRODUCTION

This chapter will provide a detailed description of the research methodology and the results obtained during the empirical research.

A two-stage process was used: firstly the gathering of data from a questionnaire and secondly the process of discussion of the findings from the research. The layout of discussions will be on the demographical information and on the five dimensions of corporate entrepreneurial orientations from a customer's perspective in retail banking. An assessment of the five dimensions of corporate entrepreneurial orientations will be provided as well as the reliability of the questionnaire and the relationship between the dimensions.

4.2 RESEARCH METHODOLOGY

Entrepreneurial orientation was discussed in Chapter 2 and the importance of the five dimensions was illustrated. An overview of retail banking was discussed and a correlation between the dimensions was researched with a questionnaire to test the hypothesis that the dimensions do play a relevant role in retail banking from a customer's perspective. Entrepreneurial orientation is normally researched from an organisational perspective but this research was done from a customer perspective and the reason was to determine if entrepreneurial orientations are experienced by customers that have a relationship with a retail bank in the Tlokwe municipal area.

No specific retail bank was researched; it was a general research on all the representative retail banks in the area.

4.2.1 Development of the measuring instrument

The five dimensions of entrepreneurial orientation were used to determine, per dimension, questions that relate to retail banking. The developing of the questionnaire was done during the research by Lotz (2009) on entrepreneurial orientation in South African agri businesses.

The questions were based on what customers perceived at each dimension of entrepreneurial orientation. The retail banking industry in South Africa is seen as world class and with the research in Chapters 2 and 3 the five dimensions were identified to develop a reliable research instrument to measure a customer perspective on entrepreneurial orientation (Harris, 2013).

Five dimensions on entrepreneurial orientation that was used to determine entrepreneurial orientation:

- Autonomy: Retail banks have the autonomy to resolve complex customer inquiries.
- Innovativeness: A degree of innovations is in place to create a better customer experience.
- Risk taking: Customers know their individual risk rating.
- Proactiveness: Retail banks look at new market trends to improve financial solutions.
- Competitive aggressiveness: Retail banks in South Africa compete intensely.

The measuring instrument used in this study assessed each dimension as well as the correlation between the dimensions with a 4-point Likert type scale, ranging from strongly disagree (1) to strongly agree (4). The respondents indicated the degree to which they agree or disagree with each statement made (Welman *et al*., 2005:156).

The demographic information included the following:

- Age.
- Gender.
- Race.
- Relationships with banks.
- Branch visits during the month.
- Academic qualification.

The relationship between the demographic variables and the five dimensions were also investigated to measure the correlation.

4.2.2 The study population

Welman *et al*. (2005:52) define a population as the study objective, which consists of individuals, organisations or conditions that a researcher wants to draw a conclusion from. The population of this study was consumers with a relationship with a retail bank in the Tlokwe municipal area. The criteria for the population were that participants must have a relationship with a retail bank.

4.2.3 Data collection

The focus of this study was on retail banking in general and no specific retail bank was researched. Data was collected in a mall environment from prospective participants, as all major banks are represented in the mall that was used. To complete the questionnaire was voluntary, the reason for the research was explained to the participants and a letter to confirm the research was provided as well.

One hundred consumers were approached and ninety six voluntarily completed the questionnaire. Two participants did not complete the questionnaire correctly. A response rate of 94% was achieved.

4.2.4 Statistical analysis

All the data collected was statistically analysed, using SPSS (SPSS, 2013). The reliability of the questionnaire was determined by calculating the Cronbach alpha coefficients. Cronbach alpha refers to the extent to which all items in the test are measured to the same concept and hence it is connected to the inter-relatedness of the items within the questionnaire to ensure the reliability of the measuring instrument (Field, 2009).

4.3 RESULTS OF THE DEMOGRAPHIC INFORMATION

The demographic section of the questionnaire provides demographical information of the participants and act as a frame of reference for the interpretation of the results. The demographic information will provide information and correlations regarding the five dimensions and will assist with comparisons.

4.3.1 Age

The age group classifications of the participants who responded to the questionnaire are presented in Table 4.1. Two participants completed the questionnaire incorrectly and it is indicated in the information to ensure that statistical data is correct. Participants under the age of 18 years were not considered for the questionnaire as some of the questions were not applicable to them.

Table 4.1: Demographic variable: Age

Age Group	Frequency	Percentage
18-25	8	8.5%
26-35	31	33%
36-45	17	18.1%
46-50	11	11.7%
51-71	27	28.7%
Incomplete questionnaire	2	
Total	96	100

The age group between 26 and 35 represents the largest part of the participants (33%) followed by the age group 51to 71 (28.7%). This is a total of 61.7%. The smallest age group is between 18 and 25 (8.5%).

4.3.2 Gender

The gender of the participants is represented in Table 4.2.

Table 4.2 Gender of the participants

Gender	Frequency	Percentage
Male	39	41.5%
Female	55	58.5%
Incomplete questionnaire	2	
Total	96	100

The table above illustrates that female participants were dominant with a 58.5% and male participants had been 41.5%.

4.3.3 Race distribution

The results of the race group distribution are illustrated in Table 4.3.

Table 4.3 Race distribution

Race	Frequency	Percentage
Black	12	12.7%
White	78	83%
Coloured	4	4.3%
Indian	0	0%
Incomplete questionnaire	2	
Total	96	100

The white population formed the majority on 83% followed by black population (12.7%). For the purpose of this study reference will be made to black, coloured and Indian as “other” due to the small figure it represented in the research.

4.3.4 Relationship with bank (total years with a bank)

The relationship with a bank represents the total years that the customer bank with the retail bank. The only criteria used to determine relationship was any form of account (savings account, cheque account, investment account, credit card, loan account or a home loan). Table 4.4 provides the results.

Table 4.4 Relationship with a bank (total years with a bank)

Years with a bank	Frequency	Percentage
0-5	16	17%
6-10	12	12.8%
11-15	14	14.9%
16-20	13	13.8%
21 >	39	41.5%
Incomplete questionnaire	2	
Total	96	100

Table 4.4 indicates that 41.5% of the population has a relationship of more than 21 years with a specific bank. The information in the table can be helpful for a retail bank to improve their current loyalty program or to enhance the process to be more efficient.

4.3.5 Branch visits during the month

Branch visits per participant during a one month duration are illustrated in Table 4.5.

Table 4.5 Branch visits per month

Visits per month	Frequency	Percentage
I do not visit the branch, I use other e-channels	60	63.8%
2-4 times	29	30.9%
5-6 times	2	2.1%
7-8 times	1	1.1%
>8	2	2.1%
Incomplete questionnaire	2	
Total	96	100

Most of the participants use e-channels to do their banking (63.8%) and only 36.2% of the participants visit a branch during a one month period. E-channels in the research refer to online banking, cell phone banking or smartphone and tablet banking.

4.3.6 Academic qualification

Table 4.6 presents the highest qualification of the participants.

Table 4.6 Highest academic qualification

Qualification	Frequency	Percentage
Lower than matric	1	1.1%
Matric	5	5.3%
Certificate	14	14.9%
Diploma (Technical College or Technicon)	26	27.7%
Degree	31	33%
Post Degree	17	18%
Incomplete questionnaire	2	
Total	96	100

Participants with a qualification represent 93.6 % as per Table 4.6. Degree and post degree represents 48% of the participants. The correlation between the dimensions and highest academic qualification will be illustrated in the correlation section of this chapter.

4.4 DESCRIPTIVE STATISTICS

The meaning of the mean and the standard deviation per question as per Table 4.7

Table 4.7: Meaning of the mean and the standard deviation:

Questions	N	Minimum	Maximum	Mean	Std. Deviation
A1	94	1	4	3.26	0.567
A2	96	2	4	3.40	0.657
A3	94	2	4	3.13	0.643
A4	95	1	4	2.92	0.794
A5	94	1	4	3.27	0.675
A6	95	2	4	3.11	0.660
A7	96	1	4	3.20	0.720
A8	94	1	4	2.95	0.739
A9	95	1	4	2.68	0.902
A10	95	1	4	3.16	0.689
A11	95	2	4	3.07	0.688
A12	96	2	4	3.21	0.695
A13	94	2	4	3.13	0.660
A14	96	1	4	2.98	0.680
A15	96	2	4	3.23	0.607
A16	96	2	4	3.23	0.672

A17	96	1	4	2.59	0.958
A18	96	1	4	3.22	0.636
A19	96	1	4	2.92	0.660
A20_(answer if applicable)	78	1.00	4.00	2.8974	0.69487

The mean is the balance point in the set of data and is the measure of central tendency; all values play an equal role. The standard deviation measures the average scatter around the mean. A small standard deviation means that the values in a statistical data set are close to the mean of the data set, on average, and a large standard deviation means that the value in the data set are further away from the mean, on average (Levine *et al*., 2014:142). No outliers are present in the data set; it is closely scattered around the mean. The frame size (*N*) of question A20 is 78 as the participants were only requested to complete the question if it was applicable to them.

4.4.1 Summary of the descriptive statistics per dimension

Table 4.8 provides a summary of the dimensions of entrepreneurial orientation that was measured with the reliability coefficient. The reliability coefficient of Cronbach's alpha will be discussed in the reliability statistics.

Table 4.8: Summary of the dimensions with the reliability coefficient.

Dimension	Cronbach Alpha	Mean	Standard Deviation
Proactiveness	0.84	3.1160	0.52509
Autonomy	0.701	2.9922	0.48592
Risk taking	0.710	2.9141	0.57385
Innovativeness	0.863	3.2170	0.60171
Competitive aggressiveness	0.814	3.1944	0.57158

The summary illustrates the centre tendency with a relative small standard deviation and the reliability which is measured per dimension regarding entrepreneurial orientation. All aspects that were measured are within the parameters of the reliability of the research instrument.

The participants agree on the dimensions of proactiveness, innovativeness and competitive aggressiveness and lesser on risk taking and autonomy. Credit related inquiries can also play a role for being more complex as retail banks have a set structure in place to deal with this and it can influence risk taking and autonomy (The Banking associate of South Africa: Annual review 2013).

4.5 RELIABILITY STATISTICS

The internal consistency of a measuring instrument is important and Cronbach's alpha coefficient is a measure of internal consistency to measure how closely a set of related items are grouped. Cronbach's alpha is not a statistical test; it is a coefficient of reliability. A reliability coefficient of 0.70 or higher is considered acceptable (Field, 2009). Table 4.8 summarises the Cronbach's alpha coefficient per dimension as listed on the questionnaire that was used as a research instrument.

Table 4.9 Cronbach's alpha per dimension:

Dimension	Cronbach's alpha coefficient
Proactiveness	0.84
Autonomy	0.701
Risk taking	0.710
Innovativeness	0.863
Competitive aggressiveness	0.814

The dimension of entrepreneurial orientation that was measured is with the acceptable coefficient of Cronbach's alpha. The reliability of the items that was researched was met. All dimensions measured are close to 1.0 and the internal consistency of the scale is achieved.

4.6 GROUP STATISTICS

Table 4.10 Group statistic with the Mann-Whitney Test on Race

Race grouped		N	Mean	Std. Deviation	T-Test P-Value	Std. Error Mean	Effect size	Mann-Whitney Test: P-Value	Mann-Whitney Test: Effect size
Proactiveness	white	78	3.0444	0.47971	0.02200	0.05432	0.69	0.003	-0.31
	other	15	3.4667	0.61464		0.15870			
Autonomy	white	78	2.9423	0.44306	0.04100	0.05017	0.60	0.003	-0.31
	other	15	3.2833	0.56590		0.14611			
Risk taking	white	78	2.8355	0.50876	0.01600	0.05761	0.72	0.001	-0.34
	other	15	3.3444	0.70279		0.18146			
Innovativeness	white	78	3.1132	0.57766	0.00000	0.06541	1.07	0	-0.39
	other	15	3.7333	0.45774		0.11819			
Competitive aggressiveness	white	78	3.1538	0.56521	0.16200	0.06400	0.41	0.079	-0.18
	other	15	3.4000	0.60684		0.15669			

The Mann-Whitney Test was used to test the hypothesis that two samples come from the same population or, alternatively, whether observations in one sample tend to be larger than observations in the other (Field, 2009).

The Mann-Whitney Test indicates the effect size of all dimensions, and within the race group it is 0.3 and smaller, and has a medium, practically visible difference on the dimensions; except competitive aggressiveness that has a very small effect on race. The reason for this is that the sample size of the “other” (black, coloured and Indian) participants is very small (only 15) and they do play a part in the statistical information.

Note: The *P*-values are reported for completeness, but were not be interpreted, since a convenience sample instead of a random sample was used.

Table 4.11 Group statistics on gender

GENDER		N	Mean	Std. Deviation	Std. Error Mean	Effect size
Proactiveness	1	39	3.1368	0.51565	0.08257	0.07
	2	55	3.0994	0.52991	0.07145	
Autonomy	1	39	2.9487	0.48047	0.07694	0.15
	2	55	3.0227	0.47937	0.06464	
Risk taking	1	39	2.8312	0.63016	0.10091	0.22
	2	55	2.9712	0.52244	0.07045	
Innovativeness	1	39	3.2821	0.59990	0.09606	0.17
	2	55	3.1788	0.61099	0.08239	
Competitive aggressiveness	1	39	3.1880	0.62965	0.10082	0.03
	2	55	3.2061	0.53860	0.07262	

The effect size of gender is smaller than 0.2 and no practical significant difference on all the dimensions, as gender has no influence. As an independent variable, gender has no influence on the five dimensions.

4.7 COEFFICIENT OF CORRELATIONS

The coefficient of correlations measure the relative strength of a linear relationship between two numerical variables, it ranges from a perfect -1 to a perfect +1. Perfect refers to points on a scatter plot that, if connected, it will be on a straight line. When the correlation gets closer to +1 or to -1, the relationship between the two variables is stronger; if closer to 0 the relationship is weaker. If the correlation coefficient is 0.1 a small, no practical significant relationship is visible. If the correlation coefficient is 0.3 a medium, practical visible relationship is visible and in the case of a coefficient of 0.5 a large, practical, significant relationship is visible (Field, 2009).

The correlation method that was used in this research was Spearman's correlation coefficient. It is a statistical measure of strength of a monotonic relationship between paired data (SPSS, 2013). A monotonic function either never increases or never decreases as its independent variable increases.

Three monotonically functions:

- Monotonically increasing: as the x variable increases, the y variable never decreases.
- Monotonically decreasing: as the x variable increases the, y variable never increases.
- No monotonic function: as the x variable increases the y variable sometimes decreases and sometimes increases.

Correlation guide:

- 0.1 "weak correlation".
- 0.3 "medium correlation"
- 0.5 "strong correlation"

4.7.1 Demographic correlation

The demographic correlation will illustrate the relationship between the dependent variable and the independent variable. The method will tell if a positive relationship is practically visible in the research. Demographic correlation is measurable and it provides information regarding the population that is measured.

4.7.1.1 Age

Table 4.12 Correlation between age and the dimensions

AGE			
Spearman's rho	**Dimensions**	• **Correlation Coefficient**	**1.000**
		Sig. (2-tailed)	
		N	94
	Proactiveness	**Correlation Coefficient**	**-0.009**
		Sig. (2-tailed)	0.935
		N	94
	Autonomy	**Correlation Coefficient**	**-0.091**
		Sig. (2-tailed)	0.385
		N	94
	Risk taking	**Correlation Coefficient**	**0.058**
		Sig. (2-tailed)	0.576
		N	94
	Innovativeness	**Correlation Coefficient**	**-0.076**

		Sig. (2-tailed)	0.467
		N	94
	Competitive aggressiveness	**Correlation Coefficient**	**0.031**
		Sig. (2-tailed)	0.767
		• N	• 94

There are no correlation between age as a variable and the dimensions as the other variable. The coefficients are below 0.1; no practical significant relationship is visible.

4.7.1.2 Relationship with banks (Total years with a retail bank)

Relationship with a bank is important for retail banks and the influence and correlation can have an influence on relationship-building for a bank. Measuring it was important.

Table 4.13 Correlation between relationship with banks and the dimensions

Relationship with banks (Total years with a retail bank)			
Spearman's rho		• **Correlation Coefficient**	**1.000**
		Sig. (2-tailed)	
		N	94
	Proactiveness	**Correlation Coefficient**	**-0.054**
		Sig. (2-tailed)	0.605
		N	94
	Autonomy	**Correlation Coefficient**	**-0.057**
		Sig. (2-tailed)	0.586

		N	94
	Risk taking	**Correlation Coefficient**	**-0.001**
		Sig. (2-tailed)	0.989
		N	94
	Innovativeness	**Correlation Coefficient**	**-0.124**
		Sig. (2-tailed)	0.235
		N	94
	Competitive aggressiveness	• **Correlation Coefficient**	• **-0.021**
		Sig. (2-tailed)	0.838
		N	94

The correlation coefficient on all the dimensions' variables are below 0.2 and no practical significant relationship does exist. Total years with a retail bank have no real relationship with the dimensions.

4.7.1.3 Branch visits during the month

Tendency over the last few years indicates that customers do visit retail banks far lesser than in the past and e-channels do play a role in this. E-channels are more convenient to customers as they can avoid waiting periods (The Banking associate of South Africa: Annual review 2013).

Table 4.14 Correlation between branch visits during the month and the dimensions

Branch visits during the month			
Spearman's rho		• **Correlation Coefficient**	**1.000**
		Sig. (2-tailed)	
		N	94
	Proactiveness	**Correlation Coefficient**	**-0.046**
		Sig. (2-tailed)	0.663
		N	94
	Autonomy	**Correlation Coefficient**	**-0.082**
		Sig. (2-tailed)	0.432
		N	94
	Risk taking	**Correlation Coefficient**	**0.050**
		Sig. (2-tailed)	0.634
		N	94
	Innovativeness	**Correlation Coefficient**	**-0.077**

		Sig. (2-tailed)	0.462
		N	94
	Competitive aggressiveness	**Correlation Coefficient**	**-0.114**
		Sig. (2-tailed)	0.276
		N	94

The correlation coefficient is smaller than 0.2. No practical significant relationship does exist between monthly branch visits and the dimensions of entrepreneurial orientation.

4.7.1.4 Academic qualification

Customers are more prepared when they do business with a retail bank and academic qualification can influence the relationship (Capgemini Consulting, 2013).

Table 4.15 Correlation between academic qualification and the dimensions

Academic qualification			
Spearman's rho		• **Correlation Coefficient**	**1.000**
		Sig. (2-tailed)	
		N	94
	Proactiveness	**Correlation Coefficient**	**-0.350****
		Sig. (2-tailed)	0.001
		N	94
	Autonomy	**Correlation Coefficient**	**-0.306****
		Sig. (2-tailed)	0.003

		N	94
	Risk taking	**Correlation Coefficient**	**-0.335**** **
		Sig. (2-tailed)	0.001
		N	94
	Innovativeness	**Correlation Coefficient**	**-0.315****
		Sig. (2-tailed)	0.002
		N	94
	Competitive aggressiveness	**Correlation Coefficient**	**-0.141**
		Sig. (2-tailed)	0.175
		N	94

It is interesting that the correlation coefficient is 0.3 and above and with this a medium practical visible relationship does occur. When we refer to Spearman's coefficient it is known as a monotonic function and either it never increases the variable or never decreases its independent variable.

Academic qualification is monotonically decreasing as the academic qualification increase. The dimension variable never increases. If the academic qualification increases from a diploma to a post degree, the participants have the tendency to move towards a lesser agreement per dimension.

4.8 CORRELATION BETWEEN DIMENSIONS

The correlation between the dimensions can provide critical data for retail banks as it can influence discussion-making, test innovative ideas and be more proactive to ensure that they are more customer-centric.

Table 4.16 Correlation between dimensions

Correlations							
			Proactiveness	Autonomy	Risk taking	Innovativeness	Competitive aggressiveness
Spearman's	Proactiveness	Correlation Coefficient	1.000	.673**	.584**	.857**	.747**
		Sig. (2-tailed)		.000	.000	.000	.000
		N	96	96	96	96	96
	Autonomy	Correlation Coefficient	.673**	1.000	.700**	.640**	.619**
		Sig. (2-tailed)	.000		.000	.000	.000
		N	96	96	96	96	96
	Risk taking	Correlation Coefficient	.584**	.700**	1.000	.617**	.512**
		Sig. (2-tailed)	.000	.000		.000	.000
		N	96	96	96	96	96
	Innovativeness	Correlation Coefficient	.857**	.640**	.617**	1.000	.741**
		Sig. (2-tailed)	.000	.000	.000		.000

		N	96	96	96	96	96
	Competitive aggressiveness	Correlation Coefficient	.747**	.619**	.512**	.741**	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	
		N	96	96	96	96	96

All dimensions do have a strong correlation (>0.5) with each other and some are more correlated than others. For retail banks this can be significant information as each dimension can have an impact.

4.8.1 Discussion on dimension correlations

- Proactiveness: The strongest correlation with proactiveness is innovativeness and with this the assumption can be made that innovativeness can assist retail banks to be more proactive with better products or solutions to customers to improve banking experience.

- Autonomy: Risk taking is the strongest correlation and with this information retail banks can make the assumption that, if they provide more autonomy to retail branches, risk taking can be better managed as the retail branch is more comfortable with its environment.

- Innovativeness: As previously discussed the correlation is the strongest with proactiveness; more innovative ideas can lead to a better approach with proactiveness.

- Risk taking: The strongest correlation is with autonomy and if the branch has more autonomy in its environment, risk taking can be improved.

- Competitive aggressiveness: the strongest correlation is with proactiveness. To enable retail banks to be more competitive they need to be proactive to enable them to be better than their opposition.

Each dimension of entrepreneurial orientation is important to retail banking and the strong correlations between dimensions are an indication of importance to the retail banking industry in general.

4.9 SUMMARY

Chapter 4 commenced off with the research process regarding entrepreneurial orientation in retail banks from a customer's perspective. A measuring instrument in the form of a questionnaire was developed with the five dimensions of entrepreneurial orientation as the focus point. Data from the studied population was collected and an analytical process was completed and discussed.

The discussion was presented in eight areas that provided statistical analysis on the different areas, started with the demographic results and ending with the correlation between the demographic areas and the dimensions of entrepreneurial orientation. The data was presented in a tabular format with discussions on the research. The reliability of the study was measured with Cronbach's alpha coefficient to ensure that the extent to which all items in the test, are measured to the same concept and hence it is connected to the inter-relatedness of the items within the questionnaire to ensure the reliability of the measuring instrument.

The results provided information that will be significant for retail banks in the future. The importance of the study is that entrepreneurial orientation is important and the voice of the customer will provide meaningful information for retail banks to improve processes to enhance the involvement of customers. The correlation between the dimensions indicates that all dimensions are important and they inter-connect with each other.

The recommendations as well as the limitations of the study will be discussed in detail in Chapter 5.

Chapter 5

Conclusion and recommendations of the study

5.1 Introduction

In this chapter recommendations will be discussed as well as the limitations of the study to conclude the research. The format of this chapter will be as follows:

- Conclusion and results gained from the empirical research.
- General recommendations on entrepreneurial orientations in retail banks.
- Limitations of the study.

Lastly, a brief evaluation of the primary and secondary objectives of the study will be given.

5.2 CONCLUSION AND THE RESULTS GAINED FROM THE EMPIRICAL RESEARCH

5.2.1 Demographic information

The demographic areas in the research were on:

- Age.
- Gender.
- Race distribution.
- Relationship with a bank.
- Branch visits during the month.
- Highest academic qualification

Age: The age group 26 to 35 represents the largest group (33%) in the study and no correlation between age and the dimensions was identified in the study. Age has no practical significant relationship with the dimensions as the correlation was small.

Gender: Female participants dominated the study and represent 58.5% of the total population. There is no relationship between genders due to the small correlation.

Race distribution: White participants represent 83% of the study, black participants 12.7%, coloured participants 4.3% and there were no Indian participants. There are no significant relationship between race and the dimensions as the correlation was small.

Relationship with a bank: This demographic variable represents the total years that the participant bank with a retail bank. The criteria were based on a type of account (savings account, cheque account, investment account, credit card, loan account or a home loan). 41.5% of the population has a relationship with the bank for more than 21 years; loyalty will be an important factor for retail banks. The correlation coefficient was 0.2 and no practical significant relationship exists; relationship with a bank therefore has no impact on the dimensions.

Branch visits during the month: E-channels were the preferred method of the participants and represent 63.8%. Technology in the future can be a major factor for retail banks. The correlation was too small and no significant relationship was observed in the research.

Highest academic qualification: Participants with a qualification represented 93.6%. Degree and post degree qualification dominated and represents 48%. The correlation coefficient was 0.3 and a medium practical visible relationship did occur. Academic qualification is monotonically decreasing; if the academic qualification increased from a diploma to a degree, the tendency from the participants is that they will agree less on the dimensions.

5.2.2 Reliability of the questionnaire

A 4-point Likert-type scale ranging from 1=strongly disagree to 4=strongly agree was used in the questionnaire. The reliability and the consistency of the questionnaire were measured with Cronbach's alpha coefficient. To measure internal consistency the coefficient has a cut-off value of 0.7 to ensure internal consistency. The conclusion can thus be made that the questionnaire was consistent and reliable as all five dimension has a coefficient of larger than 0.7.

5.2.3 Entrepreneurial orientation questionnaire and correlation between the dimensions

The response to the questionnaire (table 4.8) was indicated as mentioned with a 4-point Likert scale, 1=strongly disagree and 5=strongly agree. A high number close to 4 will indicate a high perceived importance of the dimension and a low number will represent a relative low perceived importance.

Proactiveness ($\bar{x}$=3.11): The mean represents an indication that retail banks in general are proactive but room for improvement does exist.

Autonomy ($\bar{x}$=2.99): The research indicates that a tendency does exist to a stronger agreement than disagreement and more needs to be done by retail banks to provide more autonomy to their consultants.

Risk taking ($\bar{x}$=2.91): This dimension has the lowest tendency to agreement and the reason can be because banks are highly regulated by different laws.

Innovativeness ($\bar{x}$=3.21): Innovativeness represents the highest tendency to agreement and it is in agreement on the statement that South African banks are world class as per Chapter 3.

Competitive aggressiveness ($\bar{x}$=3.19): Participants do agree that the South African retail banking industry is a competitive environment and it is difficult for foreign banks to penetrate the South African market.

5.2.3.1 Correlation between the dimensions

A relative strong correlation does exist between all five dimensions of entrepreneurial orientation. A large practical significant relationship is visible. An assumption can be made that retail banks in general in the Tlokwe municipal area are entrepreneurial orientated. A strong relationship between all dimensions is visible and with that the assumption is made that the one dimension has an influence on the other.

For retail banks to be more entrepreneurial orientated, isolation of one dimension from the others could influence entrepreneurial orientation to a larger disagreement.

5.3 GENERAL RECOMMENDATIONS ON ENTREPRENEURIAL ORIENTATION IN RETAILS BANKS

Table 5.1 Recommendations

To provide a bigger picture on the research, each one of the big four banks must do research on their own to establish the degree of entrepreneurial orientation.

Dimension	Recommendation
Proactiveness	Retail banks are to invest in their own current technological systems to enable it to provide useful information to assist customers with solutions before they ask for it. Mine its own information for useful data that will assist to be more customer-centric.
Autonomy	Identify areas in the retail bank that are open to more autonomy approaches and redesign job descriptions to assist in the process (reduction of a red tape approach).
Risk taking	Credit related processes will be difficult to change due to the different regulated authorities. A project team in the retail bank can look into areas where calculated risks can

	be taken with no influence on the credit process. An example can be to provide a customer with a better rate on an investment but within certain calculated parameters on the bank's IT system that will guide the consultant. No authority will be needed from the investment product house as the new calculating risk system can provide a new rate.
Innovativeness	Retail banks are to establish an "innovations silo" in the retail banking group to regulate innovations and involve customers to assist with new helpful solutions. With this a customer-centric approach will be developed.
Competitive aggressiveness	Retail banks are to compete for uniqueness that created a better customer experience; not only solutions or products.

5.4 LIMITATIONS OF THE STUDY

During the research the following limitations were identified:

- The study was completed in a rural environment and the result can be different from a metro environment.
- A more correct demographical sample must be in place to see a better impact of the study (increase sample size).
- The research has to focus on all provinces and areas to make the study more meaningful.
- No separate customer segmentation was used.

5.5 OBJECTIVES OF THE STUDY

5.5.1 Primary objective:

- The five dimensions of entrepreneurial orientations were experienced by the participants in retail banking: The research indicated that the participants did experience entrepreneurial orientation in retail banks as the tendency on all dimensions was towards agreement.

5.5.2 Secondary objectives

- The importance of entrepreneurial orientation: This objective was achieved as section 2.3 in Chapter 2 provides a model that indicates the importance of entrepreneurial orientation.
- The importance of entrepreneurial orientation: This objective was achieved as section 2.3 in Chapter 2 provides a model that indicates the importance of entrepreneurial orientation.
- Is a customer perspective necessary to improve entrepreneurial orientation in retail banks? The correlation between all dimensions is an indication that a customer perspective is needed to ensure that retail banks are entrepreneurial orientated. Spearman's correlation coefficient measurement in section 4.8 in Chapter 4 illustrates this point.
- Technology in the future will become more important for retail banks. E-channels were an excellent indication in the demographic section of the questionnaire as 63.8% of the participants use other e-channels to do their banking and all five of the dimension can have an impact on this. Section 3.2.1 in Chapter 3 explained the importance of this.
- Is a positive correlation between the five dimensions visible in retail banking? Spearman's correlation coefficient for all dimensions was 0.5 or more and a practical meaningful relationship was visible between all dimensions of entrepreneurial orientation.
- Is a positive correlation between the five dimensions visible in retail banking? Spearman's correlation coefficient for all dimensions was 0.5 or more and a practical meaningful relationship was visible between all dimensions of entrepreneurial orientation.

5.6 SUMMARY

Customer perspective regarding entrepreneurial orientation is important and this study attempted to identify this. The voice of the customer is important to retail banks in South Africa and research stipulates the importance. To research the topic is a small step towards customer centricities, as useful information in this study can be used for further studies. Only one area was researched and a small sample was tested. To explore the full capacity, further comprehensive research will be necessary.

The customer will be at the centre of retail banks and attempts to listen to the customer will be more important than ever. The ever changing financial environment will provide difficult challenges to retail banks in the future. Customer-centricity can provide a survival solution to retail banks.

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Annexure

ENTREPRENEURIAL ORIENTATION QUESTIONNAIRE

Dear Prospective participant,

My name is Jacques Basson and I am doing research with Dr. Henry Lotz at the Potchefstroom Business School towards my degree: Master in Business Administration. The aim of the study is to determine if retail banks have a sense of corporate entrepreneurial orientation.

You, as someone with a relationship with a retail bank, were selected as a participant in this study. No specific bank will be researched but retail banking in general.

Being part of this study is voluntary and you are under no obligation to consent to participation.
You are free to withdraw at any time and without giving a reason. As the project involves the submission of non-identifiable material, it will not be possible to withdraw once they have submitted the questionnaire. There is no penalty or loss of benefit for non-participation.
You will not benefit directly from your participation in the research. You will receive no payment or reward, financially or otherwise. The results of the research will, however, be of scientific and practical value in understanding how customers of retail banks identified entrepreneurial orientation.

There are no foreseeable, physical or psychological risks involved in participation. You will be mildly inconvenienced by the time it takes to complete the questionnaires. If you would like to discuss the research and your reactions to the questionnaires, you are welcome to do so after the session.

The data collected will be used to write research reports, which include but may not be limited to journal articles, conference presentation, and dissertations. Your privacy, and that of the organisation you represent, will however be protected and no identifiable information will be included in such reports. Hard and soft copies of your answers will be stored by Dr. Henry Lotz for future research or academic purposes. Soft copies will be stored on a password protected computer. If you would like to be informed of the final research findings, please contact Jacques Basson on 082-4589-212 or jbasson@fnb.co.za. The findings will be accessible early in 2015. Should you require any further information or want to contact the researcher about any aspect of this study, please contact Dr Henry Lotz at henry.lotz@nwu.ac.za**.**Thank you for taking time to read this information sheet and for considering participation in this study.

Jacques Basson
MBA Student

SECTION A: ENTREPRENEURIAL ORIENTATION CLIMATE

The questionnaire consists of 20 statements. Please indicate the extent to which you agree or disagree with each statement. Please mark the applicable block with an **X.**

	Statement	Strongly disagree	Disagree	Agree	Strongly agree	
A01	My bank continuously monitors market trends.	1	2	3	4	
A02	My bank advertises intensely.	1	2	3	4	
A03	My bank has the flexibility to resolve complex inquiries regarding my account.	1	2	3	4	
A04	My bank is known in the community to take calculated risks.	1	2	3	4	
A05	My bank is known to be innovative.	1	2	3	4	
A06	My bank deal with competitors in a very 'undo-the-competitor "posture(my banktake competitors)	1	2	3	4	
A07	My bank place a strong emphasis on continuous improvement in service delivery	1	2	3	4	
A08	If you have a difficult inquiry your bank has to refer it to someone higher (**example: A problem with a payment that went through my account that was not authorised or a payment to a loan that did not went through my account).**	1	2	3	4	
A09	My risk rating is known to me(my bank do discuss it with me).	1	2	3	4	
A10	My bank offer innovative solutions.	1	2	3	4	
A11	My bank is very aggressively competitive.	1	2	3	4	
A12	My bank continually seeks out new products.	1	2	3	4	
A13	When I require on a credit related product (loan, overdraft, or credit card) the risk application is discussed with me.	1	2	3	4	
A14	My bank is creative when dealing with my inquiry.	1	2	3	4	
A15	My bank places a strong emphasis on new innovated processes.	1	2	3	4	
A16	Over the past few years' huge changes occurred at my bank to make banking convenient.	1	2	3	4	
A17	I have a relationship manager that proactively looks at my financial needs.	1	2	3	4	
A18	My bank places a high priority on innovations to make banking experience easier.	1	2	3	4	
A19	Consultants that assist me have the ownership to assist me without the involvement of a manager/ supervisor.	1	2	3	4	
A20	If you are identified as a risk customer, does your bank offer any advice to reduce your risk?	1	2	3	4	N/A

SECTION C: BIOGRAPHICAL INFORMATION

The following information is required to assist with the statistical analysis of data for comparison amongst different interest groups. Responses will be treated confidentially. Your assistance is providing this important information will be highly appreciated. Mark the applicable block with an **X**

Indicate your age

Age	Coding
18-25	1
26-35	2
36-45	3
46-50	4
51-70	5

Indicate your gender

Gender	Coding
Male	1
Female	2

Indicate your race

Race	Coding
Black	1
White	2
Coloured	3
Indian	4

Relationship with bank

Years	Coding
0-5 years	1
6-10 years	2
11-15 years	3
16-20 years	4
21 >	5

Branch visit during the month

Visits	Coding
I do not visit the branch, I use other E-Channels	1
2-4 times	2
5-6 times	3
7-8 times	4
>8	5

Academic Qualification

Qualification	coding
Lower than matric	1
Matric	2
Certificate	3
Diploma (Technical College or Technicon)	4
Degree	5
Post Degree	6

Registered banks in South Africa

Registered Banks - Locally Controlled		
	Institution	Telephone
1.	ABSA Bank Limited	(011) 350 4000
2.	African Bank Limited	(011) 256 9000
3.	Capitec Bank Limited	(021) 809 5900
4.	FirstRand Bank Limited	(011) 282 4000
5.	Imperial Bank Limited	(011) 879 2000
6.	Investec Bank Limited	(011) 286 7000
7.	Marriott Merchant Bank Limited	(031) 366 1111
8.	MEEG Bank Limited	(043) 702 9600
9.	Nedbank Limited	(011) 294 0999
10.	Peoples Bank Limited	
11.	Regal Treasury Private Bank Limited (In liquidation)	(012) 344 4315/ (011) 839 3920
12.	Rennies Bank Limited	(011) 407 2921
13.	Sasfin Bank Limited	(011) 809 7500
14.	TEBA Bank Limited	(011) 203-1500
15.	The Standard Bank of South Africa Limited	(011) 6369111

Registered Banks - Foreign Controlled		
	Institution	Telephone
1.	Albaraka Bank Limited	(031) 3072972
2.	Habib Overseas Bank Limited	(011) 8347441
3.	HBZ Bank Limited	(031) 360-0400
4.	Islamic Bank Limited (In Final Liquidation)	(011) 484-7860
5.	Mercantile Bank Limited	(011) 302 0300
6.	The South African Bank of Athens Limited	(011) 8321211

Registered Branches		
	Institution	Telephone
1.	ABN AMRO Bank N.V.	(011) 685-2000
2.	Bank of Baroda	(031) 209-0133
3.	Bank of China Johannesburg Branch	(011) 520-9600
4.	Bank of Taiwan South Africa Branch	(011) 880-8008
5.	Barclays Bank Plc, South Africa Branch	(011) 772-7000
6.	Calyon (trading as Calyon Corporate and Investment Bank)	(011) 448 3300
7.	China Construction Bank - Johannesburg Branch	(011) 520-9400
8.	Citibank N.A.	(011) 944-1000
9.	Commerzbank Aktiengesellschaft	(011) 328 7600
10.	Deutsche Bank AG	(011) 322-6700
11.	HSBC Bank plc - Johannesburg Branch	011 481 4200
12.	JPMorgan Chase Bank (Johannesburg Branch)	(011) 507 0300
13.	Société Générale	(011) 448 8400
14.	Standard Chartered Bank - Johannesburg Branch	011 217 6600
15.	State Bank of India	(011) 778 4500

Registered Mutual Banks		
	Institution	**Telephone**
1.	GBS Mutual Bank	(046) 6227109
2.	VBS Mutual Bank	(015) 516 3542/ 4410

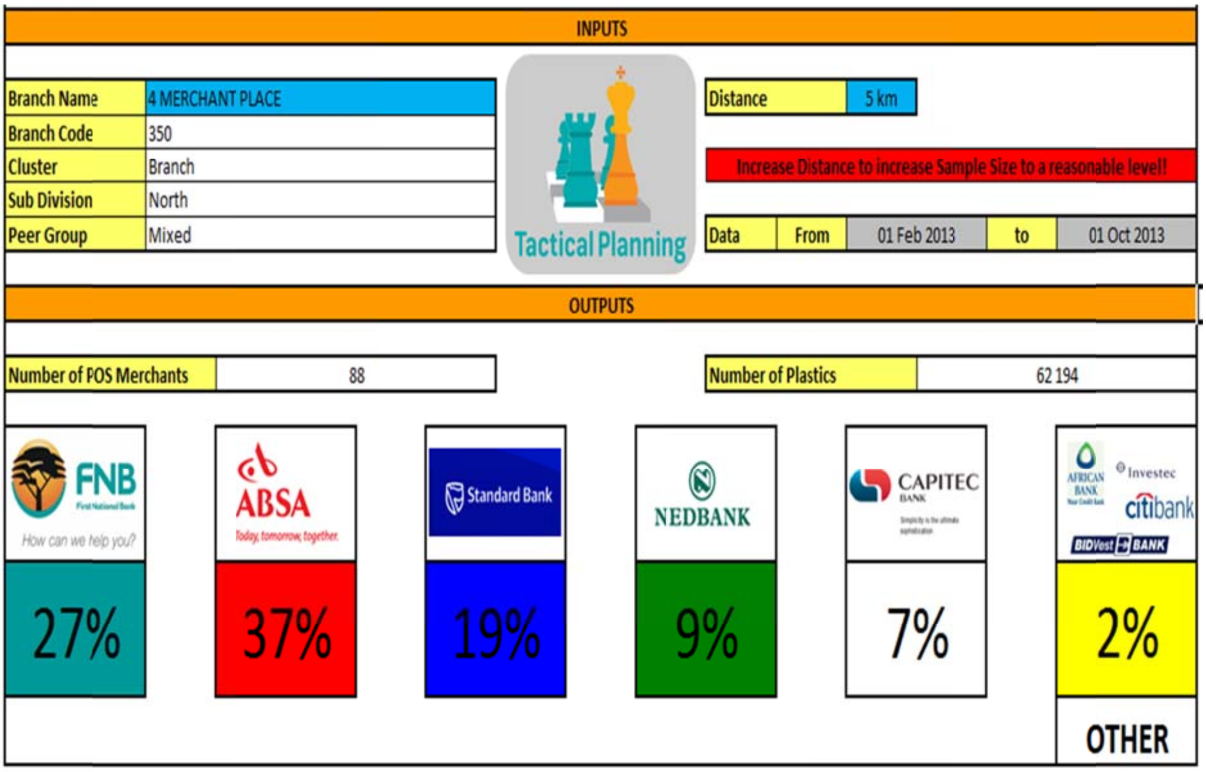
Foreign Banks - Representative Offices		
	Institution	**Telephone**
1.	American Express Bank Limited	011 721-4196 or 4199
2.	Banca di Roma	011 784-7758
3.	Banco BPI, SA	011 622-4376/86
4.	Banco Espirito Santo e Comercial de Lisboa	011 616-5382/9
5.	Banco Privado Português, S.A.	(011) 666-1605
6.	Banco Totta & Açores SA	011 616-3156/7
7.	Bank Leumi Le-Israel BM	011 328 1700
8.	Bank of America, National Association	0944 (0) 207 174 4876
9.	Bank of Cyprus Group	011 784-3941
10.	Barclays Private Bank Limited	011 772-7000
11.	Bayerische Hypo- und Vereinsbank Aktiengesellschaft	011 877 0900
12.	Belgolaise Bank	011 883-3861 or 011 884 6931
13.	BNP Paribas Johannesburg	011 440 3941
14.	China Everbright Bank, South African Representative Office	011 784-5689
15.	Commerzbank AG	011 328-7600
16.	Crédit Industriel et Commercial	011 646-0930/47
17.	Credit Suisse First Boston (Europe) Limited	011 505 0003
18.	Credit Suisse (South Africa) (Pty) Ltd	021 415 7880
19.	Dresdner Bank AG	011 380-0600
20.	Dresdner Kleinwort Wasserstein Limited	011 380-0600
21.	Export-Import Bank of India	011 442 8010

Foreign Banks - Representative Offices		
	Institution	**Telephone**
1.	First Bank of Nigeria	011 784 9922 & 784 9925
2.	Fortis Bank (Nederland) N.V.	011 883-3861/011 884 6931
3.	Gerrard Private Bank (Isle of Man) Limited	011 480 1691
4.	Gerrard Private Bank (Jersey) Limited	011 480 1698
5.	Hellenic Bank Limited	011 783 0155
6.	ING Bank (Switzerland) Ltd	011 784 1464
7.	Kredietbank SA Luxembourgeoise	021 905 4958
8.	Laiki Banking Group	011 263 9880
9.	Millenium BCP	011 622-0847/0857

Source: http://www.reservebank.co.za

FNB Market share report for Tlokwe

FNB MARKET SHARE REPORT OCTOBER 2013



The report is based on debit card swaps for the period 01/02/2013 to 10/10/2013. From the report the market share was calculated per retail bank in the Tlokwe municipal area.