

DEPOSIT MOBILIZATION IN GHANA: AN EMPIRICAL INVESTIGATION.

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Abstract

The purpose of this study was to investigate the effect of customer relationship management (i.e. knowledge management competence, and relationship marketing competence) on deposit mobilization in Ghana. The research also examined the moderating roles of sales team empowerment and intra-organizational information system on deposit mobilization.

The study adopted sequential explanatory approach to examine strategies that can help improve deposit mobilization in Ghana. A survey was conducted with a sample size of 312 respondents on some selected Ghanaian Universal Banks. A multiple linear regression was adopted for the study. A case study was conducted on practitioners to confirm the findings of this study. The results of the case study confirmed all the findings. The findings of the study reveal that knowledge development and knowledge dissemination have a direct significant effect on deposit mobilization. Furthermore, it was found that trust and Service Level Agreement (SLA) have a significant effect on deposit mobilization. Aside from the direct effects, it was further revealed that the direct relationship between knowledge dissemination and deposit mobilization was significantly moderated by sales empowerment whilst the direct relationship between SLA and deposit mobilization was significantly moderated by intra-organizational information systems.

Based on the objectives of the study, the following conclusions could be drawn. Thus, for managers to be successful in deposit mobilization, there is the need for knowledge development, knowledge dissemination and trust between customers and the banks. Besides, service level agreements with effective compensation and incentive packages contribute to high deposit mobilization among banks. In addition, a condition that should exist for deposit mobilization strategies to be effective is to empower the sales team, and put in place effective intra-organizational information systems that will facilitate regular interaction with bank customers, to meet their needs, which will, in turn, compel them to deposit more.

Key words: customer relationship management, knowledge management competence. relationship marketing competence, sales empowerment, intra-organization information systems, deposit mobilization, banking industry, Ghana.