**Business Studies**

**Grade 12**

**Paper 2 Controlled Test**

**1 hour**

**50 Marks**

**Instructions:**

* Read the case study and A3 sheet carefully then answer the question
* Please make sure that you use the correct format
* Use of correct Business Terminology is important
* Write neatly and legibility
* Use the time allocated only
* Enjoy and good luck

**Stepping into the customer’s shoes**

“What does the customer want?” It’s a question many banks (and businesses) claim to ask. But if they are indeed asking it, they certainly don’t seem to be using the answer to inform any of their strategy.

At Capitec, what the customer wants drives everything. Indeed, it’s given the bank its differentiating edge, helping it to introduce a range of industry firsts.

Take its pricing structure for instance. Other banks have repeatedly claimed it’s impossible for them to reduce bank fees because of the high cost of servicing the low-end market. Capitec proved them wrong.

“We identified affordability as a huge opportunity. Most banks were charging very high transaction costs and were giving virtually no return on savings,” says Stassen.

Capitec also encourages saving by turning the traditional interest rate structure on its head, offering a higher rate of interest for lower value savings.

**Retaining personalised service**

Face-to-face relationship is also critical to providing customers with what they want. “Banks have become very unfriendly and intimidating places. We wanted to improve access – not just from the point of view of having more branches, but also by making the bank a hospitable place that people felt comfortable visiting,” he says.

At a time when other banks are actively discouraging customers from using the branch, Capitec is engineering its branches to make them welcoming. Cash withdrawals can only be made at an ATM, and cash deposits are immediately sent to a drop safe, which allows the bank to do away with the unfriendly bullet-proof glass of most branches. At Capitec, consultants talk to customers across tables.

In fact, its entire recruitment strategy is informed by the recognition that many customers prefer to speak to a consultant face to face.

“We take cognisance of the diversity of our customer base, so we recruit staff from the communities in which we open branches,” A policy of recruiting for potential and training for skill brings its own set of challenges. “Very often, particularly in remote rural areas, it’s difficult to find staff with the right potential. We never want to compromise on the quality of service we give to customers, and this means we’ve had to invest a lot in excellent training,” he adds. Around 200 new staff members are trained each month but for every one of those, the bank has interviewed ten people.

Training is intensive and carried out over seven weeks. In order to manage training costs, the bank employs a combination of e-learning and interactive training, and trains all staff centrally at its Stellenbosch headquarters. “Centralised training has also helped us to create a homogenous culture,” says Stassen.

**Going where the customers are**

Capitec’s objective to grow its branch network by 55 branches a year  will provide customers with even greater branch access. Like everything else it does, the way these branches are distributed is directly informed by a thorough understanding of the market and what customers need

(adapted from: [www.capitec.co.za](http://www.capitec.co.za) 20 March 28, 2013)

**Instructions:**

As Capitec Bank continues to grow and gain more market share, they have become increasingly aware of the importance of good Corporate Governance within the business. They have also realised the importance of insuring a high level of quality products and services for all stakeholders. They have approached you to help them plan for the future of Capitec Bank. You are required to write a business report where you assess the Corporate Governance and the Quality Performance of the bank. It is essential that you provide them with possible future plans.

**[50 Marks]**