THE MARKETING PRACTICES OF SUCCESSFUL BANKS IN NIGERIA: A STUDY OF SELECTED BANKS IN KADUNA

BY

ANTIA, NDO BASSEY

MBA/ADMIN/05245/1993-94

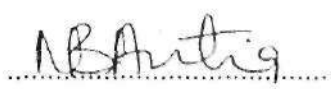
A PROJECT SUBMITTED TO THE POSTGRADUATE SCHOOL, AHMADU BELLO UNIVERSITY IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA)

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DECLARATION

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CERTIFICATION

This project entitled " THE MARKETING PRACTICES OF SUCCESSFUL BANKS IN NIGERIA: A STUDY OF SELECTED BANKS IN KADUNA, NIGERIA" by Ndo B. Antia, meets the regulations governing the award of the degree of Master of Business Administration (MBA) of Ahmadu Bello University, Zaria, and is approved for its contribution to knowledge and literary presentation.

Dr. A. B. AKPAN — 29/7/1999

Supervisor — **Date**

Professor Aman A. Zahradeen — 17/07/2000

External Examiner — **Date**

DEPT. OF BUSINESS ADMIN
Sign.....
Date 17/5/05
Institute of Admin A. B. U. Zaria

Head of Department — **Date**

Dean, Postgraduate School — 17/5/05 **Date**

A. B. U. Zaria Nigeria

DIGITIZED

DEDICATION

This work is dedicated to my family:

- **My Parents:** Mr. & Mrs. Genius Bassey, for their love, support and encouragement;
- **My Siblings:** Dominion, Bassey, Akan, Unwana, Imaobong & Affiong; for being there;
- My Relatives; Mr. Bassey Edem, Mrs. Anietum and all others that have wished me well;

AND

- To the beautiful memory of my beloved Aunty, Mrs. Eme Otu Nya.

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"Commit thy works unto the Lord, and thy thoughts shall be established". (Proverbs 16:3) For he has promised, 'I will instruct thee and teach thee in the way which thou shalt go: I will guide thee with my own eye.' (Psalms 32:8)

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ABSTRACT

Banking in Nigeria has in recent times witnessed a lot of upheavals and challenges in view of structural changes and related developments in the national economy: Subscquentl). there is a new dimension to competition and a number of regulatory frameworks from the Central Bank of Nigeria and the Federal Ministry of Finance. Also, the nature of banking itself, is fraught with uncertainty, volatility of interest rales and changing foreign exchange policies and these are pointers to increasing fierce competition in the industry.

Therefore, in view of intense competition, marketing has become as imperative as providing service itself. Hence this situation calls for aggressive and persuasive marketing ol banking services using many tools amongst which is innovative marketing strategies, in order to retain and expand the bank's market share. Where this is lacking, the non-practising bank should anticipate its Waterloo.

This research titled - **"The Marketing Practices of Successful Banks in Nigeria: A Study of selected Banks",** (the scope which covers a commercial bank, a merchant bank and a community bank) has attempted to examine how these banks have remained successful despite the upheavals that have been recently witnessed. Also looked at is the adoption of the marketing concept by these banks and by implications the marketing strategies employed for enhancing the effectiveness and efficiency of services provided which are determinants to customer patronage.

It is hoped that Scholars in the field of Marketing in general and Banking in particular would find this work useful and interesting **as** a contribution to their field of endeavour.

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KASHIM IBR

CHAPTER ONE INTRODUCTION

1.1 BACKGROUND TO STUDY

Successful Banking in present day Nigeria, owes its growth and sustenance to "renewed marketing efforts" by Management of the various respective institutions. This move has become necessary due to fierce competition within the industry which gives rise to efforts, not merely to ensure survival but goes further by attempting to create a niche for itself within the industry.

Banking in Nigeria today has undergone a lot of transformation. It has experienced eras of crises and prosperity, and has witnessed the absence of regulations and banking during various regulations and deregulations.

The advent of the monetary system in Nigeria gradually eclipsed trade by barter. This advancement in transactions became possible due to the commercial activities of European traders. This process was further accelerated by the establishment of African Banking Corporation (ABC) which represented the first bank to be established in Nigeria in 1892. According to Osayameh (1992), Thereafter were the Bank of British West Africa (BBWA) and Barclays Bank D.C.O established in 1894 and 1925 respectively.[1]

Adekanye (1981) further adds that the process of monetarising the economy was carried a stage further by the unification of the currency system in West African in 1912.[2]

However, facilities rendered by these banks were usually in the favour of foreigners and the natives were ignored hence Osayameh (1922) posits that "an attempt to

correct this partiality led to the establishment of wholly indigenous banks"[3] through the efforts of Nigerian Business men.

The period 1947 to 52 witnessed rapid expansion in indigenous banking. Adekanye (1981) opines that this rapid expansion was also accompanied by a high rate of Bank failures which by 1954 had claimed 21 out of 25 indigenous banks with 16 of them collapsing in 1954 alone.[4] In the bid to forestall future bank failures and curtail the rapid expansion of the industry, Government instituted the Banking Ordinance of 1952. Following this, the establishment of the Central Bank in 1958 regulated and supervised the activities of Banks through national landmarks - Independence, the Civil War, the Oil boom and the World Oil glut which set in the early 80's, to the present.

Even though commercial banking had firm roots in the country, the changing and evolving needs of the consumer has caused banking practice in Nigeria to diversify and encompass the investment, Development and non bank financial institutions needs of the nation.

In 1986, post-deregulation banking was adopted with the introduction of the Structural Adjustment Programm (SAP). From this stage, were further developments in the establishment of the People's Bank, Community Banks and more Mortgage institutions.

Through its operational history, banking gradually assumed new facets in order to meet present day challenges. Hence the traditional concept of a Banking institution as basically the financial intermediary between depositors and Users of investment

funds (Arm chair banking) was gradually replaced by a new orientation - that institutions had to compete in the marketplace and adopt optimal strategies to ensure their continual survival in the ever competitive environment. Competition became tougher because banks did not only have each other to contend with but the non bank financial institutions as well.

Despite its position as financial intermediaries and regulators of Economy, SAP encouraged increased competition; Liberal Bank licensing policies by the Government, ever changing regulatory policies, changes in foreign exchange and interest rates informed strategies to be formulated for the survival of the industry. Consequently, Ojo (1922) adds that: The adaptation of the new economic and financial environment has implied a sharp reorientation of banks strategies. To retain a competitive edge banks to day should be positioning themselves to offer a large supply of new corporate and retailed financial instruments tailored to the specific requirements of potential customers. This should lead to innovation, the introduction of new management tools and the adoption of global marketing strategies. [5]

Therefore, the changing environment has necessitated a reapproach by all sectors of the economy in general and banking in particular to the adoption of market orientation.

Ojo (1922) further adds that the banks have to be more innovative and dynamic in marketing financial services. It has to be responsive to change with a view to maintaining and enlarging its market share in the finance industry. [6]

The key to success is not a product but a posture, not a service by the ability to create services which meet the changing needs of the market. [7]

Fulmer and Strang (1976) add thus: while survival in business depends upon the

generalities of economies, success in business depends upon the peculiarities of the strategy. [8]

This position has tilted the economy towards growth and development and subsequently, the increased pace of the production of qualitative goods and services would ensure the socioeconomic progress of the country at a faster rate.

This research project focusses on the various marketing practices of banks that are geared to service delivery for customer satisfaction and how it should be timed to meet challenges. Since service is an intangible product, its worth is difficult to ascertain. It tends to be more perishable than most tangible products because if a service is not sold or consumed at a specific time and form, the sale is lost and cannot be stored. In order to meet present day challenges, successful banks have had to devise means of improving upon editing services, adopting strategies and aggressive approaches in the promotion of services. Despite these ploys, the banking industry is still faced with the competitive forces that pose serious threats to the growth and survival of any industry. These forces are the threats of new entrants, growing power of buyers, threats of substitute products/service, bargaining power of suppliers and competition among existing firms or units in the industry.

These factors, coupled with misappropriation and mismanagement of funds and the incompetent and inadequate supervisory role of the Central Bank of Nigeria (CBN) and Nigeria Deposit Insurance Company (NDIC), led to the inability of many banks and financial institutions to meet their obligations to their customers, which resulted to a sudden crash in the financial market. With the promulgation of the banks and other financial institutions decree (Bofid) of 1994 which probed the failure of some

banks and which consequently, led to the liquidation of 26 banks - 13 Commercial Banks and 13 Merchant Banks, [9] Government has attempted to restore sanity and professionalism (as dictated by Banking ethics) to the industry. In view of these trends banking has followed, this write-up will in due course appraise the marketing strategies of selected banks, how they have performed in recent years with regards to profit and market share, their marketing objectives and the strategies used to attain the set objectives amongst others.

1.2 STATEMENT OF RESEARCH PROBLEM

The bank plays a vital role in the economy. In both the private and public sector, it provides credit and debit facilities to parastatals/business entities as well as facilitating the availability of cash to private individuals. Sequel to this basic role, is provision of adequate services that would guarantee customer satisfaction easily. However, this feat is not readily realized because the application of marketing techniques to banking has been greatly undermined. Some banks are yet to grasp the essence of the marketing concept and its functions. Their limited views of marketing do not go past this idea of 'end-results of cheap and/or cost-free deposit mobilization for investment into the highest yielding ventures' [10] as purported by Iliya (1991).

The lateness in the application of marketing techniques to banking is not peculiar to Nigeria alone, In their article, "the myth of marketing in Banking", Brien and Stafford observed that 'marketing has traditionally been the neglected stepsister in most of the service industries. No where has this been more evident than in the market for commercial banking services.' [11]

The above problem not withstanding, tremendous changes have taken place in the Banking Industry: Operational branch Networks, technological innovations which include the Magnetic Ink Character recognition (MICR), and computerization etc. But then these have to be exploited to the advantage of the bank and its customers likewise.

In view of the foregoing, it is important that the following specific problem areas confronting banking practice be addressed:

i. Inadequacy of banking services

ii. Unsatisfactory manner of offering the existing or available banking service.

iii. Improvement on innovation by the banks as regards service packaging and delivery.

v. The extent to which these banks market their services through the marketing strategies and techniques they employ in educating Staff and Clientele for improved operational efficacy and enhanced patronage.

1.3 OBJECTIVE OF THE STUDY

Iliya (1991) has argued that banking, as in all other Service industries, is influenced in its evolution and development by the socio-political and economic environment of the particular country it operates in. In Banking, the ability to realise a profitable volume of sales in the fight against competitors for the share of the same market depends substantially on the banks capability to make optimal and timely responses to the changes in the market place. However, a firm that performs the essential ingredients of the marketing management process, overtime, will ultimately determine its ability to perpetuate itself in the long run though continuous flow of innovative marketing program outputs that match the needs of the market.[2]

The purpose of this study is to examine the role of marketing in the operations of selected banks and the strategies adopted by these banks in selling their services. Due to the dynamic nature of human needs/requirement, a service that was hitherto sufficient may be considered as failing based on changes that could have occurred. It therefore follows that due to change, be it socioeconomic or otherwise, the Clientele would also seek satisfactory service as dictated by its disposition. Consequently, any lapses noticed in service selling, will be addressed and its attendant recommendations on improvement would be proffered.

To this end, we shall examine the marketing practices of the selected banks as shown below:

1. Assess ways of performing the marketing function in the delivery of banking services.
2. Determine the similarities and differences between the marketing approaches to banking service amongst banks selected in the study.
3. Similarities between marketing of banking service and that of tangible goods.
4. Appraise the extent to which banks in Nigeria market their services through the employment of marketing function.
5. Possibly, recommend on more effective ways of marketing banking services.
6. Suggest marketing strategies for the marketing of banking service.
7. Identify more innovative services that the banks could provide.

1.4 SIGNIFICANCE OF THE STUDY

The transformation of banking from an environment in which banks were isolated from direct competition from other financial institutions to an environment in which banks are in direct competition with many financial institution, and the recent volatile economic environment have made banking increasingly complex and risky, although seemingly profitable until recently. As new entrants emerge, price, products compete to gain market share in the market; and Banks may have to lower price to remain competitive. This would lead to lower margins on services. The volatility of the economy can cause serious disruptions in the Banking Industry. (Ojo, A.T. {1991}).[3]

Political and economic changes have called for continued innovations in the service industry. Service facilitates business operations. Without adequate banking service, the economy will crumble and all stake holders will be affected adversely. It therefore becomes necessary to appraise service practicing and understand its relevance in our dynamic changing environment. Competition and market sharing are key preoccupation in the Banking Industry. Changing operating environment for the banks in particular and the economy in general has witnessed a number of changes after the introduction of SAP and the referendum rejecting the IMF loan in September 1986, by the Gen. I.B. Babangida's regime. Several economic developments and changes ignited direct competition, like the case of the increase in the number of licensed banks and indirect competition occasioned by the liquidity mop up exercise of the CBN. Some of these changes are as follows: (Iliya 1991)[4]

i. Introduction of foreign exchange market (FEM, SFEM, AFEM)

ii. Deregulation of interest rate

iii. Use of stabilization securities by the CBN to mop up excess liquidity.

iv. Cancellation and prohibition of use of foreign currency denominated guarantees for Naira credit facilities by banks in Nigeria.

vi. Removal of Government agencies deposits from other banks to the CBN; (and now, the subsequent current reversal as CBN could not manage the funds effectively as per 1999 budget broadcast).

Currently instituted is the merger of parallel and official rates in the forex market, and the enforcement of ethical conduct in funds management in order to avert another crash (failed banks) in the industry. These adjustment induced developments sort of jolted the banks, sending them to the drawing boards with the objectives to replan and innovate in the view to ensure their competitiveness and continued survival in the market. Unfortunately, the objectives of SAP were not fully realized due to poor programme implementation by the Government. Following SAP, there has been more developments and radical changes in the operations of the banking sub-sector of the economy.

1.5 SCOPE OF STUDY

This study shall focus on the various marketing practices/strategies adopted in the dispensing of banking services. It would deal on service delivery in three types of banks - Commercial, Investment and Development Banks. Three banks have been selected as case studies to represent the above types of banking. These banks are Diamond Bank Nig. Ltd., Nal Merchant Bank and Fahimta Community Banks

respectively.

The selection of these banks have been informed by their ability to remain successful and strong despite the crises the industry had only recently experienced. Also these banks have strived to adopt the tenets of new generation banking in their service disposal. Clientele of the banks cut across the society; The commercial bank operates retail banking service and its impact is quite extensive. While Investment Banks perform wholesale Banking, the Community Banks cater for the development of the local small scale enterprises. Inspite of these diversities, customers (individuals and organizations) can patronize any type or types of banking that would be best suited to his / its purpose.

1.6 RESEARCH HYPOTHESIS

In order to keep its market share, banks have had to adopt aggressive approaches in marketing their service that would ensure its business growth whilst maintaining a formidable corporate image. Banks now have imbibed social responsibility and participate in the sponsorship of programmes that are beneficial to the populace. Its new focus on customers, recognizes same as paramount and attempts at satisfying the needs of same whilst remaining open to suggestions and criticisms. Despite this, the effect of promotional marketing strategies are hardly known nor can they readily determine the extent to which marketing practices have resulted in effectiveness and efficiency.

The following hypothesis would be tested in the course of this study:

a. Ho Marketing tools and techniques are not applicable to the banking business as they are to the operations of business that produce tangible goods.

Hi Marketing tools and techniques are as important to banking as they are to operations of business that produce tangible goods.

b. Ho Banks are yet to fully understand the marketing concept as it relates to the provisions of financial service nor has it been integrated in their banking business.

Hi Banks understand the necessity of co-opting the marketing concept in their banking practices.

c. Ho The marketing strategies adopted by selected banks have not been effective in ensuring the increase in the level of customer patronage.

Hi The marketing strategies adopted by selected Banks have been effective in ensuring the increase in the level of customer patronage.

1.7 LIMITATIONS TO THE STUDY

This study on the marketing practices of banks in Nigeria encountered the following problems: There was a limit in the up to date literature on subject and this scarcity placed a constraint on the research.

The uncooperative attitude of most bank personnel approached for discussion in withholding vital information on subject matter was another limitation. Most officers viewed the researcher's requests with contempt and suspicion on the premise of

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espionage and fault finding.

Finally, there is a dearth of literature on service marketing. This observation is confirmed by Hanson when he states that 'it is indeed a pity that so far no major work on the subject of bank marketing in the United Kingdom has been published... Even in the United States, there was such a comparative shortage of literature on the subject.' [15] This situation is equally prevalent in a developing countries like ours.

1.8 ORGANIZATION OF STUDY

This study has five chapters. Basically, CHAPTER ONE will introduce the research topic. Brief on evolution and changes in the banking sector have been given a concise over view. Problems to be researched, scope, limitations and reasons for the study have been here provided.

In CHAPTER TWO, the researcher attempts an in-depth literature review relating to the concept of marketing practices, the strategies and other related issues employed by the banks in service selling.

CHAPTER THREE would examine the methodologies of research adopted for the study and techniques used to analyse collected data. Also, the historical background, services offered and strategies of selected banks would be provided.

CHAPTER FOUR would take care of presentation, interpretation and analysis of collected data. The hypothesis would also be tested.

CHAPTER FIVE presents the conclusion of study and recommendation proffered. Lists of figures and tables, Questionnaires and other appendices used in the course of the work etc. are exhibited

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CHAPTER TWO REVIEW OF RELATED LITERATURE

2.1 DEFINITION OF MARKETING

Marketing is a basic activity that is undertaken by all organizations. No organisation can totally isolate itself from the outside world and yet remain self-sufficient. Even in the remotest and reclusive structures like the Monasteries, the monks still need to acquire goods and thus involve themselves, albeit reluctantly in basic marketing activities.

Marketing has existed even before the days of Pharaoh, and people have had to relate in a manner involving the exchange of goods. Stanton (1984) has rightly observed, 'wherever people make more than they want or want more than they make, the foundation is laid for trade and trade is the heart marketing.'[1] Marketing has been defined by Morden (1991) as activity which is directed at satisfying the needs and wants of customers through exchange processes which occur in the market.[2]

He further explains its operation as thus: Marketing links two basic functions in the society, namely, those of production and consumption. As society has become more complex, and the process of manufacture and supply more varied, so the means by which the community is supplied with the foods and services it demands has itself become more complicated and important. Within the business enterprise is the marketing activity which should provide this means, by ensuring that the enterprises supplies its market with goods or services that customers wish to buy.[3]

Marketing entails series of activities and have been broadly grouped and explained by Kotler (1980): "Marketing Management is the analysis planning implementation and control of programmes designed to create, build and maintain mutually beneficial exchanges and relationships with target markets for the purpose of achieving organizational objectives. It relies on a disciplined analysis of the needs, wants, perceptions and preferences of target and intermediary markets as the basis for effective product design, pricing, communication and distribution".[4] Attempts at defining marketing has been undertaken by many scholars. Below are more definitions:

Marketing (as a noun) is the theory and practice of presenting, advertising and selling things.[5]

Marketing is the performance of business activities that direct the flow of goods and services from producer to consumer to user.[6] It is the process, in a society, by which the demand structure for economic goods and services is anticipated or enlarged and satisfied through the conception, promotion, exchange and physical distribution of such goods and services. (Blackman etal: 1967).[7]

The definitions on marketing are quite extensive but these basically recognize its concept as being central to the success of any enterprise irrespective of its size or the sectors of the economy in which it operates. Marketing is the vital link between supply and demand. It influences demand and hence increases profitability when it elicits the desire of the customer. In marketing Management, the marketing department should view its duties further than the mere display of goods, to the realisation that sale is not concluded merely by the sale of an item, it goes further.

Effective marketing entails a lot more, and hence marketing in the management view point is thus: "The maintenance of profitable market leadership through responding to buyers needs and wants". (T. Stuatd etal: 1976).[8]

In addition to the above Kotler (1980) states the following: 'Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products value with others.'[9]

In order to achieve organizational goals, the marketing department would have to work on the following activities amongst others to enhance and sustain its market share:

i. Identifying market opportunities/needs and exploiting same.

ii. Keeping track of current developments.

iii. Managing products/service effectively.

iv. Choosing and motivating distribution channels.

v. Advertising and promoting its products/services.

vi. Selling it products/service.

vii. Fixing prices and supply terms.

viii. Planning the marketing activity.

The above activities constitute what marketing entails and if these are implemented by management, its pro-active stance would contribute to organizational success.

2.2 DEFINITION OF MARKETING PRACTICE

"In its most general sense, marketing it brought into play as soon as any group or any individual needs to exchange goods and services within any group or individual.....

In this wider context, its is therefore directly relevant to every manager and professional..... However, despite its importance, EFFECTIVE MARKETING PRACTICE IS NOT WIDELY IMPLEMENTED OR EVEN RECOGNIZED AS A NECESSITY" (Mercer, D.:1997)[10] - (emphasis is mine to indicate the relevance). It would be much easier for practitioners if marketing could be neatly defined in a few precise words, but the very wide range of ideas..... indicates just how complex is the situation facing the marketing theorist. In practice..., Marketing cannot be confined to a few neat, generally applicable theorems. It is instead a collection of many individual ideas....because there are at least that many approaches to particular situation across the range of marketing practice.[11]

Marketing theory was being developed from practice, the process of learning marketing was essentially by apprenticeship; it was, and it still in certain respects a very practical craft. This view is highly popular especially amongst the Igbo traders in Nigeria. The difference between marketing theory and practice such as that evidenced in the four Ps - is not necessarily due to academic bloody mindedness, even though the real live practice is there for all to see. But that practice, if less than perfect is clearly, what managers employ with some degree of success. Marketing practice could therefore be defined as real live marketing which revolves around a great deal of initiative, to handle a limited number of factors based on imperfect information and limited resources etc. In such cases, the practice extends past basic given theories.

Mercer gives the practical steps in evaluating a marketing theory for use in a given situation as thus:

a. Is it directly relevant to the specific needs of the situation? (*if not, discard it*)[12]

b. What other theories attempt to explain the same phenomena? (*check for alternatives*)[13]

c. Does it offer the (most) productive framework for meeting your specific needs? (*Discard any explanations which are clearly less effective*)[14]

d. How does it complement the theories you are using to examine other phenomena? (*if it clashes with the main techniques to such an extent that it would cause confusion then discard it, after checking to see that it is not the only one "in step"*)[15]

e. What reliance can be put upon it and what evidence is there of its effectiveness? (*Discard all techniques which have no substantial, proven backing*)[16].

f. Is it original or has it been distorted by later interpretation? (*Discard all theories which have been stripped of their meaning by popularization, or go back to the original*).[17]

g. Does it match with your own experience, and does it make sense? (*Discard anything which does not make sense, but only after you are sure you understand what you are trying to say*).[18]

h. Then and only then, use it - but only as a starting point (and as a frame work) for further investigation to find the solution which best matches the unique needs of the specific situation. Unless persuaded otherwise by the facts,

assume your own judgement is better than that of any experts (*who cannot understand the specific situation as well as you can*).[19]

2.3 DEFINITION OF MARKETING STRATEGY

If a business enterprise is to succeed in the attainment of its objectives, there is the need for it to always device new marketing techniques to meet the challenges of the times. These techniques are known as marketing strategies. They are designed to guide managers in getting products or services to customers and in encouraging customers to buy.

Strategy in the business sense, ".....refers to action by management to offset actual or potential actions of competitor.[20]

It is a term used to describe how objectives are to be accomplished. (R.E. Runyon).[21]

Strategy is "a unified, comprehensive and integrated plan relating the strategic advantage of the firm to the challenges of the environment. It is designed to ensure that the basic objectives of the enterprise are achieved (Glueck: 1980).[22]

To Kotler and Armstrong (1996), marketing strategy is the marketing logic by which the business unit hopes to achieve its marketing objectives. It consists of specific strategies for target markets, positioning, the marketing mix and marketing expenditure levels.[23]

In order to formulate an effective marketing strategy, the market segments on which the company will focus should be detailed. This is necessary because these segments differ in their needs and wants responses to marketing and profitability. Good management would put in concentrated efforts into the segments it can serve best for a competitive view point and develop marketing strategy for each target segments.

satisfactions more effectively and efficiently than competitors do." They further add that the marketing concept takes an outside-in perspective. It starts with a well-defined market, focusses on customer needs, coordinates all the marketing activities affecting customers, and makes profits by creating long term customer relationships based on customer value and satisfaction.[27]

There are four basic organizational objectives that shape the marketing concept. These are:

i. Consumer orientation in every aspect of organisation and operations.

ii. Scientific pursuit of profitable volume.

iii. Integrated effort towards common goal.

iv. Social responsibility in decision marketing.

In view of the foregoing, the marketing concept could then be defined as "customer satisfaction at a profitable volume in an integrated, efficient framework and in a socially responsible manner. (Porter: 1980)[28]

The problems of marketing faced by an enterprise is a catalyst to the marketing concept. Therefore the firm assumes the role of innovator or doer. In its bid of finding new products for new products, for new uses of old products for new markets and segments. This attitude therefore gives the marketing concept an aggressive stance. It elicits dynamic pro-active reactions to the changes in its operating environment. "It is not only important for organizations to do things right, it is also important for organizations to find the right things to do. That is, it is important to maximize opportunity which leads to profit, to allocate precious resources on exploiting opportunities rather than solely on solving problems."[29]

It therefore follows that the marketing function is tasked with the direct responsibility of anticipation and adaptation of change that is beyond organizational control, by the initiation of change that is within his control. Until recently, banking in Nigeria was rather stereotype. Now there is heavy competition, banks have been under pressure to consider more carefully who their customers are, (whether groups of customers might form particular markets); what are their needs, wants and value; who their competitors are; and how well can their customers be satisfactorily served. But these feats are not easily attained therefore, in order for the marketing concept to succeed, the following factors must be in place within the organisation:

1. Top management in the organisation must understand and believe in the marketing concept.
2. This concept must be seen as the philosophy of the entire organisation and must therefore not be limited to the marketing department.
3. The total organisation's orientation must be to markets rather than to product/service in as much as the quality and standards of products/services are maintained

2.41 CONSUMER MOTIVATION

The practicability of the Marketing Concept entails understanding the psychological factors that induce consumer buying. These factors are motivation, perception, learning and beliefs and attitudes. Emphasis however will be laid on motivation.

In marketing, need stimulates demand and purchase on the part of the consumer which in turn influences supply and production by the marketer or supplier. A need becomes a motive when it sufficiently presses one to act. Psychologists have

developed various theories on human motivation. Amongst the most popular are those of Abraham Maslow, Sigmund Freud and Frederick Herzberg. Maslow's theory of motivation postulates that human needs are met in a hierarchy: from the most basic need through to the most complex and this is depicted in the figure below:

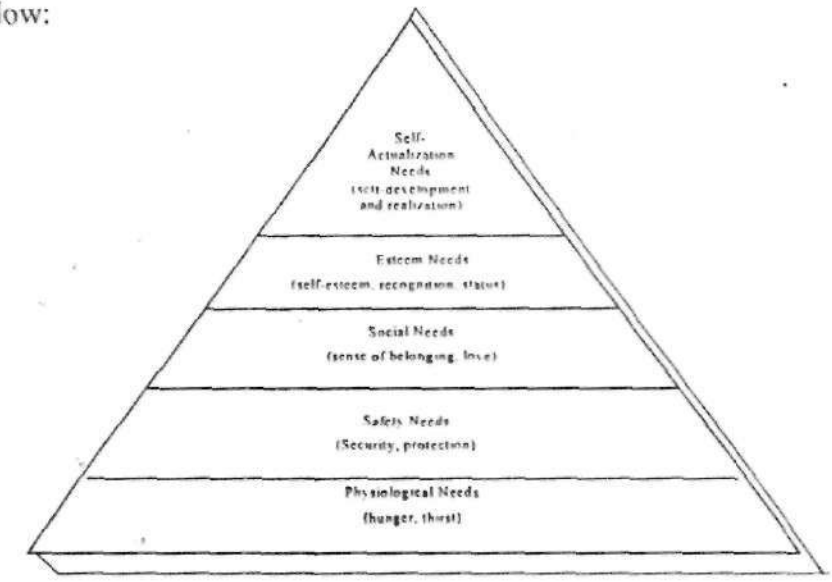


Figure 2.1 Maslow's hierarchy of needs. **Source**: Philip Kotler; Marketing management, 7th ed. P.175

This theory allows the marketer an insight on how his products fit into the plans, goals and lives of potential customers. Thus, the product manager attempts at attending to the perceived needs of the consumers within the considerations highlighted in the following figure.

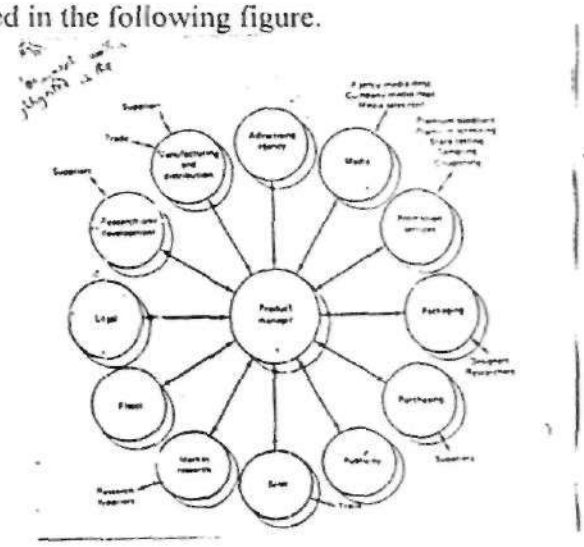


Figure 2.2 The product Manager's interaction. **Source**: Philip Kotler; Marketing management, 7th ed. P.693

2.5 THE MARKETING PLAN

There is hardly any organisation that survives and profits by chance. Organizational growth is aided most importantly by planning. The plans are implemented and results are anticipated even though a few organizations fail inspite of this.

Jackson (1975) in Wilson etal (1992) sees planning as attempts to control the factors which affect the out come of decisions; actions are guided so that success is more likely to be achieved.. Plans can be specially made to fit circumstances or they can be ready made for regular use in recurrent and familiar situations.[30]

The major elements of planning are identified as follows:

1. The need for systematic decision making;
2. The development of programmes for their implementation;
3. The measurement of performance against objectives, as a prelude to modifications to the strategy itself.[31]

In view of the above, what then is marketing planning? Marketing planning is a managerial process, the output of which is a marketing plan. As such, it is a logical sequence and a series of activities leading to the setting of marketing objectives and the formulation of plans for achieving them. Conceptually, the process is very simple and is achieved by means of a planning system. The system is little more than a structured way of identifying a range of options for the organisation, of making them explicit in writing, of formulating marketing objectives which are consistent with the company's overall objectives and of scheduling and costing the specific activities most likely to bring about the achievement of the objectives. It is the systematization of this process which lies at the heart of the theory of marketing planning. (Meldrum & Mcdonald: 1995).[32]

There are basically two types of market plan: The strategic marketing plan and the tactical market plan. The strategic market plan is a plan for three or more years (usually not more than five years). It is a document that outlines how managers perceive their position in the market amongst competition, the objectives they want achieved, and strategies adopted, resources employed and with what budget.

The tactical market plan is usually for one year. It is "the detailed scheduling and costing of the specifications necessary for the achievement.... of the strategic marketing plan" [33].

There are vital elements that make a successful marketing plan. The contents of a marketing plan are as follows:[34]

- Mission statement:- This sets out the raison d'etre of the organisation and covers its: roles; business definition; distinctive competence; and future indications.
- The financial summary:- This summarizes the financial implications over the full planning period.
- Market overview:- This provides a brief picture of the market and includes: market structure; market trends; key market segments; and (sometimes) gap analysis.
- Swot analysis:- These are the strengths and weaknesses of the organisation compared with competitors against key customer success factors ply the organisation's opportunities and threats; they are normally completed for each key product, or segment.
- Issues to be addressed:- These are derived from the SWOT analyses and are usually specific to each product or segment.

- Portfolio summary:- This a pictorial summary of the SWOT analysis that makes it easy to see at a glance, the relative important of each; it is often a two dimensional metric in which the horizontal axis measures comparative strengths and the vertical axis measures relative attractiveness to the organisation.
- Assumptions:- These are the assumptions which are critical to the planned marketing objectives and strategies.
- Marketing objectives:- These are usually quantitative statements in terms of profit, volume, value, and market share of what the organisation wishes to achieve. They are usually stated by product; by segment; and overall.
- Marketing strategies:- These state how the objectives are to be achieved and often involve the four P's of marketing - product, price, place and promotion.
- Resource requirement and budget:- This is the full planning period budget, showing in detail, for each year, the revenues and associated cost. (Meldrum & Macdonald: 1995)

Though these measures constitute the vital elements in planning, the manager is yet faced with the tasks of strategic marketing analysis, strategic choice and decision making and strategic implementation. The correlation of the above components make planning worthwhile. In every market planning situation, it is important that analyses be carried on the following issues:

i. Situation analysis

ii. Customer analysis

iii. Competitor analysis

iv. Market analysis

v. Environmental analysis

2.5.1 SITUATION ANALYSIS

The planning process starts with a review of the current market situation based on the following.

- Here, sales figures are analysed at par with the competitors and / or industrial sales.
- Sales is also analysed with regard to past profit and expense patterns for a product.
- The evaluations of problems and opportunities of market factors are made.
- Planning assumptions and constraints are provided for.

Situation analysis deals with factors external and internal to the organisation. External analysis on the one hand contributes to strategy though indirectly by identifying: significant trends and future event, threats and opportunities and key areas of uncertainty that could affect strategy outcome. While internal analysis on the other hand enables the organisation in having an in-depth understanding of the business. This begins by examining the financial performance of a business and strategy is formulated if there are indications of unsatisfactory or deteriorating performance.

2.5.2 CUSTOMER ANALYSIS

Customer analysis enables planners to identify the opportunities available to be exploited and makes segmenting possible. It is designed to provide the strategist with a clear understanding of how and why people behave as they do. [15]

In customer analysis: Aakar has identified three sets of strategies questions that should be addressed as follows:

i. Segmentation:- Addressed here, are the issues of identifying the biggest and most profitable customers, the most attractive potential customers, and do customers fall into any logical groups based on their needs or characteristics. Also, should the market be segmented into groups that would require a unique business strategy.

ii. Customer motivation:- is preoccupied with the reasons customers select and use their favourite brands. The element that appeals to them in the product; their objectives amongst others.

iii. Unmet needs:- Here the following issues are raised; why are customers dissatisfied and why do they change brands? How severe can this get? What are the unmet needs that they can identify and do these present points for competitors?

Consumer behaviour is influenced by many factors and is summarized by the figure below:

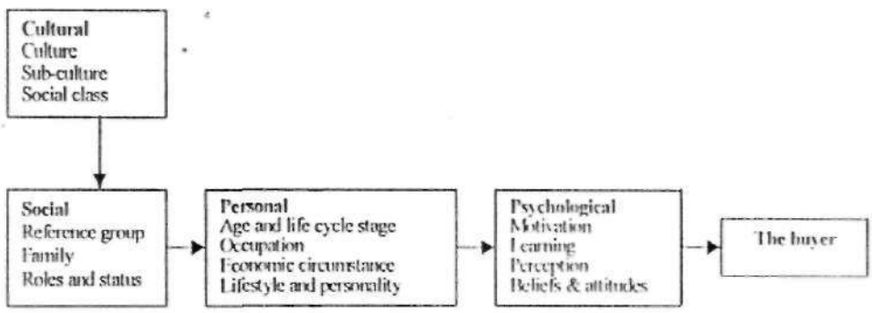


Fig 2.3 Influence on consumer behaviour.

Source: R. M. Wilson etal; Strategic Marketing Management: Planning, Implementation and Control. P.104

Wilson etal (1992) has identified three distinct elements that the marketing strategist should examine in the buying process as follows:[36]

1. The buying roles within the decision making units
2. The type of buying behaviour.
3. The decision process.

Malcolm Macdonald in Wilson etal has stated that the "recognition of the idea that customers do not buy products but are instead interested in the benefits gained from using the product has long been at the heart of successful marketing....Therefore, companies should undertake detailed analysis to identify the full range of benefits 'they are able to offer' the customers as a prelude to identifying the range of benefits that customers actually want or will respond to".[37]

2.5.3 COMPETITOR ANALYSIS

Competitor analysis should be a central issue in the marketing planning process because the competitor represents a major determinant of corporate success and failure. To evaluate its strengths, weaknesses, strategies and vulnerable areas, would expose the organisation not only to a fall in expected performance but the risks of being taken aback by aggressive and unexpected competitive moves.

The following questions are addressed in this analysis: To what extent, in terms of volume markets do competitors possess a cost advantage that is desirable from the effect of experience? How does their possession of some particular competitive advantage account for their level of penetration and customer service in the market

segments in which the organisation also operates? Does their asset structure and operational capability equip them with a formidable advantage? Are there weaknesses that could be exploited?

The answers to these questions not only enables the planner to discover under served areas and therefore attempts to exploit the opportunities, but also helps the organisation to adopt either defensive or offensive strategies in tackling its major threats.

Indeed Kotler and Armstrong (1996) confirms thus: "To plan effective competitive marketing strategies, the company needs to find out all it can about its competitors. It must constantly compare its product, price, channels and promotion with those of close competitors. This way, the company can find areas of potential competitive advantage and disadvantage. And it can launch more effective marketing campaigns against its competitors and prepare stronger defences against competitors actions."[38]

M.E Porter suggest that market competition is a function of these major interrelated variables;

a. Threat of new entrants
b. Threat of substitutes
c. Extent of industry rivalry
d. Bargaining power of buyers
e. Bargaining power of suppliers

He therefore creates a competition model to depict the relationship between these variables as shown below:

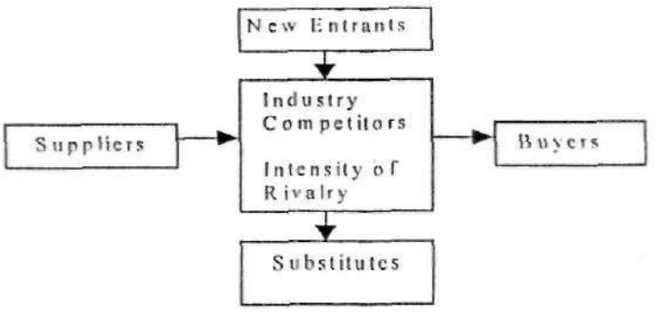


Fig 2.4 Porters competition model.

Source: Adapted by Kotler in Marketing Management: Analysis, planning, implementation and control. P.279

Porter further proffers that the effect of competition may take the various forms:

- Price competition, reducing industry margins and profit
- Non price competition in mature markets based on innovation
- Mergers and take over of existing suppliers to consolidate and strengthen competitive position in the market.

2.5.4 ENVIRONMENTAL ANALYSIS

Wilson etal have opined that strategic marketing is iterative for a number of reasons, the most significant of which is that as the company's external environment changes, so does opportunities and threats emerge and disappear only to reemerge perhaps in a modified form at a later stage.[39] Hence, the formulation of marketing strategies should be concerned with matching the capabilities of the organisation with demands of the environment. This analysis evaluates environmental trends and events that are capable of affecting strategy directly or indirectly.

Aakar has divided environmental analysis into five areas:[40]

1. Technology:- To what extent are existing technology maturing?
2. Government:- What changes in regulation are possible ... their impact.... taxes or incentives being developed that might affect strategy and political risks of operating a governmental jurisdiction?
3. Economics:- What are economic prospects and inflation outlet for the countries in which the firm operates? How will they affect strategy?
4. Culture: What are current or emerging trends in lifestyle, fashions and other components of culture? What are their implications?
5. Demographic:- What trends will affect the market size of the industry, what trends represent opportunities and threats?

The business environment could be categorized in terms of the degree of stability of environmental circumstances. This enables management to formulate a reliable and comprehensive strategic marketing plan in response to prevalent environmental circumstances which are quite diverse. Hiam and Schewe (1992) summarizes thus: Environmental changes have vast implications for management decision making. It is imperative, therefore that environmental scanning becomes an integral part of the strategic planning process.[41]

2.5.5 MARKET ANALYSIS

A market analysis, is concerned with evaluating the attractiveness of a market to current and potential participants, in terms of its long term return on investment. It seeks to understand the dynamics of the market and further develops strategic

questions that can guide information gathering and analysis.

Dimensions of any market analysis spans to include the following:

- Actual and potential market size
- Market growth
- Market profitability
- Cost structure
- Distribution systems
- Trends and development
- Key success factors
- Character of demand and supply.

It is pertinent to note that good data constitute the basic requirement of marketing planning. Below are the most important information inputs to the planning process:

- A measure of market potential in each segment for a five - ten year period.
- Identification of key buying decision influences, their characteristics, buying patterns, a company's sales forecast; an estimate of the marketing expense required to realize the stated objectives.

The process of strategic marketing analysis is illustrated and summarized in the figure below.

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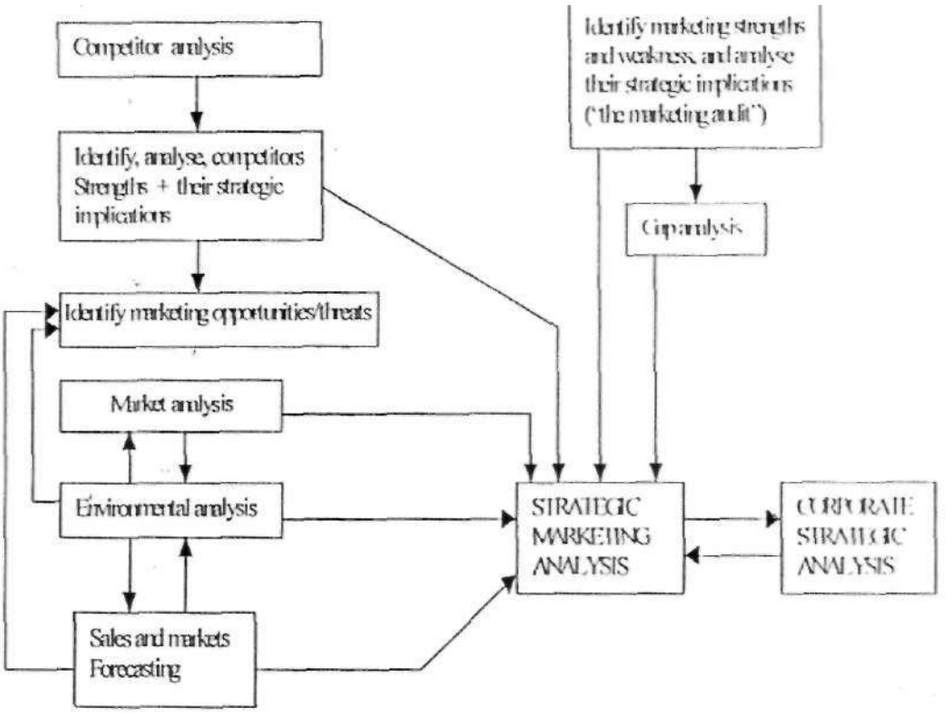


Figure 2.5 Strategic marketing analysis. **Source:** A.R. Morden; Elements of Marketing p.654

2.6 MARKET INFORMATION AND RESEARCH

According to Harper, Jnr (1961) "to manage a business is to manage its future, and to manage the future is to manage information.[42]

Marketing information and research is a vital activity within the firm. It enables the organisation to pursue marketing opportunities and anticipate marketing problems. Information and data gathered from such research enhances the planning and control of marketing plan. As organizations expand their geographical spread and coverage, managers need more market information to penetrate these markets. The increase in buyers income make them more selective in their choice of goods.

Finally, the sellers' awareness of branding, product differentiation, advertising etc. makes them require information on effectiveness of these marketing tools..

"A marketing information system is a continuing and interacting structure of people, equipment and procedures to gather, sort, analyse, evaluate and distribute pertinent, timely and accurate information for use by market decision makers to improve their marketing planning, implementation and control".[43]

Seekers of marketing information for analysis usually plot required information along the following pattern.

i. The size and potential of target market.

ii. Environmental factors that might affect the market.

iii. The needs, wants and values of target customers and likely influences on them.

iv. Current and potential share of the market obtainable by given product or service.

v. The current and likely future performance of the product and its stage in its life cycle.

vi. The organisation's strengths and weaknesses with regard to developing new products for existing markets and/or new markets for existing products and/or diversification into new territories altogether.

vii. Opportunities and threats in the market.

Marketing research could be described as the objective gathering, recording and analysis of all facts about problems relating to the marketing of goods and services. Kotler views marketing research as the systematic design, collection, analysis and reporting of data and findings relevant to a specific marketing situation facing the company.[44]

£#

Marketing research focuses on understanding customers. This usually involves asking them questions and interpreting their answers. Questions are asked and answers found, through systematic, objective research that focuses on gathering information relevant to specific marketing problem.[45]

There are two basic sources of information to the organisation:

a. Desk of secondary research

b. Field of primary research.

The marketing research process is tabulated and shown below:

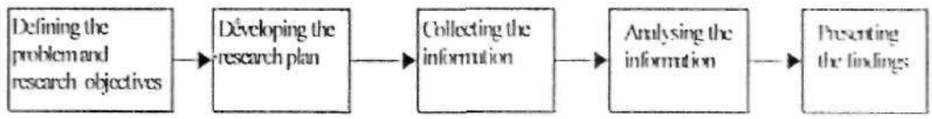


Table 2.1: The marketing research process. **Source**: P. Kotler; Marketing Management p. 103

Marketing research is quite extensive and the following tables simply break down the main areas of market research and ten top marketing research topics:

MAIN AREAS OF MARKET RESEARCH	
Customer	Behaviour, needs, responses, beliefs, characteristics.
Markets	Size, structure, dynamics, relationships, trends.
Competition	Share, positioning, aims, strengths/weakness.
Environment	Pest*, institutions, trends.
Our impact	Share, penetration, coverage, image, service level.

*PEST = Political, Economic, Social and Technological factors of the environment.

Table 2.2 Main areas of market research. **Source**: Meldrum & Macdonald; Key Marketing Concepts p.64

TOP TEN MARKETING RESEARCH TOPICS		
Market share analysis	Market potential	Market characteristic
Sales performance	Business trends	Economic forecasting
Competitor products	Pricing studies	Product testing
Information systems		

Table 2.3: Top ten market research topics

Source: Meldrum & Macdonald; Key Marketing Concepts p.64

*Note that these cover both internal and external topics investigated to enhance marketing performance.

Practical market research in banks fall under internal and external researches. Internal research deals with the issue of service supply and profitability. Here, data is organized and analysed around target markets and services. Usually necessary data is in-house. External research deals with the nature of demand and involves aggressive acquisition of data by the bank from outside sources. However, both researches are necessary for a balanced bank market mix and also the way of information collecting is limited to observation and survey.

2.7 THE MARKETING AUDIT

An audit is "an official examination of the accounts of a company, etc. to see that they are true and correct".[46] Organizations carry out audits to investigate systematically its financial records and practices at regular intervals. For any audit report to be valid, it should be comprehensive, objective and critical and should be comparable to actual practice with the accepted theoretical standards and principles. It should also be prescriptive so that the organisation could improve on its present performance.

As in auditing, the market audit attempts at the analysis, assessment and appraisal on a continual basis of the market environment of the business. It identifies threat, opportunities to the business. Meldrum and Mcdonald view the marketing audit as "the means by which a company can understand how it relates to the environment in which it operates. It is also a means by which a company can identify its own strengths and weaknesses as they relate to external opportunities and threats." [47]

Kotler (1967) also attempts at defining market audit as thus: "A marketing audit is a comprehensive, systematic, independent and periodic examination of a company's or business units, marketing environment, objectives, strategies and activities with a view to determining problem areas and opportunities recommending a plan of action to improve the company's marketing performance".[48]

In view of the above, the marketing audit covers all the major marketing activities of a business. A comprehensive audit is effective in locating the sources of organisation's marketing problems - like declining sales, falling margins, lost market share, under utilized production capacity etc.

A market audit can be conducted in six ways:

i. Self audit

ii. Audit from across

iii. Audit from above

iv. company auditing office

v. Company task force audit

vi. Outside audits

An audit is usually structured in two parts. The marketing audit check list is summarized and shown in the table below:

The Marketing audit checklist		
EXTERNAL AUDIT		
Business and economic environment	-	Economic, political / fiscal / legal, socio /cultural, technological, intra-company.
The market	-	Total market, size growth and trends (value/volume), market characteristics, development and trends in marketing mix variables as follows:- products, prices, physical distribution, channels, customer/consumers, communication, industry practices.
Competition	-	Major competitors, size, market shares/ coverage, market standing/ reputation, production capabilities, distribution policies, marketing methods, extent of diversification, personnel issues, international links, profitability, key strengths and weakness.
INTERNAL AUDIT		
Marketing operational variables Own company	-	Sales (total, by geographical location, by industrial type, customer by product), market shares, profit margins/costs, marketing information/ research, marketing mix variables as follows: product management, price, distribution, promotion, operations and resources.

Table 2.4: Marketing audit checklist **Source**: Meldrum & Macdonald; Key Marketing Concepts. P. 75

The following six major components of the organisation's marketing situation are examined by the marketing audit:

1. Marketing environment audit:- Analyses major macro-environment forces and trends in the organisation's business environment like the markets,

competitors, customers etc.

2. Marketing strategy audit:- reviews the organization's marketing strategy with the view of appraising its adaptation to the present and forecast market environment.
3. Marketing Organisation audit: Here, the capability of the marketing organisation in implementing necessary strategies for the forecasted environment is evaluated.
4. Marketing systems audit:- The quality of the organisation's systems (for analysis, planning and control are examined).
5. Marketing productivity audit:- This audit examines the profitability of different marketing entities and the cost effectiveness of different marketing expenditure.
6. Marketing function audit: Here, the in-depth evaluation of major marketing mix components are made.

2.8 NEW PRODUCT DEVELOPMENT

The business environment is ever dynamic and it follows therefore that with dynamics, come changes. These changes come with the ever rapid changes in consumer taste, technology, and competition amongst others. In order for organizations to remain successful, it has to respond to change, organizations are known by their products and its efficacy. Like living things, products have their own life cycle: Introduction, growth, maturity and declining stages. It therefore follows that since a product that hitherto served a need can become obsolete, it means that, that need is no longer served and therefore a new product is required to serve the

created vacuum. Adequate "needs serving" informs new product development. By new products we mean original products, product improvement, product modifications and new brands that the firm develops through its own research and development efforts. [49] Since new products can take different forms, it could also be derived from a number of different internal and external sources.

Meldrum and Mcdonald (1995) have attempted to classify new products as follows: [50]

- Revolutionary new products: Products the like of which have never been before and which create entirely new markets.
- Improved products: Which has been enhanced to provide better performance or greater perceived value.
- Modified Products: Where current models are replaced by new ones which combine features of a number of different models.
- Adapted products: Products have been changed to address needs in other markets or market segments, but whose key functionality remains the same.
- New brands: Successful new products often stimulate the launch of similar competitive products by other organizations under different brand names or alternative position.

Although product development is expensive, with high risks of failure, it is rewarding if a good research was carried out before its commencement. Innovation in the marketing process is highly important because consumers will always favour products that offer the better quality, performance and features especially if it is cost effective.

Below is a table on the ways companies organize for new product development.

PRODUCT MANAGERS Many companies assign responsibility for new-product ideas to their product managers. Because these managers are close to the market and competition, they are ideally situated to find a develop new-product opportunities. In practice, however, this system has several faults. Product Managers are usually so busy managing their product lines that they give little though to new products other than brand modifications or extension. They also lack the specific skills and knowledge needed to evaluate and develop new products.
NEW PRODUCT MANAGERS General foods and Johnson & Johnson have new-product managers who report to group product managers. This position 'professionalize' the new product function. On and line extensions limited to their current product.
NEW-PRODUCT COMMITTEE Most companies have a high level management committee charged with reviewing and approving new-product proposals. It usually consists of representatives from marketing, manufacturing, finance, engineering, and other departments. Its function is not developing or coordinating new products so much as reviewing and approving new-product plan.
NEW-PRODUCT DEPARTMENTS Large companies often establish a new-product department headed by a 'manager who has substantial authority and access to top management. The department's major responsibilities include generating and screening new ideas, working with the R&D department, and carrying out field testing and commercialization
NEW-PRODUCT VENTURE TEAMS The 3m company, Dow, Westinghouse, and General mills often assign major new-product development work to venture teams. A venture team is a group brought together from various operating departments and charged with developing a specific product or business. Team members are relieved of their other duties, and given a budget and a time frame. In some cases, this team stays with the product long after it has been successfully introduced.

Table 2.5: Ways companies organize for new product development.

Source: Kotler & Armstrong; Principles of Marketing. P.315

When an idea for a new product has been conceived, and duly approve, the process of development and introduction to the market has to be carefully managed in order to reduce risks and cost of failure. the major stages in new product has been identified by Kotler and Armstrong (1996) and its development process has been summarized below:

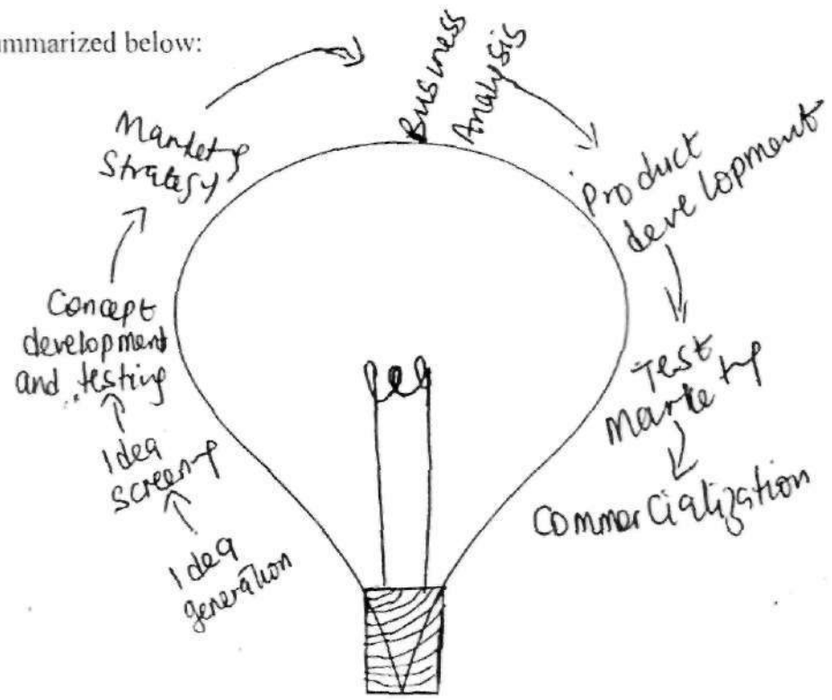


Fig 2.6 Major stages in new product development.

Source: Kotler & Armstrong; Principles of Marketing. P.315

2.9 SEGMENTATION

"Market segmentation is the subdividing of a market into distinct subset of customers where any subset may conceivably be selected as a target market to be reached with a marketing mix".[51] Since the market consist of buyers that vary in many respects, it follows therefore that different groups of potential customers have their characteristic needs, hence their segmentation.

There are two main categories of the segmentation criteria. The first is based on the characteristics of the consumer and the bases for segmenting consumer markets are listed briefly as follows:

i. Geographic (region/country, state, town or local government area, town size, population density, etc.)

ii. Demographic (age, sex, family life cycle - ie young and single, young and married with no children, retired etc.)

iii. Social class, occupation or income - eg. In retail banking, personal customers have been divided in two broad groups: "mass market" customers to whom a bank will sell services through branch network and "wealthy individual" customers who are in the market for personalized banking, tax management, financial advice etc.

iv. Lifestyle and personality: Useful in determining the style of advertising to be used.

v. Behavioural characteristics of the potential customers such as:

   a. Usage rate: How often they would use the product/service (occasional user, regular user, heavy user);

   b. User Status: Nonuser, ex-user, potential user, first time user, regular user;

   c. Benefits sought from the product/service (economy, convenience, prestige etc.)

   d. Readiness stage - Unaware of the product/service, aware, well informed, interested etc.

The second category of segmentation is based on product. People seek the benefits the product provides rather than the product itself. Three examples of product segmentation are as shown below:

a. Segmentation by benefit: It is assumed here that the relative importance of the principal benefits sought by consumer is the best predictor of consumer behaviour. Since consumers indicate in order of importance the benefits they seek for in products/service, each segment of the market is identified by benefits sought.

b. Volume segmentation: Here the marketer is interested in effective programming of marketing strategies towards the heavy users since they represent the biggest contribution to revenue. The marketer also seeks to elicit a positive response from light users, to increase demand or convince them on its products superiority in order to make them a profitable segment.

c. Vendor segmentation: It has become necessary for suppliers in industrial goods market to focus on their own market segmentation policy by specific demands and usage perceptions of the customers of the firms they supply.

For effective segmentation, the size and potential value of each market segment must be measurable. The customers and the potential customers in the market segment must be accessible. And finally, the market segment must be substantial in size to make it worth the while of the supplier to develop a product or service.

2.10· THE MARKETING MIX

The marketing mix has been defined as the balanced blend of marketing ingredients best calculated to achieve a defined marketing objective as economically as possible.[52]

For simplicity, the marketing mix has been described as the 4 Ps. Below are the 4 P's and the fundamental questions associated them.[53]

i. Product: What type and range of product should we provide?

ii. Price: What price should be set for each product service?

iii. Promotion: How do we best communicate with our target customers and persuade them to buy our offer?

iv. Place: What channels of distribution and what levels of service are appropriate.

Any of these elements can influence demand either separately or in conjunction with the others. For the purpose of this study, a brief on each P would be attempted.

- Product (or service) is anything that is capable of satisfying wants. It is determined based on the needs wants and values of the target market segment and marketing information and research. In banking, the product becomes service and is concerned with the features of bank products and services and any options available to the customer.
- Place is where the product/service is made available to the customer or rather where the customer can obtain the service. "Place" is vast and could go further than where goods are sold to mean a wide branch network, widespread acceptance of credit cards by shops, hotels etc., visiting of

business customers by the banks executives, telephone "branches" banking etc.

- Promotion deals with advertising, direct selling and other forms of sales promotion which includes, sponsorship of events/programmes, public relations, exhibitions, conferences etc. In banks, promotion isaimed at image creation, creating and improving customer awareness of new and existing services.
- Price is the monetary tag attached to a product/service. Prices are fixed at levels which take cognisance of cost of provision, competitors charges, perceived "added value" for customers, the strategic importance of the service irrespective of profitability as in PR etc. In banking, price refers to interest rates (offered to depositors and borrowers), bank charges and commissions (for individual service) etc.

In addition to the 4Ps, factors in the overall mix are now recognised to include a fifth P-personnel:- staff that take on a pro-active selling customer service role. The marketing environment - culture, social values and ethics etc. make up the climate in which the buying decisions are made. Later in the course of this work, strategies employed by each of these Ps would be discussed later in the course of the work.

2.11 MARKETING MIX STRATEGIES

The key to achieving organizational objectives, lies in the strategic choices management would have to make concerning product, price, place and promotion; the recognition of its interdependency and its need to be integrated in a harmonious manner. Following are the various strategies of the marketing elements:

2.11.1 PRODUCT STRATEGY

Meldrum and Mcdonald have identified as shown in the table below, the variable that shape product strategy.

Product Variables			
Technical features	Packaging	Durability	Pollution hazard reduction
Functional performance	Innovativeness	Design	Degree of customization
Noise control	Flexibility	Up-grading	Range of sizes, colours etc.
Volumes available Quality	Ease of use		Compatibility with existing
Ease of maintenance	Safety	Robustness	Service/equipment

Table 2.5: variables that shape product strategy

Source: Meldrum & Macdonald; Key Marketing Concepts. P.2

A product strategy is deciding on how to position each product or combination of products against competition. This involves deciding quality, prices and features to be added. [54]Aakar and Shanby in course notes have identified the various approaches to positioning strategy:[55]

i. Positioning by attribute - Here a product is associates with an attribute, feature of customer benefit.

ii. Positioning by price/quality

iii. Positioning with respect to use

iv. Positioning with respect to product class

v. Positioning with respect to a competitor.

It could therefore be deduced that the positioning strategy attempts at placing a product in the market based on its attendant features and advantages.

The development of a position strategy is guided by a series of sevens steps as

identified by Hiam and Schewe.[56]

1. Determine the relevant product market
2. Identify the competitors
3. Determine how consumers are perceived
4. Learn how competitors are perceived
5. Identify grabs in positions held
6. Plan and carry out the positioning strategy
7. Monitor the position

In developing an effective product strategy, it is vital that the type of product strategy to be pursed be identified. Wilson etal have identified the four types of product strategy: [57]

a. A market leader product strategy;

b. A leadership/challenging product strategy, which might translate, initially at least, into "the strategy of the fast second" whereby the firm allows the existing leader to incur the costs and risks of developing a new product and then moves in rapidly after the launch with a copy or an improved version of the product;

c. A product follower strategy

d. A me-too product strategy

Organizations and products that compete within a market assume any of the following position based on its market share:

- Leader

- Challenger
- Follower

Wilson has summarized competitive strategies for the above in its product life cycles as shown below:

	Stage of industry development		
	Growth	Maturity	Decline
Strategic position of the firm Leader	Keep ahead of the field Discourage other possible entrants Raise entry barriers Develop a strong selling proposition and competitive advantage 'Lock in' distributors Build loyalty Advertise extensively	Hit back at challengers Manage costs aggressively Raise entry barriers further Increase differentiation Encourage greater usage Search for new uses Harass competitors Develop new markets Develop new products and product variations Tighten control over distributors	Redefine scope Divest peripherals Encourage departures Squeeze distributors Manage costs aggressively Increase profit margins
Challenger	Enter early Price aggressively Develop a strong alternative selling proposition Search for the leader's weaknesses Constantly challenge the leader Identify possible new segments Advertise aggressively *Harass the leader and* followers	Exploit the weaknesses of leaders and followers Challenge the leader Leapfrog technologically Maintain high levels of advertising Price aggressively Use short-term promotions Develop alternative distributors *Take over smaller* companies	If the challenging strategy has not been successful, manage the withdrawal in the least costly way to you but in the most costly way to others
Follower	Imitate at lower cost if possible Search for joint ventures Maintain vigilance and guard against competitive attacks Look for unexploited opportunities	Search for possible competitive advantages in the form of focus or differentiation Manage costs aggressively Look for unexploited opportunities Monitor product and market developments	Search for opportunities created by the withdrawal of others Manage costs aggressively Prepare to withdraw

Figure 2.7 Competitive strategies for leaders, followers and challengers.

Source: R. M. Wilson etal; Strategic Marketing Management. P. 278

The organisation's survival and growth is largely dependent on the fact that product lines must be managed with care to ensure that only viable products are introduced. Hiam and Schewe have identified the various product management strategies. [58]

a. Full versus limited - A strategy of providing product lines that are wide in number and deep in assortment.

b. The line-filling strategy - This involves developing products to fill gaps in the market that have not been identified by competitors or have occurred as a result of changes in consumer preference.

c. Line and brand extension strategies - Line extension are new varieties of the same basic product while brand extension takes the brand name of one product category and extends it to another

d. Line stretching strategy - This is attempted based on the fact that markets are so often segmented on basis of price and quality. If one wants more customers in a market so segmented, an alternative is to pursue both high and low quality segments as in trading up and trading down.

e. Repositioning strategies - Involves the use of advertising and promotional campaigns to create a changed perception.

f. Planned obsolescence - Here, marketers force a product in their line to become outdated, thereby increasing replacement sales.

g. Product deletion strategies - As products decline, management must decide when to eliminate or prune them from the line.

2.11.2 PRICING STRATEGIES

There are six major steps in the strategic pricing process and these are as follows:

i. Select the target market

ii. Study customer behaviour

iii. Non price factors

iv. Assigning price a role in the marketing mix

v. Relative cost and demand

vi. Determining strategic price.

These issues have to be addressed before any pricing decisions are reached.

Pricing strategy is defined as follows:[59]

1. Deciding how to position price within the range of feasible prices.
2. Establishing whether price will be used as active or passive element in the marketing programme.
3. Setting the specific objectives to be accomplished by price
4. Establishment of policies and strategies for guiding pricing decisions.

Every pricing strategy is required to support the organisation's overall marketing strategy and protect its profitability. Therefore, any strategies adopted will be determined by circumstances an individual organisation faces. The marketing manager is also required to possess a good understanding of the alternative strategies available.

Pricing strategies come in various forms and are as follows:

- Marketing skimming strategy

  Here, the organisation positions itself at the top of the market against its competitors. In a situation where there are no competitors, the high price which the product commands, limits the markets it could serve. This implies that this strategy targets the market to whom the benefits of a product has high value and would be willing to pay for same. Though market share covered can never be substantial, nevertheless the profit margin is usually good. The skimming strategy can only be successful if the product is protected by a patent. Usually a high degrees of differentiation exists and its attendant high manufacturing and development costs. Hence potential competition is prevented from undercutting price and therefore upsetting the strategy.

- Sliding or reducing skim strategy

  This strategy involves an initial high price which is later reduced based on competition or on market maturity. This enables the product to clinch leadership position or become one of the leading suppliers. Therefore, whilst the organisation attempts at recouping/recovering product development and investments costs, it also seeks to position itself prominently in the market through branding or quality service.

- Market penetration

  Some organizations employ this strategy when it introduces a product into an established market. Here products are priced at a deliberately low level to ensure high level sales and to keep competitors at a distance. This price advantage requires the organisation to keep product price stable despite odds and enables the customer to develop brand loyalty and subsequently increased market share. However, the product is not priced too low to suggest inferior quality.

- Floor pricing

  Here, prices are kept very low and this is used to appeal to customers who are very sensitive to high price. This strategy pays attention to costs at all times and products are usually functional and devoid of any forms of luxury. "Enterprises which can survive on low margins, either because of high turnover, lower profit requirements, or insignificant overheads, are best able to pursue this type of strategy".[60]

- Competitor pricing

  This strategy entails the organisation pricing its product (almost at par) from a distance with the major competitor. This distance could be small or large and may be above or below the target firm, depending on the objective of the business. That is to say the organisation takes its lead in pricing from competition. Any changes by competitors is always followed at next available opportunity. Consequently, "whatever the case, the overall benefits offered are likely to be similar to those offered by the leader, who will be providing a 'price umbrella' under which others in the market can take 'shelter'".[61]

- Cost based pricing

  In certain cases, cost is a major determinant of pricing. Organizations use total production costs as a base from which to set price. This way, income would usually exceed total cost. The many cost based pricing strategies are - formula pricing strategy, cost-plus pricing strategy, target return pricing strategy, break-even pricing strategy, experience curve pricing and marginal-cost pricing strategy amongst others.

"Cost based pricing holds a lot of appeal; amongst are a cost-based approach to pricing is administratively easier than judging market-based issues. Also, prices based on cost appear socially more acceptable and are less open to accusations of exploitation."[62]

2.11.3 PROMOTION STRATEGIES

Promotion refers to the major forms of communication and its attendant activities that organizations engage in. These activities take the forms of advertising, personal selling, sales promotion and public relations (PR) and they constitute elements of the promotional mix.

The promotional mix plays the role of enlightening the target audience on the availability of products and services in the market place. The marketing elements though distinct, complements overall marketing efforts.

Wilson etal have attempted at defining these elements in the following simple terms:

- Advertising is non-personal persuasive communication in media not owned by the company.
- Sales promotion is non personal persuasive communication in media owned by the company.
- Selling is personal persuasive communication by sales people employed by the company.
- PR is used by some large companies in a wider context than marketing and has been defined by the institute of Public Relations as the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation and its public. In this sense, we are talking about corporate PR rather than product PR." [63]

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Below is the expansion of the promotion mix.

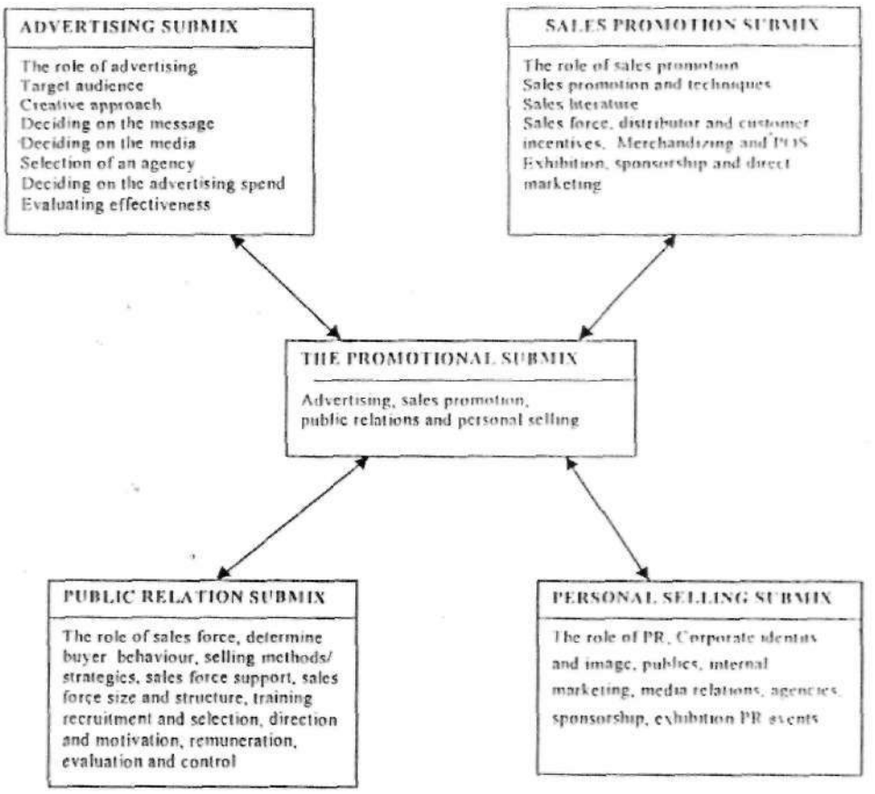


Figure 2.8 The promotional submix expansion.

Source: R. M. Wilson etal; Strategic Marketing Management. P.346

Designing the organizational promotional strategies involves determining the blend of activities of the promotional mix that will achieve the organisation's promotional goal. There are many kinds of promotional strategies and each strategy is determined mainly by the objectives of the promotional strategy itself. Also the following key strategies issues must be given due consideration:

- The nature of the market - Size and nature of market can actually dictate the strategy and communication form to be employed.

- Push Vs pull strategies - This refers to the ways a manufacturer tries to get intermediaries to carry its product.
- The nature of the product - Methods for promoting also depends on this nature.
- Stage in product life-cycle
- Stage in adoption process
- Stage in buying decision process

The objectives of promotion follows the hierarchy of effects decision model knows (sic) as AIDA; Awareness leads to interest, which in turn fosters desire, which ultimately leads to action.[64]

- To enhance organisation effectiveness
- To generate greater profits
- To improve our competitive position.

SALES PROMOTION

Here, the level of awareness of supplier and brand are maintained in the following ways.

- Through packaging impact at point of sale
- By obtaining prime position in retail outlet
- Through use of in store merchandising activities eg. free sampling
- By special offers and other incentives e.g competition
- Through exhibitions, sponsorships and circulation of sales literature, sample and selling aids.

PUBLIC RELATIONS OBJECTIVE

- Building awareness
- Building credibility
- Stimulating sales force and dealer enthusiasm
- Holding down promotion cost

Ray Palin in Wilson etal states this on PR: "what we are concerned with in formulating our Public Relations programme.... is finding out people's attitudes towards a product or company; and then devising a programme of communications which will seek to modify those attitudes in such a way as to create understanding and win preference."[65]

PERSONAL SELLING

Productivity measurement is enhanced here hence the following objectives.

- Total annual volume of products
- Total annual value of products
- Total annual selling costs
- Total annual profit contribution

2.11.4 DISTRIBUTION

Distribution is the movement and storage of produced goods from the manufacturer to the point the final consumer can obtain same. It is concerned with ensuring that the products are delivered at the appropriate place as at when needed. For this to be carried out effectively, the producer has to depend on intermediaries. They make the

movement of products efficient and effective. Intermediaries are identified and named according to the scope of their function. They could be middlemen, retailers, wholesalers, distributors, agents, value-added resellers, original equipment manufacturers.

The physical distribution system has the following components as discussed briefly.[66]

a. Order processing:- Here, orders are received, recorded, filled and assembled for distribution. Management is concerned whether these talks have been handled efficiently and the quality of the goods sent out.

b. Warehousing:- This refers to various locations where the manufacturer stores its products, to enable effective transfer to the consumer without having to refer same to factory (which might be far from the consumer).

c. Inventory:- Involved here, is determining the order point. That is knowing when to offer and how to order goods for restocking. In doing this, due consideration should be given to the order lead time, the usage rate and the service standard.

d. Transportation:- Here, it is very important to ascertain the mode of transport that would best serve the delivery of products, bearing in mind its cost effectiveness and nature of goods. Transportation modes vary from rail to water, trucks, pipeline, air etc.

In choosing the retail channel, the manufacturer is faced with the options of selling its goods in all available outlets, in a selection of available outlets in an area or limit distribution to an outlet per area.

- These three alternative strategies are as discussed below:

Intensive Distribution:- This strategy is sought by manufacturers of consumer convenience goods. These goods are of a high volume and have a relative low value and are in mass demand. The manufacturer is tasked also here with advertising and promotion of its goods.

Selective Distribution:- This strategy is often used by the manufacturers of consumer durables for which there is an established buying pattern. Though the number of outlets are less than in intensive distribution, selective distribution offers opportunities to develop better relationship with the intermediary and allows the manufacturer to gain adequate market coverage with less costs and more control.

Exclusive Distribution:- Here, the manufacturer limits the number of intermediaries to one per geographical area. The dealer here, receives the exclusive rights to distribute the manufacture's products and in return does not market the competitor's products. This situation occurs in the marketing of speciality goods.

Importantly too, is the choice of the distribution channel by management. The channel of distribution is the route taken by a product from its resource procurer through the producer to the final consumer. The concept of distribution is not limited to goods. Services too need channels of distribution. The choice of distribution channel depends on the nature of goods, channel effectiveness and management policy.

In selecting channel members, Hiam and Schewe have proffered the following vital considerations:[67]

- Is the intermediary located close to the desired market?

- Is the intermediary able to provide the necessary services to the buyer?
- Does the intermediary have the talent and skills to advertise locally and arrange promotional displays?
- Are the product lines carried by the intermediary compatible with the marketer's product line?
- Does the intermediary have sufficient financial resources?
- How many years has the intermediary been in business?
- Does the intermediary display a cooperative spirit?
- What is the image and reputation of the intermediary in the market served?
- Does the intermediary have the managerial talent needed to carry the marketer's product line?

Following is an exhibit that depicts the various channels management can employ in product delivery.

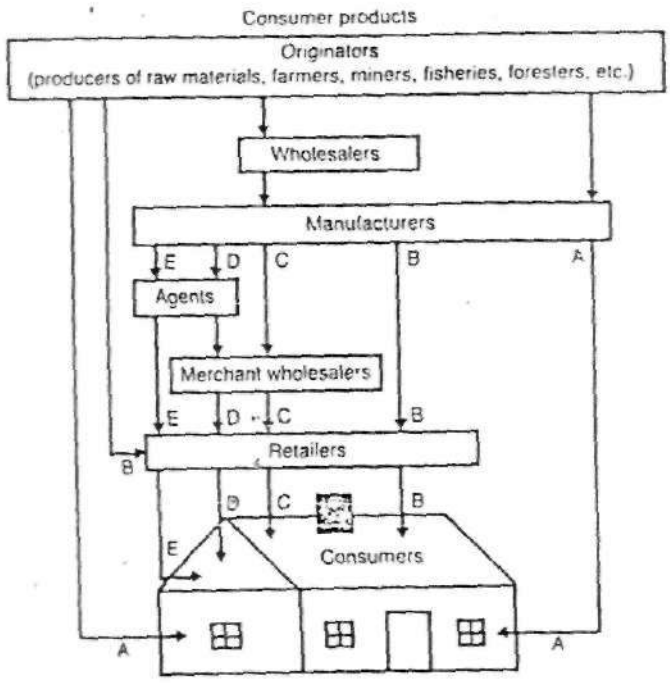


Figure 2.9: Product distribution channels.

Source: Hiam & Schewe; The Portable MBA in Marketing. P. 329

In designing the physical distribution system, it is pertinent to study what consumers want in form of service and what competing firms are offering. What consumers look for in product have ben itemized below:

1. On-time delivery
2. The supplier's willingness to meet the customers emergency merchandise needs.
3. The care with which merchandise is delivered in good condition
4. The suppliers readiness to take back defective goods and resupply them quickly, and
5. The suppliers willingness to carry inventory for the customer.

Since "physical distribution has been called the other half of marketing", [68] it is therefore important and should be accorded its place in the firm's marketing programme.

2.12.1 SERVICE MARKETING

Service is any activity or benefit that one party can offer to another that is essentially intangible and does not result in ownership of anything. Its production may or may not be tied to a physical products.[69]

The American Marketing Association (AMA) has defined service as those activities, benefits or satisfactions which are offered for sale, or are provided in connection with the sales of goods.[70]

Business in the service industry are quite vast and span to include amongst others, the following: Hotels, Banks, Salon service, Fitness centres, Airlines, Hospitals,

Restaurants, Mechanic workshops and Garages, Sports club, Dry cleaners, Law firms, Film and movie theatres, Insurance companies, Management consultants etc. Service differs from goods and consequently, certain aspects of the marketing approach will also change.

The key areas in which service differ from products are as follows:

- Intangibility
- Inseparability
- Perishability
- Heterogeneity
- Ownership

The marketing implications of the above characteristics are as shown below:

1. Intangibility:- A service cannot be seen, touched or displayed. A consumer may purchase a partial service but has nothing physical to display as a result of the purchase. Service marketing attempts at tangibles to their intangible offers. That is why consumers in looking for signals of service quality, draw conclusions about quality from the place, people, price, equipment and communication material they can see. The intangible nature of service have made organizations attempt at:
   - Increasing the level of intangibility by providing physical evidence of service in question.
   - Customer attention is drawn to principal benefits derivable from service.
   - Differentiating the service which helps in enhancing its market

position.

2. Inseparability:- It is virtually impossible to separate the availability, purchase, production and consumption of a service. Most goods are produced and subsequently sold to consumers by contract, the service is initially sold and then produced. Also, the provision of a service cannot be separated from the personality of its provider. This characteristic necessitates the need for organizations to establish values on quality, reliability, and customer service in its operational culture. In order to achieve this, the organisation is faced with the task of training and motivating, managing and rewarding personnel for quality performance.

3. Perishability:- Service cannot be stored; it must be produced on demand. It is usually produced on demand in the presence of the customer. Since service is centred on people, it is only natural that this characteristic can create problems with the levels of demand and the issue of how to react in situations when demand is greater than supply or vice-versa. Despite these, facilities would have to be created to meet anticipated demand though it may not materialize. In order to create a balance in the relationship between supply and demand, management has been forced to use pricing variations to encourage off-season demand and discourage demand when it is at its peak. Also management uses promotion to elicit off-season development.

4. Heterogeneity:- The quality of a service is highly dependent on the quality of personnel handling the transactions. Consequently, the potential for variability is high and quality management and control is difficult hence the inability of maintaining a consistent perception amongst customers across a

series of purchases consumption. Variability of service quality can be reduced by the use of the following techniques to standardize service delivery:

- Effective staff selection, training and motivation.
- Consistency of customer service
- Consistency of quality control.

5. Ownership:- The purchase of a service does not usually initiate the transfer of ownership. But rather it merely confers on the consumer the right to use the facility. The absence of absolute title to the goods may lessen the customer's value of the service. In the light of the above, the marketer adopts the following measures.

- By promoting the advantage of non-ownership, as in the immediate satisfaction of a need. eg. equipment leasing.
- By increasing the chances of ownership, though making available to regular customers, shares in the organisation.

2.12.2 GUIDELINES TO SERVICE DELIVERY

For there to be effective service delivery, the marketer must take cognisance of the following before proffering guidelines.

- Services can be easily copied by competitors, since they cannot be patented and specified with drawings. [71]
- The true value of a service can only be assessed on consumption. Thus the purchase of a service involves a high component of trust.[72]

- Services are often very personal in their nature and can involve the customer in their delivery and consumption. [73]

In order to achieve proper service marketing, below are some guidelines:-

a. There is the need to develop a personal relationship with customers by building up trust on the basis of efficiency, honesty, and integrity most especially where financial services are sold. The relationship could be created when marketers take care to remain courteous and attentive to customer need and this further aids in enhancing the individual and corporate image.

b. In service selling, a professional approach in communicating personal and corporate competence as well as an in-depth technical knowledge on the service being sold should be evident..

c. Enhance corporate reputation by publishing evidence of existing satisfied customers.

d. Reducing the level of risks and uncertainty associated with purchasing, by placing minimal demands on the customer during the purchase process.

2.12.3 SERVICE MARKETING MIX

Although the marketing mix and its strategies had been discussed extensively earlier on this write-up, it is important that its application in the service industry be addressed. Given the unique features of services, Managements have sought to evolve the appropriate service mix policies and strategies that will effectively and efficiently market its' service to target segments and equally achieve their set goals.

a. Product planning:- This involves ensuring that the total service package is such that meets the needs of the different customers. In planning, the marketer considers issues evolving on the type of service to be offered, need for expansion, and diversification. Also considered is what needs to be done in terms of service attributes like making provision for guarantees.

b. Pricing of services: Pricing strategy calls for managerial creativity and skill designed to increase profits as well as encourage customers to call again. Prices have been fixed at levels which take into account, cost of provision, competitors charges and commissions for individual services. High interest rates on deposits or reduced rates on loans and advances are good examples of pricing strategies.

c. Service Promotion: Promotion is concerned with advertising, direct selling and other forms of sales promotion. Banking advertising has a particularly high profile in recent years and is generally aimed at image creation for the bank, as well as creating and improving customer awareness of new and existing service. Advertising is the most widely used form of promotion in the marketing of services. Whenever a new service/product is introduced, it is necessary to give the public adequate enlightenment. Adverts also help acquaint the consumer with the value or benefits of a service and this can help widen the market for that particular service. Personal selling has informed personalized banking whereby bank staff are authorized to service particular accounts. Forms of sales promotion include direct selling by staff, direct mail, exhibition, conferences etc. Service firms like banks now play socially responsible roles by sponsoring worthy projects, geared towards

societal well-being. Its' participation in these societal affairs helps in enhancing publicity and public relations.

d. Place/distribution of services: Place strategies are concerned with ensuring the prompt delivery of the service to the target market, through the selection of appropriate channels of distribution. The existence of a wide branch network is an aspect of place, and so also are the wide spread acceptance of credit cards by shops, hotels etc. in advanced countries, the ability of customers to obtain personal loans by written application to their banks without need for a persona interview, telephone branchless banking, visiting of business customers by bank representatives etc. In banking, two main channels of distribution can be identified; the direct and indirect channels. The direct method entails selling service directly from the seller to consumer. This approach however limits the geographical markets that service sellers can reach even though it enables sellers to get quick and detailed customers feedback based on personal selling. The indirect method involves the use of middlemen. E.g apart from having branches in different locations, commercial banks permit companies to deposit their employees' pay-cheque directly into their bank accounts. This way, the employer serves as an intermediary in the distribution of banking services.

2.13 UNIQUE FEATURES OF FINANCIAL SERVICE

There are certain features that are considered unique to financial services, the first of this is FIDUCIARY RESPONSIBILITY. Marketers of financial service have an implicit responsibility in relation to the management of funds and the financial

advice they give to their customers. Although every business has a responsibility to its customers in terms of the quality, reliability and safety of the product it supplies. this responsibility is perhaps much greater in the financial service organizations. This could be partly explained by the fact that consumers of such service often find the precise details of services difficult to comprehend and are therefore placing their trust in the organisation they deal with. Also, the raw material used to produce many financial products are consumers' deposits; thus in producing and selling a loan product, the bank has a responsibility to the individuals whose deposits have made the loan possible, it is therefore important to ascertain whether an organisation is maintaining proper fiduciary standards.

In addition to this formal regulation, an organisation involved in the provision of financial services should be aware that its marketing and selling activities can have a wide range impact in the growth of the company.

Also unique to banking is the indirect involvement in national economic policy. Since interest rates are important instruments of government economic policy, the banks will always find their pricing policies constrained to some degree by the requirements of the national economy.

Finally, it is also worthwhile to place emphasis on the important role played by individuals in financial service organisations. Consumers will often find the precise details of the product difficult to understand nor do they see anything tangible for their expenditure. As a result, the purchase decision is often heavily influenced by the individual who actually makes the initial contact with the consumer and carries out the sale. Customer service is important to any organisation; though poor

customer service with a tangible product can be overlooked if the product satisfies the customer, the same is not usually the case with service product. With any service product, the service is closely linked to the service provider therefore poor customer care can lead to dissatisfaction with the supply organisation. Consequently, the marketing orientation for a service firm must genuinely permeate the entire organisation and must be particularly strong among those staff who have contact with customers on a daily basis.

2.14.1 BANK MARKETING[74]

Optimizing the results of the marketing effort through improvement of existing marketing programme is often the preoccupation of top executives. Daniel T. Carrol has proffered the guidelines below for the marketing personnel in banks. These are as explained as follows:

1. The inclusion of the basic marketing functions within the marketing department:- The traditional marketing staff functions of advertising, public relations, market research, market planning and development should be incorporated into the marketing component of the bank. With the combination of these functions the marketing department would ultimately bring about that balance of marketing skills that particular marketing strategy programme and or situations require.
2. There should be top management support for marketing personnel:- Marketing success or failure is dependent on the support which top management gives or withholds.

3. Marketing participation in key banking decisions:- A proper blend of banking decisions and marketing decisions go a long way in determining the quality of end result. Therefore bank management and marketing management should develop an environment which permits marketing to participate mutually in major banking decision. Bank management has to understand the worth of marketing information in these decisions and marketing has to contribute a quality of input that continues to warrant the participation that has been offered.

4. Product orientation of the marketing department as opposed to service orientation:- Marketing departments that have recorded a low level of success has been due to stereotyping their roles to traditional banking. These marketing departments here conceived of marketing in the fullest sense and have felt that they are expected to look at the product line and decide what changes are necessary and appropriate and with recorded success are allowed to partake in decision making.

5. The learning curve of the chief marketing executive contributes to successful bank marketing: On embarking upon and important marketing programme, banks are faced with the choice of designating an able banker without experience as head of marketing, or recruiting a competent marketer who may lack real exposure to banking. If the former is the case, he must be able to learn the rudiments of marketing.

6. The quality of marketing personnel determines the quality of the end results achieved:- Average or inferior personal invariably means uninspired, untimely and unproductive programme. Bank should therefore conduct a

proper research to determining the quality of personnel to recruit in the marketing of banking services.

7. Use of outside professional services:- An innovative and aggressive marketing organisation exploits the above. This needs arises because banks now need the kind of talent mix and experience that these outside firms can independently supply. A public relations firm, management consultancy service firm, consumer research services etc.

8. The relationship of marketing department to other bank division:- There should be a cohesive and cordial relationship amongst all departments. The marketing department should learn to tread lightly and perceptively in dealing with other departments of the bank since it is often times regarded as a threat to the other departments.

9. Development of a record of accomplishments:- When above is given due recognition by management, the marketing personnel tend to be more motivated and encouraged to continue with the good job.

10. Substantial and adequate resources must be allocated to marketing:- Money is the requisite of a successful marketing programme. Without the commitment of adequate financial resources, all the other guidelines may not be possible.

The observation of these ten guidelines should at a minimum produce a successful marketing department that can survive challenges in the competitive environment in which the bank operates.

2.14.2 CRITICAL TASKS OF BANK MARKETING

Marketing tasks in banking has evolved from marketing research and advertising and encompasses profitability, pricing, product development, packaging potential and planning. These are as briefly explained.

- Profitability:- Banks have to place greater emphasis on profitability.

Consequently, marketing staff get involved in assisting in the development and implementation of profit centre management.

- Pricing:- There is an increase in retail and corporate usage of banking services and hence marketing is involved with working out the management information requirements to set pricing requirements amongst others.
- Product development:- This is used by banks, as a major avenue for growth. It entails being innovative in the provision of existing services and formulating and developing new series.
- Packaging:- Staff of the marketing department should develop target packages of services that meet the financial needs of specific customer groups.
- Planning:- This entails developing a marketing plan for customer segments and for key product and services amongst others.
- Potential Development:- This has to do with new business development. Marketing staff should be involved in a number of support activities:

  a. Identification of potential market segments and profitability

  b. Significant preplanning of retail campaign and the conduct of in-depth research for corporate account development.

  c. Identification of specific services and product groups by segments.[75]

2.14.3 BANK MARKETING: THE FUTURE CHALLENGES

In the present day banking environment, there are several challenges in particular that need to be examined.

a. Customer information: It is important that banks (or any business) provide

meaningful information so that customer can make sound decisions. Though many services have been created in response to the perceived needs by the public, the innovative process is unnecessarily slowed because of poor information to the consumer.

b. Disclosure:- The challenge of adequate disclosure includes providing sufficient information to customers to enable him decide if the services are right in ascertaining whether the bank is operating in public interest.

c. Social responsibility: Business have begun to recognize that the profit concept can no longer be thought of in strictly economic terms. Society is demanding and some business are responding to the additional concept of social profit. As profit is pursued, society's broader and long-term welfare must always be served, not harmed in the process.

d. The payment system:- The amount of paper that needs to be handled to serve customers increases yearly, and banks may find their paper based, labour intensive system incapable of coping with the tasks at some future point. Hence banks are computerizing in a bid to tackle this deficiency.

e. Depersonalization:- People do not want to become numbers. They protest when they lose their individuality. Banks are valuable in this regard because customers tend to regard the financial affairs and status as matters particularly important to their identity and well-being and worthy to be personalized and given confidential attention.

2.15 THE BRANCH MARKETING PLAN

Branches of each bank will develop a marketing plan or programme with the framework of a head office plan in consultation with regional /area offices. the ultimate responsibility for a branch marketing plan, however rests with the branch manager. The development of a branch marketing plan begins with an assessment of the branch's operating area, its customers and potential customers. the services the

bank can provide and the strengths and weakness of the individual branch:

i. There might be some value in giving branch staff supplementary marketing education and training at branch level. There is likely to be inexperience in selling, and perhaps even inadequate knowledge of the increasing range of services on offer.

ii. A customer 'data base' should be created by the branch, which contains whatever information about customers that can be gathered together (eg. from interview notes, newspaper cuttings, account history as described in bank statements, credit enquiries received about the customer etc).

iii. The data base information can be used to match services to customer groups. For example, high-earning customers might be suitable for the marketing of investment advice, life assurance policies, executing service or taxation advice. Young professionals might be suitable targets for marketing mortgage loans etc.

iv. Information should be gathered (from local chambers of commerce or trade associations) about local business especially new business moving into the area, that do not bank with the branch. A direct marketing approach to these business might be planned, to win their patronage.

v. Managers should analyze the strengths and weaknesses of their branch eg. the convenience of the branch site to its customers. They should consider ways of exploiting the strengths and minimizing the weakness (SWOT analysis).

vi. Realistic targets for achievement should be drawn for the branch marketing plan, taking these items into consideration. The branch plan should be formulated in consultation with district control.

vii. The rewards of marketing success should be real, built into the reward system of the branch and communicated to staff.

viii. The plan should not be rigid, and the branch staff should retain a flexible approach to exploit any marketing opportunities that may unexpectedly arise.

ix. Marketing efforts should be timed in order to realize the desired effect. There is little point, eg. in marketing travellers, cheque after the holiday season has ended. The timing of national promotional campaigns should also be taken into account.

x. Attention should be given to the method of reaching target customers. Leaflets detailing bank services should be made available to customers on the branch premises, but the branch should also be taken into account.

xi. A branch should keep a constant eye on the local competition eg. other banks, finance houses, proposed mortgage institutions etc. The marketing plan may have to include defensive (follow the leader's initiatives to match competitors) actions.

xii. Performance should be monitored and compared with the market plan if there is deviation from plan, either the practice or the plan itself may need to adjusted.

2.16 TOTAL QUALITY MANAGEMENT(TQM) & SERVICE QUALITY MANAGEMENT (SQM)

In defining TQM, Ansell (1991) observes that 'TQM encompasses all quality activities. It is a total commitment to quality, starting at the top with the chief executive and progressing down through the company to the most junior clerk.' [76]

In TQM the whole organisation works towards ensuring quality improvement.

Three vital elements to any TQM programme are:-

- Management commitment and policy
- Team work
- Tools such as statistical process control.

Kotler and Armstrong add that total quality is the key to creating customer value and satisfaction. Just as marketing is everyone's job, total quality is everyone's job: "marketers who don't learn the language of quality improvement, manufacturing and operations will become as obsolete as buggy whips....We can no longer afford to think of ourselves as market researchers, advertising people, direct marketers, marketing strategists - we have to think of ourselves as customer satisfiers - customer advocates focussed on the while process." [77]

Quality as perceived by the buyer can fall in any of the four quality levels: low, average, high and super. In developing a product, a quality level has be chosen in a manner that the product's intended position in the target market is met. Quality is a determinant of the level of acceptability of a product. It represents the rated ability of the brand to perform its functions. TQM is applicable in any organisation, every industry and therefore the service industry is not left out.

In SQM, the organisation is concerned with the delivery to top quality service. Parasuraman, Zeithami and Berry have formulated a service quality model that highlights the main requirements for effective and qualitative service provision. [78]

This model is explained below:

1. Gap between consumer expectation and management perception - Management does not always perceive correctly what customers want.
2. Gap between management perception and service quality specifications - This is where management does not set quality standards or very clear ones, or they might be clear but unrealistic, or might not be fully committed to enforcing this quality level.
3. Gap between service specification and service delivery - The personnel delivering services might be poorly trained. Their morale might be low. There may also be equipment breakdown.

4. Gap between service delivery and external communications - Consumer expectations are affected by promises made by the service provider's communications. If a bank advertises a particular service and the customer comes to the bank only to find out that the service is not as efficient as he has been made to believe, then, he may never use the bank again.

5. Gap between perceived service and expected service - This gap results when one or more of the previous gaps occur. It becomes clear why service providers have a hard time delivering the expected service quality.

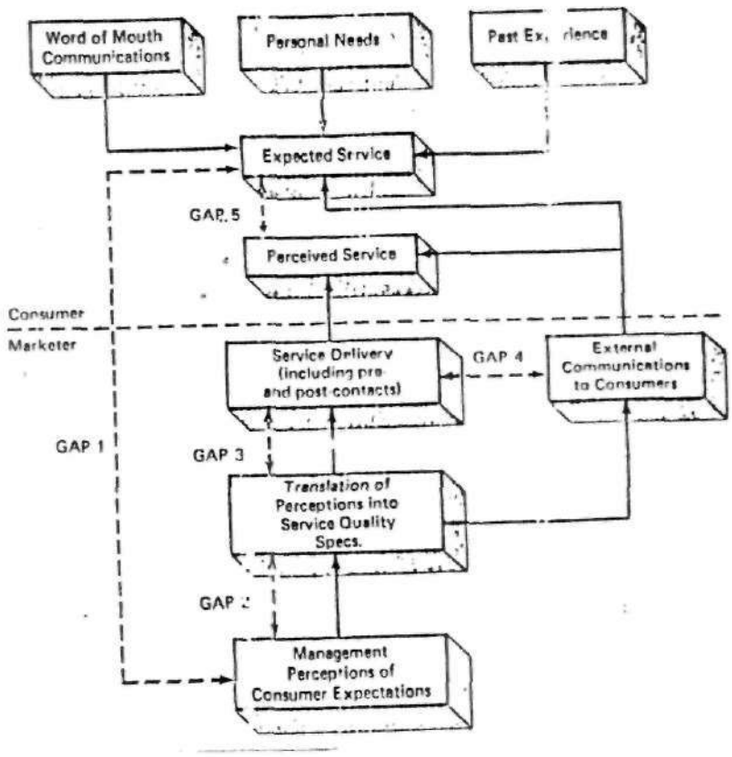


Figure 2.10 Service Quality Model **Source**: Berry etal in Journal of Marketing, fall 1985 p.44

When management regularly audits employees' satisfaction with their jobs, service provided are bound to be standardized. Management of service personnel includes such features as:[79]

1. Careful staff selection
2. Thorough training and development
3. Use of standardized operational practices to maximize the incidence of consistent task performance and behaviour
4. Use of standard operational rules to ensure consistent appearance and presentation of the service offer
5. Motivating service personnel such that an appropriate degree of customer orientation becomes second nature
6. The careful monitoring and control of the service offer and the perceived level of customer satisfaction indicated by purchasers
7. Clearly thought-out policies of reward and remuneration to help maintain and encourage a high degree of customer service.

2.17 EFFECTIVE CUSTOMER RELATION

Customer care is an important part of successful selling, because keeping an existing customer contented is generally much easier, takes less time and involves less expense than finding new buyers. The reasons for this are that it takes time to find new prospective customers, and having found them the sales person needs to establish credibility before making a sale. With existing customers this has already been accomplished.[80]

Effective customer relations entails looking after customers and meeting their needs. Customer care is important because customers when dissatisfied most times do not complain to appropriate quarters and are capable of infecting other customers with their attitudes. This could contribute to a fall in the company's business.

Stone and young (1992) have defined the level of customer care as "How customers perceive that they are treated by the organisation and its people during any period in which (those customers) they are in transaction with the organisation".[81]

For there to be proper customer care, management has to formulate policies to ensure its successful implementation. Customer care policy is defined as "everything that the organisation does to ensure it meets its objectives through managing customer transaction throughout the perceived transaction period, so that customers perceive that all their needs are satisfied." [82]

In their Customer for life, Sewell and Brown have identified the ten commandments of customer service: [83]

1. Bring 'em back alive - *Ask customers what they want and give it to them again and again.*
2. Systems not smiles - *Saying please and thank you doesn't insure you'll do the job right the 1st time, every time, only systems guarantee you that.*
3. Under promise, over deliver - *Customers expect you to keep your word. Exceed it.*
4. When the customer asks, the answer is yes - *period*
5. Fire your inspectors and consumer relations department - *Every employee who deals with clients must have to authority to handle complaints.*

6. No complaints? Something's wrong - *Encourage your customers to tell you what you're doing wrong.*

7. Measure everything - *Baseball teams do it, football teams do it, you should too*

8. Salaries are unfair - *pay people like partners*

9. Your mother was right - *Show people respect. Be polite. it works.*

10. Japanese them - *Learn how the best really do it; make their systems your own. Then improve them.*

* Warning these ten rules aren't worth a damn unless you make a profit. You have to make money to stay in business and provide service.

Good customer relationship is an asset to any organisation. The profitability gained from customer retention could be quite startling and is capable of making a definite difference in the business.

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CHAPTER THREE RESEARCH METHODOLOGY & BRIEF ON SELECTED BANKS

3.1.1 PREAMBLE

The introduction of marketing into the field of banking is still quite recent in our banking history; The increasing competitive environment in which banks operate, coupled with monetary and credit policy manipulations have rekindled the increase in awareness on the importance of marketing.

An attempt would be made to define the methods utilized in the course of this research and sources of information and data would be specified.

3.1.2 HYPOTHESIS

As discussed earlier in chapter one, banks adopt various approaches to ensure that they gain a competitive advantage in the industry whilst maintaining as well as expanding their market share. Therefore, in order to ascertain the efficiency of such strategies used, deductive reasoning has been used to test the hypothesis. Deductive reason is a method whereby inferences are drawn from research results to make conclusions about them.

3.1.3 RESEARCH METHODOLOGY

Research as defined in Osuala (1993), is the process of arriving at dependable solutions to problems through the planned and systematic collection, analysis and interpretation of data.[1]

The use of both primary and secondary data have been principally employed in this research project. The methodology adopted in the course of this research shall be descriptive and prescriptive; Descriptive to the extent that the information obtained shall be explained within the context of this study. This approach was used mainly in the literature review. It is prescriptive in the sense that, specific recommendations shall be made on how current practices can be edited to enhance effectiveness and efficiency of service in the industry, most especially with reference to banking.

3.1.4 SOURCES OF DATA

The main sources of data are through primary and secondary sources. Personal interactions and discussion held with certain banks personnel and customers provided the researcher with some useful data. Raw statistical data was, however, sourced through the use of questionnaires.

3.14.1 PRIMARY SOURCES

The primary source of data was through questionnaires designed for the purpose. Two questionnaires (A and B) were administered to banking personnel and their customers in each of the selected banks. Questionnaires "A" was designed to obtain information on marketing practices in these banks and assess their effectiveness from the bank's view point. This questionnaire also guided the researcher in the conduct of personal interview with the heads of operations and some staff of these banks. Questionnaire "B" was, designed for, and administered to a randomly selected cross-section of customers in these banks. The purpose was to gather information that hinged on criticisms, commendations, suggestions, and satisfaction of services provided by these banks from the customer perspective.

3.14.2 SECONDARY SOURCES

Secondary data was obtained from journals, newspapers, magazines, textbooks as well as banks' publications, staff.

3.1.5 TECHNIQUES OF DATA ANALYSIS

The analysis of the data collected through questionnaires will involve the use of simple statistical percentages. The answers of the respondents (from the selected banks) to questions asked, would be tabulated and the percentage weighing attached to each response by the respondents. Respondents with similar responses would be grouped together and the number of responses will be entered against the appropriate choice of response chosen by the respondents. The answers of respondents from each bank in entered into one column showing each bank's response data. Each bank's statistics and percentage weighing is also entered in this table. The interpretation of each question analysed is done at the end of each analysis. The various formulae used in the calculations and percentage allocations will also be stated.

3.2.1 INTRODUCTION

Banking has been defined by the 1969 Banking Act as "the business of receiving monies from outside sources as deposits acceptance of credit or the purchase of sale of securities for the account of others or the incurring of the obligation to acquire claims in respect of loans prior to their maturity or the assumption of guarantees and other warrantees for others or the effecting of transfers and clearing, and such other transactions as the commissioner may on the recommendation of the Central Bank, by order published in the federal gazette designate as banking business." This broad

definition covers the various facets of Banking.

As stated earlier, the marketing practices of cases in commercial, Merchant and Community banking would be examined. Some of these practices are peculiar to each type of banking and are shaped by the different objectives that informed its establishment.

The Pius Okigbo Financial System Review Committee (1976), proposed, and the Government accepted, a set of objectives for the commercial banking system as follows:[3]

i. The banks should actively facilitate the transformation of the rural environment by promoting the rapid expansion of banking facilities and services and banking habit in the rural and near rural communities. They will thus serve as paying and receiving stations for hand-to-hand currency and provide facilities for remittances to and from the rural areas. They will provide savings deposit facilities for their customers and they help to mobilize rural savings. Most important of all, they will serve as vehicles for the creation of credit in the rural areas; this credit will take the form of equity and loans for small scale farmers and entrepreneurs;

ii While the banks had in the past concentrated on short-term lending (although some of these loans frequently acquired the character of long term capital) they should, in consistence with banking prudence, increasingly undertake more medium and long term lending designated as such. The designation is important because it enables the borrower to undertake long term investment planning for the application of the proceeds of the loan;

iii They should conform to avowed national objectives and identify fully with Nigerian aspirations by taking a more active part in the financing of the economic programmes of national priority. As a corollary to this, their critical and sensitive position in the financial system necessitates that they be brought under Nigerian control in ownership and management;

iv Decision making in the main commercial banking sector must be localised. This would remove the possibility of our major banking institutions being manipulated to the disadvantage of the Nigerian economy;

v The banks should use a significant part of their profits to improve the quality of their services offered.

Unlike the Commercial Banks, Merchant Banks specialise in trade finance and more importantly in advice on company mergers, takeover etc. and offer investment and financial advice on a wide range of business propositions which should be of interest to business men and corporate entities.

Padovan (1977) in Adekanye has defined a Merchant bank, as a bank which operates in all or most of the following areas:[4]

i Corporate financial advice on new shares and bonds issues, capital reconstructions, mergers and acquisitions;

ii Taking deposits and money market operations and foreign exchange dealing;

iii Medium-term lending and the syndication of loans;

iv Acceptance credits and all forms of finance;

v The hold of, and dealing in quoted and unquoted investment; and,

vi Fund management on behalf of clients, most typically pension funds, unit trusts, investment trusts and wealthy individuals.

Adekanye has further identified the peculiarities of Merchant banking in Nigeria as thus:[5]

In the Nigerian context, merchant banks provide specialist services like acceptance of bills of exchange, corporate finance, portfolio management or equipment leasing. Their principal functions are the provision of medium and long term lending and acting as issuing houses. The Banking Act, 1969 allows merchant banks to engage in all banking activities except current accounts, although they are still allowed to offer such facilities to their large corporate customers.

But however, the gap between Merchant banks and commercial banks is being gradually narrowed due to fierce competition in the banking industry and recent developments. Government will soon promulgate a law which will enable merchant banks to render commercial banking service.

The clamour for conversion among merchant banks had been on for a long time as the wholesale banks believed that the environment was more favourable to merchant banks. However, recent shift towards universal banking that have seen some merchant banks rendering services usually restricted to commercial banks has led to the reduction in the clamour.[6]

Unlike most aspects of commercial and merchant banking whose thrusts lie in urban areas, as the name implies Rural banking is geared towards rapid economic advancement of the rural populace. 'Rural banking can be conceived in terms of arrangements for mobilisation and purveyance of finance for investment in the rural sector. The right to be attached to each of these functions at any given time depends

on the objectives of government policy, and thus, in turn, in part depends on the level of economic development of the country and the structure of its rural economy (Awosika & Nwoko:1979)[7]. Even though this was the task of the commercial bank, following the collapse of the rural banking scheme, the federal government in her determination to enhance grassroots development, introduced the community banking scheme. The scheme unlike its predecessor is primarily designed to encourage grassroots participation in the national economic development.

The modern concept of community banking was first mentioned by president Ibrahim Babangida in his 1990 budget broadcast. Abbah & Abdullahi have defined a community bank as thus:[8]

A community bank is a self sustaining financial institution owned and managed by a community or group of communities, for the purpose of providing credit, deposit, banking and other financial services to its members largely on the basis of their self-recognition and credit worthiness. As a rule, its ownership structure is such as to ensure full community ownership and participation;...The bank is a unit bank that must have no branch in any other place.

Below are the objectives that informed the establishment of community Banks:[9]

- The promotion of rural development by providing financial and banking services (credit and deposit services) as well as other facilities to communities inadequately supplied with such facilities.
- The rapid enhancement of the development of productive activities in both rural and urban areas and hence the improvement of the economic status of small producers in the informal sectors of the national economy.

- The promotion of the emergence of an effective and integrated financial system that responds to the needs of the whole economy especially at the grassroots community levels.
- The inculcation of discipline in banking habits, among the masses of low income workers in Nigeria especially those in the rural areas.
- The fostering of the spirit of community ownership and use of economic assets and the maintenance of such facilities and organisations on suitable basis.

3.2.2 HISTORICAL BRIEF ON SELECTED BANKS

A. Diamond Bank Limited (DBL)

DBL was born out of the need to create a unique international Bank. To this end, the bank was incorporated on march 15, 1991; having been licenced to carry on banking business on December 20, 1990. Full commercial banking operations did not however commence until march 21, 1991.[10] Despite the trend of reversing fortunes for banks, DBL has remained one of the most consistent and profitable of the new generation banks. It has climbed the lofty pinnacle of high finance through hard-work, playing by the rules and a little luck. Its mission statement reads thus: our mission is to create a unique international bank focussed on providing creative solutions to customers business problems with and absolute commitment to quality.

DBL is a high risk taking organisation. From its commencement of service, it has been highly technologically oriented and coupled with its all graduate staff strength, has strived to realise its vision. Since vision projects it values, itemized below are

values that have ensured continued and corporate success.

a. Evolving a winning team

b. Be customer driven

c. Merit based system

d. Integrity

e. Respect for the individual

Competition within the industry has been very keen, in order to ensure its growth in the industry, DBL is dependent on a disciplined staff strength. "We make no assumptions here to say that every employee in Diamond bank believes in our vision and mission and subscribes to our goals and values. In return the bank holds a bright and challenging future filled with adequate responsibilities and competitive remuneration.[11]

Although the bank is relatively young in the industry, it has to its credit 24 branches and a Head office in Lagos.

B. NAL Merchant Bank plc

The evolution of merchant banking in Nigeria dates back to 1960. "Nal merchant Bank Plc (NAL), the pioneer merchant bank in Nigeria, was established on November 25, 1960 as Nigerian Acceptances Limited. Nal was initially incorporated as a wholly-owned subsidiary of John Holt (liver ppl) ltd. to carry on, among other things, the business of banking in Nigeria. In July 1969, Nal merged its operations with those of Financial Holdings (Nig.) Ltd. then trading under the name - Philip Hill (Nig.) Ltd. In November of that year, Nal became the first Nigerian financial house to be granted a license to operate as a merchant Bank in the country. To truly

reflect the full range of the bank's activities and to enhance public perception of same, Nal changed its name from Nigerian acceptances Ltd. to NAL Merchant Bank Ltd. in July 1981. The bank subsequently acquired the status of a public limited company following a resolution to that effect by the shareholders in March 1992.[12]

As a pioneer in its field, Nal has enjoyed tremendous patronage (most of which are as a result of its shareholding structure) and steady growth. Its mission is thus:' To be a leader in the provision of excellent broad based banking services to a selected clientele earning consistently high returns to our shareholders through a team of highly skilled professionals using appropriate technology, in a motivating work environment.' To this end, Nal has successfully imbibed new technology and enhanced working environment in May 1998. This move amongst others has been necessary due to the fierce competitive environment it finds itself.

In view of the nature of its services, Nal has its head office situated in Lagos and six area offices across the country.

C. Fahimta Community Bank (FCB)

Fahimta Community Bank which is a product of the federal government decree no 46 (community banks decree of 1992) was established in 1996. In compliance with section 2 of the decree, cooperative societies and some few prominent individuals applied for licence through the National Board for Community banks, Kaduna Zone. This was granted and provisional licence was issued and the bank began operation in January 1997 on a sound footing with an appreciable authorized capital which was fully subscribed for and paid up by the shareholders.[13]

The crises that beset the banking industry in the 90's had a tremendous effect on community Banks. So far in Kaduna metropolis, only Fabimta is still operating. Management has attributed this success to its prudent policies and hard working staff. Since its target market is limited to its customers within its locality, hence its operations are on a smaller scale than that of other banks and so also is the attendant patronage. Though the staff strength is less than ten, the bank is yet witnessing steady growth.

3.2.3 SERVICES OFFERED BY BANKS

A. Diamond Bank Limited

A modern commercial bank may be viewed as having two main categories of customers; namely debtors and creditors....A bank is therefore, a legal entity which specializes in mobilizing savings from the surplus economic units for lending to the deficit economic units.[14] The differentiating quality from other financial intermediaries is the acceptance of deposits withdrawable by cheques. It should also be noted that DBL operates corporate, consumer and private banking.

DBL offers a wide range of services and are as stated below:

a. Accounts operations
   - savings account
   - current account
   - deposit account

b. Extension of Credit facilities
   - Types of credit facilities

     loan accounts

overdrafts

- Other services

medium and long term loans

performance bonds

guarantees and indemnities

bankers drafts

c. Providing facilities for transfer of funds

- collection of cheques
- standing orders
- direct debiting
- mail/ telegraph transfers
- open credit or cash credits

d. Creating money

e. International trade services

- bills for collection
- bills for negotiation
- documentary credits
- open account

f. Safe keeping of valuables

g. Brokerage services

h. Provision of foreign exchange facilities to travellers

- travellers' cheques
- foreign currency

i. Provision of night safe facilities

j. Management of customers investment and advising on insurance matters

k. Provision of business status reports and references

l. Business advisory service

m. Provision of cash for bulk payment of non customers salaries and wages.

B. NAL Merchant Bank Plc

There are basic distinguishing differences between merchant and commercial banks as identified by Adekanye:[15]

i. Merchant banks are wholesale bankers accepting deposits only in large blocks with a minimum of N50,000, whilst commercial banks act primarily as retail bankers. Thus , while commercial banks do business with individuals and companies, merchant banks concentrate on corporate customers.

ii. Merchant banks operate as wholesale bankers with only a few branches, while commercial banks, as retailers, need a wide network of branches.

iii. Merchant banks provide mainly medium and long-term finance, while commercial banks grant short-term loans and advances.

iv. While commercial banks accept deposits from all and sundry merchant banks depend on public and private corporations. In their lending activities, commercial banks deal with a wide variety of customers, while merchant banks deal mainly in the acceptance and discounting of commercial bills to finance trade and corporate customers.

Therefore in line with the afore-mentioned, NAL offers the following services:

a. Capital market

- company floatation
- public and private debt and equity issues
- stock exchange quotation

b. Financial advisory service

- capital reconstruction
- mergers and acquisitions
- project financing
- tax planning

c. Investment management

- investment advisory services
- mutual funds
- personal and corporate trustee services
- portfolio and funds management
- venture capital

d. International operations

- correspondent banking
- documentary collection
- inward and outward remittance
- letters of credit
- performance bid and advance
- payment guarantee

e. Lending

- asset-based financing
- development finance
- equipment leasing
- export finance and development
- loan syndication
- long term loans
- short/medium term loans

f. Treasury

- bankers' acceptance
- call deposits
- commercial papers
- domiciliary accounts
- foreign exchange transactions
- money market and funds management
- time and current deposits

C. FAHMTA Community Bank

Community banks also perform non-banking functions that promote grassroots development such as supporting industries, cooperative and group formation activities, assisting clients in marketing of agricultural, rural industrial and other products, and providing financial and other extension services to clients and other community members.[16]

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Services offered by FCB are akin to those of the commercial bank but however the scope and spread of service is limited. FCB offers a whole range of services for the ease and smooth running of its customers' personal and business activities. The bank can provide its customers all banking services possible as permitted by Nigerian Banking laws either directly by itself or through its correspondent bank - Habib Nig. Bank ltd.[17] Some of the notable specific services are as follows:

a. Accounts operation
   - current account
   - savings account
   - term deposit account

b. Loans and advance
   - short term loans
   - loan syndication
   - LPO / trade financing
   - overdrafts

c. Other bank facilities available
   - standing orders
   - fund transfers
   - project financing
   - housing loans
   - agricultural loans
   - commodity trading loans
   - direct credit facilities
   - import and export credits

- bank guarantee
- performance/credit bonds

d. Banking and financial advice

3.2.4 MARKETING STRATEGIES OF THE SELECTED BANKS

In recent times, the banking system is undergoing an exciting, yet difficult transformation. With the number of banks increasing at an astronomical rate and cash becoming more difficult to garner, competition has heightened and will continue to heighten. Under this condition, it is only those banks that can work hard that will survive. Therefore, bankers now device various attractions and market stratification strategies to enable them design and target appropriate products to the right customers amongst others.

Competitive strategy is a key to the long term performance of Banks. Below are lists of basic competitive strategies as adapted by price (1992):[18]

Basic Competitive Market Strategies

1. Strategies for Leading and Dominant Banks
   - Keep-the-Offensive Strategy - Keeping the initiative, and setting standards that rivals must meet.
   - Hold-and Maintain Strategy - Building a defense that makes it harder for underdog banks to attack.
   - Competitive Harassment Strategy - Retaliating for any challenge with massive countermeasures.

- Increase Value-Added Through Integration - Integrating selectively to offer a wider array of services.
- Operate Formula Facilities - Achieving low cost by standardizing facilities and operating efficiently.

2. Strategies for Underdogs or (SBUs) of Dominant Banks.

- Specialize by Product Type - Focusing on specialization in a specific product type.
- Specialize by Customer Type - Catering to specific customer type.
- Vacant-Niche Strategy - Concentrating on customers / products that competitors have bypassed or neglected.
- No Frills posture - Maintaining a lean operation based on low overhead and budget, to play intense price competition.
- "Ours-is-Better-Than-Theirs" Strategy - Focusing on marketing products with more features than competitors'.
- Content-Follower Strategy - Offering products similar to those of leading banks, without direct confrontation.
- Guppy Strategy - Seeking market share aggressively at the expense of smaller, weaker banks.
- Distinctive-Image Strategy - Keeping high visibility by offering prestige quality, superior service, etc.
- Harvest-to-Sell Strategy - Maximizing short-term profits and share prices, to attract buyers.

3. Questionable Bank Strategies

- Copy-Cat Strategy - Imitating the strategy of a successful competitor bank.
- Take-Away Strategy - Attacking other banks head-on, by lower prices, more advertising, and promotions.
- Glamour Strategy - Depending on a new product or technology, without expertise or needed resources.
- Test-the-water Strategy - Adopting a halfway strategy that lacks adequate corporate commitment.
- Hit-Another-Home-Run Strategy - Trying to repeat a successful strategy with a new product or market.
- Arms-Race Strategy - Battling with major competitors to match price cuts, features, R &D, etc.
- Drift strategy - Reacting at the operating level day-to-day rather than having a conscious strategy.
- Hope-for-a-Better-Day Strategy - Stating and unclear strategy until 'good times' arrive.
- Losing-Hand Strategy - Refusing to reformulate a previously (but no longer) successful strategy.
- Popgun Strategy - Attempting to compete head-to-head against leaders, without resources or advantage.

A. Diamond Bank Limited

DBL has identified its future challenges as globalization, Government legislation, increasing local competition and increasing customer satisfaction. These challenges are tackled with the implementation of excellence, innovation and Anticipation in customer service and are defined as thus:[19] Excellence is all about quality. If in this day and age you are not focussing on quality, then you are not even in the race. Excellence will, today give you a competitive edge, but tomorrow becomes the minimum to get into the market.

Innovation is the way you gain a competitive edge. However, excellence and innovation is not enough. Anticipation allows us to avoid problems and identify opportunities. It provides you with the information that allows you to be in the right place at the right time with your excellent innovative product or service.

There are basically three broad categories of marketing strategies; defensive, offensive and rationalisation strategies. Of these, today's commercial banks are noted for the offensive strategy. In view of this, DBL pursues same through the following strategies amongst others:

i. Geographical expansion: DBL has sought to make its presence felt in each region of the country and as a result has a head office in Lagos and about 24 branches scattered around the country. It is yet expanding

ii. Market penetration: Since it operates consumer, corporate and private banking, its service spread is wide. It strives at attracting new customers by studying the needs of both existing and potential customers and following-up with sales contacts to enable them win new customers while retaining

existing and potential customers. It follows up with sales contacts and other advertising techniques etc.

iii. New products: In addition to providing traditional service, DBL has introduced new banking services to serve its clientele better. Amongst some of these are the Diamond integrated Banking System (DIBS), Pay Card, Savings gold card, Diamond connect etc. Staff interviewed revealed that there were new products in the offing to be formally launched but due to confidentiality the nature of these products were not revealed.

iv. Market leader strategy: DBL is a high risk taking organisation. It assumes the role of initiator in providing specialized services in the industry. Amongst the new generation banks it maintains a leading role.

v. Consolidation Strategy: It builds on its products and modifies to suit present circumstance before it is threatened by obsolescence.

B. NAL Merchant Bank Plc

NAL has as its greatest asset, its status as the pioneer merchant bank in Nigeria. Its clientele value the stability it has offered over the years. Despite fierce competition, NAL has always pursued moderate and realistic targets and therefore is a highly conservative organisation.

Unlike most contemporary merchant banks, NAL does not employ market leader strategy in any of its products. Rather it adopts the Market - Challenger strategies. It studies new products launch of its competitors; access their success rates and if feasibility proves favourable to the firm, it creates and improves on a similar product to suit its purpose. Amongst its products are the Modified Premium Investment

Certificate (MPIC), Precious Earning Paper (PEP), and Nigeria Energy Sector Fund (NESF) etc.

Its pricing are moderate and attracts less charges than is obtainable in the industry.

Despite the goodwill enjoyed, intense competition has made it necessary for the organisation to pursue consumer personalized strategies. The bank takes an interest in the personal life of its customers; it sends cards and attend customers' anniversary celebrations etc. Further more, a customer survey forum is in place wherein randomly selected customers and management would discuss issues that pose threats to better customer service and thus aiding management in its rectification.

Even though its target market are high net worth individuals, the marketing orientation and plan is yet weak and the marketing team aggressiveness is not commensurate with the fierce competition in the industry. Other strategies adopted amongst others are geographical expansion, market penetration etc.

C. Fahimta Community Bank

As the term 'community bank' implies, FCB is limited to a locality. Since the aim of its establishment is at poverty alleviation, it deals mostly with the low income bracket earners. Its business is quite risky and face cases of abscondment; as it is located in the metropolis, small business owners who are often beneficiaries of loans can relocate to more viable business areas (eg. vulcanizers etc) and makes recovery of same an uphill task.

To curb this trend, the bank prefers dealing with representatives of association .

Its presence amongst the grassroots enables it meet problems and solve same as its arise. Some of its strategies are as follows:

i. Prompt and efficient service to ensure continued patronage

ii. Provision of personal financial counsel to clients

iii. New product development

iv. Market penetration.

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4.1 INTRODUCTION

Research is only useful when it is interpreted in the light of the purpose and conditions under which it is carried out. According to Dr. Osuala (1993), raw data of an investigation are the means by which the research problem is answered and the stated hypotheses are tested.[1] Analysis has been defined as the ordering and breaking down of data into constituent parts. It consists of the statistical calculations performed with the raw data to provide answers to the basic questions, initiating the research.[2] Sequel to this, the interpretation takes the results of analysis, makes inferences pertinent to the research relations studied and draws conclusions about these relations.[3]

Under this chapter, the researcher presents, analyses and interprets the data collected with a view to determining the effectiveness of the practices and strategies adopted by these selected banks. Consequently, a number of questions and responses are considered from both questionnaires 'A' and 'B'. The analysis is done based on these responses.

The responses to Oral interviews conducted by the researcher is also used to throw more light on the applicability of the marketing concept in the general operations of these banks.

4.2 ORAL INTERVIEW

Interviews were conducted in order to gather some additional information which may not have been provided for in the questionnaires or which were ignored. In Diamond

Bank Ltd. (DBL), the administering of these questionnaires and the conduct of the interviews took place in Abuja and Kaduna. The interviews for Nal Merchant Bank (NAL) and Fahimta Community Bank (FCB) were conducted in Kaduna only.

Interviews Conducted.

Basically, the researcher put the selected Banks through the same line of questioning. The questions were related to:

a. The history of the banks

b. The peculiar practices of the banks

c. The major determinants of marketing strategies utilized

d. The services envisaged to meet future challenges

e. The extent to which the marketing impact is generally felt in the banks.

f. The customers of the bank

4.2.1 DIAMOND BANK LIMITED

a. The interviewed staff were asked if DBL operates on a written policy in line with its aims, objectives and functions. The answer was yes to a larger extent. It was further explained that Since DBL is a dynamic organisation, any deviation from set guideline would be at the discretion and responsibility of the Manager.

b. When asked what the basic objective of the bank is, a few added that it was primarily the profit making objective but the majority added that in spite of this fundamental motive, it aspires to become one of the leading international banks in the country and beyond. This therefore infers that the

bank aims at preserving and enhancing its corporate image whilst keeping its customers satisfied.

c. On whether it was the needs of customers and or the action of competition that determined the nature of research and development (R&D) conducted by the bank, About six staff believed that since the bank is a pacesetter in the industry and always seeks better ways of serving customers, the former is the determinant. However, five respondents opine that apart from above, actions and performance of competition in the industry are considerations in R&D.

d. All agreed that there are concentrated efforts on marketing by management and cited examples in new product launches, new products in the offing even-though they refused to expand on the nature of these for confidential reasons.

e. When asked what factors basically determined the marketing strategies employed by the bank at any point in time, the following reasons were given: Increased sales and profit margin of the bank, to cover costs of operations, competition and need for greater market share..

4.2.2 NAL MERCHANT BANK

Since the same line of questioning was administered to selected cases, the answers would be stated accordingly as asked in 4.21.

a. Nal is a highly conservative organisation and so every action / decision is according to set guidelines and procedure

b. Its objective is to remain profitable whilst yielding returns to share holders.

c. Foremostly, the action of competitor determines the nature of R&D. But

then, increased competition has made management look into customer requirements and plan ways to meet these.

d. Interviewed staff commented that the marketing team leaves a lot to be desired. Marketing staff need to be more aggressive and better motivated.

e. Competition, maintaining market share and profit informs the strategies it adopts.

4.2.3 FAHIMTA COMMUNITY BANK (FCB)

a. Since its services are skeletal in scope, the manager says there's hardly any need to deviate from the operational guideline. Also the nature of its service too does not really allow for pragmatism.

b. The objective of the bank is enhancing the development of small scale businesses whilst making profit.

c. The manager stated that since its services are limited to a specific locality, ventures into R&D would be capital intensive. Furthermore its clientele is limited, but with the growth of the bank, R&D into customer requirement will be pursued. Competition too is not applicable in this regard.

d. The marketing efforts are concentrated and since its office is located in the central business area on Waff Road, it has exploited the various businesses therein for patronage of its services.

e. Its marketing strategies are informed by profit making and market share expansion.

4.3 PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

The researcher was able to administer **Questionnaire 'A'** to a total of forty-two (42) staff of the three banks selected for this study. Of these, twenty-five (25) questionnaires were administered to staff of DBL, ten (10) and seven (7) questionnaires were distributed amongst the staff of NAL and FCB respectively. However, only eighteen (18), Seven (7) and six (6) were retrieved from DBL, NAL and FCB accordingly.

This is shown and tabulated below.

	DBL		NAL		FCB	
	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Number of questionnaires issued	25	100	10	100	7	100
Number of questionnaires returned	18	72	7	70	6	85.7
Number not returned	7	28	3	30	1	14.3
% TOTAL		100		100		100

TABLE 4.1: SUMMARY OF STAFF RESPONDENTS IN SELECTED BANKS

*** SOURCE: Questionnaire 'a'; same applies to tables 4.2 through 4.25 unless stated other wise***

The percentage allocations in the table above has been calculated using these formula.

a. $\frac{A}{B} \times 100\%$; b. $\frac{C}{B} \times 100\%$

where; A = Total number of questionnaires returned

B = Total number of questionnaires issued

C = Total number of questionnaires not returned

Applying each formula

for DBL: A = 18; B = 25; C = 7

Therefore, $\frac{A}{B} \times 100\%$

$\frac{18}{25} \times 100\% = 72\%$

also, $\frac{C}{B} \times 100\%$

$\frac{7}{25} \times 100\% = 28\%$

for NAL: A = 7; B = 10; C = 3

Therefore, $\frac{A}{B} \times 100\%$

$\frac{7}{10} \times 100\% = 70\%$

also, $\frac{C}{B} \times 100\%$

$\frac{3}{10} \times 100\% = 30\%$

for FCB: A = 6; B = 7; C = 1

Therefore, $\frac{A}{B} \times 100\%$

$\frac{6}{7} \times 100\% = 85.71\%$

also, $\frac{C}{B} \times 100\%$

$\frac{1}{7} \times 100\% = 14.3\%$

From these calculations, it can be noticed that in DBL 72% of total questionnaires distributed were returned, while 28% were not sent in. For Nal, 70% of same were returned and 30% are yet withheld. Total number of questionnaires returned from Fahimta amounted to 85.72%. While 14.3% were not ready for collection. Please note that the analysis of the responses to Questionnaire 'A' has been based on these percentages.

Also, responses of the staff to questions asked are presented here. An analysis to evaluate the responses is done at the end of each question. In analysing the responses to questions in the questionnaire, the following formula has been used to determine the percentage allocations of each response:

$$\frac{\text{Number of responses}}{\text{Total number of respondents in each bank}} \times 100\%$$

TABLE 4.2: ADEQUACY OF SERVICES PROVIDED (QUESTION 6)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Yes	18	100	3	43	-	
No	-		2	28.5	6	100
Don't Know	-		2	28.5	-	
TOTAL	18	100	7	100	6	100

For DBL and FCB, all respondents as indicated by the table are of the opinion that the services offered are adequate to satisfy customer needs. This is indicative of the fact that Banks could develop new services that would suit customer needs in future. However, responses from Nal staff are varied.

TABLE 4.3: USE OF ADVERTISING AS PROMOTIONAL STRATEGY (QUESTION 10)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Yes	18	100	7	100	6	100
No	-		-		-	
Don't Know	-		-		-	
TOTAL	18	100	7	100	6	100

The table indicates that all cases use advertising to promote their services. There is a 100% positive response to this effect. It is implied that management of these banks are aware of marketing relevance to its operations and service promotion.

TABLE 4.4: MOST EFFECTIVE ADVERTISING MEDIA USED (QUESTION 11)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Radio	-		-		1	17
Television	9	50	3	43	-	
Personal contacts	4	22	1	14	5	83
Newspapers/journals	1	6	2	29	-	
Bill boards	4	22	1	14	-	
Magazines	-		-		-	
Other means	-		-		-	
TOTAL	18	100	7	100	6	100

The table shows that 50 and 43% of respondents from DBL and NAL respectively, choose Television as the most effective means of advertising. As these banks are sited in cities, the TV serves as the fastest reach to the urban populace. Since FCB's service spread is limited to a locality, the most effective medium is through personal contacts. Whatever the case, based on analysis, it is evident that banks now realise the need to reach out to as many potential customers as possible.

TABLE 4.5: EXISTENCE OF A FORMAL MARKETING AND CUSTOMER SERVICE DEPARTMENT (QUESTION 12'a')

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Yes	18	100	7	100	6	100
No	-		-		-	
Don't Know	-		-		-	
TOTAL	18	100	7	100	6	100

The Table indicates that these cases have formal marketing departments to tackle their various marketing requirements/obligations.

TABLE 4.6: THE LEVEL AT WHICH THE MARKETING FUNCTION IS PERFORMED (QUESTION 12'b')

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Head Office	-		2	29	6	100
Regional offices	4	22	-		-	
Areas Offices	-		5	71	-	
Branch Offices	10	56	-		-	
At all levels	4	22	-		-	
TOTAL	18	100	7	100	6	100

The table above shows that 56% of DBL respondents believe that basically the marketing function is done at branch level, while two opinions of 22% each feel this is done at all levels and regional offices respectively. In the case of Nal the marketing function is at the level of h/office and Area office and is to a ratio of 29:71.At FCB, since it has only one branch which is also its head office, the response is 100%.

Upon further investigation, it was realised that marketing guidelines are initiated by management at head office and sent through appropriate channels to branches. This is to enhance the marketing operations of the banks. In essence there exists a correlation between the trend of responses from both banks as regards this. The researcher therefore concludes that in the banks the marketing function is performed at all levels.

TABLE 4.7: CONTRIBUTION OF THE MARKETING FUNCTIONS TO THE SUCCESS OF YOUR BANK (QUESTION 12'c')

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Yes	15	83	7	100	6	100
No	-		-		-	
Don't Know	3	17	-		-	
TOTAL	18	100	7	100	6	100

The data here indicates that all respondents from FCB and NAL agree that marketing serves as a catalyst towards propelling both banks in the achievement of their levels of success. 83% of respondents from DBL hold the same view even though about 17% seem undecided on the impact of the marketing function.

TABLE 4.8: SPECIFIC MARKETING FUNCTIONS PERFORMED IN THE BANKS (QUESTION 13)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Advertising	-		3	43	-	
Public relations	-		-		1	17
Personal selling	5	28	-		4	66
Marketing research	-		-		1	17
Marketing planning	-		-		-	
All of the above	13	72	4	57	-	
TOTAL	18	100	7	100	6	100

The data in the above table indicates that marketing in these banks go beyond mere advertising and spans to encompass Public Relations, Personal selling, Marketing research and market planning.

TABLE 4.9: TARGET CUSTOMERS OF THE BANKS (QUESTION 14)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
High net worth individuals	3	17	-		-	
Corporate bodies	3	17	-		-	
Inst. Investors, Insurance coys	2	11	-		-	
Companies	-		-		-	
Others	-		-		6	100
All of the above	10	55	7	100	-	
TOTAL	18	100	7	100	6	100

The majority of responses from DBL and NAL indicate that Target customers vary from high networth individuals to companies. However in the case of FCB, all respondents unanimously agreed that its target customers deviate from proffered alternatives.

TABLE 4.10: LOCATION OF BANK AS A DETERRENT TO CUSTOMERS (QUES. 15)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Yes	7	39	2	29	-	
No	11	61	5	71	6	100
Don't Know	-		-		-	
TOTAL	18	100	7	100	6	100

The majority of respondents are of the opinion that the present locations of their banks are not deterrent to patronage. On further investigation, it was observed that in a large city where many banks abound, out of necessity rather than preference, most people choose banks based on proximity. This explains why certain banks establish offices in the North, Central and south districts of a city to meet this need.

TABLE 4.11: APPROACHING POTENTIAL CUSTOMERS TO SELL BANKING SERVICES (QUESTION 16'a')

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Yes	18	100	7	100	6	100
No	-		-		-	
TOTAL	18	100	7	100	6	100

TABLE 4.12: LOCATION OF SALE (QUESTION 16'c')

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
In customers office	-		-		-	
In customers home	-		-		-	
All of the above	10	56	7	100	6	100
Others	8	44	-		-	
TOTAL	18	100	7	100	6	100

From both tables above, we can notice that staff are mandated to canvass for patronage wherever and this is done where 'place' is best suited. Question 16'b' seeks to know why

this is done. All responses had bearing on the fact that since banking is service oriented, it is therefore imperative that aggressive, innovative and effective approaches to marketing of banking services be adopted to ensure survival and growth since the industry is highly competitive.

TABLE 4.13: MANNER OF CONDUCT OF RESEARCH INTO CUSTOMER NEEDS AND PROBLEMS (QUESTION 17)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Random sampling of opinions	-		-		-	
Through suggestion boxes	-		-		-	
Personal Interview	-		-		6	100
Use of questionnaires	-		-		-	
All of the above	15	83	7	100	-	
Others	3	17	-		-	
TOTAL	18	100	7	100	6	100

The table presents the various manner management conduct research into customer needs. This depicts a good approach towards the application of the marketing concept.

TABLE 4.14: MOTIVE BEHIND THE CONDUCT OF RESEARCH (QUESTION 18)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Solve customers problems	1	6	-		-	
Improve upon existing services	2	11	-		3	50
Assist management in planning	-		2	29	-	
To create new services	3	17	-		-	
All of the above	12	66	5	71	3	50
Others	-		-		-	
TOTAL	18	100	7	100	6	100

In these cases, the table above shows that marketing research is conducted with the aim of providing better services.

TABLE 4.15: MARKETING STRATEGIES EMPLOYED BY THE BANKS TO ACHIEVE THEIR OBJECTIVES (QUESTION 19)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Consolidation strategy	-		-		-	
Product development strategy	-		-		-	
Diversification strategy	-		-		-	
Market penetration strategy	-		-		-	
Market development strategy	-		-		-	
Use of more than one strategy	18	100	7	100	6	100
TOTAL	18	100	7	100	6	100

From the data in the table above, the cases utilize more than one of the strategies. There was a 100% response in these banks, indicating that they are responsive to the needs of their customers.. This indicates that these banks are dynamic in their operations.

TABLE 4.16: REASONS FOR USING THESE MARKETING STRATEGIES (QUESTION 20'a')

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Increase in sales & profit	-		4	57	4	66
Covering costs of operations	-		-		1	17
Competition	3	17	3	43	1	17
All of the above	15	83	-		-	
TOTAL	18	100	7	100	6	100

TABLE 4.17: EFFECTIVENESS OF THE MARKETING STRATEGIES (QUESTION 20'b')

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Yes	18	100	7	100	6	100
No	-		-		-	
TOTAL	18	100	7	100	6	100

From data in tables 4.16 & 4.17, even-though reasons for the use of strategies are varied, the various marketing strategies are employed to retain market position, expand market share and enhance efficient service.

TABLE 4.18: EXTENT TO WHICH MARKETING PARTICIPATES IN THE PLANNING AND MANAGEMENT OF BANKING OPERATIONS (QUESTION 21)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Very actively	12	67	-		-	
Actively	6	33	2	29	6	100
Fairly actively	-		5	71	-	
Poorly	-		-		-	
TOTAL	18	100	7	100	6	100

Data indicates that the degree of staff participation varies according to the bank and implies management attitude towards this.

TABLE 4.19: NATURE OF CUSTOMER COMPLAINTS (QUESTION 23)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Staff attitude related	5	28	-		-	
Time related	12	66	-		-	
Inadequacy of services	1	6	5	71	6	100
Others	-		2	29	-	
TOTAL	18	100	7	100	6	100

From data shown above, most of the complaints made to DBL is time related. The researcher sought for clarification from staff since it closed to customers at 4pm on working days and even operated on Saturdays. The response was that the hands available for service are

limited in view of the teeming patronage. For NAL & FCB, the majority respondent believe that present service is yet to be adequate.

TABLE 4.20: SEGMENTATION OF CUSTOMERS INTO DISTINCT CATEGORIES (QUESTION 25)

	DB		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Yes	18	100	-		6	100
No	-		4	57	-	
Don't Know	-		3	43	-	
TOTAL	18	100	7	100	6	100

Most respondents agree that it is proper to segment their customers into distinct categories so as to properly identify and serve their needs. This way it is possible for these banks to evolve a systematic; effective approach to penetrate markets with the view of increasing market share.

NAL staff appear to be ignorant of this technique.

TABLE 4.21: RATING OF BANK'S CORPORATE IMAGE (QUESTION 26)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Very high	11	61	-		3	50
High	7	39	1	14	3	50
Average	-		6	86	-	
Poor	-		-		-	
TOTAL	18	100	7	100	6	100

Respondents from these cases rate the corporate image of these Banks as follows: DBL - highly; NAL - averagely; FCB -highly.

TABLE 4.22: CORPORATE IMAGE INFLUENCE ON CUSTOMER PATRONAGE OF BANK (QUESTION 27)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Yes	18	100	5	71	5	83
No	-		-		-	
Don't Know	-		2	29	1	17
TOTAL	18	100	7	100	6	100

Majority respondents believe that their respective banks enjoy impressive customer patronage due to the image both banks have been able to create and its ability to survive in the highly competitive industry.

TABLE 4.23: · GIVING CORPORATE GIFT ITEMS AS A MARKETING TECHNIQUE

(QUESTION 29)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Yes	18	100	7	100	-	
No	-		-		6	100
TOTAL	18	100	7	100	6	100

From data provided as shown above, DBL & NAL give customized gift items to customers and are thus marketing their-selves. In investigations as to why FCB does not do same, it was discovered that related issues has been provided for in its next financial year.

TABLE 4.24: PRESENCE OF SOCIALLY RESPONSIBLE CULTURE IN THE BANK

(QUESTION 31)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Yes	18	100	7	100	-	
No	-		-		6	100
TOTAL	18	100	7	100	6	100

Social responsibility is gaining grounds amongst organisations. In DBL & NAL, going by provided data, have adopted this culture. However, FCB is yet to imbibe social responsibility.

TABLE 4.25: MONITOR OF DEGREE OF CUSTOMERS SATISFACTION (QUESTION 32)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Through questionnaires	3	17	-		-	
Suggestion boxes	2	11	-		-	
Customers' interviews	2	11	5	71	6	100
All of the above	11	61	2	29	-	
TOTAL	18	100	7	100	6	100

The data shown above reveals that these case studies use various methods in the attempt to ascertain the degree of customer satisfaction.

Responses to Questionnaire 'B'

Sixty (60) copies of questionnaire B, were distributed amongst customers of case studies. Of these forty (40) were administered to DBL branches in Kaduna & Abuja, twenty (20) each to NAL and FCB respectively. The researcher was able to retrieve 30 questionnaires from DBL, 14 from NAL and 16 from FCB respectively.

TABLE 4.26: SUMMARY OF CUSTOMER RESPONDENTS IN THESE BANKS

	DBL		NAL		FCB	
	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Number of questionnaires issued	40	100	20	100	20	100
Number of questionnaires returned	30	75	14	70	16	85.7
Number not returned	10	25	6	30	4	14.3
% TOTAL		100		100		100

*** SOURCE: Questionnaire 'b'; same applies to tables 4.27 through 4.36 unless stated other wise***

The percentage allocations in the table above, has been calculated using these formula:

a. $\frac{A}{B} \times 100\%$; b. $\frac{C}{B} \times 100\%$

where; A = Total number of questionnaires returned

B = Total number of questionnaires issued

C = Total number of questionnaires not returned

*The application of the above formula is as shown in questionnaire 'A'.

This questionnaire contains thirteen questions. The responses of customers of these banks to these questions are presented below. An analysis follows the accompanying data to each question. The formula used to allocate percentage weights to the responses of questionnaire 'B' is given below:

$$\frac{\text{Number of responses}}{\text{Total number of respondents in each bank}} \times 100\%$$

The application of this formula is also as applied in Questionnaire 'A'.

TABLE 4.27: AGE GROUPS OF CUSTOMERS (QUESTION 1)

(Responses)	DBL		NAL		FCB	
AGE GROUP	RESPONDENTS	%	RESPOND.	%	RESPON.	%
15 - 20	-		-		-	
21 - 25	6	20	-		-	
26 - 30	10	33	1	7	1	6
31 - 40	12	40	9	64	12	75
41 and above	2	7	4	29	3	19
TOTAL	30	100	14	100	16	100

The table reveals that majority of customers in these cases fall between the 31-40 age range. 40% for DBL, 64% for NAL and 75% for FCB. All these information will help the banks to adequately segment their market and conduct research to determine services that would satisfy each age bracket.

TABLE 4.28: OCCUPATION OF CUSTOMERS (QUESTION 2)

(RESPONSES)	DBL		NAL		FCB	
OCCUPATION	RESPONDENTS	%	RESPOND.	%	RESPON.	%
White-collar job	14	47	-		-	
Company executive	-		6	43	-	
Business man	10	33	4	29	3	19
Trader	-		-		4	25
Student	1	3	-		-	
Civil-servant	-		3	21	-	
Self- employed	5	17	1	7	6	37
Others	-		-		3	19
TOTAL	30	100	14	100	16	100

The table above indicates that the majority of DBL customers work in formal offices and (operate current accounts) and is here represented by 47%. The next ranking percentage allocations are businessmen represented by 33%.

For NAL and FCB, the greatest patronage come from company executive and self employed individuals respectively. This information will also aid the Banks' management in segmenting their customers.

TABLE 4.29: KNOWLEDGE OF EXISTENCE OF BANKS (QUESTION 3)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Advertisement	15	50	4	29	3	19
Bank Staff	8	26	2	14	6	37
Other Customers	5	17	8	57	4	25
Another Bank	2	7	-		3	19
TOTAL	30	100	14	100	16	100

From the data, majority of respondents form DBL got to know about the Bank through advertisement programmes.. For NAL, same was through customer recommendation and in FCB, it was mostly through bank staff.

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TABLE 4.30: KIND OF SERVICE PATRONISED BY CUSTOMERS (QUESTION 4a')

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Saving account	3	10	-		3	19
Current account	14	47	-		10	62
Deposit account	3	10	3	21	-	
Foreign exchange transactions	-		-		-	
More than one service	10	33	11	79	3	19
TOTAL	30	100	14	100	16	100

As shown above, 47% and 62% of respondents in DBL and FCB operated current accounts.

In NAL about 79% patronized more than one service. The respondents in DBL indicated that 33% patronized more than one service.

TABLE 4.31: REASONS FOR CUSTOMERS' PATRONAGE (QUESTION 4b')

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Quality / quickness of service	3	10	9	64	2	13
Honesty & reliability of staff	3	10	-		-	
Cordial relationship	-		-		4	25
Proximity to house/ office	8	27	-		-	
Personalised service	6	20	5	36	-	
All of the above	10	33	-		10	63
TOTAL	30	100	14	100	16	100

The data reveals that reasons for DBL patronage are varied. In NAL, quality and quickness of service accounts for 64% while in FCB, most respondents believe all options have been determinants to patronage.

TABLE 4.32:RATING OF THE BANK'S SERVICES (QUESTION 5)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Excellent	-		-		6	37.5
Very good	4	13	9	64	6	37.5
Good	15	50	5	36	4	25
Fair	11	37	-		-	
Poor	-		-		-	
TOTAL	30	100	14	100	16	100

From the given data, it can be observed that majority of customers rated DBL services as good and about 37% rated same as fair. The services of FCB and NAL are rated highly. This is possible because of the high degree of reliability and confidence placed on them by their customers.

TABLE 4.33: DURATION OF STAY IN THE BANK (QUESTION 6)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Below 30 mins	3	10	10	71	16	100
30 - 40 "	12	40	4	29	-	
40 - 1 hour	5	17	-		-	
1 hr - 11/2 hrs	10	33	-		-	
Above 2 houts	-		-		-	
TOTAL	30	100	14	100	16	100

The table indicates that well over 50% of respondents spend more than 40mins awaiting service in DBL. Investigations revealed that most of these people handle bulk cash transactions hence the long wait. Quick service is a plus to NAL and FCB, this is represented by 71% and 100% respectively. It should be noted that these two banks serve fewer persons.

TABLE 4.34: RATING OF ATTITUDE OF BANK STAFF (QUESTION 8'a')

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Highly satisfactory	-		11	79	10	62
Satisfactory	10	33	3	21	6	38
Fairly satisfactory	14	47	-		-	
Dissatisfactory	6	20	-		-	
TOTAL	30	100	14	100	16	100

TABLE 4.35: REASONS FOR THE RATINGS OF BANK STAFF (QUESTION 8'b')

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Quality & quickness of service	7	23	8	57	5	31
Cordial staff-customer relations	8	27	6	43	7	44
Preference of some customers	-		-		-	
Excess bureaucratic process	-		-		3	19
Unfriendly staff	12	40	-		-	
Inadequate on-the-job training	-		-		-	
Honesty and staff capability	-		-		1	6
No comments	3	10	-		-	
TOTAL	30	100	14	100	16	100

Indications from tables above reveal the ratings of Bank staff attitudes. 40% of DBL rating is attributed to unfriendly staff, 57% for NAL is accounted for by quality and quickness of service while FCB owes its highest rating to cordial staff-customer relationship.

TABLE 4.36: SUGGESTIONS ON VARIOUS WAYS THESE BANKS COULD STILL IMPROVE UPON EXISTING SERVICES (QUESTION 12)

	DBL		NAL		FCB	
RESPONSES	RESPONDENTS	%	RESPOND.	%	RESPON.	%
Salary increase& promotion	-		-		3	19
Improved advert on services	-		-		-	
Editing of old services	6	20	4	29	2	12
Computerization of services	-		-		3	
Research into customer needs	24	80	10	71	-	
Employment of graduate staff	-		-		2	12
All of the above	-		-		6	38
TOTAL	30	100	14	100	16	100

Looking at the table, it can be observed that all banks have agreed that for there to be better service, indicated suggestions should be implemented.

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4.4 TEST OF HYPOTHESES

Deductive reasoning would be used to test the availability or otherwise of the stated working hypothesis in chapter 1.6. The researcher would attempt to do this within the context of the data analysed and collected from the case studies. Therefore, the responses to the research questions would be used to draw inferences about the stated hypotheses. "*The first working hypothesis states that marketing tools and*

techniques are not applicable to the banking business as they are to the operations of other businesses where tangible goods are produced." Marketing tools and techniques include Advertising, Sales promotion, marketing research, marketing planning, Personal selling, Public relations, market segmentation etc.

However, from the responses to Questionnaire 'A', it can be inferred that marketing tools and techniques are evidently applicable to banking operations. Responses to question 10 clearly indicates that advertising is used as a promotional strategy by these cases, to promote their products / services. Also, responses to question 16'b' further emphasized that aggressive, innovative and effective marketing of banking services ensure the survival and growth of the banks. This indicates that the respondents agree that marketing tools and techniques are applicable to banking operations. Responses to question 16'c' indicates a positive response that various marketing functions in the banks have contributed enormously, to the level of success attained in the selected banks.

From, the afore mentioned trend of responses, the researcher therefore draws inferences using deductive reasoning.

Conclusion

Reject the working hypothesis (Ho)

Accept the alternative hypothesis (Hi)

"*The second working hypothesis states that Banks are yet to fully comprehend the marketing concept as it relates to the provisions of financial service nor has it been integrated* in their banking business".

With reference to questionnaire 'A' again, we can induce from the responses to question 17 and 18 that selected cases conduct marketing research with the view to solve customers problems, improve their existing services, create new services as well as, assist management in general planning. These activities help in the shaping of the organisation's future. The conduct of marketing research into customers' needs and problems indicate that these banks have attempted to improve the quality of their services and by implication create more impact on their customers. Responses to question 21 reveals that in banks, the extent to which marketing participates in the planning and management of banking operations is quite considerable.

In questionnaire 'B', we can see that the bulk of customers are satisfied with the quality of services provided by these banks, signifying that these banks have integrated the marketing concept in their operations.

Conclusion

Reject the working hypothesis

Accept the alternative hypothesis

"The third working hypothesis states that the marketing strategies adopted by these banks have not been effective in ensuring the increase in the level of customer patronage. It was earlier stated in chapter two that the process of formulating and choosing marketing strategies to be used by marketing management must be closely related to the overall corporate objectives. Responses to question 19 in questionnaire 'A' reveal that these banks all use more than one strategy. On the effectiveness of these strategies as in question 20'b', there is a 100% affirmative that these strategies

adopted, have resulted in better service delivery.

Conclusion

Reject the working hypothesis

Accept the alternative hypothesis

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2. Ibid
3. Ibid

5.1 CONCLUSION

To conclude this study on the marketing practices of successful Banks in Nigeria: a case study of three selected banks, it is important to ensure the continued growth of customer patronage. This can be enhanced based on the introduction of customer oriented and innovative services which accrue either at attaching more deposits or at relaxing problems being encountered in the use of cheque as money transmission mechanism.

Banking is a highly competitive industry; each bank is always doing either of these: striving to maintain its market share or working towards expanding same. It therefore follows that nothing should be left to chance/ nor should any indications be taken for granted. Therefore lapses in customer service, planning etc. should be investigated and nipped in the bud. This is necessary because since the selected banks had been able to withstand the harsh economic situation and survived the recent financial crash, they should be adequately braced to meet challenges of the times.

The researcher further adds that the banks under study, have been able to disprove the working hypothesis stated earlier in chapter one.

As service organisations, adopted strategies should be unique and innovative to their peculiar operating environment and should never lose sight of this focus. - 'a high performance sales culture is dependent on a strong service culture. Customer

satisfaction and retention are critical to increased market share and individual customer profitability"[1]

5.2 RECOMMENDATIONS

In the light of the findings discussed in chapter four and the conclusions drawn in the preceding section, the researcher wishes to recommend the following to help Nigerian Banks especially DBL, NAL and FCB remained viable despite various challenges.

1. In view of fierce competition, these banks should constantly and periodically review their marketing policies. These can become obsolete hence the necessity of editing them with a view of equipping same to meet incumbent challenges.
2. Even-though the use of sophisticated technology has been synonymous with dynamic Banking (as with DBL and NAL), they still face 'system link down' problem due to our poor trunks which paralyses any form of assessing the computerized accounts. Chief executives of banks should collectively seek Government approval to establish their satellite links instead of depending solely on Nitel.
3. Most customers have a propensity for savings rather than investing. The cash value-dating system incurs costs rather than gains to the customer based on the banks cash handling charges. This is a major customer complaint. Hence advisory services should be rendered in order to avert these costs: and financial and management advisory services should also be given.

4. Branches of each bank should develop a strategic marketing plan to suit its circumstances / environment within the guidelines of head office and staff should be educated accordingly. This, on the one hand will make the implementation of strategies more effective, and on the other hand lay a firm foundation for the application of the marketing concept in their branches.

5. Cash management economy contributes greatly to long waiting hours in the bank. Most bank staff supervise this but then contracting the services of tellers for cash and investing in the purchase of automated teller machines for cash dispensing and related services would be to the advantage of management.

6. There are noticeable lapses in banks' staff behaviour. Some could be actually unfriendly and unhelpful to customers. Management would have to re-orientate staff with the view of maintaining a calm and friendly disposition when serving customers. It should be noted that 'a lost sale, can never be regained'.

7. Periodical research should be carried out in customer satisfaction. This will enable the banks gauge the impact of their products and determine whether they be consolidated, modified or withdrawn.

8. Banks should invest more in manpower development since this promotes service quality and excellence. Furthermore, even though some banks have introduced healthy competition amongst staff, merely having one's photo displayed on the notice board as 'best staff of the month', would do little to motivate the other staff, unless there is an attractive added incentive which would enhance keen competition.

9. These banks should segment their markets at branch levels in order to effectively assess their banks risk diversification. This would guide the local management to de-emphasize those segments that are not profitable in order to consolidate on profitable segments.

10. During certain peak service time, queues are inevitable, therefore banks should make contingency arrangement to manage this situation by creating additional facilities to accommodate customers-in-waiting.

11. Adequate customer orientation would lessen serving time and hence banks should design brochures listing products and services they render and should be made readily available to all current customers and prospective customers desirous of opening Accounts.

12. Investments are usually stereotype and therefore diversifying into real estate holds a lot of opportunities apart from merely increasing the quality and quantities of housing. Leasing also holds investment opportunities for the banks.

13. Banks should provide adequate facilities for customers' comfort in its premises. This would relax them while waiting to be attended to.

14. Banking is about personal service. For a bank to succeed under this harsh times, bank staff can do a lot in making the customers feel at home, secured and protected with their resources.

15. Lastly, Banks should invest in the research and Audit of every facet of its operation, in order to determine loopholes and fend off any impending dangers.

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Appendix (i)

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Appendix (ii)

Department of Business Administration,
Institute of Administration,
Ahmadu Bello University,
Kongo Campus,
Zaria, Kaduna State.

April 19, 1999.

Dear Respondent,

A research is being conducted on "The Marketing Practices of Successful Banks in Nigeria, a study of some selected Banks in Kaduna".

This research is strictly an academic exercise being part of the requirements for the fulfilment of the award of a Masters Degree in Business Administration, of Ahmadu Bello University, Zaria. The objective of the research is to help in the development and improvement of financial services in the country.

It is, therefore hoped that, you will provide the required information to facilitate the achievement of this objective. The information you provide will be treated with utmost confidentiality and it will be used strictly for the purpose of this study.

Thank you in anticipation of your cooperation.

Yours sincerely,

Ndo B. Antia
(Researcher)

encls.

Appendix (iii)

QUESTIONNAIRE 'A' (for staff)

Please fill in appropriately and tick accordingly where necessary.

SECTION A - BANK PROFILE

1. *Name of Bank* ----------

2. *Location and address of head office* ----------

3. *Location of branch office* ----------

4. *Number of branches nationwide* ----------

SECTION B - SERVICES RENDERED

5. *Kindly enumerate the services rendered to the public by your bank.*

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6. *Do you think these services are capable of satisfying all actual and potential customers of your bank?*

   Yes ( ) No ( )

7. *If no, do you think editing your services would enhance customer satisfaction?*

   Yes ( ) No ( )

8. a. *Which of your services attract the greatest customer patronage?*

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   b. *Why?* ----------

SECTION C - APPLICATION OF THE MARKETING CONCEPT

9. *Does your Bank use advertising promotional strategies to sell its services?*
   Yes ( ) No ( )

10. *If your Bank uses advertising, which of the medium does it consider most effective?*

Radio	( )	*Television*	( )
Personal contacts	( )	*Newspaper/Journals*	( )
Billboards	( )	*Magazines*	( )

11a. *Does your Bank have a Marketing Department?*
   Yes ( ) No ( )

b. *If your answer to 11a is Yes, at what organizational level is the marketing function performed?*

Head Office	( )
Regional Office	( )
Area Offices	( )
Branch Offices	( )

c. *Do you think performing the marketing function has contributed significantly to the success of your bank?*
   Yes ( ) No ( )

12. *What specific functions do your marketing activities perform?*

Advertising	( )
Public Relations	( )
Personal Selling	( )
Marketing Research	( )
Marketing Planning	( )
All of the above	( )

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13. *Who are your target customers?*

High net worth Individuals	( )
Corporate bodies	( )
Inst. Investors, Insurance Companies. etc.	( )
Companies	( )
All of the above	( )
Others	( )

14. *Do you think the location of your bank is a deterrent to customers and could cause a diversion in patronage?*
   Yes ( ) No ( ) Don't Know ( )

15a. *Do you think Banks should visit potential customers with the aim of selling banking services to them?*
   Yes ( ) No ( )

b. *Please, explain why* ----------

c. *If your answer to 15a is Yes, where should your bank carry out this function?*
   In the customers offices ( )

In the customers homes ( )

Other places (specify) ----------

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16. *Does your bank conduct research into customer needs and problems - in what ways?*

Random sampling of opinions	( )
Through suggestion boxes	( )
Personal interview	( )
Use of questionnaires	( )
All of the above	( )

Other ways specify ----------

17. *What is the motive behind this research by your bank?*

To solve customers problems	( )
To improve upon existing services	( )
To assist management in planning	( )
To create new services	( )
All of the above	( )

18. *Choose the marketing strategies adopted by your bank in achieving its objectives from the list below?*

Consolidation strategy	( )
Product development strategy	( )
Diversification strategy	( )
Market penetration strategy	( )
Market development strategy	( )
Use of more than one strategy	( )

19a. *What informed the use of these strategies?*

Increase of sales and profit margin	( )
Covering costs of operations	( )
Competition	( )
All of the above	( )
None of the above	( )

b. *Any other reason (specify)* ----------

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20. *Have these marketing strategies been effective in ensuring the increase in the level of customer patronage?*

Yes ( ) No ( ) Don't Know ( )

21. *To what extent does marketing participate in the planning and management of the bank's activities?*

Very actively ( )
Partly actively ( )
Actively ( )
Poorly ( )

22. *Do you think marketing tools and techniques are applicable to Banking as they are to the business that produce tangible goods?* ----------

SECTION D - SUNDRY INFORMATION

What is the nature of complaints from customers?
Staff-attitude related ( )
Time related ( )
Inadequacy of services provided ( )

Other (specify) ----------

24. *How can these problems be resolved or minimized?* ----------

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25. *Does your Bank segment customers into distinct categories?*
Yes ( ) No ( ) Don't Know ( )

26. *How do you rate the image of your Bank in the community*
Very high ( )
High ( )
Average ( )
Low ( )

27. *Do you think your corporate image influences customer patronage?*
Yes ( ) No ( ) Don't Know ( )

28. *How do you rate the performance of your Bank in the Industry?* ----------

29. *Does the Bank give any form of corporate gifts to its customers?*
Yes ( ) No ( )

30. *Does the Bank contribute to the welfare of the society?*
Yes ( ) No ( ) Don't Know ( )

If yes, in which of the following ways:
Education eg. Scholarships, Donations of books etc. ( )
Healthcare ( )
Sports ( )
Sponsorship of media programmes ( )
All of the above ( )

Any other ways (specify) ----------

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31. *How does the public know of your social responsibility?*

Advertisement	( )
Public enlightenment campaigns	( )
Lectures and Symposia	( )

Other (specify) ----------

32. *How does the Bank monitor the degree of satisfaction of its customers?*

Through questionnaires	( )
Suggestion box	( )
Customer interview	( )
All of the above	( )

Others (specify) ----------

33. *In what ways and in which areas do you think the Bank can improve on its existing services?*

Appendix (iv)

QUESTIONNAIRE 'B' (for customer)

Kindly answer the following questions and tick where necessary.

1. *What age group do you belong?*
   - *15-20 years* ( )
   - *21-25 years* ( )
   - *26-30 years* ( )
   - *31-40 years* ( )
   - *41 and above* ( )

2. *What occupational group do you fall into?*
   - *White - collar job* ( )
   - *Company executive* ( )
   - *Business man* ( )
   - *Trader* ( )
   - *Student* ( )
   - *Civil servant* ( )
   - *Self-employe* ( )
   - *Others* ( )

3. *How did you learn of the Banks existence?*
   - *Advertisement* ( )
   - *Other customers* ( )
   - *Through Bank staff* ( )
   - *Another Bank* ( )

4a. *Which of the Bank's services do you patronize?*
   - *Savings account* ( )
   - *Current account* ( )
   - *Deposit account* ( )
   - *Foreign exchange transactions* ( )
   - *I patronize more than one service* ( )

4b. *Why do you patronize these services?*
   - *Quality and quickness of service* ( )
   - *Honesty and reliability of bank staff* ( )
   - *Cordial staff/customer relationship* ( )
   - *Patronized service* ( )
   - *Proximity to house/office* ( )
   - *Personalized service* ( )
   - *All of the above* ( )
   - *None of the above* ( )

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5. *How do you rate the Banks services?*
   - *Excellent* ( )
   - *Very good* ( )
   - *Good* ( )
   - *Fair* ( )
   - *Poor* ( )

6. *On the average, how long do you await the completion of your transaction in the Bank?*
   - *Below 20 minutes* ( )
   - *30-40 minutes* ( )
   - *40-1hour* ( )

1hour to 1 1/2 hours ( )
Above 2hours ( )

7. *Do you operate accounts in other Banks?*
Yes ( ) No ( )

8a. *How do you rate the attitude of the banks staff?*
Very satisfactory ( )
Satisfactory ( )
Fairly satisfactory ( )
Dissatisfactory ( )

8b. *What are your reasons?*
Quality and quickness of services ( )
Cordial staff-customer relationship ( )
Preferential treatment of some customers ( )
Unnecessary bureaucratic procedure ( )
Unfriendly staff ( )
Inadequate on-the-job training ( )
Honesty and capability of staff ( )
No accounts ( )

9. *How often do you receive your statements of account from the bank?*
Very regularly ( )
Regularly ( )
Often ( )
Once in a while ( )
Never ( )

10. *Have you ever received any from of corporate gift from the Bank?*
Yes ( ) No ( )

11. *Have you ever enjoyed any credit facility from the Bank?*
Yes ( ) No ( )

12. *Please suggest ways in which you think the bank can improve upon its existing services?*
Intensive and extensive training staff ( )
Improved and advertisement of new and old services ( )
Editing of old services ( )
Increase of staff salaries ( )
Computerization of services ( )
Intensive research into customers needs ( )
Employment of graduate staff ( )
All of the Above ( )

13. *Do you think there are other ways the Bank can serve you better?*
Yes ( ) No ( )

If yes, please (specify) _____

_____