THE MARKETING OF BANKING SERVICES IN THE CURRENT COMPETITIVE ENVIRONMENT.

A CASE STUDY OF HABIB NIGERIA BANK LTD.

PRESENTED BY
KURU LAWAN AHMED
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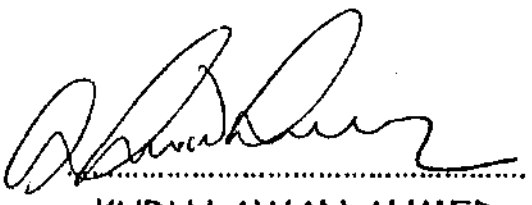
DEPARTMENT OF BUSINESS ADMINISTRATION
FACULTY OF ADMINISTRATION
INSTITUTE OF ADMINISTRATION
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DECLARATION

I hereby declare that this project titled, THE MARKETING OF BANKING SERVICES IN THE CURRENT COMPETITIVE ENVIRONMENT.A CASE STUDY OF HABIB NIGERIA BANK.

Has been written by me and the product of my effort. The best of my knowledge, no one has done a similar work at the time this project was being conducted. That all the sources of information not original to the study have been duly acknowledged by way of references.

17-10-99
DATE



KURU LAWAN AHMED

CERTIFICATION

This project entitled THE MARKETING OF BANKING SERVICES IN THE CURRENT COMPETITIVE ENVIRONMENT.
A CASE STUDY OF HABIB NIGERIA BANK LIMITED by KURU AHMED LAWAN meets the regulation governing the award of the degree of Master of Business Administration (M.B.A) of Ahmadu Bello University Zaria, and is approved for its contribution to knowledge and literary presentation.

A. B. AKPAN ..... 25/1/2000 .....
INTERNAL EXAMINER — DATE

..... 17/07/2000 .....
EXTERNAL EXAMINER — DATE
Professor Usman A. Zahradeen.

..... 5/10/00 .....
HEAD OF DEPARTMENT — DATE

..... 18/2/02 .....
DEAN, POSTGRADUATE SCOOL — DATE

DEDICATION

I dedicate this project to those men and women that have pursue the MBA Programme together with their other commitments/engagement. It is difficult and demanding task. It is one thing to be reading as a means of livelihood and another is pursuit of academic advancement. And it is more difficult where the pursue for means of livelihood supercedes the urge for academic advancement.

It is also difficult for those you leave at Home every Friday afternoon, who look forward for your return on Saturday evening.

ACKNOWLEDGEMENT

It is not usually easy to acknowledge the contributions of those that made the project possible. But I will appreciate the contributions of Beyioku Kolawole who has encouraged me all along. Also my gratification goes to my supervisor, who partakingly perused through the manuscript with me and guided me appropriately. Of course my regards goes to my wife for excusing me every Fridays and Saturdays.

My colleague in the Office, Aisha Sheriff, who generously processed the papers for me without any formof stress deserve my special commendation.

ABSTRACT

In a dynamic and ever changing world, the socio-economic setting distastes a responsive pattern.

Money, plays much vital role than it has ever done in recent times. Investment in response to opportunities and the risk involved demand that business return over and above any amount invested. Therefore, products and services invested into must be efficiently and effectively marketed to ensure such profitable return. This also involves the investment in the financial sector/institution of the economy.

Marketing in the Banking Industry has therefore taken a sophistication and competitiveness that demand so much in terms of quality services from the Banks.

This study looks at the marketing [demand and supply] of such services in the present competitive setting.

It therefore studies the various marketing ethics and principles for formulation and adopting suitable competitive strategies.

In then addresses such factors as they are applied and. applicable in Habib Nigeria Bank Limited. The essence is to make suggestions and recommendations that will ensure improved customers and prospective customers patronage.

Apart from the literature review in chapter two, it has therefore made an analysis of the marketing system of the Bank in chapter four using the methodology in chapter three.

Finally, it went into summary of its findings, conclusion and recommendations based on its overall study.

At the end of this study, a contribution may have been made in the Banking Services as it involves Habib Nigeria Bank Limited in the current competitive environment.

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CHAPTER ONE

1:1 INTRODUCTION

The banking environment of today is so competitive that it no longer gives room for an armchair banking operation. In the 70's and the 80's one could count the number of banking institutions on one's fingers. Then the market was regarded as given. All that the banks did was just to make their services available to the public. The public that had been waiting for such services would go miles to avail itself of the opportunity provided by the banks. It can be thus said that there was virtually no competition.

However the story is no longer the same in the 90's. As we entered this decade, many banks had sprung up and competition had become stiffer. With this crisis that rocked the industry, many banks were liquidated while a few surviving ones are under serious threats of losing their customers.

The Nigerian banking environment can also be said to be witnessing, now, more than ever before, an increasing competitive drive towards a customer oriented market. More and more diversified services are being introduced to meet not just the wants and the needs of the consumer, but also their taste and preferences.

A product from the view of the consumer is a package of benefits or satisfaction; people do not just want financial services they want benefits from them. However banks face the problem of making these services clear. This, thus, calls for marketing activities.

The institute of bankers (1982) has defined marketing, as `the scientific reconciling of customer needs with the capabilities of the supplier or producer, so that there is a mutual satisfaction'. The responsibilities of marketing mainly are customer satisfaction, resource allocation, demand stimulation and direction, and providing distributive channels.

However, there is a new thinking in market referred to as the marketing concept. This according to Kotler (1997) "is a management orientation that holds that the key task of the organization is to determine the needs and wants of target markets and to adapt the organization to delivering the desired satisfactions more effectively than its competitors". The success of any banking institution in the next millennium depends, to a large extent, on the organizations ability to correctly determine and identify the needs of the target market, and to provide services that will meet and satisfy these needs. This calls for market (survey) research. This research can be categorized into

retail banking research, corporate banking research, and inter-bank research. To be successful in satisfying customer wants, banks must be aware of the basic mechanism behind customer wants, and to be able to meet both their current and anticipated needs.

For, in the marketing concept activity, the customer is the focus. He begins the activity as well as concludes it. It is the humble belief of this research that this concept is what the banks in Nigeria need to survive and continue to exist healthy.

1:2 STATEMENT OF PROBLEMS

The growth in any industry is predicated upon the quality of the product provided for customers and the acceptance and application of the products by the consumers. The bid to meet the expectations of the consumers by various participants in the industry gives rise to competition. With competition many products/services are striving for the attention and resources of the consumers.

The present level of competition in the banking industry calls for strategies that will win the customers over. For any bank to survive and have a substantial share of the market, it must be able to properly, and profitably too, market its products.

The usefulness of marketing activities to stimulate, maintain, and increase customers' perception of banks and banking services cannot be over emphasized. Any enterprise that chooses to remain in business does so by continually responding to the changing needs and desires of both current and prospective customers. No bank can now afford to operate at the armchair banking level as proliferation is bringing renewed competition. Many banks have failed, many have gone distress, and many are still failing and going distress, as they not only fail to attract new customers but also lose the existing ones. It is, thus time to act.

1:3 SIGNIFICANCE OF THE STUDY

The situation in the banking industry invariably affects the economy of the nation as a whole. If it persists more damage will be done. The inability of the industry to give the required financial support for the industrial growth of the nation coupled with the erosion of public confidence points to the fact that something needs to be fast.

The significance of the study therefore lies in the fact that the findings and the suggestions and recommendations arising therefore will be of immense benefit to all players in the banking industry. The research will also open avenues for other researchers and students who might be interested in the area.

1:4 OBJECTIVES OF THE STUDY

The world is indeed fast becoming a global village. As we approach anew millennium, the whole world is now technologically sensitive. Businesses as are being transacted through the Internet in a matter of minutes. Banks too are not left out of the techno-economical advancement. With the European countries entering the next century with their adoption of a common currency, the banks now have a greater challenge of meeting both local and international demands of their customers.

Nigeria cannot afford to be ignorant of these developments. If Nigerian banks cannot compete with others in the developed world, they must, at least, be able to competitively provide services that will satisfactorily meet the yearnings of the local people. This argument cannot be less true as it is the bedrock upon which the continous existence of the banks depends.

1. The objectives of this study, therefore, are mainly to examine how well Habib Nigeria Bank Ltd are providing services that will satisfy the needs of their customers. What services are Limited they actually providing?
2. What the other services they can render to these customers? The aim is to see that other things being equal, if the banks, taking both internal and external environment

into consideration, are employing proper marketing programmes.

1.5 SCOPE AND LIMITATION OF THE STUDY

The study is based on marketing activities as employed in the Banking Industry. Since services as in Banking does not abhor marketing effort just like manufactured goods, the study will try to examine the various marketing strategies employed by Habib Nigeria Bank Limited.

The focus is on Habib Nigeria Bank Limited. The study does not attempt to do a comparative analysis of Habib Nigeria Bank Ltd. and Bank's in other countries.

Because of the problem of time and finance faced by the researcher, the research will be based on Habib Nigeria Bank Limited Area Office in Kaduna, Kano, Abuja, Lagos and Yola.

1.6 HYPOTHESIS

The following formulated hypothesis relate variable that will be tested for acceptance or rejection.

The result, it is believed will result in problem - solving decisions.

1. HO: Strategic marketing activities do not lead to higher profit for an organization.

HI: Strategic marketing activities lead to higher profit for an organization.

2. HO: Healthy competition amongst Banks does not lead to better quality service

HI: Healthy competition amongst Bank lead to better quality service.

3. HO: Adequate training of staff will not yield better results than automation.

HI: Adequate training of staff will yield better results than automation.

1.7 DEFINITION OF TERMS

Generally, words or terms are subject to many interpretations, however, the following terms will imply the definition given to each of them.

1. **Advertising:-** The process of informing others of the existence and availability of a product and of creating a demand for product.

   "Advertising is any form of non-personal presentation of goods and service, or ideas for action openly paid for by an identified sponsor".

2. **Action Evaluation:-** Is a form of learning.
3. **Competition:-** A market condition where there are very large numbers of producers of a good who serve very large numbers of consumers. No producer or consumer controls price.
4. **Consumer Products:-** Goods sold to and used by the ultimate consumer.
5. **Effectiveness:-** The extent to which an organization given certain resources and means, achieves it objectives without placing undue strain on its members.

6. **Efficiency:-** The extent to which an organization maximizes output of goods or services with given inputs of resources.
7. **Management as People:-** The managerial group within the Bank organization.
8. **Management as a process:-** The process by which managers create, direct, maintain and operate purposive organizations through coordinated, cooperative human effort.
9. **Marketing Mix:-** Combining product, pricing, distribution channels and promotion in the sale and distribution of goods.
10. **Market Segmentation:-**The process of dividing the market into homogenous sub-markets with similar needs, so that the attributes of a product or service may be designed to meet their needs with precision.
11. **Perception:-** Interpreted stimuli
12. **Profit:-** The excess of revenue over expenditure.
13. **Profitability:-** The maximization of the profit of a business or minimization of the loss by making use of the best business alternative.

2:1 WHAT IS MARKETING?

The purpose of any organization lies outside the organization i.e. the main corporate objective of the firm is to serve the society or its market profitably. From onset, there existed the confirmed belief that no individual or organization is economically self-sufficient in the long run. And specialization in production and the exchange of goods and services produced becomes inevitable. This led to the emergence of marketing.

The American Market Association (1984) defines marketing as "business activities involved in directing the flow of goods and services from producers to consumers to users".

The institution of marketing defined marketing as the management function involved in assessing and converting customer's purchasing power into effective demand for a specific goods and services. And in moving the product or service to the final consumers or users, so as to achieve the profit target or other objective set by the company. This definition can be regarded as all embracing, but due to the dynamic nature of the subject, various but similar definitions have emerged with time.

Nwankwo, G.O. (1980) defines marketing as "a management process which identifies, anticipates and satisfies consumer requirements profitably"! He states that in marketing, the focus

is on the customer, for without a total commitment to him on the part of the company as a whole, the application of advanced marketing techniques can have limited and brief effects. Therefore there is a relationship existing between marketing and management process i.e. the management of a company plays an invaluable role in the marketing process. From his definition, the producer must first identify the customer's need before he can satisfy the customer at a profit to himself. In marketing, it is erroneous to regard the profit-making goal as the central purpose of the business. For it is possible to run a business without a profit for a time, it is not possible for a business to survive for one day without a customer. Nwanko G.O. then concluded that customers are the central theme of any business, and that the management must realize that begins and ends with the customer. Without the support of the customer the business will collapse.

McCarthy E.J. (1979) subdivided marketing into two definitions via micro and macro levels. Micro marketing is defined as "the performance of activities, which seeks to accomplish a firm's objectives by anticipating customer's needs and directing a flow of need-satisfying goods and services from producers to customers". While macro marketing is "a social process which direct an economy's flow of goods and services from producers to

consumers in a way which effectively matches supply and demand, and accomplishes the objectives of the society".[2]

The two definitions differ in that the first definition focuses on the activities of the individual form, while the second pays attention to the economic welfare of the society. In macro marketing, it is believed that marketing should begin with a customer not a production process. Marketing should lay emphasis on what to be produced, at what price, when and how the products are to be advertised and sold.

Therefore, marketing should provide direction for various management functions like accounting, production, planning e.t.c. In the macro marketing, attention is placed on how the economic system works and this largely depends on the societal goals. In all, economic and political system, the macro level objective is the same: to create goods and services and make them available when and where they are needed to maintain or improve each nation's output.

To further define marketing, Stanton W.J. (1978) used the system definition i.e. "Marketing is the creation and delivery of a standard of living". He further stated that marketing involves the following:

[1] Finding out what the customer's needs are;

[2] Then planning and developing a product or service that will satisfy those wants;

[3] And then determining the best way to price, promote and distribute these products or services.

Stanton then formally defined marketing as the total system of business activities designed to plan, price, promote and distribute wants-satisfying goods and services to present and potential customer.[3]

Eyre. E. C (1975) describes marketing as ``the function that identifies the needs of the buying public, assesses the extent of these needs and endeavor to satisfy them in the most effective and profitable way''. He believes that marketing differs from selling, in that it embraces every activity required to find customers for, introduced, inform about, create a desire for and actually supply the goods and services an organization provides. Therefore, selling is only one facet of marketing which involves the effort of finding the actual customers and then persuading them actually to buy.[4]

H, R. Light (1974) also sees marketing as "a function which assesses customer needs, and then satisfies them by creating an effective demand for, and providing the goods and services

at a profit". Light believes that any organization should be market oriented i.e. the firm must find out what the customer will buy or can be persuade to buy, then make it and sell it at a profit. The definition further states that the firm must endeavor to research on market and products, so as to produce the right time and at the right price, and to direct sales effort to the most profitable areas in order to secure the maximum volume of sales at the minimum cost.[5]

From the above similar definitions of marketing is indeed to link producers and customers. Effective marketing means delivery of the goods and services that consumers need and want them at the right time in the right place and at a price they willing to pay.

2:2 THE MARKETING CONCEPT

Marketing concept can be regarded as the attitude of the cooperation or organization towards sustaining the marketing. This means that the firm should see the customer as it's reason for existence and all corporate objectives should be summarized as consumer satisfaction.

In a broader sense, "marketing concept is a new philosophy of business which states that the customers want satisfaction is the

economic and social justification for a firms existence. Therefore all company activities must be devoted to finding out what the customer wants are, and then satisfying these what while still, making a profit over long run".[6]

Marketing-Management can be regarded as marketing concept in action. The concept further calls for changing the firm's ways of doing things i. e. instead of trying to get customers to buy what the firm has produced, a market oriented firm would try to produce what customers want. In other words, marketing orientation has now replaced the production orientation.

The process of marketing is concerned with markets environment, which changes unpredictably with time. It is the responsibility of the marketing management to anticipate and adapt to changes that are beyond the control of the firm by initiating changes that is within its control. What marketing concept is all about is adapting to external changes with internal change to continue to satisfy customers profitably.

The main features of marketing concept can be deduced from the above discussion as follows:

[a] Customer-orientation or marketing-orientation in all aspects of organization and operation.

[b] Subordination of department goals to the company's overall goals.

[c] Integrated marketing i. e. all marketing mix are coordinated to achieve organizational goal.

[d] Customer satisfaction as a long-term objection of the firm.

[e] Organizational goal satisfaction of profit making.

Marketing concept is also an aggressive philosophy; it is more offensive in its operation than being defensive. It is not only important for organization to do things right, it is also important for them to find the right thing 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.[7]

To look at marketing concept practically, McIver and Naylor (1972) see marketing as follows:

[a] The study of the attitudes and needs of the different categories of customers' on whom its business depends.

[b] Seeking to identify those customers needs which it is capable of identifying from its own acquirable resources.

[c] Seeking the most cost-effective way of satisfying customers' need at a profit to itself.

[d] Seeking to anticipate and react to changes.

[e] Recognizing the obligation to observe the moral and legal standard of the community to which it belongs.[8]

Marketing concept as applied to the banking industry is a relatively new philosophy, because in the early 1960's bank marketing was restricted to advertising and public relations. The drive towards effective marketing has gingered by various factors e.g. lowered margin of profit, increased competition from within and outside the banking industry, industrial development coupled with high rate of demand for funds, increasing population with rising standard of living, consumerism and social responsibility e. t. c. therefore, the bank marketing concept can be defined as the determination of the financial needs and wants of the bank customers and the delivery of the desired satisfaction more effectively and efficiently than it's competitors.

Also Berry and Capaldini (1975) defined bank marketing concept as " the part of management activities that seeks to direct the flow of the bank services profitably to selected customers.[9]

The concept has now taught the banking industry to be more aggressive than before. As Mr. L. C. Mather has said `` more than ever before, the bank manager, supported by his branch team, will have to be marketer ever on his toes to produce new business for the entire family group". The stiff competition among Nigerian banks for a good slice of the market recently tends to bear witness to the above quotation. There is a deliberate drive towards customer acquisition, and a systematic customer based product development approach is fast emerging in the banking sector.[10]

For marketing concept to be effective, the following factors stated by Cross and Hempel (1980), must be highly considered:

[a] Acceptance of the marketing concept at the top and through out the entire organization.

[b] Integration and coordination of aspects of marketing, goals must be set and long range plans made, so that the elements of marketing reinforce on one another.

[c] And adequate budgeting support for the utilization of skilled professional executives and the implementation of reasonable and community relation programme.[11]

Finally, in the context of banking, the marketing concept means recognizing that a bank cannot sell its services unless those services have been developed so as to satisfy the needs of certain customers in the market. To satisfy these needs, a bank must therefore have a good look at who it's customers are or what new customers it would like to attract, what the needs and wants of those customers are, and then finding ways of providing services to meet them. Which, properly marketed, will earn a profit for the bank.

The marketing concept is generally based on the view that:

[a] Customers can be divided into groups or market segments according to their needs and wants.

[b] Customers in a market segment will buy the goods and services that come closest to satisfying these needs and wants.

[c] An organization must research markets, identify market segments, choose target markets and develop marketing programmes for them.[12]

2:3 MARKETING OF COMMERCIAL BANKING SERVICES

The marketing of financial services in Nigeria is a recent development and its vital role in the Nigerian banking industry cannot be underestimated. According to Sir Seebohm "the word marketing takes the banker straight from his parlour into the role of barrow boy.

Marketing is a part of management activities, which involves all staff of the banking system. The negative perception that only the marketing manager is involved in the bank marketing process is misleading the participation of all staff from top level to bottom level is very essential. And, therefore marketing takes place each time there is interaction between the bank through its staff and their customers in term of creating and delivering wants satisfying financial services to the customer at a profit itself. The marketability of any bank services is greatly affected by the attitude of their staff toward their customers.

We can therefore define marketing of banking services as identifying and stimulating demand for the banks services; meeting that demand by making available the banking services in the most effective manner to present and potential customers; and achieving the profit and other objectives related to the

identification, stimulation and satisfaction of demand for the bank services.[13]

What are the marketable commercial banking services in the Nigeria environment?

These are the various banking services offered by the banks, which include:

1. **Deposit collection through:**
   [a] Savings account, which is, interest bearing and repayable on demand.
   [b] Current account, which now bears interest, and is repayment on demand by means of a cheque.
   [c] Fixed deposit account, which is also interest bearing but at a definite future date.
2. Provision of credit to customers, in form of loan, overdraft, advance, bill discounting, leasing acceptance of bills, bonds and guarantees etc.
3. Money transmission services: cheque, cheque card, credit transfer, direct debit, standing order, banking draft, certified cheque, mail transfer, telegraphic transfer etc.
4. Provision of financial services: tax administration, stock exchange services, insurance services, investment advise,

business advisory services, status enquiry, safe custody, administration of wills etc.

5. Foreign services, travelers' cheque, foreign currency, foreign draft, mail transfer, telegraphic transfer, letter of credit, bills of collection and international settlement.

Some of these services are not available in Nigeria, while most of those available are grossly underdeveloped thus creating appreciable divergence between the standard of services available to a bank customer in Nigeria and elsewhere in the world.[14]

It should be emphasized that, the need to market effectively all the afore-mentioned services was not felt for a long time by the Nigerian banking sector. This was largely due to the fact that, until recently, inactive marketing and armchair banking characterized the banking environment. And a seller's market existed for long i.e. a situation where `` the producer (bank) care not a hoot about who buys, why and how. Consumer orientation is virtually non-existent in his business attitude" (Stanley Chukwuma, 1988).

There was the general belief by the banker that the customers will keep coming, irrespective of the quality and quantity of the services rendered to them. Therefore the bankers made the

customers to have the impression that they were privileged to enjoy the financial services of the bank.

The traditional view was summed up long ago by George Rae "... it is for its customer to come to a bank, and not for the bank to go to them, the manager has to be as much a furniture in the office during the business hours of every business day, as the office desks or the bank counter".[15]

Furthermore, the era of inactive marketing was witnessed because of the non-heterogeneous nature of the banking services, the customers cannot adequately evaluate the standard and quality of services provided by the banks. Also, the absence or lack of competition from within and outside the banking industry up to the late 1970's has further aided the dormant marketing techniques adopted by banks. As at 1950, it is on record that only three supra-territorial banks and a few indigenous banks were in existence, and other non-bank financial intermediaries were playing an insignificant role in the financial and economic development of Nigeria. Folusho Olalusi (1985) then conclude that ``the bankers seem to perceive themselves as a financial messiah of the customers whereas the banks thrive on the pocket of savings by the customers. Because of this messianic

self-perception, the internal policies of the banks are made to override the customer needs.

The market situation has surprisingly changed recently, and the need for an effective marketing of banking is now being felt more than ever before. These changes can be attributed to the following:

Firstly, the deregulation of the banking system by the past military government in line with the structural adjustment programme (SAP). The main aim of this measure is to reduce regulatory controls in the banking environment in order to enhance competition. This as far as the commercial banks are concerned, is a revolution - a transformation from the state of passive and quite marketing of services in a sellers' market to a more active and purposefully aggressive consumer oriented market. Customers can now happily say "gone are the days when banks waited for business. The banks have now learnt the hard way that to survive and prosper, they must adapt to changes that takes place in their environment, because only a consumer-oriented bank can survive this "trying period".

Secondly, the competition within and outside the banking industry is an increasing threat. The recent entry into the market of many new licensed banks including merchant banks and new financial

institutions has created a stiffer competitive environment. The numbers of banks in the country has risen geometrically in recent times from eight banks with 160 branches in 1958 to49 banks with 1510 branches in December 1981. And to date there banks with more to be licensed.[16] Also some people especially the rural dwellers are preferred the informal market, because credit is easily obtainable and that a cordial personal relationship exists between the debtor and the creditor. Therefore, the various banks must improve on their marketing of services in order to capture a reasonable size of the market.

Thirdly, a substantial amount of funds is outside the banking system in Nigeria. There exists a high percentage currency outside the bank in relation to the total money supply. "In Nigeria this is over 50% compared with 10% in some developed countries such as United Kingdom and the United States.[17]

Therefore, the bank through its improved marketing strategies must strive to get more deposits and create more credits in order to increase economic growth and development.

Fourthly, ours is a developing economy, and the banking industry is bound to be affected by the social, technological and political changes in the years ahead.

New opportunities, challenges as well as threats will emerge. It is only the dynamic banker, the bank that moves with time, a go-getter, that will survive and be able to meet these diverse but competing priorities.

And lastly, the "Never do good" image of the bank is perceived by majority of the public as discouraging. There is an urgent need to redeem this bad image through an effective marketing and improving bank services.

It is worthy of note that recently, commercial banks are now adopting the marketing concept approach to their respective financial services and new products or schemes are being developed.

In the case of Habib Nigeria Bank Limited, the bank can be said to have beaten all comers to the game of "innovation banking". From the "untouchable" scheme of interest yielding current account which is tagged "Habib High Interest Current Account" (H.H.I.C.A) and "Non-Interest Based Banking" which is the pioneer of this product within the banking sector in the country. The bank's objectives is to introduce and maintain a banking style with a difference in Nigeria and develop a sound bank with branch network in all the states of the federation and the Federal Capital Territory, Abuja.

[1] Provide financial and technical assistance to the public and private sector organizations within the framework of the government of Nigeria's plan and policies.

[2] Mobilize deposits by encouraging savings through the introduction of effective banking services and effective advertising programme.

With these background, Habib Nigeria Bank Limited went into full range retail banking services tailored to the needs of all categories of customers, emphasizing services and professionalism with a difference.

The main thrust of Habib Nigeria Bank Limited philosophy is the provision of quality service with emphasis on the enhancement of social morals, but also on the need to be responsive to the requirements and aspirations of the communities in which it serves.[18]

Finally, other banks inform customers of their continued existence by using "old ways" i.e. advertisement in newspapers, radio and television.

In Nigeria, banks in marketing their services use various tools. These include:

[1] Advertisements through electronics and print media i.e. television, radio, daily-newspaper, periodicals and journals, handbills, dairies and calendars, posters e.t.c.

[2] Using slogans i.e. chosen words to give precise information about the bank e. g. The bank with a difference, this is the case of Habib Nigeria Bank Limited.

[3] Provision of a marketing department that oversees the marketing of the banks services e.g. In the case of Habib Nigeria Bank is the assistant general manager credit and marketing.

[4] Training of staff on the job and in training school to be more courteous and efficient in rendering services to the customers. Encouragement is also provided in order to improve personnel skill and banking educational background.

[5] Sponsoring of programmes on television e.g. the Nigerian Television Authority's programme "newsline" has a Savannah Bank presence and also the popular 30 minutes television comedy, New Masquerade is being sponsored by Universal Trust Bank (U.T.B).

[6] Opening of branches in the rural areas, the rural banking scheme has further helped in this direction.

[7] Making of periodical visits to old, new and prospective customers.

[8] The recently building of impressive and beautiful edifice by various banks as head offices can also serve as a marketing technique e.g. Habib Nigeria Bank Limited's Musa Yar'adua House.

In conclusion, the overall objective of bank marketing must always be customer satisfaction as a basis for the bank's profit maximisation, growth and expansion.

2:4 THE PROCESS OF BANK MARKETING AND MARKETING MIX

For a successful bank marketing to occur, there must be a specially planned marketing process otherwise the notion of an effective marketing activities might be an illusion. The process of effective marketing can be examined as follows:

1. Market segmentation.
2. Profitable target marketing.
3. Market research.
4. Market planning.
5. Product planning and the product life cycle.

6. Test marketing.

7. The marketing mix- product, place, promotion and price.

[a] Market segmentation: The concept of market segmentation is based on the notion that different groups of potential customers have their own characteristic needs and wants. And so a special variation of a basic product or service, or a new product or service might be the best way of winning their custom.

According to Philip Kotler in his book "Marketing management", he defines market segmentation as "the subdividing of a market into homogenous subsets of customers, where any subset may conceivably be j selected as a target market to be reached with a distinct market mix". For a truly market oriented firm, the knowledge of the characteristics of the market where it operates must be known, so as to aid effective market planning.

The market for banking services is divided into two distinct categories; the personal and corporate customers. Each segment can be further sub-categorised i.e. the personal customers can be

segmented into age groups, income levels, social class, marital status, geographical location e.t.c. While the corporate customers can be segmented further into small scale business, medium scale business and large-scale business or importers, exporters and domestic traders. Therefore, segmentation analysis may be used to influence decision about how many and what types of products and services are needed to satisfy different demands. Alternatively, it is used to plan different ways of selling the same product or service.[19]

Finally, the essence of market segmentation to the banker is as follows:

1. The bank can make adjustments to their products or services, which give amore direct appeal, by satisfying customers' needs specifically.
2. The bank is able to discover and develop market opportunities more readily.
3. The bank develop a marketing plan and programme with a better perception of how distinct segments of the market will respond to their programme.

[b] Profitable target marketing: this is the act of selecting a particular segment of the market, to be researched and developed by the bank at a profit. It is worthy note, that for the development of a particular segment of the market to be worthwhile, there should be an element of profit making potentials from the target market. The expected benefits or returns from the development of the target market must be able to cover the cost incurred adequately i.e. at a profit to the firm.

"The choice of target markets by a bank and it's decision about developing a service more energetically or cutting a service will depend on the profitability of the service. Profits depend on market demand, the price at which services can be sold, their cost and competition from other banks and organizations."[20]

[c] **Market research**: market research is the systematic and objective search for analysis of information to guide, managers in marketing, planning and problem solving.[21] It is through market research that the estimates of the market share and market potential are derived. Market share is the ratio of the

company's sales to the total industry sales on either an actual or potential basis. Market share is synonymous with market penetration. While market potential refers to the expected combined sales volume for all sellers of that product during a stated period of time in a given market. Since the banks operate in an uncertain environment, an effective market research will help provide, analyze and interpret a flow of vital information about the market in whish the market is operating or about to attempt to operate. Therefore, all management and marketing decisions are made with the real knowledge and understanding of facts, hence future marketing activities can be profitably directed at a specified market. Marketing research also serves as an effective communication channel between the market and the Bank.

The basic three elements of marketing research are:

[i] Market segmentation i.e. describing each market the Bank is trying to serve.

[ii] Evaluation of marketing programme by ascertaining the extent to which the customers

needs are satisfied by the programme developed by the marketing department.

[iii] Measuring the results of the marketing techniques in a quantitiable term e.g. how well has a specific Bank product or service performed? Has the market share of the Bank increased or been maintained? Is the Bank in line with the overall long-term goals and objectives?

There are several ways in which market research information can be obtained, but these can be classified into two main categories,

1. **The Desk Research:** This involves the use and analysis of existing sources of information and statistics e.g. published data, government statistics and the use of directories. But much information is generated from the Bank's own data files, examples of these are the total number of accounts held with the Bank, the analysis of the different type of accounts held with the Bank, the analysis of the different type of accounts [current, savings, deposit high interest time deposit etc.] The type of existing customer and

the current profitability of each service and each segment etc.

This type of research does not involve going into the "field" to obtain further data it is normally performed by Bank's own staff.

2. **The Survey Research Of Field Research:** Involves the collection of new information by means of personal interviews, telephone interviews with samples of people and or companies, and also postal survey i.e. by asking respondents to complete and return a questionnaire.

In Banking Industry, the survey research can be categorised thus:

[i] **Retail Banking Research:** This is principally concerned with finding out the needs, habits and attitudes of personal customers and other users of retail Banking Services.

[ii] **Corporate Banking Research:** is also concerned with finding out about needs, habits and attitudes of corporate customers to Bank Financial Services.

[d] **Marketing Planning:** The marketing planning function is required to cut across all and sundry in the organization i.e. it should run from top to bottom of an organisation's management structure.

Therefore, all managers should be involve in planning and or executing of marketing plans or strategies at one level or another.

"Marketing planning would include the development of long range programmes for the major ingredients in the marketing mix - the product, the placement, the pricing structure and the promotional activities"[22]

It involves setting of Board Corporate goals over the long run and then developing long-range strategies to achieve these goals. The corporate goals then become the framework within which department or divisional plans are developed. In marketing planning, attention must be devoted to financial requirements, production goals manpower needs, research and development efforts and also the determination of market targets and marketing programmes.

This process of marketing planning include the following steps:

[i] A situation analysis. The Bank Management must make a through analysis of the company's existing situation. It's markets, it's competition, the product, the distribution channels and the promotional programmes. Therefore, the management must study the threats and opportunities that appear to be facing the company, it must also consider the current strengths and weaknesses within the organisation, that might be relevant to marketing.

[ii] Identifying the objectives and goals of the company, division, product market strategy or functional group. And also the management must ensure that the goals and objectives of each group are perfectly in line with the organisations.

[iii] Periodic evaluation of the operating result i.e. implementation of plans must be monitored, actual result measured and compared with the stated plan, and control action taken as appropriate. As it has been stated earlier, availability of financial resources is a determining factor for successful Bank Marketing. Therefore, the total amount of expenditure on

marketing at a point in time must be ascertained, and the allocation of marketing expenditure made between services and importantly, the efficiency with which the Bank's marketing managers use the fund at their disposal will determine the success of failure of the marketing plans.

And finally, training programmes for staff are essential part of marketing planning. Since they will be able to make their own contribution towards putting the plans into successful operation. The Bank staff should be able to promote services through courteous and quick rendering of financial services to customers. In Nigeria, it is unfortunate that most of the Bank's staff are yet to appreciate the doctrine of the customer's supremacy.

Accordingly, to Olashore Oladele [1985], many Bank officials adopt the outlook of overloads even to the customers that bring business to them. Discourtesy to customers has become the norm in some Banking Institutions. For an effective marketing planning, such afore-mentioned situation can be avoided by introducing

training schemes that will help the staff to work in line with the organisational marketing goals.

Most of the Nigerian Banks have training school e.g. Habib Nigeria Bank Limited, UBA, UBN Training school etc. Moreso, on the job training are employed to improve and develop the skills of the staff.

[e] **Product Planning and the Product Life Cycle:** Market planning for a product or service could be likened to an adage that "what goes up must come down". Every product or service is believed to have a life cycle, with at least four stages as follows:

[i] Introduction, this is when the product or service is first introduced into the market it will not be profitable at first, since market demand will take time to build up.

[ii] Growth, this is when the product begins to make profit with increasing sales.

[iii] Maturity, when profit and sales steady down after the period of growth. This stage is the largest part of the life cycle of many successful products or services, since most of the profits are earned during this period.

[iv] The declining period or stage, the relevance of the life cycle analysis for planning is that a company must have a sufficient number of products at each stage in their life cycle to ensure a continuity of succession. A Bank must replace declining services with new services, if it wishes to achieve it's target for growth and profitability.[23]

[f] **Test Marketing:** It involves the sampling of a selected group of customers in order to derive some comments and suggestions on a newly developed product or services in a specified area. Test marketing enables the Bank to find out how well a product or services will find favour with customers, e.g. how many customers might use the service and what modifications can be made to the service. The test area should as much as possible be a representative of the total market in terms of advertising media and sales outlets.

[g] **Marketing Mix:** The marketing mix consist of the combination of activities selected to achieve the marketing goals. This include the allocation of

resources to each activity simply put, it is the number and types of services which a Bank makes available to customers at a point in time. The definition of marketing mix as a four classifications called to "4p's" was popularised by E. Jerome Mccarthy. The "4p's" are product place, promotion and price. The important feature of marketing mix is that every item in it is subject to the control and manipulation by management. And it is very vital in the planning and implementation of decision about, price, promotion and place, e.g. what services are needed by the customers need them? How do we persuade customers to use them? What is the right price? Where do we sell them?

Therefore the four P's are very essential in the marketing planning process.

2.5 COMPETITION AND SYSTEMS DYNAMICS

Darwin in his paper "The origin of the species" [November 1959] observed that the basic principles of competitive systems have been around us for all to observe since the beginning of time, and

yet few except the general attempt to understand competition as a system.

There are more than adequate data to provide a testable and verifiable conceptual framework capable of integrating all that are known about competition and business competition.

With his work on socio-biology, Wilson [1977] raised our insight into the dynamics of competitive system by arguing that there is no reason to think of business competitive system as different in any fundamental way from other biological competition. This implies that the basic principles of competition are as universal as the laws of physical sciences are universal.

On his own, Henderson [1983] postulate that "the success of any marketing strategy depends on the strength of the competitive analysis on which it is based. He added that there is no logic or conceptual framework that serves as the basis of understanding the consequences of potential alternatives for interventions into a dynamic system".

The characteristics of competitive dynamics require that each of the competitors be uniquely different, and the interface with each competitor must be stabilized. Initially to stabilize the competitive segments frontier or line of equal advantage can lead to a collapse of the competitive segment. Just as the techniques

of system dynamic analysis in the physical sciences have reached a high order of competence, business competitive system analysis requires the same sophistication in an equally complex system.

It needs, therefore, be noted that the most visible evidence of our future progress will be our increasingly ability to integrate the concept of competitive system dynamics in order to derive the marketing tactics from the firms strategy.

2.6 THE DIFFERENT VIEWS AND APPROACHES ON BANK MARKETING

There are various view and approaches to Bank marketing but selected views of some certain authors will be looked into in this study.

Accordingly to sir, F. Seebohm, marketing of Banking Services can be described as follows:

[i] Identifying present and future markets for services;

[ii] Selecting which markets to serve and identifying customer needs within them;

[iii] Setting long and short-term goals for the progress of existing and new services;

[iv] Managing the services so as to persuade customers to use them at a profit, and controlling our success in so doing.

He then concluded that the determination of the marketing strategy is the function of the Chief Executive, whose responsibility it is to see that the Bank is always properly placed in the Business environment. And that, the survival of Banks as individual and as industry, depends on the management at all levels being market oriented. The Bank must decide what customers want and provide them with the services they want.

Ajayi, I.B. view the approach to bank marketing from a different direction. He believes that marketing and efficiency are very vital issues in Nigeria banking industry. He looked at marketing of bank service form the following perspectives;

- The provision of arrangement for orderliness at banks.
- Efficiency in the performance of basic tasks such as cashing a cheque. Note that to cash a cheque in any bank in Nigeria takes an unnecessary long period.
- The need to speed up the process of intra-city and inter-city clearing of cheques.
- Provision of basic information on customer accounts.
- The training of staff to be courteous and effective in rendering services to the customers.

In effect, he recommended that for a successful marketing of bank services to take place, the commitment at all levels must be involved. It must be restricted to a single management function i.e. marketing department. Every member of staff from lower level to top level management must realize the importance of bank marketing and how they can help to make it effective to the advantage of the organization.

I.B. Ajayi, then concluded that the quality, effectiveness and good face to face selling of financial services rendered by bank are vital factors for successful marketing.

And finally, accordingly to Nwankwo, G.O. the customers of the bank must be placed in the forefront of the corporate thinking, since the survival of the whole business lies on the customer's patronage. He stated that effective marketing implies the following:

[i] The forward thinking followed by forward action i.e. identifying and anticipating, which involves courageous decision taking. It also involves the determination of good image projection to the customer and the public at large.

[ii] A total company audit to identify areas of strengths and weaknesses, should be embarked upon, to determine areas where to specialize and where not to.

[iii] The Bank should endeavour to segment the market, this will enable groups of customers with similar interest to be identified and suitable services that will satisfy their want developed.

[iv] And lastly, effective marketing implies providing the right service at the right time at the right price to the right customers in the right place.

This further mentioned that the starting point of marketing is the need identification. Once the need of the customer has been identified, the bank will be able to develop a product or service that will suit this customer's need at a profit to the bank. He then stated that the banking environment is a dynamic one, and therefore, the banker must always be on his toes scouting the environment to see whether it's service is still satisfying the customer's need or there are changes in the demand for their financial services.

Nwankwo, G.O. then concluded that "with the marketing approach, the bank no longer see itself as offering traveller's cheques or safe deposits, but as marketing security, no longer as issuing cheque books or credit cards but as facilitating cash requirements; and no longer offering loans but enabling customers to satisfy their wants and needs today instead of waiting till tomorrow when they would have saved enough"

2.7 THE CONSTRAINTS TO EFFECTIVE BANK MARKETING IN NIGERIA

Are Banks in Nigeria marketing their financial services to the customers effectively? Accordingly, it should be noted that the marketing objective of satisfying customers needs is yet to be achieved through banks in Nigeria. This ascertain may be largely due to the problems been encountered daily by the banks in their efforts to market their financial services.

The following are some of the problems or constraints facing the Bank's marketing efforts.

1. **Level of Technologies Advancement**: The slow and inefficient services rendered by banks can be attributed to the labour intensive nature of banking in Nigeria.

Since most of the works are mostly done manually by bank's workers. In the advanced countries, the use of computer has aided the delivery of quick and efficient service to banks customers. Fortunately, there have recently been an increase in the use of computers by banks in Nigeria. Though, the use of computers will surely help raise the volume of bank's business and also reduce delay, it has some limitations. The technological environment in Nigeria does not permit the efficient use of computer, e.g. if the computer breaks down, it is always very difficult to repair it, because the required computer experts and technicians are not too available. Also, the cost of these computer is very high, making it very impossible for some banks to invest in them. There is need for the banks to invest more in the use of necessary computers that can directly help improve the quality of bank's financial services.

2. **Level of Iliteracy:** The high level of illiteracy in Nigeria has been an impediment to effective marketing of services. The "unbanked" illiterate public do not see any good in saving their excess money in the bank, they prefer to keep it under their "pillows" at home. Also, these people are not

aware of the benefits can be derived from making business with the bank.

The effect of advertisement, promotion of existing services and introducing of new schemes are insignificant since the illiterate customers and public are in different to all these bank's efforts, most banks find it highly difficult to establish branches in the rural areas due to the numerous problems faced by the bank.

The bank should endeavour to educate the rural dwellers, even in their local languages, about the benefits of using the banks. More advertisement and promotional activities must embarked upon and incentives created to lure these 'unbanked' public to make businesses with the bank.

3. **Manpower Problem:** Virtually all banks in Nigeria are in greater need of qualified and skilled people to man strategic positions but unfortunately more of semi-skilled and unskilled manpower are available. This situation accounts for the inproper or wrong planning and decision making in the banking sector. The banks should intensify on special training programmes for their staff, and more qualified people should be recruited. This will enhance and improve the ability of the banks to market their service.

4. **Problem of Frauds Increase in Banks:** The alarming increase of frauds in bank,s ability of marketing their services adequately. These fraud include, forging of customer's signatures in order to withdraw illegally from the accounts, the receiving of bribes by bank managers in order to grant loans and advances for viable project i.e. 10 percent syndrome, the high rate of arbitrary provision for bad debts and also the collaboration by bank's staff and customers to perfectly defraud the bank. The level of dishonestly among the bank staff and customers is now high, hereby making it riskier for the bank to market it's services.

   The bank must therefore devise means to curb the increase of the fraudulent practices.

   The banking industry needs to purge itself of bad eggs, and any staff or customer caught involving in any of these acts should be made to face the music i.e. court trial which might eventually lead to jail sentence.

5. **The Quality of Services:** Due to the intangible nature of banking services, sound performance and rendering of bank services denotes the quality of the services. And this quality incorporates all the following:

[i] The attitude of the bank's staff to their customers;

[ii] The rendering of quick and efficient services to customers:

[iii] The reliability of the bank's staff to perform their;

[iv] The provision of a conducive banking environment etc.

Accordingly to Anderson Cox and Fulcher, one of the problems associated with the development of marketing in bank has been the delicate subject of staff attitude. In most banks, discourtesy by bank's staff to the bank's customer is the order of the day. Also the conservative attitude and lack of innovation on the part of the bank has contributed a lot to the inefficient services rendered by the banks. The classical economists have identified cumbersome banking procedure as one of the reasons why people prefer avoiding the bank.

Also, the banks staff have limited knowledge of crowd control. Visiting banks on pay days or around public holidays can be dehumanizing. And going to the banks can mean foregoing a day or two days job.

To solve those problems stated, the staff should be educated and trained to improve their attitude towards customers, better and quicker services should be provided

and comfortable banking atmosphere provided e.g. fully airconditioned banking hall and some music while you wait.

6. **The Control by the Monetary Authority and the Institutional Framework:** Have also, served as a limitation to bank marketing. The monetary policy guide lines do effect the bank operations. Liquidity and cash ratio to be maintained by the banks are prescribed, also the sectoral allocation of credits to the preferred and less preferred sector is still in force. Fortunately enough, the deregulation of the interest rates by the government has now given banks the guidelines to follow in determine the interest rate on deposits and lendings.

   The control of the banking sector by the monetary authority is unavailable, since ours is a developing economy, degree of financial repression must be envisaged.

7. **The Inability to Mobilise Adequate Fund:** In Nigeria, less than fifty percent of the money supply lies inside the banking sector. Since the activities of the informal markets and non-bank financial intermediaries tend to overshadow the banks in some areas especially the rural areas. This problem has made it impossible for banks to perform their role of intermediating between the deficit and surplus unit

of the economy effectively. This is because adequate funds are not available to meet all needs of customers e.g. for loans and advances.

8. **Communication Gap Within and Outside the Banks**: The role of all staff in marketing of service is very essential. But often, there are different perceptions of the bank marketing programme by the staff, some are even ignorant of what in the marketing process. In effect, the ability of the staff to market existing or new services to customers effectively is doubted e.g. explaining the benefit of a new scheme to the customer.

The role of all staff in marketing of service is very essential. But often, there are different perceptions of the bank marketing programme by the staff, some are even ignorant of what in the marketing process. In effect, the ability of the staff to market existing or new services to customers effectively is doubted, e.g. explaining the benefit of a new scheme to the customer.

The bank must make the staff to know their respective role in the marketing process, and a compulsory training of all staff on marketing of financial services will go a long way in solving the problem of communication gap.

9. Other constraints are:

[i] The economic condition of a country i.e. during boom there will be increase in banking activities. And during recession low banking activities will be witnessed.

[ii] The socio-cultural environment also influences bank's marketing. This has to do with the attitude of the people towards borrowing, spending and saving. Because of the dynamic nature of the environment, the bank must be up-to-date and must adapt to every changes, this will be reflected in the innovative seal of the banking providing new services or improving on the existing ones.

[iii] Lastly, the public impression of banks in Nigeria is that of a "black sheep".. According to Kene Okafor [1988] "The banks are every ready to maximise profit without giving us much to the benevolent economy that nurtures their growth" . Also Professor Yusuf commented that while in other countries the banks make it a duty to their customer in locating profitable avenue. In Nigeria, the banks have turned themselves virtually into blood-socking vampire.

The banks must gear up to better the image in the site of the public, otherwise this will continue to pose a problem to a successful bank marketing in Nigeria.

2.8 MEETING THE CHALLENGES OF CUSTOMER SERVICE IN THE ERA OF GLOBALISATION

Globalisation, as defined by Dicken [1992] is a more advanced and complex form of internationalisation which implies a degree of functional integration of internationally dispersed economic activities.

Globalisation is therefore, predicated on the commonality of customers tastes and preferences, resulting in an inescapable standardization of tangible/intangible products and the integration of trade and finance. This standard has become the frame of reference in the making of economic decisions by companies worldwide. Banking institutions are actively involved in this new tendency to resolve to a common identity in a unipolar world.

The Nigerian financial market is replete with examples of banking service internationalization. However, the ability of Nigerian banks to meet globalization requirements will be dictated largely by the degree to which they can challenge traditional assumptions

and old processes; identify the toughest global competitive standards and measure their performance against those standards. Ultimately, innovative ideas will then be stimulated to offer invaluable perspective in customer service.

However, it should be noted that internationlisation of banking service of effective customer service delivery can be driven only by technology and the desire to sustain corporate growth and development.

For Nigerian banks to cope with the competitive pressures of globalisation, they must embark on a customer rediscovery expedition by seeking answers to the following questions:

[1] How will customers' expectation be exceeded by ensuring consistency of performance and dependability.

[2] How will banking service be produced right the first time?

[3] How will timelincss of service as well as employee willingness to serve be ascertained?

[4] How will banks ensure that their staff possess the required skills and knowledge to perform?

[5] How will it be ensured that bank's customer relations officers are polite, respectful, considerate and friendly?

[6] How will trustworthiness, honestly and believability be communicated?

[7] How will the service be explained with the assurance that any variation from customer perception will be adjusted?

[8] How will banks cope pro-actively with contemporary quality service improvements and initiatives in a borderless world of international competition?

Answers to these questions are encapsulated within the context of customer service strategy. Importantly, these are four steps in developing a customer service strategy.

[i] **Identify service segment**: What are the key components of customer service or seen by customers themselves? What do customers really want as different from a bank's perception of customer needs? What is the relative importance of the service components to customer? How do customers cluster or what are the basis of similarity of service components?

[ii] **Analyse service offerings and customer brackets using the 80/20 Rule:** The basic issue here is that not all customers are equally profitable. Do all products or service offerings portend uniform profitability? Should the higher service be given to the core customers? The enduring question is whether a bank can provide every service to everyone, everywhere, all the time. Is it profitable to do so? Is it strategically feasible or just a passing fancy?

[iii] **Develop the service package:** To compete effectively in any market requires the ability to develop some differential advantages over competing companies and their service offerings clearly, this implies that emphasis should be on those components of the total customer service matrix with the greatest impact on the customer's perceptions. Differing needs of differing service segments should be taken into consideration.

[iv] **Monitoring and controlling customer service strategy:** To effectively manage customer service, a systematic and continuing focus on measurement and

control is essential. A clear understanding for the process required in this regard.

Setting Service Standards

Obviously if service performance is to be controlled, then it must be measured against a set of standards. Ultimately, the only standard to be achieved is 100% conformity to customers' expectations.

For banks to attain excellent customer service a clear and objective understanding of customer expectations is necessary. It is on this premise that banks can actually appreciate the need and the efforts to shape those expectations. It is also important to note that the ultimate measure of performance is how customers see companies. Banks, therefore, must not only monitor these perceptions of performance against their competitors.

This accentuates the need to bench mark transaction processes and not just the outcome of the process. To outperform competitors within the framework of a global competitive environment will require us to look outside the industry and to adopt and adopt best practices from elsewhere. While generalization cannot be made on the impact of globalization, it must be noted that globalization

tends to enhance the competitive edge of the powerful. Banks must be capable of placing themselves on the requisite pedestal that can enable them to drive the abundant advantages from a global economy. In our business, the beginning of corporate death is to be side-stepped from the every busy traffic on the international highway of funds, products and service offerings.

A close look at the recent capitalization of banks suggests that there is need to internationalise operations that conform to global standard. As a consequence to this development, the driving force will definitely be dictated by the ability of banks to remain competitive. There is need to dismantle the current mediocre market performance of banks playing competitive catch of continuously. Instead , better success will be achieved if banks concentrate on re-inventing the rules of competition by developing an operating model that improves faster than the competitors. Although, technology changes in the banking industry have dramatically raised convenience levels, it should be realised that it has also raised customer service expectations.

It is, therefore, imperative that banks begin to employ customer time/needs-based engineering to drive strategy

and serve customers better, rather than relying solely on piecemeal automation. Banks should strive to achieve corporate agility and responsiveness as the arrow head of excellent customer service in a fast evolving local market, which itself will be increasing pressured by exogenously high standards of global finance service market place.[24]

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CHAPTER THREE

3.0 Research Methodology

This chapter deals with methods used in conducting the research, including those for gathering and analyzing the data. In addition, the research population, the sample frame, the sampling method and the sample size for the study are clearly stated.

3.1 Methods of Data Collection

The researcher shall collect both the primary and secondary data. The Secondary data shall be collected through textbooks, journals, reports, old research, works and other relevant materials.

The primary data shall be collected through the use of questionnaire which covers issues bothering on the focus of the research.

3.2 Data Analysis Techniques

At the end of the study, the data collected was analysed using tabulations, percentages and statistical computations [spearman's rank] to support the findings and test the validity of the hypothesis.

3.3 Population of Study

The population of study comprised Abuja, Kaduna, Kano, Lagos and Yola Area Office's of Habib Nigeria Bank Limited. There was no

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discrimination in sex of the sample both male and female was used for the study.

Nevertheless, the population of study has attained a minimum education level of at least Diploma to Master of Business Administration.

Sample and Sampling Design

The units of study were Habib Nigeria Bank Limited Area Offices, and the sample was drawn at the same unit. Twenty Five Questionnaires were distributed.

Each number of questionnaires were issued to each area office at the rate of 5 each for Kaduna, Abuja, Kano, Lagos and Yola. All questionnaire issued were returned.

3.4 ***Constraints***

In carrying out this research, some problems were encountered.

[i] The attitude of the respondents who seemed too busy in providing the required information.

[ii] The twin factor of time and finance formed a serious constraint.

[iii] In addition, because of the tradition of many Nigerian organization to keep certain information secret, and

the problem of storage and retrieval, this study relied heavily on published materials.

3.5 A Brief History of Habib Nigeria Bank Limited

Habib Nigeria Bank Limited was incorporated as a private limited liability company in November 1982. It was granted banking license on 7th March 1983 and commenced operation on 16th May of the same year. The Board is composed of Six [6] Nigerians and Four [4] Pakistanis.

The shareholding ratio is 60 percent to Nigerian investors and 40 percent to Habib Bank Limited, Pakistan.

In 1985 however, and in compliance with the Nigerian Enterprises Promotion Act of 1977, the Nigerian Partners of the venture relinquished 10 percent of their shares to the Nigerian Employees for acquisition under the staff Equity Participation Scheme.

The highlight of the products and services Habib Nigeria Bank Limited offers to its numerous customers are: Term Loan, Overdraft Facilities, Inland Bills Purchase Facility, Equipment Leasing, Preferential Sector Financing, Warehousing Loan, Export Finance, Loan Syndication, Foreign Exchange Dealings, Inland Correspondence Banking, Treasury Operations, Agric and Rural Development Finance, Term and Short Notice Deposit,

Guarantees, Bonds and Indemnities and Interest Yielding Current Account which is tagged Habib High Interest Current Account [H.H.I.C.A.] and also Non-Interest Based Banking which is the pioneer of this product within the Banking Sector. It is attractive to those wishing to promote, faster and develop the application of Divine Principles, Law and Tradition to the transaction of financial, banking and related business affairs.

These include non-interest transaction on Current Deposit, Savings Deposits and Investment Accounts.

The Non-Interest Banking transaction could be in the form of "**Mudaraba**", that is short term financing arrangement in which the bank provides funds and the prospective customer provides labour/expenses. Profits are then shared between the parties, while losses are borne exclusively by the Bank, unless where negligence is established or violation of contract terms. Another form of transaction is the "**Musharaka**" which are in the form of equity participation to investors embarking on partnership ventures in long-term projects financing. Agreements are made ab-initio on the sharing of profits and losses. Third transaction with corporate appeal is the Investment Term Certificate [ITC] which is basically a corporate securing form of investment that attract sharing of profit as opposed to payment of interest.

These could be transferable corporate investment based on the principle of profit and loss sharing for providing medium and long term local currency loans for industries and other financing arrangement nad this could be applied for Export/Import transactions and redeemable at the expiration of the transaction. It has a gestation period of between 90 to 180 days.

The Head Office of Habib Nigeria Bank Limited is at 7/9 Bank Road Kaduna, Nigeria.

It has 36 branches throughout the country with 5 Area Offices, this includes Abuja, Kaduna, Kano, Lagos and Yola.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4:1 DATA PRESENTATION

This data presentation is based on Twenty [25] questionnaires administered and ventured.

However, the following research questions would be examined:

[1] HO: Strategic Marketing activities do not lead to higher profit for an organisation.

HI: Strategic Marketing activities lead to higher profit for an Organisation

[2] HO: Healthy competition amongst Banks does not lead to better quality of services.

HI: Healthy competition amongst Banks lead to better quality of Services.

[3] HO: Adequate training of staff will not yield better results than automation.

Data gathered will be used to test the following basic hypothesis.

ASSUMPTION

It is assumed in this analysis that the respondents responses were given in good faith without any bids or element of subjectivities.

TABLE 1: SEX DISTRIBUTION

	FREQUENCY	PERCENTAGE %
MALE	17	68
FEMALE	8	32
TOTAL	25	100

Source: Fieldwork

17 [68%] of the respondents were Male while only 8 [32%] were Female.

TABLE 2: ANALYSIS OF QUALIFICATION

	FREQUENCY	PERCENTAGE %
B.SC	16	64
ACIB	6	24
MBA	3	12
TOTAL	25	100

Source: Fieldwork

16 [64%] of the respondents from the above table had first degree, 6 [24%] respondents had ACIB and Professional Certificates while 3 [12%] respondents had MBA.

TABLE 3: ANALYSIS OF YEARS OF EXPERIENCE

	FREQUENCY	PERCENTAGE %
1 – 3 YEARS	8	32
4 – 6 YEARS	4	16
7 AND ABOVE	13	52
TOTAL	25	100

Source: Fieldwork

8 [32%] respondents said they had spend between 1 to 3 years in Banking, 4 [16%] respondents said they had spent between 4 to 6 years, while 13 [52%] respondents said they had spent above 7 years.

TABLE 4: WHETHER HABIB NIGERIA BANK LTD. COMPETITIVE IN NATURE

	FREQUENCY	PERCENTAGE %
Strongly Agree	4	16
Agreed	15	60
Undecided	3	12
Disagree	3	12
Strongly Disagree	3	12
TOTAL	25	100

Source: Fieldwork

This Table 4 shows that 4 [16%] respondents agreed, 15 [60%] respondents were agreed, 3 [12%] respondents were undecided, while 3 [12%] other respondents disagreed.

TABLE 5: WHETHER ARM-CHAIR BANKING IS STILL DOMINANT IN HNBL [HABIB NIGERIA BANK LTD.]

	FREQUENCY	PERCENTAGE %
Strongly Agree	--	--
Agreed	10	40
Undecided	3	12
Disagree	9	36
Strongly Disagree	3	12
TOTAL	25	100

Source: Fieldwork

10 [40%] respondents agreed that Arm-Chair Banking is still dominant in HNBL. 3 [12%] respondents were undecided; 9 [36%] respondents disagreed and 3 [12%] respondents strongly agreed.

TABLE 6: EMPLOYMENT OF MARKETING STRATEGY

	FREQUENCY	PERCENTAGE %
Strongly Agree	12	48
Agreed	12	48
Undecided	--	--
Disagree	1	4
Strongly Disagree	--	--
TOTAL	25	100

From the table above 12 [48%] respondents strongly Agreed that Modern Banking Business depends on the employment of marketing strategy. Another 12 [48%] respondents Agreed, while only one [4%] respondents disagreed.

TABLE 7: ENVIRONMENTAL SCANNING

	FREQUENCY	PERCENTAGE %
Strongly Agree	8	32
Agreed	16	64
Undecided	1	4
Disagree	--	--
Strongly Disagree	--	--
TOTAL	25	100

Source: Fieldwork

Table 7 shows that whether Environmental Scanning and information analysis are essential parts of Banking Business, 8 [32%] respondents strongly agreed, while 16 [64%] respondents agreed only one [4%] undecided.

TABLE 8: QUALITY SERVICE BUT NOT MARKET NEEDS

	FREQUENCY	PERCENTAGE %
Strongly Agree	3	12
Agreed	5	20
Undecided	1	4
Disagree	14	56
Strongly Disagree	2	8
TOTAL	25	100

Source: Fieldwork

This table shows the analysis that successful Banks do not consider market needs but the quality of their services. The analysis reveal 3 [12%] respondents strongly agree. 5 [20%] respondents agreed; one [4%] respondent was undecided; 16 [56%] respondents disagreed; while 4 [8%] respondents strongly disagreed.

TABLE 9: HEALTH COMPETITION

	FREQUENCY	PERCENTAGE %
Strongly Agree	9	36
Agreed	15	60
Undecided	--	--
Disagree	--	--
Strongly Disagree	1	4
TOTAL	25	100

Source: Fieldwork

Table 9 reveals that 9 [36%] respondents Strongly Agreed that Healthy Competition is vital to satisfying the Customer - 15 [60%] respondents agreed.

TABLE 10: PROFIT MAXIMIZATION

	FREQUENCY	PERCENTAGE %
Strongly Agree	10	40
Agreed	15	60
Undecided	--	--
Disagree	--	--
Strongly Disagree	--	--
TOTAL	25	100

Source: Fieldwork

This table above shows that 10 [40%] respondents strongly agreed that the pursuance of profit maximization should be done alongside Customer satisfaction. 15 [60%] respondents agreed.

TABLE 11: TRAINING OF STAFF

	FREQUENCY	PERCENTAGE %
Strongly Agree	16	64
Agreed	9	36
Undecided	--	--
Disagree	--	--
Strongly Disagree	--	--
TOTAL	25	100

Source: Fieldwork

The table above reflects that 16 [64%] respondents strongly agreed that Habib Nigeria Bank Limited should pay attention to adequate training of their Staff. 9 [36%] respondents agreed.

TABLE 12: DEVELOPMENT OF DEPARTMENTAL LINES

	FREQUENCY	PERCENTAGE %
Strongly Agree	--	--
Agreed	3	12
Undecided	4	16
Disagree	18	72
Strongly Disagree	--	--
TOTAL	25	100

Source: Fieldwork

The result from table above shows that 3 [12%] respondents agreed that Habib Nigeria Bank Limited should depend on developing departmental lines rather than meeting market needs. 4 [16%] respondents were undecided, and 18 [72%] respondents disagreed.

TABLE 13: AUTOMATION AS A SUCCESS FACTOR

	FREQUENCY	PERCENTAGE %
Strongly Agree	3	12
Agreed	15	60
Undecided	1	4
Disagree	6	24
Strongly Disagree	--	--
TOTAL	25	100

Source: Fieldwork

Table 13 shows that 3 [12%] respondents agreed that automation is the most important success factor in the Banking Industry. 15 [60%] respondents agreed; one [4%] respondents was undecided, while 6 [24%] respondents disagreed.

TABLE 14: BANKS FAILURE LINKED WITH CUSTOMERS NEEDS

	FREQUENCY	PERCENTAGE %
Strongly Agree	3	12
Agreed	6	24
Undecided	--	--
Disagree	13	52
Strongly Disagree	3	12
TOTAL	25	100

Source: Fieldwork

Table 14 above shows that 3 [12%] respondents strongly agreed that Banks failed because they did not anticipate and meet Customer's needs. 6 [24%] respondents agreed; 26 [52%] respondents disagreed; while 3 [12%] respondents strongly disagreed.

TABLE 15: QUALITY OF SERVICE AS A SUCCESS FACTOR

	FREQUENCY	PERCENTAGE %
Strongly Agree	14	56
Agreed	11	44
Undecided	--	--
Disagree	--	--
Strongly Disagree	--	--
TOTAL	25	100

Source: Fieldwork

Table 15 shows 14 [56%] respondents strongly agreed that better quality of service is important to succeed in a competitive environment. 11 [44%] respondents agreed.

TABLE 16: ADOPTING MARKET EXPANSION STRATEGY

	FREQUENCY	PERCENTAGE %
Strongly Agree	5	20
Agreed	20	80
Undecided	--	--
Disagree	--	--
Strongly Disagree	--	--
TOTAL	25	100

Source: Fieldwork

From table 16, analysis shows that 5 [20%] respondents from the above strongly agreed that a Bank that pursues market expansion strategy will straighten its competitive base, while 20% [80%] agreed.

TABLE 17: BANKING BEING MARKET – DRIVEN

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	FREQUENCY	PERCENTAGE %
Strongly Agree	2	8
Agreed	--	--
Undecided	1	4
Disagree	20	80
Strongly Disagree	2	8
TOTAL	25	100

Source: Fieldwork

With reference to Table 17, 2 [8%] respondents strongly agreed that the business of Banking should not be market - driven. one [4%] respondent was undecided; 20 [80%] respondents disagree and 2 [8%] respondents strongly disagreed.

TABLE 18: INADEQUACY OF SERVICES BEING PROVIDED

	FREQUENCY	PERCENTAGE %
Strongly Agree	--	--
Agreed	7	28
Undecided	--	--
Disagree	18	72
Strongly Disagree	--	--
TOTAL	25	100

Source: Fieldwork

From the Table above, 7 [28%] respondents agreed that services currently being provided by Habib Nigeria Bank Limited are inadequate to meeting Customers' needs, 18 [72%] respondents disagreed.

TABLE 19: REFERENCE OF ADVERT FOR PERSONAL SELLING

	FREQUENCY	PERCENTAGE %
Strongly Agree	2	--
Agreed	9	--
Undecided	3	--
Disagree	9	--
Strongly Disagree	2	--
TOTAL	25	100

Source: Fieldwork

The Table 19 above shows that 2 [8%] respondents strongly agreed that advertising is preferable to personal selling as marketing took 9 [30%] respondents agreed; 3 [12%] respondents were undecided; 9 [36%] other respondents disagreed; and 2 [8%] others strongly disagreed.

TABLE 20: ESSENCE OF MARKETING STRATEGY IN BANKING

	FREQUENCY	PERCENTAGE %
Strongly Agree	--	--
Agreed	--	--
Undecided	3	12
Disagree	20	80
Strongly Disagree	2	8
TOTAL	25	100

Source: Fieldwork

This data from Table above shows that 3 [12%] respondents were undecided on the issue that marketing strategy is not beneficial in Banking. 20 [80%] respondents disagreed, and 2 [8%] strongly disagreed.

TABLE 21: INTENSE COMPETITION IN BANKING

	FREQUENCY	PERCENTAGE %
Strongly Agree	--	--
Agreed	1	4
Undecided	--	--
Disagree	18	72
Strongly Disagree	6	24
TOTAL	25	100

Source: Fieldwork

This Table 21 reveals that one respondents [4%] agreed that intense competition should not really be encouraged in the Banking Industry. 18 [72%] respondents disagreed, and 6 [24%] respondents strongly disagreed.

TABLE 22: NIGERIAN ENVIRONMENT IS NOT ENCOURAGING

	FREQUENCY	PERCENTAGE %
Strongly Agree	1	4
Agreed	2	8
Undecided	2	8
Disagree	18	72
Strongly Disagree	2	8
TOTAL	25	100

Source: Fieldwork

The result gathered from Table 22 shows that one [4%] strongly agreed that Nigerian market environment does not encourage the growth and survival of Banks. 2 [8%] respondents 18 [72%] respondents disagreed; and 2 [8%] respondents strongly agreed.

TABLE 23: MARKET NEEDS PREFERRED TO AUTOMATION

	FREQUENCY	PERCENTAGE %
Strongly Agree	5	20
Agreed	14	56
Undecided	1	4
Disagree	5	20
Strongly Disagree	--	--
TOTAL	25	100

Source: Fieldwork

From Table 5 above, 10 [20%] respondents strongly agreed that Customers prefer Banks that adequately meet their needs to those that rely on automation. 14 [56%] respondents agreed; one [4%] respondents was undecided; and 5 [20%] disagreed.

4:2 TESTING OF HYPOTHESIS

The first hypothesis deals with the relationship between strategic marketing activities and increase profitability.

The second hypothesis relates healthy competition to better quality of services.

The third hypothesis compares adequate training of staff with automation.

The spearman's Rank order co-ordination was used to test the hypothesis.

$$rs = \frac{6\Sigma d^2}{n[n^2 - 1]}$$

where r = spearman's rank correlation coefficient

d = difference between rank X and rank Y

n = number of respondents

To determine the strength of the correlation the t score was employed.

$$t = rs \sqrt{\frac{n-2}{i-r}}$$

where

n - 2 is df - degree of freedom using & = 0.05 level of significance.

On this premise, if our computed valued is greater than the tabulated value, the null hypothesis will be rejected while the computed value is less the null hypothesis will be accepted.

HYPOTHESIS I

Ho: strategic marketing activities do not lead to higher profit for an organization.

Hi: strategic marketing activities lead to higher profit for an organization.

Calculation:

The test statistics $r_s = 1 - \frac{6\Sigma d^2}{n[n^2-1]}$

was computed as follows: where

SMA represents strategic marketing activities.

HP represents higher profit

TABLE
PROFIT

S/NO.	HP[X]	SMA[Y]	RANK X	RANK Y	RANK X-Y	d^2
1	5	4	20	25	-5	25
2	4	2	7.5	12	-4.5	20.25
3	4	2	7.5	12	-4.5	20.25
4	4	3	7.5	23	-15.5	240.25
5	5	2	20	12	8	64
6	5	2	20	12	8	64
7	4	2	7.5	12	4.5	20.25
8	5	2	20	12	8	64
9	4	2	7.5	12	-4.5	20.25
10	4	2	7.5	12	-4.5	20.25
11	5	2	20	12	8	64
12	4	1	7.5	1.5	6	36
13	5	3	20	23	-1	9
14	5	2	20	12	8	64
15	5	2	20	12	8	64
16	4	3	7.5	23	-15.5	240.25
17	4	2	7.5	12	4.5	20.25
18	4	2	7.5	12	4.5	20.25
19	5	2	20	12	8	64
20	4	1	7.5	1.5	6	36
21	5	2	20	12	8	64
22	5	2	20	12	8	64
23	4	2	7.5	12	-4.5	20.25
24	4	2	7.5	12	-4.5	20.25
25	4	2	7.5	12	-4.5	20.25
						Σd^2=1365

Σd^2 = 1365

For the test statistics

$$rs = 1 - \frac{6\Sigma^2}{n[n^2 - 1]}$$

$$= 1 - \frac{6[1365]}{25[25^2 1]}$$

$$= 1 - \frac{8190}{25\,[624]}$$

$$= 1 - \frac{8190}{15625}$$

$$= 1 - 0.524$$

$$= 0.476$$

$$rs = 48\%$$

The above figure shows a positive correlation between higher profit and strategic marketing activities.

To determine the strength of this correlation, we convert the rs to t scores thus:

$$t = rs \sqrt{\frac{n-2}{1-rs^2}}$$

$$= 0.48 \sqrt{\frac{25-2}{1-[0.48]^2}}$$

$$= 0.48 \sqrt{\frac{23}{1-2304}} \qquad = \quad 0.48 \sqrt{\frac{23}{.7696}}$$

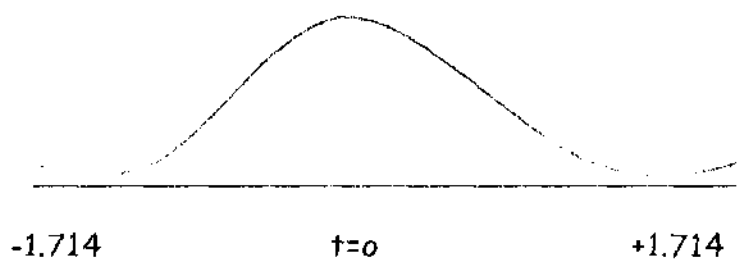
$$= 0.48 \sqrt{29.89}$$

$$= 0.48 \quad [5.467]$$

$$t = 2.624$$

Degrees of freedom is n-2 = 25 - 2 = 23

The critical value of t for x = 0.05 level of significance and 23 degrees of freedom is 1.714.



The diagram above shows that the acceptance region ranges between ± 1.714. The area above 1.714 at the left and below 1.714 at the right represents the critical or rejection region.

DECISION RULE:

Since the calculated value of 2.624 is greater than the tabulated value of 1.714 at 0.05 level of significance and 23 degrees of freedom, we reject the null hypothesis [H1]. That is that strategic marketing activities led to higher profit for an organisation.

HYPOTHESIS 2

Ho: Healthy competition among Banks does not lead to better quality of service.

Hi: Healthy competition among Banks lead to better quality of service.

Calculation:

The test statistics $rs = \frac{6\Sigma d^2}{n[n^2-1]}$

was computed as follows: where

Hc = Healthy Competition

BQS = Better Quality Service

TABLE HEALTHY COMPETITION/BETTER QUALITY SERVICE

S/NO.	HC[X]	BQS[Y]	RANK[X]	RANK Y	RANK X-Y	d^2
1	4	4	9	6.5	2.5	6.25
2	5	4	21	6.5	14.5	210.25
3	5	5	21	18.5	2.5	6.25
4	1	5	1	18.5	-17.5	306.25
5	5	4	21	6.5	14.5	210.25
6	5	5	21	18.5	2.5	6.25
7	4	3	9	1	8	64
8	4	5	9	6.5	2.5	6.25
9	4	4	9	6.5	2.5	6.25
10	4	4	9	6.5	2.5	6.25
11	4	5	9	18.5	-9.5	90.25
12	4	4	9	6.5	2.5	6.25
13	4	5	9	18.5	-9.5	90.25
14	5	5	21	18.5	2.5	6.25
15	5	5	21	18.5	2.5	6.25
16	4	5	9	18.5	-9.5	90.25
17	4	5	9	18.5	-9.5	90.25
18	4	4	9	6.5	2.5	6.25
19	5	4	21	6.5	14.5	210.25
20	5	4	21	6.5	14.5	210.25
21	4	5	9	18.5	-9.5	90.25
22	4	5	9	18.5	-9.5	90.25
23	5	5	21	18.5	2.5	6.25
24	4	4	9	6.5	2.5	6.25
25	4	5	9	18.5	-9.5	90.25
						$\Sigma d^2=2002$

$\Sigma d^2 = 2002$

For the test statistics

$$rs = 1 - \frac{6\Sigma d^2}{n[n^2-1]}$$

$$= 1 - \frac{6[2002]}{25[25^2-1]}$$

$$= 1 - \frac{12012}{25[624]}$$

$$= 1 - \frac{12012}{15625}$$

$$= 1 - 0.769$$

$$= 0.231$$

$rs = 23\%$

The above figure shows a positive correlation between healthy competition and better quality of service.

To determine the strength of this correlation, we convert the rs to t score; thus:

$$t = rs \sqrt{\frac{n-2}{1-rs^2}}$$

$$= 0.23 \sqrt{\frac{25-2}{1-[0.23]^2}}$$

$$= 0.23 \sqrt{\frac{23}{1-0.0529}}$$

$$= 0.23 \sqrt{\frac{23}{0.947}}$$

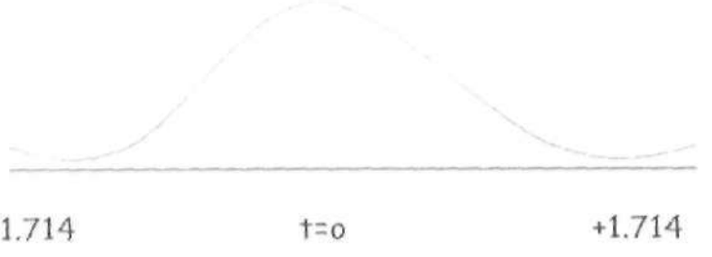
$$= 0.23 \sqrt{24.287}$$

$$= 0.23 \; [4.928]$$

$$t = 1.133$$

Degrees of freedom is n-z = 25-z = 23

The critical value for t at 0.05 level of significance and 23 degrees of freedom is 1.714.



The above diagram shows that the acceptance region lies between ± 1.714. The area above the right side and below - 1.714 at the left side represents the rejection region.

DECISION RULE:

Since the calculated value of 4 t [1.133] is lower than the tabulated value of 1.714 at 0.05 level of significance and 23 degree of freedom, we accept the null hypothesis [Ho] and reject Hi. That is there is no relationship between healthy competition and better quality of service.

HYPOTHESIS 3

Ho: Adequate training of staff will not yield better result than automation.

Hi: Adequate training of staff will yield better result than automation.

Calculation:

The test was carried out at 0.05 level of significance using the test statistic.

$$rs = 1 - \frac{6\Sigma d^2}{n[n^2-1]}$$

computed as follows

where

ST = staff training

BA = Banking Automation

TABLE STAFF TRAINING/BANKING AUTOMATION

S/NO.	BA[X]	ST[Y]	RANK[X]	RANK Y	RANK X-Y	d^2
1	4	4	15.5	5	10.5	110.25
2	4	5	15.5	17.5	-2	4
3	4	5	15.5	17.5	-2	4
4	3	5	8	17.5	-9.5	90.25
5	4	5	15.5	17.5	-2	4
6	2	5	4	17.5	-13.5	182.25
7	2	4	4	5	-1	1
8	5	5	24	17.5	6.5	42.25
9	2	4	4	5	-1	1
10	4	4	15.5	5	10.5	110.25
11	2	5	4	17.5	-13.5	182.25
12	4	5	15.5	17.5	-2	4
13	4	5	15.5	17.5	-2	4
14	5	4	24	5	19	361
15	2	4	4	5	-1	1
16	5	4	24	5	19	361
17	2	4	4	5	-1	1
18	2	5	4	17.5	13.5	182.25
19	4	5	15.5	17.5	-2	4
20	4	5	15.5	17.5	-2	4
21	4	5	15.5	17.5	-2	4
22	4	5	15.5	5	10.5	110.25
23	4	5	15.5	17.5	-2	4
24	4	5	15.5	17.5	-2	4
25	4	5	15.5	17.5	-2	4
						$\Sigma d^2 = 1780$

Σd^2 = 1780

For the test statistics $rs = 1 \frac{6\Sigma d^2}{n[n^2-1]}$

$$= 1 - \frac{6[1780]}{25\,[25^2-1]}$$

$$= 1 - \frac{-10680}{25[624]}$$

$$= 1 - \frac{-10680}{15625}$$

$$= 1 - 0.68352$$

$$= 0.316$$

$$rs = 32\%$$

The above figure shows a positive correlation between adequate staff training and banking automation.

To determine the strength of this correlation, we convert the rs to t score; thus:

$$t = rs \sqrt{\frac{n-2}{1 - rs^2}}$$

$$= 0.32 \sqrt{\frac{25-2}{1 - [0.32]^2}}$$

$$= 0.32 \sqrt{\frac{23}{0.898}}$$

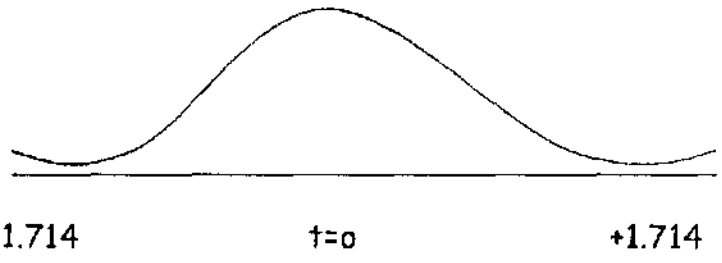
$$= 0.32 \sqrt{25.612}$$

= 0.32 [5.061]

t_t = 1.620

Degrees of freedom in n-2 = 25-2=23

The critical value for t at 0.05 level of significance and 23 degrees of freedom is 1.714



The above diagram shows that the acceptance region lies between ± 1.714. The area above 1.714 at the right hand side and below -1.714 at the left hand side represents the rejection region.

DECISION RULE

Since the calculated value at t [1.620] is less than the tabulated value of 1.714 at 0.05 level of significance and 23 degrees of freedom, we accept the null hypothesis [Hi]. Thus, adequate training of staff cannot yield better result that automation.

CHAPTER FIVE

5:1 SUMMARY

The result of findings of the study show that Habib Nigeria Bank Ltd. is globally competitive and the services it provides for its Customers is adequate to meet the needs of the Customers, thus negating the views of Afolabi [1988] who sees Nigerian Banks as providing underdeveloped services for their Customers.

It is also discovered that Modern Banking depends on the employment of marketing strategies as they are beneficial. Thus, it is agreed that the Banks should be market driven, engage in environmental scanning and proper analysis of information and also expand their market.

For any Bank to succeed, there is a need to provide better quality services as this is no longer the era when "Customers will keep on coming irrespective of the quality and quantity of services rendered". Automation is another success factor, which the study agreed. It is the only way to improve the services and eliminate delays. Thus, training of the staff is important too.

The study also discovered that Banks fail, not necessarily because they do not meet the needs of their Customers.

However, the Habib Nigeria Bank Limited considers market needs as the Customers prefer Banks that meet their needs. This conforms with the view of Okafor [1988] that the Customers of the Banks must be placed at the forefront of the corporate thinking since the survival of the whole business lies on the Customer patronage.

In pursuance of their prime objective of profit maximisation, the Banks should consider Customer satisfaction and to achieve the goal of Customer satisfaction in the industry, intense competition should be encouraged.

Finally, it is discovered that the Nigerian Market environment does not abhor the survival and growth of Banks.

5:2 CONCLUSIONS:

From the findings of this research, we can draw the following conclusions " that arm chair Banking operation is fast disappearing in our Banks and creative Banking practice is taking over.

Habib Nigeria Bank Limited may not be providing all the services being provided by its counterpart in developed countries; it however, provide enough services that meet both the local and international demands of the esteemed Customers.

The Bank cannot do without properly identifying the needs of the Customers and approximately meeting these needs. This, thus calls for the application of the marketing concepts in all the activities of the Bank.

Because of the intense competition that is now prevalent in the industry, a Bank will only succeed if apart from meeting the identified needs of the Customers, it is also providing qualitative services. This also includes the proper training of the Staff. The Customers now have the choice of switching to that Bank that provides them with a bunch of benefits.

In promoting its products, Habib Nigeria Bank Limited should not rely on advertising alone. It should be combined with personal selling. In fact, personal selling is increasingly becoming indispensable in the marketing of banking services.

On the whole, the Nigerian environment encourages the growth of Banks. They should therefore ensure the proper scanning of the environment for information that will enhance the better performance of their functions.

5:3 RECOMMENDATIONS

[1] Since the market for banking services is now that of Customer - Market, the Habib Nigeria Bank Limited should not just assume they know the needs, wants and desires of the Customers. Instead, they should always do a comprehensive market research to know what actually they should provide the Customers.

[2] Apart from doing a thorough marketing research, they should also create the necessary awareness of their services and ensure the services that are closer to the Customers. Thus, a lot of promotional activities of ,advertising and personal selling should be engaged in. Apart from having Branches at suitable and viable places mobile banking services can be used to revolutionalise the industry. This will take care of those Customers who are too busy to go to a Bank.

[3] As we approach the new millennium with increasing awareness and employment of technological know how, all aspect of banking activities that are still manual should be automated. Time has become so important, yet so inadequate that no Customer would want to go to a Bank only

to be delayed. Prompt attention is part of what they desire, and they should not be deprived of it.

[4] The services rendered by Banks, through may be said to be enough now, some should be added. Customer needs are as dynamic as their tastes, and to keep in tune with the changing tastes, Habib Nigeria Bank Limited should lay emphasis on the development of new products/services. It is in doing this that the Bank will continue to be relevant. Markets should be properly segmented, as it will aid the identification of the needs.

[5] Finally, no organization can disperse with or even underestimate the value of its human resources. The staff of the Bank should not only be trained but adequately motivated to prepare them for the challenges ahead. Everybody should be oriented in the marketing concept of focusing on the Customer, while professional marketers should be employed to handle the actual effort of marketing the services. The management of the Habib Nigeria Bank Limited too should give full support to marketing programmes. Where this lacking, no marketing efforts will succeed in yielding the desired result.

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