MARKETING OF BANKING SERVICES IN NIGERIA

(A CASE STUDY OF SAVANNAH BANK OF NIGERIA PLC)

BY

MISHKOM DAYER DOKSHIN EPHRAIM (MBA/ADMJN/0E479/1993/94)

PGS/93/7345

BEING A THESIS/PROJECT SUBMITTED TO THE POSTGRADUATE SCHOOL OF AHMADU BELLO **UNIVERSITY (ABU) ZARIA IN** PARTIALFULFIMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA) IN THE DEPARTMENT OF BUSINESS ADMINISTRATION.

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DECLARATION

I hereby declare that this thesis has been originally produced by my goodself that it is a record of my own personal reseach work and that it has not hetherto been produced or presented else where. All quotations have been dully acknowledged.

Miskhom Dayer D. E. (Chief):..... 1-04-04
Name of Student *Sign* *Date*

Above declaration is being confirmed by:

Mr. A. B. Akpan :..... 5/11/2002
Name of Supervisor sign Date

CERTIFICATION

I certify that this project entitled marketing of banking services in Nigeria (A case study of Savannah Bank of Nigeria Plc) meets the regulations governing the award of the degree of master of Business Administration (MBA) of Ahmadu Bello University (ABU) Zaria and it is approved for its contribution to knowledge, business and literary presentation.

DR. A. B. AKPAN
Supervisor — 5/11/2002 Date

External Examiner — Date

Head of Department — 5-11-2002 Date

Dean, Postgraduate School — 06/03/03 Date

DEDICATION

This project work is dedicated to my darling dear wife Mrs. Tapitha Rahab Dayer D. E., Children:

Miss Kyenpiya D. E. Dayer

Master Fwangmun D. E. Dayer

Miss Zenret D. E. Dayer

Dependance:

Miss Nantok D. Kezak

Miss Nanlop D. Danat

Master Asabar D. Cileng

Master Nanle S. Parlang

Master Gunsat N. Cileng

Master Pandang Kashang

To my late parents:

- Mishkom Dayer Wawe
- Mr. Danung Wawe
- Mrs. Sedak Danung (Dear Mother)
- Miss Nadat Danung (Step Mother)

For their patience, love and suppor' and understanding with Dady - (Dasen Kezak and Amos Dasen quest of higher degree for better future.)

ACKNOWLEDGMENT

To undertake a research study of this nature, the support and assistance of many hands (people) is an essential condition for its successful completion. Although I was assisted and inspired by people too many for all to be mentioned in this presentation, however some were outstanding in their unflagging support, encouragement and understanding that they should be specifically mentioned in this acknowledgment.

Before all said is done, I give my sincere thanks to Almighty God for making me what I am, and seeing me through all I have been able to successfully reached over my life to Him.

My supervisor Mr. A. B. Akpan has been not only a lecturer, but a teacher and a brother as well. Despite his tight work schedule both in the Department of Business Administration and at the Postgraduate school and the number of projects lined up on his desk (both undergraduate and postgraduate levels respectively), he still spared enough time and energy to go through my scripts, giving wonderful advice and corrections as when due. His comments resulted in substantial improvements in this research work.

My Lecturers during the two years programme, Mrs. Mary S. Akanet who showed a lot of great concern, love and assistance towards the success of my study. Indeed, she showed great love and concern not only for the successful completion of the course but for the whole programme. Her sisterhood desire in seeing me through is not only appreciated by my goodself but the entire family worth devoting time for.

Dr. (Barrister) P. D. Bagobiri (former Head of Department) Dr. J. Nwesike (Mrs) (Deputy Head of Department Business Administration) Mall. M. A. N. Mainoma (Exams. Co-ordination and Asst. Head Department of Accounting), Dr. T. A. Oshagbemi (Senior Lecturer Department of Business

Administration University of Jos), Professor A. M. Offiongodon (former Head of Department Business Administration University of Jos), Professor D. G. Shown (former Director Continue Education University of Jos) Barrister Jerome D. Gamaliel (Faculty of Law, University of Jos) Alh. Lawal Darma (Managing Director Darma Farms Limited), Alh. Sule Rimi Mashasha (Managing Director Mashasha International Company Limited), Col. S. B. Chammah (Military Administrator Katsina State) and Mall. Sani A. Abdullahi (MBA Programme Co-ordinator), Alh. I. S. Magama (of No. 6 IBB Way Katsina), Professor Sonny G. Tyoden (former Dean Faculty of Social Science University of Abuja) Barrister J. S. Dashi (a brother) Mr. Dawop Danat (Cousin),not only a supporter, but most of all a friend and a great administrator. He has remained my major source of inspiration, pushing and encouraging me all the time as well as providing all the needed financial assistance that made this study possible.

I am indebted to some of my functionaries of Savannah Bank of Nigeria Plc, Federal Colleges of Education Katsina, Gindiri and Pankshin respectively. Union Bank of Nigeria Plc, Lion Bank of Nigeria Plc, United Bank for Africa (UBA), Afribank of Nigeria Plc and their staff that form the basis of this research work for their invaluable role in supplying primary data.

Mr. A. D. Dashen and family (Senior Assistant Registrar, Federal College of Education Pankshin), is a brother, a mentor, who went through most of the scripts and made a lot of corrections. He supported me along on all the four (4) axes (x, y, z and t) He always support me any time of action that would yield a positive impact either in the short and long run. I am indeed greatly indebted to him.

To my big brothers at Vom Branch of Savannah Bank of Nigeria Plc and Vom Christian Hospital respectively, Mr. Daret Kumdet and Mr. Jwandi P. Dashi, I say Allah "shi saku da Alherri-Ameen."

Their helping hands have always been by my side. They made sure I never went lazying about words of encouragement coming from them I shall always value. My gratitude to them cannot be described in quantifiable terms not only as brothers but as a very Junior in the banking and teaching professions respectively for they are always ready to share with me all the long service experiences which are helping to mould and build me up professionally.

I acknowledge the assistance rendered by Chief Joseph Nweke, Chief H. C. Okonkwo and Chief John Ademorah, who made available both financial and material resources for the collection of data. The love, moral support and assistance given me by the mere presence of my dear loving wife (my first lady) Mrs. Tapitha Rahab Dayer, D. E. is unquantifyable. Her quiet strength and assistance was great source of inspiration for me and who saw me through in the most critical moment of this research work.

The love of the other members of my family, my son and daughters, master Fwangmum D. E. Dayer, Miss Kyenpiya D. E. Dayer, Miss Zenret D. E. Dayer, others are Miss Nantok D. Kezak, Miss Nanlop D. Danat, Mr. Nanle D. Parlang (Department of Accounting, ABU Zaria) and Mr. Asabar D. Gileng (College of Education Akwanga), Mr. Pandang Katshang (Plat. Poly) was also an inspiring force.

Engr. A. D. Dafyak (Director of Works Wase Local Government Council, Plateau) is a brother. He has remained my major source of inspiration, pushing, supporting and encouraging me all the time as well as providing all the necessary assistance that made this study possible.

My classmates both at University of Jos and Ahmadu Bello University (ABU) Zaria respectively were numerous and so nice to me particularly Mall. Ahmed Abubakar and Hajiya Halima Lawal, Mr. Paul Aper (Savannah Bank of Nig. Plc), Mr. S. S. Mamako (Unijos) Mr. Joe C. Alfa, Mall. Y. S. Ahmed, Mr. S. A. Itodo (late) and Mall. D. Kaita (Katsina).

KASHIM IBR...

Special thanks to Management of Savannah Bank of Nigeria Plc, particularly the then North Area Manager, Alh S. O. Allah-Kayi and his team for the special interest in the study and their support "Na gode Kwarai".

I deliberately kept mute but mentioning them last does not make their contribution the least. They collectively set the ball rolling in my mind. Thanks a million Madam Grace Tyoden, who saw me through with every support, prayer, encouragement, desire, concern and infact taking pain to go through the scripts. Baba Amos Dasen, Mr. Nehemiah D. Npyet, Mrs. Helen J. Gamaliel (Ministry of Justice Jos) Mall. M. B. Lawan (Asst. Area Manager) Savannah Bank of Nigeria Plc., Kaduna, Mr. Musa Y. Jwan (Dean Academics, College of Education Gindir), Mr. D. D. Daze, Mr. Samuel D. Fwangle, Mr. D. M. Ogbole (Registrar, College of Education, Gindiri) Mr. U. C. Nduka (Principal Manager, Registrar's Department, Savannah Bank of Nigeria Plc. Lagos) and finally His Royal Highness Da Mishkoom Nuhu D. Dashwep (District Head of Lankan).

I owe a lot of thanks and appreciation to my dear Parents of late - Da Mishkom Dayer, Mr. Danung Wawe and Madam Sedak Danung and Nadat Danung (Dear Mothers of late) the pillars of my survival in this world. Mr. Amos Daleng Dasen, Mr. Kumbiyal Danung (Brother) Mr. Boniface K. Dakat, Rev. Joel L. Gukas, Mr. and Mrs. J. D. Williams (United Kingdom) for making my education successful.

My dear brothers - Barrister J. S. Dashi, Jwandi D. Dashi, Daret Kumdet, Andi Yokden, Sixtus D. Kezak, Andrew Nwankuk, Kandem Danok, Bala Amos, Philimon Amos, Mweltu M. Dayer, Rev, Mark Lekut, Danjuman Dasen, Samu Yokshak, Damis Yokden, among others, thanks for the support and encouragement.

And to my dear step sisters, Shetu Doya, Laraba Petip, Namwesh Dalek, Gwomcin Sale, Benen Gvuyim, shentup Monday, Nati Andrew, Ladi

Gokir, Christian Lekuk, Paulina Yokden, Dr. M. Dadiyrep (UniJos) thanks for your prayers.

I gratefully acknowledge all works sited. I am entirely responsible for my errors and amissions.

This whole exercise wouldn't have materialised without the co-operation and moral support I received from my immediate Head of Department Chief U. D. Nduka and the Departmental staff and Mr. T. O. Farombi who took time to type the thesis - Allah ya saka mu. Finally, Mr. A. S. Dafur Head of Accounts and Admin. (Central Securities Clearing System Limited, Lagos) for his financial support.

ABSTRACT

This Research work is carried out to show and analyse the various types of services rendered by banks in Nigeria with special reference to commercial banks and Savannah Bank of Nigeria Pic. in particular and to Indicate whether or not such bank services are seen by beneficiaries or Customers to be adequately carried out. Further more, the study attempt to investigate the remote causes of lack of public confidence in 'banking services. Again availability of the various services is and the bases for thin study and therefore the research to bo conducted is aimed at verifying and ascertaining how authentic is general opinion usually hold by this public (bank's Customers) that the existence among others of adequate services and even personal relationship (in some cases) are the major objectives. Usually considered by bankers while carrying out their service functions.

In Nigeria, the banking system can be divided or categorized into two major groups i.e. the apex bank (Central Bank) and the other banks, (development and non development banks) These other banks are made up of Commercial banks, Merchant banks, Development banks /Federal Savings Banks, Agricultural and Co-operative banks and Nigeria :>ank for Commerce and Industry, Federal Mortgage bank and Nigeria Industrial development bank. The functions of these banks are overlapping. In most cases, the Commercial banks tend to be more involve in all classes of banking activities than the others whose operations dominates tire Nigerian economy, as a result, attempt will be made in this research or study to focus attention on this sub-sector (Commercial Banking) in this thesis/Research Work.

Although almost all commercial banks perform and operate the same or similar functions, more emphasis is being focus particularly on Savannah Bank of Nigeria Plc. (Personal Service Bank), and one of the

leading commercial banks in the country with 08 branches nation wide. A sample size of 4 branches (Urban and Rural Brandies) was chosen.

Based on the above, questionaires were administered on the selected bank branches and responses in some branches agreed,, disagreed or undecided or graded poor, good and excellent. A total of 40 Customers were administered in both Urban and Rural branches respectively. This was also based on random sampling and the beneficiaries' Customers included among other are families, traders., Companies, Civil Servants, Foreigners working in Nigeria, students, teachers etc. Believe me 50 per-cent responded. Oral Interview were conducted among the various categories of the bank's and branches and Customers responded to drive more information.

The result of the data using the simple percentage showed that firstly banking services are below standard in Nigeria. Secondly, there is the need for improvement of marketing strategies in the banking system and lastly, financial Institutions in Nigeria has not fully realised the [importance of marketing to them thus:-

(a) Banking services (emphasis on Savannah Bank of Nigeria Plc.) are generally rendered poorly and therefore not satisfied.

(b) Public confidence in the banking Industry/System especially as to the availability of various services rendered (acceptance of deposits, standing orders inquiries lending cashing facilities transfers etc) among aothers is dwindling.

(c) Banking services are still not being enjoyed by a large proportion of the Nigerian Populace as a result of concentration of Banks mostly in the Urban areas.

The Hypothesis were tested based on percentage distribution of the responses to the test indicated as follows:-

(!) banking services are considered by Customers to be poor especially in relation to time factor i.e. time spent by Customers while waiting to be served. For instance while trying to cash cheques, most of the bank's branches involved claimed that their services are in order, while at the same time they want to introduce new ideas tor improvement i)f services. This is contradictory.

(ii) Banking services in relation to granting of credit facilities among the one thousand and oneservices are to some extend personified and rigid thereby discouraging a good numbers of both existing and prospective customers (Loan Constraint). Bank staff in this regard have been accused of various malpractices or (Unerthnical behaviours in the performance of these services).

(iii) Emphasis arc usually placed on collateral/securities such as certificate of occupancy on landed properties (restricted to state C of O). Cash backed and other tangible securities. Indeed most Nigerian especially rural dwellers own land on family and or hereditary basis and therefore do not possess any ownership or certificate to cover them.

Based on the above study, vital recommendations, which are/is believed would enhance efficiency and improve banking services therefore restore public confidence in banks, were made at the end of the study.

Among the recommendations made are:-

(a) Banks should adopt new methods by which customer?; will spend less time while waiting to be served especially when trying to cash cheques and acceptance of large deposits. In

this light, suggestions were made such as outiight payment of cheques presented to the teller (cashier) at the counter up to a certain amount.

(b) Bank's staff should accept and adopt better attitude, approach and method while rendering services Ho customers.

(c) Less emphasis should he placed on personal knowledge, Know how or relationship as a yard stick for rendering good services. This is better achieve when staffers are not deploy to their state or place of origin.

(d) A new system of banking should be introduced in the rural areas which will be result oriented in order to aid as well as develop the rural economy.

(f) The staff should be given better training in order to better their performance on the job by interacting with others (other bankers and similar institutions) other than the reference bank provides greater oppoi Utility for exchange of ideas, knowledge achievement and improve relationship.

(g) Job routine and redeployment.

These recommendations focused largely on the need to improve services rendered to customers by doing so, more customers, come in to utilise the bank's services. This is one of the main strategies in marketing.

On the whole, the banks should improve their marketing strategies in order to satisfy their customers and to withstand the increasing competition in the Nigerian banking system today as a result of the proliferation of banks.

CHAPTER ONE

GENERAL INTRODUCTION

1.1 INTRODUCTION AND BACKGROUND INFORMATION

The need for this research is the improvement of banking services in Nigeria. In today's commercial world, almost everything is based on money. Nigeria like any other developing nation has various financial institutions but the banking system predominate as the country is still undergoing different phases of development processes.

It is a widely accepted fact that financial institutions especially the banking industry constitute a vital and strategic engine of economic growth and progress of any nation. This is because it acts as intermediaries in the process of mobilisation of resources from surplus economic unit to finance the needs of deficit units in the economy. By this singular act, the banking industry is able to influence the direction and flow of national resources thereby affecting the rate of development and of course national progress. The emornity of this role is by far greater especially in a developing economy like ours where the level of income is low and is at a level that investment can only be made of it if possible without requiring a long period of saving.

In addition to this crucial role of financial intermediation, is the centrality of their position in the execution of monetary policies and in contributing towards preserving overall balance in the economy.

It is therefore not surprise that the Government of any nations/countries take enough interest in what operates within this sector of the economy. No government would ever allow it's banking system a complete free hand and or reign because a non regulated environment.

It is stated "breeds greater instability." As a matter of fact, the Nigerian banking system, for a better understanding, it is necessary for us to have some idea of the evolution of banking in Nigeria. This would then

enable us design more relevant strategies for the effective marketing of banking services in Nigeria.

The barter system in Nigeria disallowed a conductive atmosphere for banking in Nigeria. In addition, the use of commodity currencies made the situation even worse. This situation resulted in the delay in creating an effective and efficient banking system in the country. The commodity currencies that were in use in Nigeria before the introduction of coins were in form of cotton, gin and rum. This situation was improved when metal currencies such as the American half-eagle, French Napotean and the British sovereign were introduced. Despite the introduction of the metal currencies, the cowry shell was still the most commonest medium of exchange.

The introduction of the shillings towards the end of the nineteenth century resulted in the harmonisation of the various metal currencies used in British West African. This was a step foward for them, because previously they had a financial system which was clumsy in comparison to the already established French West African financial system.

By 1912, the use of British coins as a medium of exchange was finalised. This resulted in an increase in the importation of silver coins into Nigeria. It was from this that the need for the creation of Nigeria's first Banking firm was sowed.

Pius Okiogbo in "Nigerian financial system" stated that Mr. George Nevile, an agent of Elder Dempster and company, made use of this golden opportunity for his company by persuading the company to sponsor the establishment of a bank in Lagos.[2]

The establishment of the bank was also to give Elder Dempster exclusive rights to ship coins to Nigeria. Thus by August 1891, the Lagos branch of the African Banking Corporation was opened and Mr. Nevile was

made the Branch Manager. Problems however arose which resulted in Elder Dempster taking over the bank in 1893.

Nwanko in "The Nigerian Financial System" classified the evolution of commercial banking system in Nigerian into five major periods namely - up to 1952, 1952-1959, 1959-1970, 1970-1977 and since 1977. For analytical purposes, these periods were termed the free banking era, the era of banking legislation, the indigenisation era and the post-Okigbo era respectively.

The system up to 1952 period is characterised by two main features. Firstly during this period, there was an absence of banking legislation that would have controlled banking activities in Nigeria. In other words, this period was characterised by free banking which made it possible for a number of persons not exceeding ten (10) to form a bank.

However, if the number exceeded ten, they could still engage in banking business so long as they registered as a company under the stamp duties ordinance (No. 5 of 1939) provided they did not issue bank of England notes. Such companies were however allowed to issue their own notes. To date, however no note-issuing commercial bank has ever been established in the country.

Secondly, it was during this (up to 1952) period that the three biggest foreign banks and the two biggest indigenous banks were established. The foreign banks were the bank of British West Africa Limited (BBWA) the Barclays Bank Dominion, Colonial and overseas and the British and French Bank. The two indigenous banks were the National Bank of Nigeria and the Africa Continental Bank Limited (ACB).

The Bank of British West Africa, which took over the Africa Banking Corporation established two years earlier was established in 1894. It is now first Bank of Nigeria Plc. Barclays Bank was established in 1912 and is

now Union Bank of Nigeria Plc. While the British and French Bank was established in 1948 and is now known as the United Bank of Africa (UBA).

In the case of indigenous banking sector, the National Bank of Nigeria which was established on the eleventh February, 1933 had the Unique feature of being the first successful indigenous Bank in the country. It must be noted that there had been various previously unsuccessful attempts at the establishment of indigenous banking firms (The bank however went into liquidation a year ago).

Pius Okigbo[3] noted that there were many steps taken to establish counter institutions to the European banks. The first of these steps was taken in 1929 in Lagos. The industrial and commerce bank limited was established by a group of Nigerians. It's major objective/motives "To offer unrestricted credits to Nigerians." The bank went into liquidation a year later. Okigbo identified the second attempt as the establishment of the Nigerian Mercantile Bank in 1931. This attempt was successful as the bank lasted till 1936. Following these unsuccessful attempts the successes began to take root.

The second successful indigenous bank was the African Continental Bank Limited. This started as a private company in 1937 as Tinubu properties Limited with an authorised and paid up capital of N500.00 (Five Hundred Naira Only). Ten years later, the name was changed to Tinubu Bank Limited and in November of the same year it became African Continental Bank Limited with an authorised capital of N20,000.00 (Twenty thousand Naira Only) of which N10,000.00 has been issued and paid up.

Nwanko[2] identified four major features of the second phase which was the pre-central banking ear 1952-1959.

The first feature was the effectualisation of the paton commission report in the 1952 ordinance which came into effect in 1952. Following

paton's report in 1948, the Government of the day enacted the first ever banking legislation in the banking legislation in the banking ordinance of 1952. This defined a bank as "any company carrying on banking business or using banks or banking as part of the title under which it carries on a business.[4] It also defined banking business as the business of receiving from the public on current account or any account (like time deposit, fixed deposits, saving accounts e.t.c.) Money which is to be repayable on demand by cheque, (in the case of current account) or withdrawal slips (saving accounts or authorisation letters of withdrawals (in the case of the latter) and of making loans and advances to customer[5] current account holders.

The ordinance went on to stated that no banking business should be transacted in Nigeria except by a company which has taken up banking license from the financial secretary after paying N25,000.00 (Twenty five Thousand Naira Only) out of the authorised capital of N50,000.00 in cash for indigenous banks and N200,000.00 for expatriate/foreign banks. The ordinance further required that banks maintain a reserve fund up to which 20 percent of its profits will be paid annually until it equaled the paid up capital. The ordinance was to be implemented immediately effective for new banks and existing banks were given up to a period of three years to apply for and obtain license. The enactment and coming into effect of the 1952 banking ordinance was the first characteristics feature of the second phase of banking development in Nigeria.

The Second feature of this period is the collapse of the indigenous banking doom. By the time the ordinance became operational for all banks in 1955, all mushroom banks established since 1945 had collapsed except for African Continental Bank, the Agban-Magbe Bank and the Merchant Bank respectively. These three banks in addition to National Bank were the only four indigenous banks that survived.

This table I.I illustrates the banks failure in Nigerian then:

Table I.I Table of Banks Failures In Nigeria

	Name of Banks	Date of Establishment	Date of Failure
1.	African Banking Corporation	1892	1894
2.	The Industrial & Commercial Bank	1929	1930
3.	The Nig. Mercantile Bank	1931	1936
4.	The Nigerian Penny Bank	1945	1946
5.	The Nig. Farmers & Comm. Bank	1947	1953
6.	Pan Nigerian Bank	1951	1954
7.	Standard Bank of Nigeria	1951	1954
8.	Premier Bank	1951	1954
9.	Nigerian Trust Bank	1951	1954
10.	Afroses Credit Bank	1951	1954
11.	Onward Bank of Nigeria	1951	1954
12.	Central Bank of Nigeria	1951	1954
13.	Union Ban of British Africa	1952	1954
14.	Provincial Bank	1952	1954
15.	Metropolitan Bank of Nigeria	1952	1954
16.	United Commercial Bank	1952	1954
17.	Cosmopolitan Credit Bank	1952	1954
18.	Mainland Bank	1952	1954
19.	Group Credit and Agric Bank	1952	1954
20.	Industrial Bank	1952	1954
21.	West African Bank	1952	1954
22.	Muslim Bank	1958	1958
23.	Bank of Lagos	1959	1965

The third feature of this period is the start of assistance provided by the state for the indigenous banking. The four banks that survived the boom were able to do so with the assistance and support of state governments. The four banks received huge injections of public funds before it could qualify for a licence at the expiration of the three years grace period allowed by the 1952 ordinance.

The fourth feature of the 1952-1959 phase was the absence of a Central Bank for the country. This resulted in numerous banks emerging and malpractices existing in large proportions. There was no major central controlling unit thus it was a "free for all bank safari. This lack of control could very possibly have been the main reason why banks then failed and the banking boom collapsed.

The third phase was the era of banking legislation from 1959-1970. This phase opened the establishment of the central bank of Nigeria in 1959. There was also the establishment of the foundation of the Nigerian money and capital markets in the same year.

Another feature of this period was that a new breeds of banks known as the mixed banks emerged. Finally apart from the eight banks established between 1959 and 1962, no new banks were established between 1962 and 1970.

The fourth phase, the era of indignisation, 1970-1976 was characterised by the introduction of the indigenous enterprise promotion Decree of 1972. Furthermore in 1973, the Federal Government took adequate percentage interest in the three biggest expatriate commercial banks to bring the total indigenous owherehip to 40 percent. In 1976, the Federal Government acquired an additional 20 percent in the three biggest banks and 60 percent in the other foreign banks to bring indigenous ownereship to 60 percent.

Another feature of this period was the boom in indigenous banking system by State Governments. The final characteristic of this period is the financial system review committee set up by the Federal Government known as the Okigbo Committee.

The fifth phase, the post Okigbo era, 1977 on wards was characterized by the hope for improved restructuring of the country's financial and banking system. This improvement was necessitated by the dynamism of government policies.

The Merchant Banking industry however did not evolve as early as the commercial banking sector. Prior to the 1960's, no Merchant Bank existed in Nigeria. Merchant banking began in 1960 with the opening of phillip Hill which was an acceptance and discount house. This was followed by the Nigerian acceptance Limited in 1961. In 1973 NAL Merchant Bank was opened in between 1974 and 1975, first National Bank of Chicago (Nig) Limited was established. It is now International Merchant Bank. Chase Merchant Bank and Nigeria Merchant Bank were also opened at the same period.

In the case of the development banks, they were all post independence and all Federal Government owned. Examples of these development banks are Federal Savings Bank, Nigerian Agricultural and Co-operative Bank, Nigerian Bank for Commerce and Industry and Nigerian Industrial Development Bank respectively.

Presently there is a proliferation of banks following the new legislation on formation and operation of banks. However with the promulgation of the failed banks degree of 1995 and increased authorised capital reserve to N500,000,000.00 (Five Hundred Million Naira only) many of the existing banks are folding up.

These financial institutions perform different kinds of functions but in most cases they carry out similar services. The major services rendered by

almost all the banks whether Government or individuals are those of acceptance of deposits and in same cases lending. In all, the commercial banks stand out uniquely in terms of general banking services and more over they are better spread than any other type of banks in terms of branch network.

From the above bank origin and analysis therefore, more emphasis will be focused on services rendered by commercial banks with emphasis to Savannah Bank of Nigeria Plc, one of the leading commercial banks in the country (also formerly expatriate Bank) commercial banks are seen generally as profit-oriented institutions that usually concentrate on the profit/ interest of their shareholders (suppliers of the capital and owners of the company) first and foremost and this makes the general public to hold the view that their own (the public interest or goals) are usually not vigorously pursued. Notwithstanding this negative public attitude melted on the commercial banks by the society, the banks still play a "Crucial" role as intermediaries between the surplus units in the economy and the decifit unit.[7.8] A large percentage of commercial banks assets are invested in various services rendered. Most Services/Bank operations are invested in loans and advances to their numerous customers. For example, at the end of 1985, commercial banks aggregate credits to the economy stood at N22.4 billion Naira. This represents a high proportion of their assets. Despite the economic crush/difficulties facing all businesses, banking sector inclusive and the country general, this sub-sector still keeps witnessing a high rate of profits at the end of each financial and accounting year. For example, a break down of Savannah Bank of Nigeria Plc (reference bank of study) account shows that in 1989, 1990, 1991 and 1993 profit after tax stood at in million) N37,434; N48,178; N48,178 and N31,716 respectively. This growth trend is applicable to almost all the commercial banks in the country.

In order to extend banking services to all nooks and corners of the country, the Federal Government in 1987 ordered all the commercial banks to open branches in the rural areas. Each commercial bank was allocated a certain number of branches to be opened in specified rural areas. The first phase of the rural banking scheme ended on the 30th June, 1980 during which time a total of 195 rural branches." were allocated to all the commercial banks nationwide but only 81 were open under the second phase of the rural banking scheme which was to have been completed by December, 1983. A total of 266 branches were opened while under the third phase which began in 1989, 300 new rural branches were expected to be opened by July 1989. Banks before then were always concentrating their branch operations in the Urban Centres where they make quick profit.[9]

Both indigenous and expatriate banks were fond of this . Where as this idea of Urban location indicates short sightedness, no courtesy to the overall development of the Nigerian Economy. As at 1977, after over 80 years of banking serviced in Nigeria (from 1894) these existed only 470 bank's branches to services a population of about well over 80 million and a territory of some 921,000 by km. As a result of this geographical distribution, over 100 of the 470 bank branches were located in Lagos state alone with an area of 1.381 sq. km. while states like Niger, Bendel and Gongola had fewer than ten (10) bank branches each located in Urban Centres.[12] With the present situation when many branches exist all over the country, a large percentage of the population may now enjoy banking services.

In order to control the administration of the banking industry, particularly commercial banks generally, the Central Bank of Nigeria (CBN) is empowered by the Federal Government to issue out monetary polici(es) circulars among others yearly which contain each years guideline on the banks day-to-day operations. The guideline usually feature among others:

(I) Aggregate credit ceiling (maximum growth rate in aggregate loans and advances)

(ii) Sectorial distribution of commercial and merchant bank loans and advances.

(iii) Capital funds

(iv) Reserve requirements

(v) Interest rates etc.[10]

Even though banking services are seen to be vital in the economy, a lot of people and even institutions still view the banker as a "queer creature" whose operation are shrouded in Mystery.[11]

As a result of this non-challant attitude, some bank officials render these services poorly on part of some of them and even rigidity in methods of operations, coupled with the political, ethnic, tribal and selfish interest. This assertion of queer creature can not be far fetched. However, this does not mean that all banks and bankers are the same or guilty of this offence.

Banking is basically a service industry operated by human beings for the benefit of the general public. As such it is natural that the services provided by financial institutions (banking sector) cannot be one hundred percent (100%) perfect. The fault may not lie entirely on the operators of the services, they may be due partly to institutional defeats as the attitude of both the operators and the consumers/beneficies. At any rate, the complaints of customers against institution providing services are not confined to banking services alone but the fact remain that different reasons exist for feeling dissatisfied with banks.

This research is a direct response to the myrial of complaints hue and cry by both the operators and our governors and the consumers/Governed about the inadequacies, failures and inefficiencies of the banking system whose plathora of maladies according to them seem to defy solution. The imported solution have not been worthwhile either.

"We have the skills, how come we are grounded? This seems to be the question agiting the minds of all patrotic citizens.

The banking industry has been variously refered to as the white elephant and the nation "sick baby" it is paradoxical that the banking sector is tagged the white elephant dispite it's monopoly.

Nigerians are agreed wrongful or rightly that there is manumental mis-management of the nation's banking system. A Nigerian Scholar once remarked that Nigeria will perhaps go down in histry as one country that had so much but did so little. However, one thing is certain the wastage of resources in the broadest sence of all natural resources, mineral in the ground, forest and animal life above the ground, fish in the sea and vast human endownment has been unbelivable.

It is in the light of this public spirited Nigerians have joined band wagon, chorusing privatisation and commercialisation of public corporations in the country. Judging from our experiences since privatisation and commercialisation of public organisations sectors (banking sub-sector inclusive). Five years, the exercise has yielded some fruitful result. At least some public confidence is fast growing particularly in the banking industry. In addition better condition of service and service rendered are going good and better now. However, another school of thought sees government participation a reaction to the demand of the national security and the failure or excesses of the private sector (including banking industry). Protagomists of this view point contend that "completed" privatisation - the transfer of "Purely economy activity from the public sector has no place even in the pure capitalistic economy. They urgued that countries the world over have continued to recognise the need for government to actively participate in industries that are sensitive, socially oriented, requires huge capital or touch on national security.

Privatisation is essentially a search for efficiency through the systematic transfer of ownership from the public sector to private sector geared towards stimulating higher and more efficient production and of services whether government involvement is the cause of inefficiency and whether the cessation government participation will be desirable in the long run are questions for debate.

My thesis/research paper will attempt to provide useful data or information that will enable the reader or decision maker take a positive stand. It will also find out whether the services rendered by commercial banks, with reference to Savannah Bank of Nigeria Plc in particular are seen by the public as good, poor and how effective and realisable are banks services made available to customers.

Therefore at the end of the research, it is envisaged that the inquisitive mind should be able to find solutions to the following question marks/statements:

(i) Is the Privatisation of Public Corporations (Banks) the answer to efficiency?

(ii) Can public corporation be or remain efficient and productive while in the hand of Government?

My research paper will also attempt to answer the crucial question, is banking industry inefficient?. If is found to be in the affirmative, the next consideration would be to attempt to identify the causes of this inefficiency and the role marketing plays in reversing this negative trend.

However, if the outcome of this research text proves to the contrary, the "inefficiency syndromatic" we may want to know the casual factors behind the hue and cry about the inefficiency of the banking sector and the role of marketing have played in the prevailing circumstances.

1.2(1) THE STATEMENT OF THE PROBLEM

Banking is basically a service outfit operated by human resources for the benefit of the generality of the populace. As such it is natural that the services provided by these people (factors of production) cannot be hundred percent (100%) perfect. The failure may not lie entirely on the operators of the system. There may be due partly to institutional defect or the attitude of both the operator and the consumed[12]. At any rate, the complain of consumers against the sector providing services are not confined to financial services alone but the message remain that different reasons, exist for feeling dissatisfied with banking services(s).

The world bank itself is unpopular even with the customers they finance usually as a result of the innumerable conditions. It specifies for granting a loan and the propotrated delays and various botlle necks encountered during the period of negotiation and consuming the loan.

The apex (Central Bank of Nigeria) bank could also be said to be unpopular) particularly among other banks, the public at large and even some times with the government because of the power of supervision and regulation which they exercise over the latter (other banks) they later generally consider as unnecessary constraint on their freedom to operate their business the way they like. The apex bank as the initiator and executors of monetary policies and in most cases the administrators of exchange control regulation are exposed to public dissatisfaction whenever they take decision and or measures that infringe on the financial interest of individuals or groups in order to safeguard the overall interest of the national economy.

The financial system is a complex network that includes payment mechanism and borrowing as well as lending of funds. Many bank customers believe that they are entitled to bank services on demand

forgetting that banks are primarily trustee of depositors funds and as such they must organise their operations in such a way as to make it possible for them to meet the demands and needs of their depositors as when due and called upon to do so.

Banking services can be broadly divided into five areas (reference to Savannah Bank of Nigeria Plc) General Services, International transfer, specialised services, trustee services and other services as the case may be. All these services face one form of criticism or the other from the public or customers. For instance it is a well known fact that most banks in Nigeria take up to two or more hours to cash cheques or make inquiries and also some staffers of certain branches or banks of some banks are not courteous while dealing with their customers.

It is therefore with this background information in mind that this study is carried out to verify the various assertion and to recommend what can be done to improve the situation.

1.2(ii) THE PROBLEM

Every organisation has to identify and make efforts to satisfy the needs of the markets, its activities, and aims. The ability to successfully do this will contribute towards the long term survival of the organisations. However, some organisations have failed to grasp the importance of this policy approach in which the banking sector is not an exception.

The major problem facing the industry as highlighted above focuses on efficiency, acceptability and service satisfaction.

- There is general outcry by the public of poor services, lack of confidence in the system, and non penetration of services of banking operations. This poor services, associated with banking transactions services not enjoyed by a larger proportion of the Nigerian population among others will form the basis of my hypothesis to ascertain this position.

1.3 METHODOLOGY

This research will take a descriptive approach. This will invclve an accurate presentations of facts about the situation as it is found at the time of this study.

In the process of collecting informations and materials for this research work, questionnaires are designed to obtain and gather informations on marketing of banking services in Nigeria as seen by customers as well as bank staff with specific reference to Savannah Bank as is being practiced.

Oral interviews will also be held with banks other than the reference bank, and its customers (i.e rural dwellers as well as Urban dwellers) in different walks of life irrespective of the nature of calling be they self employed, civil servants, Doctors, Farmers, traders, corporate organisations etc.

References are also made from a number of textbooks, journals, articles, newspapers, the orgnisation's (Savannah Bank of Nigeria Plc) records, memoranda and financial statements.

The questionnaires will be administered on a sample of Savannah Bank Customers while questionnaires mainly for management staff will be administered by bank staff of selected banks using the simple random of sampling technique.

Attempts would be carried out to indicate the type of services rendered by banks and using current literature the subject for reference. The various data collected will be used in testing the following:-

(I) Banking services are generally poor and unsatisfactory

(ii) Public confidence on banks is dwindling

(iii) Large percentage of Nigerian population still do not enjoy banking services as a result of concentration of banks in Urban centres.

Lastly, conclusion arrived based on available figures from the data collected and answers to interviews and questionnaires distributed on the subject matter. The details in this regards (of facts and analysis) is shown in later chapter and recommendation shall there after be made on how to improve banking services and how banks can effectively contribute to the nation's economic development.

1.4 AIMS AND OBJECTIVES

Banks perform a number of closely related roles and functions, most of which are of vital importance to our private and business life.

In the performance of these functions, it is becoming more apparent that previous strategies are not applicable to changing times. Banks thus need to make some modification in these strategies to keep abreast with modern challenges and times. This can be done only through adequate identification of customer's needs, development of aggressive marketing strategies and proper co-ordination of these marketing efforts as an integral part of the banking system. Thus the research objectives are as follows:

(I) To establish whether there is an existing lack of confidence in Nigerian Banking system.

(ii) To undertake a general but critical study of the banking industry in order to confirm or reject the inefficiency theory (is the banking industry inefficient).

(iii) To identify the reasons, if any for the attitude of Nigerian towards their banking system.

(iv) To identify the problems and prospects of the banking sector as a viable business organisation. ("Is the banking industry a viable concern in purely economic term or as part of national policy.")

(v) To identify the impact of marketing on banking services.

(vi) To undertake a critical study of the banking industr establish the degree of marketing embarked upon t

(vii) To examine the various kinds of services rendered in Nigerian with emphasis on commercial banking ' of services do commercial banks offer?".

(viii) To consider and or examine the relevance of such the society (where the banks are located. Urban an areas).
"Who benefit most, Urban or Rural populace?"

(xv) To assess how there services are fully implemente determine whether they are well crried out and full appreciated by the customers or otherwise.

(xvi) To make suggestions that will lead to improvemen services and also public confidence in this sub-se financial system. Furthermore, suggestions woulc how bank's services can be made available to cus without necessarily forcing them to fulfill different in case of loans and advances.

(xvii) Finally to indicate how banks can help in improvin nation's economy.

1.5(I) RESEARCH HYPOTHESIS

Statistical tests on different variable used in this stud designed to furnish the reader with sufficient data or infc evidence to enable us verify or reject the following postulation:

(I) That there is correlation between service level (qu

(iii) That government interference and control has direct ramification or negative effect on the operational efficiency of the banking system.

1.5(ii) STATEMENT OF HYPOTHESIS

(I) Banking services are poorly rendered, inadequate and below standard

(ii) Public confidence in the banking system is dwindling and need improvement of its marketing strategies, because majority of Nigerian do not enjoy its services.

1.6 SCOPE AND LIMITATION OF THE STUDY

With the proliferation of banks in Nigeria, it will be heroulean to attempt a study of the entire operational structure of the banking system in the whole country and still maintain and achieve a high level of accuracy and make realistic postulation and recommendation respectively. It is in realisation of this short coming and time constraint that I have decided to limit the research work on Savannah Bank of Nigeria Plc - reference bank whose operations, activities and structures are similar to other sister commercial banks in Nigeria. The bank now privatised and fully public-owned was one of the expatriate banks bought by the Federal Government. The dissimilarity is in terms of name, location and style of administration and operations. Although the study will also make incursions into the finance system generally as a basis for comparative analysis.

The study will therefore be based on the following areas:

(1) The general problem of the financial system.

(2) The role of marketing as a stool for promoting efficiency, productivity and profitability.

(3) To analyse the banking system to determine:

(a) Viability

(b) Feasibility

(c) Profitability

(4) To analyse the operations of banking to determine those areas in which it is most efficient and or ineffective and to advance conclusion and make recommendation and remedial measures.

It is important to point out that limitations of time and cost have been instrumental to the number of bank/branches covered nation wide in this investigation, even Savannah Bank, the reference/selected bank in question, it hasn't been possible to go round all the banks branches (88 branches) in the country.

1.7 JUSTIFICATION OF THE STUDY

The macro-economic effects of parallel markets, financial institutions have attracted a great deal of interest recently. The banking industry and its dealings are a critical aspect in agric - dependent economy like ours because what happens outside such an economic system is felt by everyone else. It is apt to state that "whenever the global economy sneezes, the local economy catches cold." On this account therefore, the advantage of an effective and good marketing system especially in our today's changing world, particularly the banking industry and attainment of consumers needs is more important than any other considerations like Human welfare in terms of numeration (wages and salaries), price of labour, and more important than gains from other services. The analysis and the study of such a sub-sector (banks) and its implications on the entire economy can thus not be over emphasised.

Secondly, the presence of informal activities and foreign exchange Markets in Nigeria as in many development countries, has important macro-economic effects, for they play important roles in determing the manner in which exogenous and policy shocks are disseminated through out the economy.

Thirdly, unorganised money markets, which have developed to become an essential part of the financial process, have no legal standing and thus not subject to regulation by government. They are therefore not subject to the government imposed prudential guidelines and unfortunately operate at a competitive advantage relative to formal institutions. Such arrangements have important consequences for the ways in which financial policies affect key Macro-economic variables.

The major significance of this study therefore is to be able to develop a more effective and efficient strategy for marketing of banking services. This will be achieved by identifying the present problems and prospects existing in the Marketing of banking services.

1.8 DEFINITION OF TERMS

Inefficiency for the purpose of this research will be defined, deduced or implied from the performance of the following core activities.:

(1) How long it takes to process cheques

(2) (a) How long it takes to pay a customer (queing times)

(b) The convenience of the exercise (orderliness', information level etc.).

(3) The punctuality of the staff to attend to customers at the counter (the number of minutes a staff takes to serve a customer in excess of estimated service time) the standard delay time being 20 minutes.

(4) How easy it is to dispose or cash a cheque in time of:

(a) Loss of cheques or withdrawal slips and or authorisation note.

(b) General complaints.

(c) Settlement of claims (compare to other banks other than Savannah Bank in reference)

Effective performance would therefore have been achieved with the performance of these services/activities resulted in customers satisfaction at a profit to the organisation. Economical, as used in this study will be continued to incorporate the following:-

(1) Feasibility: How practical is the banking business active? Is the banking industry a feasible venture?

(2) Profitability: Is the outfit gainful and beneficial? Is the banking sector truly a "white elephant in Purely economic term?

(3) Viability: Is the business organisation capable of surviving and developing, is it workable?

Answers to the bank definition can be found in the overally analysis or examination of the subject matter. In doing this, we shall focus on such areas like profit earned over a definite period of time will reveal its performance so far. Other consideration will involve.

(a) Size of Market

(b) Nature of demand.

I am however convinced that the data gathered and informations received from this sample will in no doubt be a fair assessment of the opinion, fears, attitude, wishes, displeasures, and perceptions of the tabulation under study.

NOTE: If in the course of:

(1) This research work, it becomes evident that constraints of time access and cost will not permit me to elaborate study of this kind envisaged by this research, the reader should not be puzzled by the slight change(s) in approach that he or she may come across. It is hoped that the outcome will serve the same purpose and that is to provide food for thought - illumination

and recommend concrete proposal for remedying substandard performance.

(2) Conclusions arrived at may be explicitly stated or implied although efforts will be made to highlight major conclusions and points of interest.

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CHAPTER TWO
2.0 LITERATURE REVIEW

2.1 GENERAL FINANCIAL REVIEW

The world in which we live has altered dramatically in the last few years. The change in outlook within our own environment since independent is no longer that of a subject country but a Microcosm where we are largely the arbiters of our own fate. A microcosm in today's world is subject to external influences beyond our custom and if we do not see the clouds over the horizon, we will be overcome by the deluge when it arrives at home.

The aspirations of the underprivileged depends on the willingness of the love to give to the have nots. We have to bring the solutions to our problem because the world has become a competitive and less sympathetic place in which our institutions must live up to our expectations otherwise our progress will be retarded. We therefore have to identify the main features of a developing economy and define what expect of the banking industry in such an economy and see what conditions needed to be created so that the banking industry can operate successfully with the maintain encouragement from Government and regulatory bodies with the minimum of interference.

In a developing economy such as Nigeria characterised by a multidimensional macro economic problems called the "vicious cycle of poverty" This cycle of poverty itself is an aggregate combination of low income, low savings, low investment and consumers demand. The traditional institutional divisions which characterised financial market are disappearing as banking institutions seek to take advantage of environmental changes to offer their consumers a more integrated range of financial services. The financial markets in developing

countries have become more increasingly diversified, technology develop to improve the speed and variety of service provision and the on-going global deregulation of the industry has widened the potential products service range for the majority of banks in these economics.

It is highly unfortunate that in Nigeria the banking industry is viewed with suspicion and distrust by the general public and vilified by the press at every opportunity. This shows a fundamental misunderstanding of the roles and functions of the banks.

Traditionally, banks provide the major vehicle for mobilising resources from the surplus units and channeling the same to the deficit units. They also provide a potent medium for the transmission of government monetary policies in discharging its cardinal responsibility for economic management. Therefore in a developing economy banks are only vehicles which recycle money. They are middle men in the economy and their operations and actions are government regulatory bodies and monetary policy.

Commercial and Merchant banks have always operated three types of transactions accounts (Savings, Current and Terms) for their personal and corporate clients. These transactions further give rise to a variety of banking relationships and a product lines. They provide funds mainly through loans/advances/overdrafts and other forms of credits to the deficit section. As financial Intermediators, they provide a mechanism to effect settlement of financial transactions and debt obligations on behalf of their clients. By performing these banking services, the banks are also able to earn part of their incomes through interests and commissions charged on the services rendered. In the past the primary sources of income to the commercial banks had been through these types of services due to the economic down turn and the subsequent industry's provision for bad and doubtful debts, income generating instrument have been focuses away

from the traditional aspect (loan and advances) to the very short-run avenues and other instruments.

Banks have always conform to government economic programme of national priority. The sectorisation of credits forces commercial and merchant banks in the Country to grant more credits to priority sectors such as agriculture and manufacturing. The Table 2.1 shows the increasing roles and functions performed by Nigerian Banks in agriculture and manufacturing. These credit trends to the two sector typify the increasing significance of roles played by banks in agriculture and manufacturing in Nigeria since the last decade.

YEAR	AGG. CREDIT TO AGRIC SECTOR (N'M)	AGG. CREDIT MANUFACTURING (N'M)	OTHERS (N'M)	TOTAL (N'M)
1980	482.20	3,565.50	2,701.50	6,749.20
1981	619.20	4,909.00	3,766.70	9,294.90
1982	826.70	5,853.30	4,622.10	11,302.10
1983	994.90	6,170.20	5,414.30	12,579.40
1984	1,131.40	6,493.10	5,565.20	13,189.70
1985	1,430.40	5,573.20	6,969.60	13,973.20
1986	2,042.10	7,096.90	9,534.00	18,673.00
1987	2,754.80	10,017.20	27,042.80	21,679.70
1988	3,643.20	11,615.20	8,492.60	23,741.00
1989	4,285.80	13,152.80	15,152.80	27,539.90
1990	5,320.20	15,313.50	12,368.70	33,002.40

Table 2:1 Actual Sectoral Allocation of Credit by Commercial and Merchant Banks to Agriculture and Manufacturing Sectors in Nigeria for the period 1980 - 1990.

Source: CBN Annual Reports.

As part of their economic functions, banks contributes immensely to the formulation of major macro economic policies and they act as channels for implementing such policies. They also perform many special economic functions such as monetising the rural economies through rural branches and stimulating less capital intensive economic projects through programmes such as Nigeria's small and medium scale enterprises schemes (SMES).

By performing those functions, banks are expected to make profit in a responsible manners. How else can the banking industry make a contribution to a developing economy if the operating institutions cannot pay for investment in staff training, branch network, technology etc.

Investors need stability in order to make medium and long term investment decisions. Banks follow where investors go. The frequent arbitrary changes in policies, combined with poor incentives to investment, bureaucracy and corruption hinders economic activities. Therefore, the banking industry the middlemen in this scenario cannot persuade investors to invest in such hostile climates.

In the late 1980's and the early 1990's, the single policy that has affected and dictated the roles and functions of the industry was the structural Adjustment Programmes (SAP), which contain a lot of macro economies measures. Before SAP the banking industry was highly regulated in line with keyesian economic. However, with the introduction of SAP in 1986 the focus of government policy was the gradual deregulation of the Nigerian Economy in which the banking industry is a key player. These inputs or measures implies the absence of unnecessary interference in the market forces with the industry

One major aspect of deregulation exercise in Nigeria was the abolition of the licensing system. This had a profound effect on the roles of banks because banks had to then function as the channels for distribution

of foreign Exchange allocation. As a result banks were expected to bid for Foreign Exchange on behalf of their clients. The supply in forex resources lead to stiff bidding competition amongst banks.

Another policy under cut by the regulatory forces on the banking industry is the withdrawal of Federal and State Government's accounts and their agencies funds from the commercial and merchant banks and lodgment of same in the Central Bank of Nigeria (CBN) in 1989 up to date. Such lodgment of funds with the CBN had immediate and far-reaching implications some of which were:-

- It means CBN would engage in retail banking
- It contravenes the traditional roles of CBN as an apex and regulating body whose rules have implications for various aspect of retail banking.
- It means over-stretching of their manpower quantity and quality in the apex institution.
- Placing many commercial and merchant banks in service liquidity constraints in view of the epileptic manner of the CBN's directive.
- Many commercial and Merchant Banks could not afford to provide the needed services required and as regards forex transactions, they could not afford to provide the necessary naira cover for their allocation (Liquidity problems) in the forex market as well as other major foreign transactions.
- Resulted in the increase in interest rates at the inter bank market.

Furthermore, in Nigeria with the introduction of the prudential guide lines of 1990 and the Decree 24 (CBN) and Banks and other Financial Institutions (BOFI) Decree 25 of 1991 has further compounded the problems facing banking industry. While the guidelines are to ensure safe and sound banking, its sudden circulation and strict implementation has continued to erode the profitability of banks. For instance, in the 1990 financial year in

the country the total provisions for bad and doubtful debts by five selected Commercial Banks (FBN, UBA,UBN, AFRIBANK, SBN) and three selected Merchant Banks (ICON, NAL, AND IMB) aggregate to about N948 Million vis-à-vis, their aggregate Net earnings (before depreciation and taxation) of about N1.3 Billion.

Another adhoc governmental measure typified in Nigeria where we witness abrupt and unforeseen changes in the composition of Boards of Directors, many of whom pursue selfish and personal interest. Such constant changes are a clear encumbrance on the banking system in developing discouraging investors and thus an obstacle to progress.

The price is now being paid by these banks for the errors of the past. The application of the prudential guidelines is forcing banks to set aside profits against the bad lending of the past which are as the result of past management.

The Commercial Banks with their large branch net work should realise that the services and services they perform by collecting deposits and bringing banking to the grass roots is a vital function in itself. The need for these banks to diversify their services may not be more important than their traditional role despite hedging which such diversification provides in their task of raising deposits and channeling these funds into the productive sectors.

The inexorable drive towards liberalistion of financial services will necessitate the lifting of the heavy band of government interference. And despite the numerous uncontrollable variables affecting the banking industry in developing economies, it has and will continue to play its fundamental role as the custodian of clients' funds and functioning as the intermediary institution which ensures the allocation of funds from surplus units to deficit sectors of the economics concern.

2.2 BANK EXPANSION BETWEEN 1960, 1970 1980 AND 1987

NAME	YEAR			
	1960	1970	1980	1987
C.B.N	1	1	1	1
commercial banks	12	-	20	33
Merchant Banks	1	1	6	16
Development Banks	-	5	5	5
Insurance companies	-	43	75	84
Federal Savings Bank	1	1	1	1
Stock Exchange	-	1	1	1
Stock Brokers	-	8	10	-
TOTAL	15	60	119	136

SOURCES - C.B.N ECONOMIC AND FINANCIAL REVIEW VARIOUS YEARS.

TABLE 2.2 LIST OF COMMERCIAL BANKS OPERATING IN NIGERIA

BEFORE 1977

S/N	NAME	YEAR OF COMMERCIAL	FOREIGN SHARE HOLDING	NIGERIAN SHARE HOLDING
1.	First Bank	1894	38	62
2.	Union Bank	1917	20	80
3.	National Bank	1933	-	100

4.	Wema Bank	1945	-	
5.	African Continental	1947	-	
6.	Co-operative Bank	1953	-	
7.	Bank of the North	1959	-	
8.	Co-operative & Commorce	1961	-	100
9.	Bank	1960	40	100
10.	Savannah Bank	1961	40	100
11.	United Bank for Africa (F)	1959	40	100
12.	African Bank (F)	1962	40	100
13.	Nigerian Arab (F)	1969	40	60
14.	Allied Bank (F)	1971	-	60
15.	Pan Africa	1970	-	60
16.	New Nigeria	1971	-	60
17.	Merchant Bank (I)	1972	-	60
18	Kad. Co-Operative (I)	1976	-	100
	Kano - (I)			100
				100
				100
				100

SOURCE - NIGERIAN BANKING ALMANAC 1985/86

474610

(F) - FOREIGN

(L) - INDIGENOUS

TABLE 2.4 LIST OF COMMERCIAL BANKS AND NUMBER OF BRANCHES AS AT

DECEMBER 1985

	NAME	NO. OF BRANCHES
1.	African Continental Bank	95
2.	Allied Bank	33
3.	Bank of Credit and International	26
4.	Bank of the North	70
5.	Commerce Bank (Credit Lyonnais)	1
6.	Co-operative Bank	36
7		
8.	First Bank	229
9.	Habib Bank	8
10.	Internal Bank for West Africa	61
11.	Kaduna Co-operative	14
12.	Kano Co-operative	11
13.	Lobi Bank	6
14.	Mercantile Bank	31
15.	National Bank	96
16.	New Nigerian Bank	38
17.	Nigerian Arab Bank	23
18.	Nigerian International Bank	1
19.	Owena Bank	12
20.	Pan African Bank	26
21.	Progress Bank	16
22.	Savannah Bank	32
23.	Societe Generale	14
24.	Sokoto Co-operative	1
25.	Union Bank	197

26.	United Bank for Africa	134
27.	Universal Trust Bank	2
28.	Wema Bank	37
	TOTAL	1,288

SOURCE - NIGERIAN BANKING ALMANACE 85/86

TABLE 2.5 LIST OF MERCHANT BANKS IN NIGERIA AND NUMBER OF BRANCHES AS AT 31ST DECEMBER 1985

	NAME	NO OF BRANCHES
1.	ABU Merchant Bank Limited	1
2.	Continental Merchant Bank	4
3.	First City Merchant Bank	1
4.	Grindlay Merchant Bank	1
5.	ICON (Merchant Bankers)	4
6.	INDO - Nigerian Merchant	1
7.	International Merchant	1
8.	Merchant Bank of Africa Nigeria Limited	1
9.	NAL Merchant Bank	4
10.	Nigeria - America Merchant Bank	3
11.	Nigeria Merchant Bank	3

Source: Nigeria Bank Almanac

Table 2.6 COMMERCIAL BANKS DEPOSIT FOR DECEMBER 80, 81, 82, 83, 84, AND 85 IN MILLIONS

YEAR	TYPE OF DEPOSITS		SAVINGS
	DEMAND	TIME	
79	3,265.7	2,418.3	1,283.8
80	4,845.9	3,573.7	1,589.5
81	4,880.9	3,816.8	1,979.2
82	5,180.7	4,517.0	2,321.2
83	5,855.6	5,202.6	2,879.3
84	6,343.5	6,030.0	3,361.3
85	7,046.2	6,851.0	3,699.9
TOTAL	37,418.5	32,410.5	17,114.2

Source - Central Bank of Nigeria Economic and Financial Review Vol. 23 No.4 December 1985.

Table 2.7 MERCHANT BANKS DEPOSITS FOR DECEMBER 79, 80, 81 82, 83, 84, AND 85 IN MILLIONS

YEAR	TYPE OF DEPOSITS		SAVINGS
	DEMAND	TIME	
1979	53.7	117.3	-
1980	66.5	215.6	-
1981	122.6	323.0	-
1982	272.3	691.3	-
1983	484.7	793.7	-
1984	511.0	970.6	-
1985	530.5	1,318.2	-
TOTAL	2,041.3	4,429.7	-

Source - Central Bank of Nigeria Economic and Financial Review Vol. 23 Nov/December 1985.

2.2 BANKING SERVICES IN RURAL AREAS (BASIC STATISTICS IN NIGERIA)

This area aims at pointing out the inadequacy of banking services particularly in the rural section.

Nigeria has a total land area of 923,769.1 square kilometer and an estimated population of 107 million as at 1986. After over 90 years of banking in Nigeria (1892-1986), there existed only 1401 bank branches to serve the area of over 100 million peopled in the Country, this shows one branch to about 77,000 persons.

Nigerian economic indications showed that about 75 percent of the population of Nigeria live in the rural areas and most of them do not seem to know the importance and impact of banking prior to the introduction of the banking programme introduced in 1977, as at 1977 before the take off there were only 470 bank branches in Nigeria serving an estimated population of about 80 million. This again indicates a ratio of 1,170,000 which was too low when compared with India with a ratio of 1.53,000, U.S.A.1.6,000, Great Britain 1.4,000 and Japan 1.14.000 (see table 2.1) of the 470 branches that existed before as at 1977, over 100 were located in Lagos State like, Niger, Benue and Gongola has less than 10 (Ten) branches each. Even in the States most of the branches were located in Urban areas/centres.

TABLE 2.7 BRANCHES OPENED BY ALL COMMERCIAL BANKS BETWEEN 1971-1976

Year	Total Branches	Of Which Unbanked	As a Percent of Total
1971	22	3	13.6
1912	18	7	38.9
1973	27	10	32.0
1974	18	5	27.8
1975	30	9	30.0

1976	17	2	11.7
	----	----	------
	136	36	
	----	----	-------

In Nigeria, banks were usually established to service business but was later shelved for serveral reasons such as unhealthy competiton.

When the above plan was dropped it was decided that the identified rural centres be allocated to banks purely on the basis of formula relating to the number of each banks rural branches to its total branch network throughout the country.

Also nearness to existing branches were also a yardstick in making the allocation. The programme/scheme was phased for ease of execution and control. In the first phase of 1977-1980, records (CBN) Annual Report 1987 indicate that 200 branches were slated for opening among 18 various commercial banks over the period given the encourageing concessions granted the banks by the apex bank (Central Bank) such as monopoly provisions for a rural branch for three (3) years in its area of operation, waired requirement of feasibility report in branch opening among others, and the newness of the scheme, a 100 percent compliance level was attained for the first phase.

In the second phase of 1980-1985 about 260 of the 266 branches allocation to 20 banks have opened rural branches representing about 98% (percent) success. In the third phase of 1985-1989 compliance level is very low, only 72 of the 300 allocated branches to 28 banks have opened branches for business. One clear implication of the above trend is that the banks are already getting tired of the scheme too soon. With an outstanding 288 branches unopend in the third phase. One wonders whether full compliance would come on stream.

Table 2.9BANK EXPANSION IN NIGERIA (1980-1987) COMMERCIAL BANKS

Year	Banks	Branches	Banks	Branches
1980	29	740	6	12
1981	20	869	6	15
1982	22	991	8	19
1983	25	N/A	N/A	N/A
1984	27	1,242	11	25
1985	28	1,297	12	26
1986	29	1,367	12	27
1987	33	1,483	16	33
TOTAL	213	7,898	71	157

2.10 MERCHANT BANKS

Year	Bank	Branches	Estimated National Population in N'Mil.	Population Per Bank Branch (%)
1980	35	752	82	115,281
1981	26	884	89.01	100,690
1982	30	1,010	92.13	91,219
1983	N/A	N/A	95.35	-
1984	38	1,267	98.69	77,893
1985	40	1,325	102.14	77,087
1986	41	1,394	105.72	75,839
1987	49	1,516	109.42	72,177
TOTAL	284	8,146	778.46	610,186

Source - Central Bank of Nigeria Economic and Financial Review and Annual Report (Various Issues)

NB - A 3.5% Compound growth is assumed for population

B/A - Not Available.

2.3 Bank Marketing

What is bank marketing?

This has been defined as "the creation and delivery of customer's satisfying needs and or services at a profit to the bank." It recognizes the customer, who as the ultimate target of bank marketing must be satisfied, secondly it recognises that this must be done at a profit to the bank. Thirdly, these services must be created and finally they must be delivered. This means that bank marketing is dynamic, not a static process which changes with or adopt to the changing environment and requirements of the customers. An effective strategy for bank marketing must therefore involve the banker in asking and answering at least four major questions, what services? why market them? How market them? and for whom? amongst others.

What services the banker has to identify the services he has already offered. He will then make up his mind whether he will "create" new ones and defines his objectives clearly. Although the principal objectives of any commercial enterprise of which the banking industry is one, is to maximise short-run and long-run profits. This is not the over riding objective of bank marketing, it is rather to attempt to reconcile satisfactorily and effectively the dual and conflicting obligation of maximum liquidity which the banker owes to the depositors and maximum profitability which he owes to the shareholders. The key to customer buy's again, talk favourably to others about the company, pay less attention to competition and advertising and buys other products that the company later added to its value.

Before the mid 1959, bankers had little understanding or regard for marketing. Bankers were supplying needed services and concentrated

mainly in its traditional functions of holding deposits, agent of payment and lending to customers. Bankers did not have to make case for checking current accounts, savings accounts, loans, advances or safe deposit boxes.

The building (bank) was created in the image of a Greek temple, calculated to impress the public with link. Importance and solidity. The interior was austere and the Teller (cashier) rarely smiled, one lending officer (credit and advances officer) arranged his office so that a prospective borrower would sit across from his massive desk on a chain lower than his own. The officer's window was located behind the officer's back and the sun would pour on the helpless customer who tried to explain why he or she needs a loan. This was the bank's posture before the age of marketing.

Maiwarang maintains that bank marketing involves "the actual face to face situations where bankers try to sell financial services to those who have no banking connections at all, to those who have the banking connections, with a competitor, or importantly to existing customers."

Cross etal defined bank marketing as both the creation and delivery of customers satisfying needs or services at a profit to the bank.[9]

They went further to state that the starting point for marketing is not just an activity although it encompasses many activities. It is also a point of view that should permeate all banking services.[10]

Quite a number of authors in Nigeria laid emphasis on the role of advertising in marketing of banking services. There was a common trend of thought among them that due to the present restructuring of the economy of Nigeria, there is the proliferation of banks consequently competition is strong and most banks will re-inforce their advertising strategies in order to cope.

Daniel Azun [11] However felt that banks must improve their research and development and have appropriate strategies in addition to the reinforced advertising in order to survive the growing population.

In addition to the above, there are other strategies common to modern banking system in Nigeria, namely the Joint Agricultural Liability scheme, credit scheme for rural women, Unicard Scheme, the quick counter cash services, computerised service system and other information services.

The quality of bank services can be improved in many litile but significant areas. As Oladele Olashore put it "Top Management of banks should not pretend to be ignorant of the many areas of customer's discontentment. They should persue policies aimed at improving the standard of bank services and apply part of their profit in appropriate cases, to do so notwithstanding the limited nature of the competition available in the industry .[12]

In business circules, bank marketing is the creation and delivery of standard of living. It involves finding out what a consumer wants, planning and developing a product or services that will satisfy these wants, deterring the way to price, promote and distribute these services or products.

And another school defines marketing as a total system of business activities designed to plan, promote and distribute want, satisfying goods and services to a potential customer. Marketing as applied to banking has been given various definitions by various authorities. Arthur Meidan.[13] States that the bank marketing functions focuses on the following:-

(a) Customer's behaviour, attitude and segmentation

(b) Branch Management location and distribution of banking services

(c) Advertising, communication, promotion and publicity

(d) Product or service development and introduction

(e) Pricing of bank services

(f) Defining marketing strategies, administration and controlling the Market programme.

(g) Marketing research that attempt to collect, investigate, analyse and interpret marketing development.

All of the above form the marketing activities that could be found in a bank and they also indicate a way in which the marketing mix of price, place, package and promotion can be applied in marketing of financial services. This is an important concept which if adopted and applied correctly could be highly advantageous to banks. Banks in Nigeria today are now adopting this complete marketing concept and are realising the importance of the use of the complete marketing act. The absence of middlemen in the service industry is one of the reasons why the complete marketing mix, has not always been utilised. Banks however have to take this marketing function seriously as it contributes largely to their survival.

Another approach is adopted by Lord Seebohn [14] in defining marketing as applied to banking. He defined it as:-

(1) Identifying present and future market for services

(2) Selecting which markets to serve and identifying customers needs with them

(3) Setting short and long terms goals for the progress of existing and new services

(4) Managing the services so as to persuade customers to use them at a profit and controlling of success in so doing.

Lord Seebohn used banks in the United Kingdom to stress the importance of marketing in banking. He maintained that amongst the banks in the U.K the need for aggressive marketing may be attributed to three major factors:-

(1) The historical inability to complete on interest rates as well as the existence of long periods of Credit restriction in the 1950's and 1960's when it was equally impossible to compete as lenders. At this point it seemed that traditional banking was to be prescribed completely.

(2) The disclosure of bank profit which brought a sharper adge to competitiveness with an increased profit awareness on all sides.

(3) The changes brought about in 1971 under the heading of competition and credit control which brought about freedom from the interest rate cartel, unformily of liquidity ratio's among banking houses generally and a greater encouragement to compete for business.

The first of these factor gave rise to the proliferation of banking services but the two consequent factors gave new emphasis to the need for developing those services in an energetic and profitable way.

The market for banking services are large in number. The different services each have their own market. For example, the market for personal taxation advice is different from the market for leasing. Also the market for world travel may overlap slightly with the market executorship work but basically, they are two different markets. The size and the location of each market will vary from service to service.

The marketing concept therefore rest on four (4) main pillars namely - market purpose, customer orientation, co-ordinated marketing and profitability. The key to customer's retention is customer's satisfaction. A satisfied customer buys again, talk faourably to others about the organisation, pay less attention to competition and advertising and buys other products or services that the organisation later added to its value.

This marketing concept came into the banking scene in the 1950's when banks and other financial institutions were experiencing increased competition for savings as a result few of them (financial houses/institutions) decided to adapt this marketing weapons of planning and control, positioning, and managing services quality.

Unfortunately, Nigeria is a country faced with under production and shortages of economic goods and services. This environment does not provide for effective and efficient application of the marketing concept. There are certain basic conditions that should prevail before the marketing concept can be fully implementitive, efficient and effective. Some of these basic parameter are lacking in the Nigerian society, thus resulting problems which according to the African Guardian Newspapers of February 15th 1993, summarised among the problems as fraud, inept management and many other factors are pushing banks down the abyss. "the banks must then devise ways of reaching the ultimate customer" consumers of their products or services. The banks like any other organisation, depend so much on information. An effective information bureau is vital to bank marketing.

Another way of marketing bank services is to make the services cheap, efficient, convenient and easy accessible. This can be done by improving the efficiency of the staff, opening more branches or banking posts and reducing congestion, long queues and delays on the bank's counter, mobile officer and agencies may be used in rural areas and market places etc.

To market bank services effectively, the bank must establish an sustain public confidence on its integrity, stability and soundness. Once this assurances is established and the public has confidence in the ability of the bank to deliver the goods or services quickly, conveniently and

satisfactorily on demand, the public will naturally increasingly buy the bank's services/good.

Having determined the what, why and how in bank marketing, the bank will then define the ultimate consumer of their services, the customer recognise the market segments and decide to buy.

How do we market bank services effectively? This requires a total mobilisation of the bank from the Board of Director to the least manager (messenger and counter staff in the Bank.) The Board of Directors determine the overall policy which is transmitted through the head office to branches. An effective bank marketing therefore demand a dynamic board of directors which can make quick reasonable and market - Oriented decisions and lay broad outlines of policy.

It also requires a dynamic and appropriately motivated head office and branch organisation and staff totally involved and highly enthusiasm in carrying out the objectives of the bank. It also calls for a clearly defined and effectively implemented channel of authority and communication within the origanisational set up of the bank. The branch manager and his counter staff are crucial to bank marketing at the grassroot level. They must have good integrity and a flair for good public relations. They represent the first and ultimate point of contact between the bank and the customers, good ambassador to the bank.

Having got its structure and channels of communication right, which segments to concentrate upon. Different market sectors requires different services, for instance, the requirement of government account differ from those of company account, farmers require services of a different type from those required by students or professionals etc.

A major hindrance to effective bank marketing in a developing economy like Nigeria is communication gap between the bank and the customer. The customer often regards his banker as an omnibus who can

lend all sort of finance ranging from short - through medium to long term and who has limitless funds. Little does the customer realise that the bank simply cannot lend for all the time money for all purposes and that is working within prescribed regulation which constrain their operations.

Nor does the bank (bankers) fully understand and appreciate the problem of the public. But effective bank marketing particularly in a developing economy requires more of the banker than just opening offices. It requires an effective and aggressive lending policy and re-examination of public complaints against the banking system.

It can be said that bank marketing strategy may be likened to a military strategy which requires the overall creative measures designed to win a war. It should indicate the broad aims and objectives. It involves the definition of the customer's groups, the determination of their needs and the creation of a marketing mix to satisfy those needs. It also involves the identification of present and future markets for services, selecting the markets to serve and identifying customer needs between them, setting long and short term goals for the progress of existing and prospective services and managing the services so as to persuade the public to continue using them.

Gone are the days of the arm chair or orthodox banking whose business is wholly Urban, Sub-Urban and entrepreneur oriented and who waits for the business to come. Effective bank marketing require a dynamic banker who is a go better, who is entrepreneur creating and whose business is additionally rural and international. And it requires institutional and operational orientation which questions and adopts the sound cannons of banking to the needs and requirements of the economy in progress and prospect.

2.4(i) EMERGENCE OF SAVANNAH BANK OF NIGERIA PLC

3.4 As earlier stated, the beginning of banking service in Nigeria was purely as a result of the economic activities of the colonial actien vis-à-vis Great Britain though the morality of the indigenous banks were witnessed as a consequences of Managerial Incompetent, the banks on the other hand excel in their Managerial activities.

The impact of banking services or commercial banking seclor has today in Nigeria diffused right to the grassroot amidst some deficiencies not withstanding. The commercial banks presently in Nigeria are alien by origin. They are namely: UBA, FBN, UBN, AFRIBANK, SBN, etc. among others.

The bank (SBN PLC) commenced business in August, 1960 as a branch of Bank of America NT & SA. In May, 1969 it was incorporated in Nigeria in compliance with the requirement of part X of the Company's Act, 1968 as Bank of America (Nig) Limited and thus become domiciled in Nigeria as a wholly owned subsidiary of Bank of Bank of America NT & SA. For 16 years of its operations as Bank of America NT & SA, the bank had four (4) branches in Nigeria namely:- Lagos, Apapa, Kano and Port-Harcourt and each branch reported directly to London under the European Middle East and Africa Divisional Headquarters of Bank of America. In 1976, the bank adopted its present name Savannah Bank of Nigeria Limited following the acquisition of 60 percent of its share capital by the Federal Government of Nigeria.

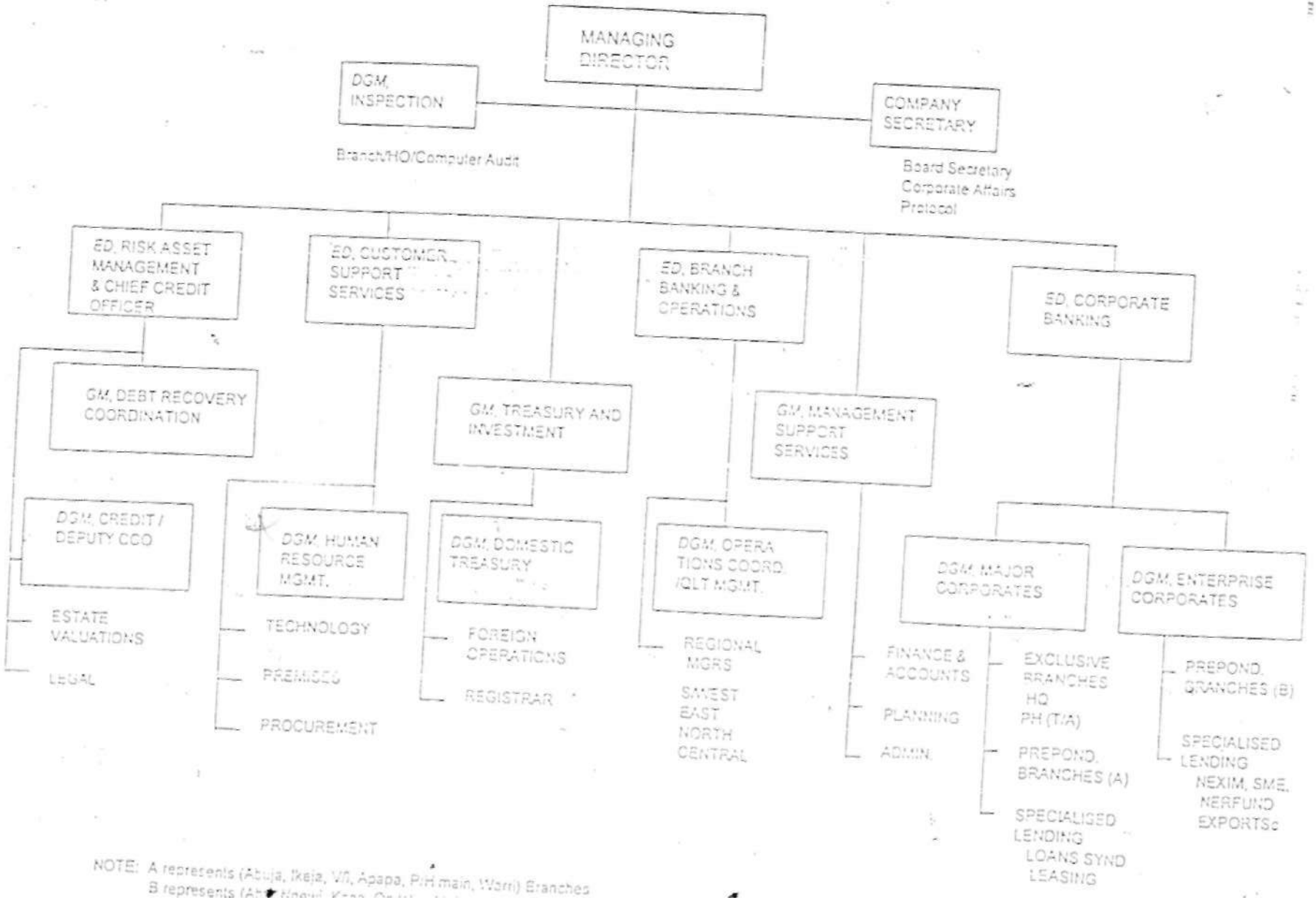
In 1982 5.8 percent of the bank's issued share capital was allocated to the Nigerian staffers of the bank thereby diluting both the government share holding and that of bank of America NT & SA.

In January 1985, they offered 7,500,000 shares to the Nigerian Public. With this development, the bank (Savannah Bank) was owned by the Federal Government by 51.3 percent, Lafftraco of Luxembourg 23, percent,

Bank of America 7.2 percent, the Nigerian Public 12.2 percent and the Nigerian Bank's staff 6.3 percent respectively.

From 1976 when it became indigenised, the bank has opened 63 more branches bringing a total branch Network Nation wide to 67 branches. The expansion programme has been consistent with the government requirements, resources, availability and demand of bank numerous customers. The bank future expansion programmes are now geared especially towards those states where the bank has no representation.

Savannah Bank Organisation



NOTE: A represents (Abuja, Ikeja, V/I, Apapa, P/H main, Warri) Branches
B represents (Ab[illegible] Ngwu, Kano, Os[illegible]

2.4(ii)**Catalogue of Services Provided By The Bank (SBN)**

Services rendered by the bank includes taking of deposits from customers and lending them to others at a rate usually higher than they pay the depositors. These service can be grouped into 3 broad headings - General Services, Specialised Service, Trust Services adn others

(a) General Services

(1) Domestic Transfer

- Cheques Payment
- Credit Transfers
- Standing Orders
- Banks to Bank Transfer
- Direct Debit
- Banker's Payment etc.

(2) International Transfers

- Mail Transfer
- Bank Draft
- Customer's Cheques

(3) Commercial Services

- Clear Credit
- Documentary Credit
- Import and Export Credit
- Foreign Exchange Services

(b) Specialised Services

- Consultancy Services
- Money Management

- Treasury Management Services
- Pension Fun Management Advise
- Foreign Exchange rate for cashing
- Banking and Finance

(c) Trust Services

- Stock and Bond Purchaser
- Life Insurance
- Dividend Payment
- Safety Deposit Services
- Estate Planning
- Tax Planning.

(d) Other Services

- Payroll Management and Accounting
- Data Processing Services
- Travel Arrangement
- Correspondent Banking Services
- Economic Study Services
- Consumers Banking Services
- Advisory Services on Financial and Invstment and
- Other Matters. 17

The Lion share of the bank's current services is focused on acceptance of depos its, overdraft facilities, real estate financing etc. Where they earn larger percentage of their profits. Such facilities on approval is communicated to the customers through commitment letters stating the terms and conditions of repayments, amount approved and expiring date etc., subject to the customer's acceptance (see attached commitment letter).

The Bank Service System

The bank's service pattern is both single and multiple channel model. The former is practiced most often in the rural branches where the level of operations and customer concentrations are skeletal and low, while centres with large volume of transactions, having more than one service channel or tellers for effective operations.

In the case of the single channel system, a teller/cashier try to serve a customer one at a time. The system of operation is similar to that of the queueing model in which case, it tries to measure cost minimization and customers service time. The single channel model written in short hand rotation as the M/M/I, meaning one channel. The components of this model are:-

(a) The input population is infinite, that is there are number less potential customers or arrivals

(b) The service discipline is first ecme, first serve.

(c) The channels pattern is one.

(d) The service distribution is also possion. The mean number of customers served per unit of time by a busy service is equivalently service time per customer is a random variable having an exponential probability density with a mean of A and assume that K < x

(e) System capacity is assumed to be infinite.

(f) Balking and reneging are not allowed.

The following notations are steady satisfied as applied in the queuing system is as follows:-

n = Number of customers in the system

pn = Probability that there are exactly n customer in the system

x = average number of customers/arrival per unit time

k = average number of customer a service/teller can serve per unit time.

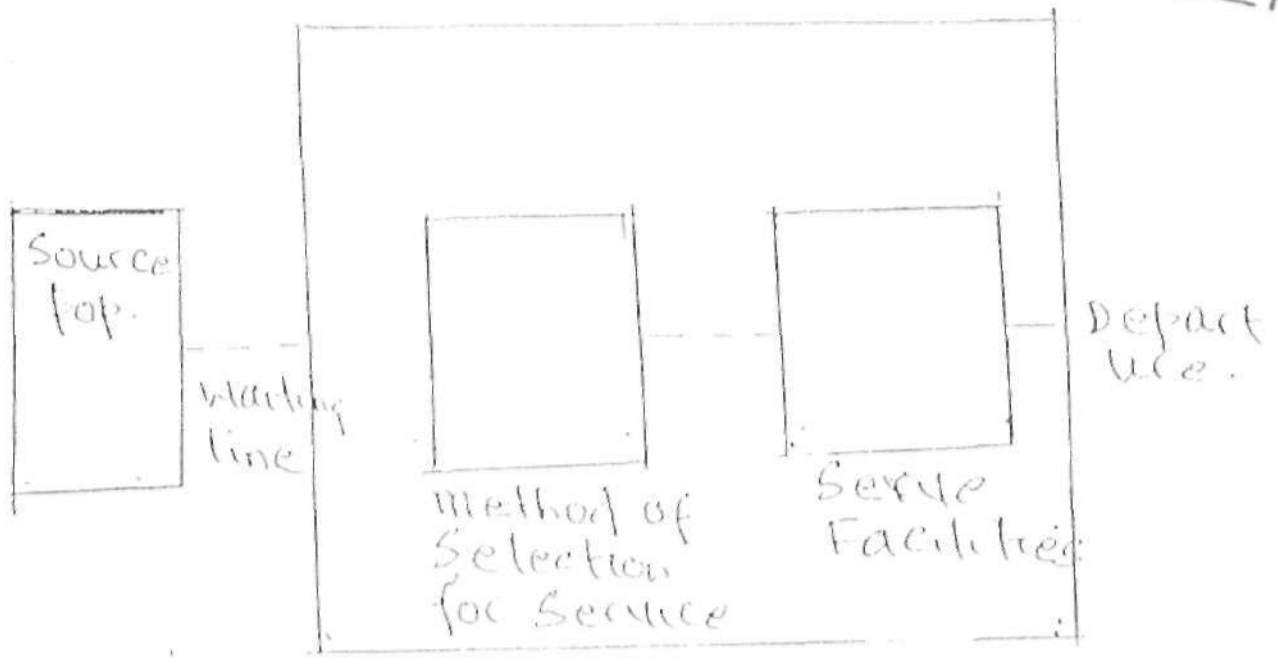
p = Traffic internality

L = expected number of customers in the system.

LQ = expected number of customer waiting in the quell.

Service pattern

HASHIM IBRAHIM LIBRARY



As obtained in savannah bank, the source population in this model represent current and potential dotted line above could be refer to as physical facilities of the bank itself. Thus a Customer enters the system. Upon physically entering the bank is considered an arrival thus enter the waiting line and waits for a available service. The selection for service step refers to the mechanism by which the next Customers form among those waiting is selected when a teller 1 cashier becomes available. In the bank, first come first service pattern is applied.

Let assume that the bank teller Cashier has a single service facilities, the mean arrival rate is one Customer for every 4 minutes (15 Customers per hour) and it takes 2 1/2 minutes (24 customers are served) to serve every customer.

(m) Assume also that it will cost the bank N0.50 per minute per person and the cost of serving one customer is N0.4e.5.

The bank can apply the above data/information to compute the average queue length the average line, time and arrival spent in the system, the average time a customer waits for service and the service cost per minute.

Using the decided queue formula below, we can compute the above assumption as follows:

1. average number of units in the system.

$$L = \frac{K}{x-k} \qquad \frac{K = 15}{x = 24}$$

$$= \frac{15}{24 - 15} = \frac{15}{9} = 1.67$$

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HG
1616-M3
Day

2. Average queue length

$$Lq = \frac{K^2}{X(X-k)} = \frac{(15)^2}{24(24-15)}$$

$$= \frac{225}{24 \times 9} = \frac{225}{216}$$

$$= \underline{1.04}$$

3. Average time a Customer waits in queue.

$$Wq = \frac{K}{X(X-K)} \quad \frac{15}{24(24-15)}$$

$$= \frac{15}{24(9)} = \frac{15}{216}$$

$$= \underline{0.069}$$

$$L = \frac{K}{X-K}$$

$$Lq = \frac{K^2}{X(X-K)}$$

$$W = \frac{1}{X-K}$$

$$Wq = \frac{XK}{X(X-K)}$$

(m) Assume also that it will cost the bank 10.50 per minute per person and the cost of serving one customer is 10.4.

The bank can apply the above data/information to compute the average queue length the average time, system, the average time a customer waits for service and the service cost per minute.

Using the decided queue formula, we can compute the above

assumption as follows:-

1. average number of unit in the system.

$$L = \frac{K}{X-K} \qquad \frac{K}{X} = \frac{15}{24}$$

$$= \frac{15}{24-15} = \frac{15}{9} = \underline{1.6}$$

2. average queue length

$$Lq = \frac{K}{X(X-K)} = \frac{(15)2}{24(24-15)}$$

$$= \frac{225}{24 \times 9} = \frac{225}{216}$$

$$= 1.04$$

3. Average time a customer waits in queue

$$Wq = \frac{K}{X(X-K)} = \frac{15}{24(24-15)}$$

$$= \frac{15}{24(9)} = \frac{15}{216}$$

$$= \underline{0.069}$$

In most urban branches of the bank the system is being operated more than one channel. This multiple channel queuing model is the M/M/S system, which is common to all banks.

One of the bank's urban branches samples, has 3 service channels to attend to its numerous customers. The average arrival have been found to have an exponential time is 20 minutes.

Again we can compute the mean number *in* the compute the mean number in the branch/system number in the queue and mean in the queue respectively;

alternative. This is vital to the success of an organisation and so a risky function.

In certain cases, the executive or researcher may be able to collect a considerable amount of information on which to base his decision. But where information is lacking, there is a great deal of uncertainty.

It is the functions of marketing research to reduce the degree of uncertainty, undoubtedly clear that no method known to mankind can entirely eliminate uncertainly.

However the scientific approach or method can minimise these elements of uncertainty that result from lack of information. By so doing, it reduces the danger of making a wrong choice between alternative course of action.

It is the realisation of this basic fact that has made the scientific method paramount in this research. By its use, we open our work to the following:

(1) Carefully and accurate classification of facts and observations.

(2) The application of scientific laws through creative imagination

(3) Self criticism.

In adopting this research approach, we have given cognisance to the need for the outcome to bear similarity with decisions or conclusions which either qualified individuals would reach or read from analysing the same data.

We had attempted through preliminary surveys using interviews to uncover fully comprehend and articulate the immediate and most importantly, the remote causes of the maladies of most banking services in Nigeria (problems of poor banking services lack of public confidence in the system etc) This proce ure of problem classification was/is adopted in order to ensure that the ecision maker, initial description of the (Banking

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 PREAMBLE

Although the existence of banking practice is commonly accepted, they are very few detailed studies that attempt to determine the effect of its operations and services as well as the significances in the economics development of any nation. This is partly due to lack of banking habits among the larger population of both Urban and rural dwellers as well as systematic and Scientific application of methodology and data analysis of banking practice. As earlier stated, part of the problem is by the way and nature these sub sectors are extremely difficult to monitor and operate or quantify it any meaningful manager often, the problems is compounded by the fact that government attempt to regulate its day to drop operations.

In this study the purpose is to demonstrate and analyse that these financial Institutions are indeed a widespread phenomenon in Nigeria and that they constitute a significant portion of economic activities in most countries of the world. Consequently, they can be expected to play an important role in the transmission of macro-economic shocks. This aspect of research work therefore requires carefully selected methodology and technique and wider research work through the study of pass records and thesis, business journals, textbooks etc. in order to arrive as a more reliable, accurate and good sampling.

In realisation of this objective, the researcher intends to adopt the method that will yield the desired goal and target. A well articulated format will be followed in sub-sequent work.

3.2 RESEARCH APPROACH

The successful practice of marketing depend largely on the Individual skill and judgment. He will have to apply his knowledge in the selection of

alternative. This is vital to the success of an organisation and so a risky function.

In certain cases, the executive or researcher may be able to collect a considerable amount of information on which to base his decision. But where information is lacking, there is a great deal of uncertainty

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It is the realisation of this basic fact that has made the scientific method paramount in this research. By its use, we open our work to the following:

(1) Carefully and accurate classification of facts and observations.

(2) The application of scientific laws through creative imagination

(3) Self criticism.

In adopting this research approach, we have given cognisance to the need for the outcome to bear similarity with decisions or conclusions which either qualified individuals would reach or read from analysing the same data.

We had attempted through preliminary surveys using interviews to uncover fully comprehend and articulate the immediate and most importantly, the remote causes of the maladies of most banking services in Nigeria (problems of poor banking services lack of public confidence in the system etc) This procedure of problem classification was/is adopted in order to ensure that the decision maker, initial description of the (Banking

services problems) fact that banking services are poorly rendered, was accurate and reflected the appropriate areas of concern for research.

This exercise proved rewarding. It is rather interesting to discover that marketing decision makers interviewed did not seem to have a clear understanding of the actual problems of the banking system. What they presented as problem were in actual fact mere symptoms of underlying problems.

A situation of this nature often provides explanation as to why management perceived problems seldown, constitute the researcher's actual frame of references.

3.3 RESEARCH METHODOLOGY

Research is the process of arriving at dependable solution to problems through the planned and systematic collection of data, analysis and interpretation of facts. It is an important tool for advancing knowledge. Research Methodology attempts to explain this process by which data is collected. It also attempt to explain the questionnaires, design, sampling, procedures and statistical tools of data analysis.

Research Methodology performs the following functions in a research project:

(a) It services as a guide to the researcher on where and how to collect the needed information.

(b) It shows at a glance details of methods of data analysis and why such method is preferred.

(c) It tells the reader where and how the data was collected as well as the sampling approach adopted. It also informs him (the researcher) before hand, how the data was analysed and interpreted.

The method applied will depend on the nature of information gathered. It is the life blood of management process and a guide to

research methodology approach to research work like the one under reference. It is in this regard that it has come to be generally acertained that the innovation, energy, a system, or enterprise communication to information processing, the more likely it is to servive.

It is in realization of the relevance and indispensability of information to the decision making process and quality of decision that it becomes vital for the researcher to specify a frame work or methodology for acquiring such informations. It is pertinent to point out here that this understanding is basically a decisional research papers intended to assist the readers and management of Savannah Bank make best decision. Its principal objectives therefore is to identify and recommend solutions to problems confronting the banking industry in general and Savannah bank in particular.

The research approach has been chosen in such a way or manner so as to provide an appropriate frame work for arriving at that decision or solution whose pay off will be appreciable and rewarding. These designs are fashioned to reach conclusions collected. However where decisive evidence cannot be linked to a particular factor or hypothesis under study, there will be recourse to such information in that indirectly implies the null or alternative hypothesis.

3.4 RESEARCH TECHNIQUE FOR DATA COLLECTION

(i) Secondary Data

It is the practice in the conduct of research to first and formost exhaustively survey secondary data before investigating time, money, and efforts in the search for primary data. This research is not exception. There has been extensive use of Secondary data to supplement primary data generated most of the data has been found relevant, adequate and useful.

Exploratory Research

(1) Search for Secondary Data

(2) Survey or knowledgeable persons

(3) Case analysis

The use of this method is most appropriate for this kind of study since its primary objective is to discover new relationship. It is my desire to ensure that the findings of this research are not only dependable, reliable and defensible, but also imbued with logical consistency, philosophical adequacy, and experimental foundations. But most importantly, emphasis "will be focused on findings practice and polices that need modification on changing and on developing possible alternative.

It will also attempt to advance the most likely explanation to phenomenon. We should bear in mind that conclusive research method will also be employed especially in the findings, solution to define hypothesis. It is for this reason that formal design have been developed to forestall the collection of unnecessary data in the study of the subject - matter.

Sources Used

(a) Banking journals and pamphlets

(b) Previous research reports on banking services

(c) Seminars findings on banking

(d) Periodical management journals and business periodicals

(e) Newspapers (business publication)

(f) Judgment samples involving experts and highly experienced and knowledgeable professionals company's

(g) Records (banks)

(i) Annual reports

(ii) General statistics

(iii) Operating statements

Primary Data

Usually there is recourse to primary data in situation where secondary data has been found in adequate or wanting. Researchers always want to acquire informations that will provide accurate or near accurate prediction of what would be the effect of each alternative chosen.

Primary data therefore aims at providing informations that is accurate, adequate and timely. Informations that has relevance and so directly related to the object under study.

It is in realisation of the importance and decisive nature of primary data that specific steps were taken to generate information that will help the banking system problems if any.

Data was generated using the following techniques:

(a) Observation of system and operational bank staff

(b) Survey of customers

(c) Interviews

(d) Experience data (working relationship with the organisation in question).

(a) Observations

Observations for this study were made in a natural situation without the knowledge of subjects (Customers and banks staff). The aim was to allow the events to happen or unravel in a state of nature unperturbed. There were times when it become necessary to mingle with customers and bank management staff at various bank's and branches in order to be nearer the field of action.

(b) Survey

Using the survey research technique, questionaires were were designed and administered. Informations generated therefore was systematically gathered and analysed to provide

inside and also helped the researcher investigate and predict certain aspects of the population of interest, sampling, questionnaire, designed questionaires administered and data analysis were carried out with great care by seasoned assistants under the researcher direct supervision.

The nature of information required for certain aspect of this research made the observation technique very useful. It was information that customers and bank staffers would have been unable or unwilling to provide in response to direct questioning. Observations were caused but systematic and lasted several weeks covering various banks and Savannah bank covering various branches (urban and rural) bank and management staff of selected banks other than the reference. Informations collected were found useful and revealing. The general purpose for this approach among others is to generate such informations as would enable it confirm or refute allegation of poor services, lack of public confidence, unruliness, insolence, lackadaisical attitude etc. leveled against the banking industry and staff in the performance of their duties (when dealing with customers).

Observation criterion was the emphasis of those activities that the research was convinced could be started and completed in a relatively short span of time. Inference were made on observed behaviour where such behaviours clearly confirmed or proved a contending factor.

Depending on the variable under study or scruiting, both designed and undesigned questioning technique were used. In other words, some questions were administered in such a way as to revealed the underlying purpose of the survey, others deliberately cancelled the objective - the general idea or area of interest in order to avoid or minimise subjective response to questions. Direct interviews were conducted in various banks and Savannah Bank selected branches. The objective were firstly to get such vital information as management and other key participants who not

have felt comfortable or seen appropriate to release information and secondly to get at subsurface event and sub-conscious motivation of participant. In this way we were able to probe those attitude, actions and responses that appeared relevant to the study.

The general purpose of those interviews and sometimes observations can be summarized thus:-

(i) To create rapport and a permission atmosphere free of disapproval, administration and acrimony

(ii) To formise the information that is to create conversational tune that will allow fears and suspicious.

(iii) To uncoller pre-dispesitly, unconcious feeling, needs, conflicts and the like. It is worth mentioning that those interviewed (inter/personal) were limited to few people and geared towards unveiling true result that would be difficult to unravel from the study of a large group.

Sampling

If all possible informations needed (from a large population) to solve a problem could be collected at an affordable cost, there would be no need to sample. However it is impossible to do this. We are always limited by time consideration of accuracy, cost and many other factors. This partly account for why sampling is inevitable. We need to choose samples, study them and then predict the (possible) responses, behaviours of the population, or effects of a decision or courses of action.

Because census has been found impracticable for this study for reasons of dispersion and diversity of the population of interest, emphasis has shifted to the sampling method - a survey of selected groups or participants. In other words, sampling approach is the selection of a portion of the population which represent the whole in order to obtain information.

If sampling is properly conducted, it saves the researcher time and money (expenses). The first step in sampling is to define the target population, draw a simple forum from the population and make statistical inferences.

Large population samples are necessary under the following conditions:-

(i) When many uncontrollable variable are present
(ii) When small differences are anticipated
(iii) When groups must be broken into sub groups
(iv) When population is highly heterogeneous on variable under study.

What We Sampled

(i) When the population is large and inaccessible
(ii) When costs for the population is excessive

(a) Definition of Population

All those involved directly or indirectly (public as well as private sector) by way of association, participation, patronage and our experience (in one way or the other) with the banking system.

(b) Sampling frame work

All participants

(i) Customers
(ii) Bank Management Staff
(iii) Rank and File
(iv) Other participants

(c) Sampling Limit

(i) Civil Servants
(ii) Business organisations

(iii) Savannah Bank selected branches

(iv) Others.

(d) Sampling Methods

Probability sampling were used throughout the study. Respondents were chosen at random and questioned and interviewed. Therefore each respondents (i.e. bank customers, bank operators or participants had equal chances of being selected). It is assumed that these techniques will drastically reduce the level or degree of errors in the study and thus enhance the chances of obtaining accurate information on the subject matter. The probability sampling techniques is significant because by its very nature, each unit selected had equal capacity or opportunity to provide desired information with a smaller margin of value. Random stratified sampling methods were also employed to ensure representiveness and thus reduce the sampling errors. The questionnaire were divided into two groups, bank management and customers.

(e) Sampling Size

A sample size of 6 selected banks and 4 Savannah Bank branches was chosen after careful consideration of accuracy, cost and time were made. The figures represent responses from the selected banks A B C etc. and 4 branches of Savannah (reference bank).

3.5 Methods of Data Analysis

Data is described as information (quantitative or qualitative) collected by a researcher. The major sources are primary and secondary datas.

In data analysis of subject under study, statistical method was adopted, and this consists of two main operation, counting and analysis. The analysis may entail no more than a simple comparison with the use of percentages. It could also entail the use of specially designed mathematical techniques. Whatever the type of analytical technique to which the data are to be subjected, the first stage of any statistical inquiry is the collection of facts (information).

Simple percentages is one of the simplest forms of data analysis. This method may not be as sophisticated as the other methods of data analysis. It however perform the same purpose as the other methods with percentages, one can see at a glance the trend the results are going to take. Percentages are only use to prove this belief scientifically. Thus the researcher decided to use simple percentages to analyse the data collected. The responses from each branch (in case of Savannah Bank) and selected banks are to be tabulated into frequency tables and transformed to percentages and interpreted accordingly.

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CHAPTER FOUR

4.1 DATA PRESENTATION ANALYSIS AND FACTS FINDING

- Introduction.

This chapter focuses primarily with the analysis of the data collected. The interpretations and the explanations of the research findings are based on the hypothesis formulated.

There are as many as 82 banks (Commercial - 43 Merchant - 30 and Development - 9) operating in Nigeria. Currently one would have therefore expected that the qualities of the services (in term of numbers) rendered by these banks ought to have improved tremendously along side the Development in the banking sector. This should be seen more so if it is in countries like Japan, USA, Germany and Britain etc. where computers are now doing or being used to carry out most of the services work. Unfortunately there seem to be serious discontentment and dissatisfaction among the bank's services rendered by the banks in Nigeria.

This dissatisfaction is not justify according to majority of banks management (Managers) and Executives who believe that their services to the customers are adequate and well rendered. On the other hand, the general public hold the views that banking services in Nigeria are grossly inadequate, ineffective, inefficiently and poorly rendered and above all majority of the Nigerian Population do not enjoy its impact and services, partially because of its concentration in Urban centres.

In light of this unfavourable trend, different views and assertion by both the bankers themselves and the general public (the customers) two hypothesis were postulated using Urban and Rural branches of the reference bank (Savannah Bank).

4.2 Statement of Hypothesis

(a) Null Hypothesis

(1) Banking services are poorly rendered and Inadequate - below standard - H_o

(2) Public confidence in the banking system is dwindling. There is the need for improvement of marketing strategies in the system.

(3) Banks in Nigeria have not fully realised the importance of marketing to them. A large proportion of Nigeria population do not enjoy banking services and not extended to them (rural area).

(b) Alternative Hypothesis

(1) Banking services are not rendered poorly and they are adequate." H_1

(2) Public confidence in the banks not dividing. They have realised the importance of marketing strategies to them.

(3) Bank services are being enjoyed by a large proportion of Nigerian population and have fully realised the importance of marketing to them.

4.3 Data Analysis (Percentage Distribution)

To effectively ascertain and verify the validity of these assertion (Null and the alternative Hypothesis) two sets of questionnaires were designed and administered to both management staffers of banks (selected banks) and customers of Savannah Bank in selected branches. A set of the questionaires were administered to staff of different banks (Commercial and Development) and 100 percent responded respectively.

The second set of the questionnaires were administered mainly to various Savannah Bank of Nig. Plc customers covering various selected branches (both Urban and Rural) and 83 percent responded.

A break down of the responses from bank management staff showed that 73% were responded by branch managers (Managerial staff), while the remaining 27% came from the other categories of the staff.

From the various questionnaires, interview and other informations gathered and conducted, the following findings were arrived at:

Appendix i

Frequency Table To Banks Management and Questionnaires

Question Two Table 4.1 Fig. One

SERVICES RENDERED	NO OF RESPONSES	% SCORE
Foreign Exchange	2	6.67
Deposit Acceptance	18	60.00
Cheque Payment	3	16.67
Lending	4	10.00
Provision of Export Advise	2	6.67
Others	0	0
Total	30	100%

Question two appendix i seeks to find out from the Management staffers which services they consider most important in their operation. The responses indicated that the commercial banks sampled are principally involved in the acceptance of deposits (60%), payment of Cheques and other monetary instruments (16.67%) and also lending (10.00%). The merchant banks see provision of long term loan (Lending) expert advice to businessmen and companies and also acceptance of large deposits as of great importance to them.

On the other bank, the Development banks are involved in lending for specific purpose as laid down in their objectives specified in incorporation.

Question Three and Four

Appendix i

Figure 2 Table 4.2

ALTERNATIVE	NO OF RESPONSE	% SCORE
Adequate	18	60
Fairly Good	12	40
Poor	0	0
Total	30	100%

Questions three and four appendix i above, seek to find out the opinion of these banks as regard the way they render these services to the general public (customers) and whether they agree with the public opinion that their services are poorly rendered (Below standard). 60 percent of the banks sampled believed that their services are good and adequate. While 40 percent see their services as fairly good. However no bank agreed with the general belief that their services are poorly rendered and inadequate.

Questions Five and Six

Fig Three Appendix i 4.3

(How long does it take to cash a cashier cheque ?)

Grade or Alternative	No of Response	% Score
5 Min.	1	25
30 Min.	5	55
60 Min.	1	20
120 Min.	0	0
Total	40	100

NB Only 8 out of 40 bank's staff responded.

Questions five and six appendix i try to seek from the banks the number of times their customers spend waiting to be served while cashing a cheques. Only 20 percent of the banks responded to this question because they only deal with cashier cheques (development banks). However, 55 percent confirmed that the customers spend about 30 minutes to cash cheques while 20 percent said it takes about 60 minutes to cash cheques in their banks, 25 percent of the bankers however claimed that their customers spend only 5 minutes to get their cheques cashed.

To obtain other services such as Home Remittances and other foreign exchange business transactions request for draft, transfers acceptance deposits, and opening of new accounts among others as indicated below. 70 percent of the total sampled claimed that their services/customers spend as much as 30 minutes. While 30 percent believe that such other services could take up to 60 minutes. This results are in respect of all banks.

Question Five and Six Figure 3b Table 4.4

(How long it take to obtain other services)

Grading	No. of Response	% Score
30 Minutes	18	70
60 Minutes	12	30
Total	30	100%

Question Seven and Eight - Appendix i Figur 5

How long does it take to Credit an account within up-country cheque ledge into it same to local.

	No. of Response	% Score
One Week (local)	40	100

One month (up-country)	40	100
Total	40	100%

Questions Seven and Eight seek to find out how long it takes to clear up-country cheques lodged in by their customers before it is being credited and also local cheque into such customer's accounts. For up-country, majority of the banks claimed that such an exercise takes about one month to get through, while those within the same state or towns (local cheques) take about one week to clear. When the bank's officials were asked why their tellers/cashier do not honour cheques below N500.00 on sight.

Figure 5 Table 4.6

Grading	No. of Response	% Score
Yes (being practised)	10	25
No (fear of Fraud)	30	75
Total	40	100%

(Question 10, appendix i) about 25 percent were affirmative that they do so, while 75 percent of the banks contended not to be practising the system for fear of fraudulent customers, coupled with the inadequacy of the operating system (Human Resources shortages).

Question II appendix i seek to know if cases of bounce cheques are rampant with the banks as expected, all the commercial banks involved in cheque payment admitted the existence of such and blamed it as a deliberate attempt by some customers.

Question 12 appendix i seek to know what measure to be taken in order to discourage bounce cheques from being issued from the bank officials.

Table 4.7

	No of Response	% Score
A=7 Years imprisonment	7	23
B=Fine of N5000.00	11	37
C = A & B	9	30
D=Any other lighter punishment	3	10
Total	40	100%

Only 30 out of 40 bank's staff responded.

The following views were expressed by the sample banks.

About 23 percent of the banks were in favour of 7 years jail term for defaulters, 37% in favour of fine of N5000.00 against defaulters. While 30% favoured stiffer punishment of offenders whereby they could be made to pay a fine of N500.00 and be jailed for 7 years. However, 10% of the banks want lighter punishment for defaulters.

Question 13, appendix i seek to know of find out which is the most important criteria used by banks while lending to customers as part of its major services.

Table 4.8

Grading	No of Response	% Score
A=Personnel knowledge of the customers	0	0
B=Security offered	23	17
C = Capacity to borrow	0	0
D=Ability to pay	4	13
E=Any others	3	10
Total	40	100%

The following opinions were expressed by the surveyed banks. Majority of them (77%) considered the security offered by customers as the most important, while 13% were of the view that ability to repay the loan is most important. The remaining 10% viewed government policies among others as important.

Question 18 appendix i is designed to know the constraints faced by bank's customers seeking bank services.

Table 4.9

Grading	No of Response	% Score
A=Inadequate security	13	44
B=Low turn over	10	33
C =Government Policies	6	20
D=Management Policies	1	3
E=Others	0	0
Total	30	100%

About 44% of the banks sampled opinioned that lack of adequate collateral is the major constraint faced by customers seeking bank loans and advances, 33% linked customer's major constraint to lack of good turn over on their account activities. 20% said government policies on bank's operation posses a major hindrance to these services. However, 3% ascertained that many customers find it difficult to obtain this service because they are not known to managers of such banks.

From question 19 appendix i, it was found out from the bankers whether they are any policy that effects their banking services. All the sampled banks regarded the Central Bank of Nigeria (CBN) guidelines on banking operations as the most obvious policy upon which banking services also extended to their customers.

Question 17 seek to know how long it takes the banks to process customers loans request application.

Table 4.10

Grading	No Of Response	% Score
A=One Week	9	22.5
B=One Month	21	52.5
C=Three Week	10	25
D=More than 3	0	0
Month	40	100

Again 52.5 % of the banks said one month to process and consider customers application, while 22.5% of the banks claimed that one week is enough for such services, while 25.0% of the banks testified that it could take as long as three weeks to carry on such services. However no bank believed that the exercise could last more than three months. The reasons put forward for the delay in the processing and approving of such request ranges from cumbersome or complex bank procedures to sending of the request to Area Offices and or Head Offices, normally located in Lagos, Kano and Kaduna for most banks.

When asked which area(s) of the business attract banking services in the banks, majority of the banks (Table 5.13 on 14 appendix (iv)) of the banks said that general trade is applicable to them. Their reasons being that they make more money as profit from interest charges and turnovers (COT).

To encourage customers to make good use of bank services available to them, bank sampled claimed that they usually, in case of loan and advances, grant grace period (Moratorim) before repayment commence. They were however asked to specify how long the muratorim could take, all

the banks said this depends on the nature of the facility and other factors such as when the facility could stared generally income for the borrower.

As for the rural areas, the banks sampled confirmed applying the same condition and requirement for borrowers in that category (Rural dwellers). This makes it rather difficult for the rural dwellers who do not have certified property to pledge as security among others.

The researcher further seek to know from the bank managers whether they agree with the assumption by some members of the public that their services are generally poor.

Analysis of SBN Branch's responses

Hypothesis One(1)

Banking services are below standard - H_0

Banking services are not below standard - H_1

To test this hypothesis, the researcher administered questionnaires and requested that the respondents give responses to the eleven (11) carefully worded and itemised statements in section B of the questionnaires. The responses were either agree, disagree or undecided. The sample size of 160 was divided into four, made up of forty respondents each.

There were four branches of the bank used in this research work. Each branch was represented by forty respondents who are their customers. The branches A,B,C and D were two up north and two down south. The results from the survey exercise are tabulated below.

Table 4-11 Branch As Customers Responses to Statement 1, 2, 3,.....6 in Sector B

Statements	Agree	Disagree	Undecided	Base - Table 4.11
1.	10(25)	25(62.5)	5(12.5)	40
2.	8(20)	30(75)	2(5)	40
3.	16(40)	20(50)	4(16)	40

4.	11(27.5)	27(67.5)	2(5)	40
5.	20(50)	12(30)	8(20)	40
6.	4(10)	24(60)	12(30)	40

NB: The figures in brackets are in percentage.

Statement one (1) in section B states that "the bank has a friendly and welcome atmosphere"

62.5% of the respondents disagree that the bank has a friendly and welcome atmosphere. This is a majority vote for the fact that the bank's atmosphere is not very pleasant. When questioned further, some of the respondents claimed that they always feel uncomfortable in this branch, according to them, the environment is never relaxed and the bank workers do not help the situation because they are always very impolite.

Statement two(2) states that "the bank offers fast realiable services:- The sample/customers seemed to disagree with this also. 75% of them disagree and most of them complained that the situation whereby the branch wasted time in attending to customers is one of the most rampant defects in the Nigerian banking system.

Statement three(3) "The bank staffers are helpful" had 50% of the respondents disagreeing again.

Further inquiry showed that cases where the bank staff are helpful are mostly cases where they have already established good relationship with the customers in the past. Individuals who go to the bank without any connections or friends amongst the bank's staff have a very unpleasant ordeal.

Statement four (4) "The bank staff are polite and courteous" had 67.5% of the respondents disagreeing. This is in majority over the other responses of those who agree or undecided. This situation is what contribution to the unpleasant atmosphere in the Nigerian banks today. The

customers in this branch (a) were very vehement in their condemnation of this attitude of the staff. they maintained that since it was their money they were in the bank to either collect or lodge in and therefore they were entitle to some form of courtesy from the bank's staff. They maintain that even when they were in the bank to utilise other services like collection of loan overdraft and so on, they expected to be treated with some form of courtesy.

Statement file(5) "The bank offers a wide range of services that could aid you either as a businessman or an Individual" had 50% of the respondents agreeing. Further enquiry showed that the respondents claimed that their banks (Branch Operations) always catalogued a number of services which they (the branch claimed and pledge to offer. But the real issue was that in practicality, the banks although they offered these catalogues of services, the conditionalities attached to them were very stringent.

This situation was emphasised by the responses given to statement six(6) "The branch makes it easy and possible for you to utilise their services." 60% of the respondent disagree with this statement. As stated above, the conditionalities were too stringent for most of the customers of the bank.

Table 4.12 Branch A's Customers Responses to Statement 7,8, 9,.....11 in Sector B

Table 4.12

Statements	Agree	Disagree	Undecided	Base
	%			
7.	12(30)	13(32.5)	15(27.5)	40
8.	10(25)	17(42.5)	13(32.5)	40
9.	6(15)	30(75)	4(10)	40
10.	6(15)	20(50)	14(35)	40

11	5(12.5)	15(37.5)	20(50)	40

NB: The figures in brackets are percentages.

Responses to statement seven(7) "The services of the bank have a personalized touch" showed that the customers in this branch were mostly undecided as to whether their bank was personalised in offering their services. 27.51% of the respondents were undecided about this statement.

Statement eight (8) "The bank has a fairly good loan scheme had 42.5% of the sampled customers in the branch. A disagreeing, this means that the customers in this branch (bank) represented by the forty respondents are not happy with the loan scheme provided by their bank.

Responses to statement nine (9) "The activities of the bank has made you have faith in the bank "Showed that a large number of the respondent do not have faith in their bank. A bank is supposed to serve the function of being the main resort for the customers in times of financial difficulties. If 75% of the respondents for branch A do not have faith in the bank, then the bank does not perform its functions adequately.

Statement ten (10) "The bank makes use of computers, note and coin counting machines as well as other data processing equipment which speeds up their services," has just 50% of the respondents disagreeing. This means that up to a point branch A (of the bank) employs the use of this data processing equipment. The critical point here is, does it speed up their services? (Ideally it should, but judging by the manner and way most principles, do not work as they should in Nigeria. We cannot conclude that the use of this equipment in the banking sector speeds up their services.

Responses to statement eleven (11) that the bank shall remain your bank for a long time to come showed that 50% of the respondents were undecided as to whether the bank (resulting from branch A operations) shall remain their bank for a long time to come.

This situation could be attributed to the fact that the respondents may be looking forward to and hopping for a change in the present situation that exist in the bank. If the respondents were completely satisfied with the conduct of activities by the branch, then they would really agree with statement eleven (11).

The responses to statements in this section have shown that customers regard banking services in branch A of the bank as being below standard. Most respondents disagreed with the statement that were phrased to compliment the bank. The percentage of those that disagreed were mostly higher than those that agreed or those that were undecided. This mean that the total scores of those that disagreed in most cases were higher than the scores of those that agreed and those that were undecided put together. It is only in few instances like statements five (5) and eleven (11) that were higher percentages of those that agreed or those that were undecided.

Thus, from the above analysis, we can justifiably conclude that banking services in branch A of the bank are poorly rendered and below standard. Thus, we accept the null hypothesis for branch A.

Hypothesis Two (2)

Public confidence in the banking industry is winding, there is the need for improvement of marketing strategies in the system "___H0

Public confidence in the bank noted (winding and no need for implement of marketing strategies in the system thesis. "Again, the test this hypothesis, the researcher administered questionnaires and requested the respondents to give responses to the eight (8) carefully worded and itemised statements in section C of the questionnaire.

The responses were again either agree, disagree or undecided. This survey was carried out concentrating on Savannah Bank Plc in four

branches with each branch having forty (40) of their customers administered with the questionaires.

Table 4-13 Branch A'5 Customer's Responses to Statements 1,2,.....4 In Section C

Table 4.13

Statements	Agree %	Disagree	Undecided	Base
1.	2(5)	30(75)	8(20)	40
2.	19(47.5)	15(37.5)	6(15)	40
3.	13(32.5)	20(50)	7(17.5)	40
4.	1(2.5)	30(75)	9(22.5)	40

NB: The figures in brackets are percentages.

Statement one (1) in this sector states that "the bank distributes leaflet outlying its various services do existing potential customers". - Had 75% of the respondents disagreeing. This feature is not very common in the Nigerian banking system and the responses by branch A customers showed that this feature hardly exists in their branch or bank.

Statement two (2) that "the branch advertises regularly in the media" had a large number of the respondents agreeing. 47.5% agreed with this statement. Banks in Nigeria have always embarked on advertising campaigns but the problem with this is that advertising is not the only way to market their services. They have however always use advertising as the main form of marketing their products. the remaining percentages were shared between those that disagreed and other that were undecided so relatively more respondents agree with this statement.

Statement three (3) that "the bank operates a special department that seeks new deposits and informs people of their banking needs and how it can solve these needs," had 50% of the respondent disagreeing.

Statement four (4) that "the bank has a dynamic banking system," had 75% of the sample/customers disagreeing. Most of the respondents were not very clear with this statement. Further explanation on the statement had 76.5% of them disagreeing with it.

Table 4-14 Bank A's Customers Responses To Statements

5----------8 in Section C

Table 4.14

Stat.	Agree %	Disagree	Undecided	Base
5	6(15)	27(67.5)	7(17.5)	40
6	20(50)	14(35.0)	6(15)	40
7	18(45)	12(30)	10(25)	40
8	15(37.5)	19(47.5)	6(15)	40

NB: The figure in brackets are percentages.

Statement five (5) "The branch's slogan are effective and aggressive"' had 67.57% of the respondents disagreeing. "Personal services banks," slogan of the bank is highly ineffective as it does not effectively put relevant messages across. Indeed the responses showed that there is much room for improvement in this direction.

Statement six(6) "The bank uses the most effective means of advertising in the media," had 50% of the respondents agreeing. The media is the most widely used means of advertising for banks in Nigeria.

Statement eight (8) states that "the bank's rates employed by the bank are relatively competitive" 45.7% was distributed between those that agreed and those that were undecided.

The responses in this section were mostly reflective of the fact that the marketing strategies utilised by the bank are not very informative and adequate. Judging from the data and responses, we can easily and

justifiably conclude that there is the need for improvement of marketing strategies in the bank thus, we accept the null hypothesis from branch A.

Hypothesis - Three (3)

(i) Banks in Nigeria have not fully realised the importance of marketing, a large proportion of Nigerian population do not enjoy banking services, not extended to them - H_o

(ii) Banks in Nigeria have fully realised the importance of marketing to them and large proportion of Nigerian enjoy banking services extended to them - H.

To test this hypothesis the researcher administered Questionnaires and requested the sampled respondents to give response to the five(5) carefully worded and itemised statements in section D of the questionnaire. The responses were either agree, disagree or undecided. The following table shows the distribution of responses for branch A.

Table 4-15 Branch A's Customers Responses To Statements 1----------5 in Section D)

Table 4.15

Stat.	Agree %	Disagree	Undecided	Base
1	16(46)	18(45)	6(15)	40
2	17(42.5)	16(40)	8(17.5)	40
3	14(35)	17(42.5)	9(22.5)	40
4	16(40)	16(40)	8(20.0)	40
5	27(67.5)	10(25.5)	3(7.5)	40

NB: The figures in brackets are percentages.

Statement one (1) "Banks are more marketing oriented now than previously" had 45% of the respondents disagreeing. Further inquiries revealed that the main concern of the banks was profit making. It is justifiably that as a business outfit, the banks are entitled to be mainly

concerned with making profit. However the banks should be willing to put in some effort into attaining this objectives. They should be intensely involved in marketing their services in order to get more customers as more customers, means more profits.

Statement two(2) "The marketing Orientation of the bank has affected the level of customers the bank has'" resulted in 42.5% of the respondents agreeing.

These respondents maintained that the lack of information and adequate marketing orientation exhibited by the branch resulted in the present number of customers, the branch has. Greater effort in the area of marketing shall increase the number of customers.

The responses to statement three (3) showed that 42.5% of the respondents were not in agreement with the statement, the statement was "The bank has always embarked on advertisement since you started partronising it".

Statement four (4) that "Banks sponsor programme on T.V and Radio more than before, had equal number of respondents, agreeing and disagreeing. 40% of the respondents disagreed.

Statement five (5) which is directly related to this hypothesis, had 67.5% of the respondents agreeing. The statement was that "Banks in Nigeria have not fully realised the importance of marketing to them"

The responses for the first four statement in this section agree with this hypothesis, this further buttreses the responses given for statement five. Thus for branch A we shall accept the null hypothesis.

4.2 Analysis of Branch B's Responses

Hypothesis One (1)

Banking services are below standard - H_0

Banking services are not below standard - H_1

To test this hypothesis, the research administered questionnaires and required that the respondents, give responses to the eleven (11) carefully worded and itemised statements in section B of the questionnaires. The responses were either agree disagree or undecided.

Table 5-6 Bank B's Customers Responses To Statements

1, 2,----------6 in Section B

Table 4.16

Stat.	Agree %	Disagree	Undecided	Base
1	11(27.5)	23(57.5)	6(15)	40
2	3(7.5)	33(82.5)	4(10)	40
3	13(32.5)	24(60)	3(7.5)	40
4	3(7.5)	35(87.5)	2(5)	40
5	18(45)	19(47.5)	3(7.5)	40
6	11(27.5)	27(67.5)	2(5)	40

NB: The figures in brackets are percentages.

The respondents largely disagreed to statement one (1) that "the bank has a friendly and welcome atmosphere 57.5% of them disagreed in this branch. The atmosphere according to them was characterised by severe tension.

In statement two(2) that "The bank offers fast and reliable services", had an overwhelming majority of 82.5% of the respondents disagreed. This figure is a reflection of the constants criticism levelled against banks regarding the fact that they waste too much time.

Statement three(3) that "The banksstaff are helpful," also had majority of the respondents disagreeing. 60% of them disagreed with this statement. Further enquiry revealed that the 34.5% that agreed claimed that they had friends amongst the bank workers who facilitated fast services for them.

Statement four (4) also had an overwhelming number of the respondents disagreeing with it. 87.5% of the respondents disagreed that "the bankstaff are polite and courteous."

The responses statement five(5) that "The bank offers a wide range of services that could aid you either as businessman or on Individual", showed that quite a number of the respondents disagreed. They were 47.5% of them that disagreed with the statement.

Statement six(6) that "The bank has made it easy possible for you to utilise their services" again had majority of the respondents disagreeing. 67.5% of them disagreed.

Table 4-17 Branch B's Customers Responses To Statements

7----------11 in Section B

Table 4.17

Stat.	Agree %	Disagree	Undecided	Base
7	13(32.5)	15(37.5)	12(30)	40
8	6(15)	20(50)	14(35)	40
9	12(30)	24(60)	4(10)	40
10	10(25)	15(37.5)	15(37.5)	40
11	7(17.5)	18(45)	15(37.5)	40

NB: The figures in brackets are percentages.

Statement Seven (7) that "The services of the bank have a personalised touch", had 37.5% of the respondents disagreeing. Those that agreed did so on the ground of the good relationship that they had with some members of branchstaff.

50% of the respondents again disagreed with statement eight (8) that "The bank has a fairly good loan scheme"

And even higher, 60% of the respondents disagreed with statement nine (9) "The activities of the bank has made you have faith in the bank."

Statement ten (10) "The bank makes use of computers, notes and coin counting machines and other data processing equipment which speed up their services" had equal numbers of the respondents disagreeing and being undecided. Those who disagreed were 37.5% and they claimed that they saw no evidence of data processing equipment except for note and coin counting machines.

Statement Eleven (11) that the bank shall remain your bank for a long time to come, had 45% of the respondents disagreeing. Relatively there was higher percentages as the remaining 55% was distributed between those that agreed and those that were undecided.

The responses in this sector for branch B also show that Branch B Customers are of the opinion that the services offered by their bank are below standard - Generally, those that disagreed with the statement in this section were higher than those that were undecided. In comparison to the other branch A, branch B customers were more discontented with the services their bank offers:- Thus, we accept the null hypothesis for Branch B.

There is a need for improvement of marketing strategies in the banking sector. H_0

There is no need for improvement of marketing strategies in the Banking Sector H_1.

To test this hypothesis, the research follow administered questionnaires and requested the respondents to give responses to eight (8) carefully worded and itemised statements in section C of the questionnaires. The responses were either agree, disagree or undecided.

Table 4-18 Branch B's Customers Responses To Statements 1----------14 in Section C

Table 4.18

Stat.	Agree %	Disagree	Undecided	Base
1	11(27.5)	25(62.5)	4(107)	40
2	10(25)	14(35)	16(40)	40
3	11(27.5)	15(37.5)	14(35)	40
4	6(15)	32(80)	2(5)	40

NB: The figures in brackets are percentages.

62.5% of the respondents disagreed with statement one (1) "that the bank distributes leaflets outlining it's various services to existing and potential customers.

40% of the respondents in statement two (2) were undecided as to whether "the bank advertise regularly in the media" and this was in majority over the other two forms of response. 37.5% of the respondents disagreed that branch B" Operated a special department that seeks new deposits and informs people of their banking needs and how it can solve these needs.

An overwhelming 80% of the respondents disagreed with statement four (4) that the bank has a dynamic banking system according to them, this branch did not exhibit any characteristics of dynamism. The branch failed to periodically inject new ideas into the bank system.

Table 4-19 Branch B's Customers Responses To Statements

5----------8 in Section C

Table 19

Stat.	Agree	Disagree	Undecided	Base
	%			
5	2(5)	31(77.5)	7(17.5)	40
6	16(40)	10(25)	14(35)	40
7	12(30)	9(22.5)	19(47.5)	40
4	12(30)	13(32.5)	15(37.5)	40

NB: The figures in brackets are percentages.

The responses for statement five(5) "The banks advert slogan is effective and aggressive" show that the customers in this branch are not impressed with the advertising slogan adopted by the bank.

40% of the statements were undecided to statement seven (7) that "the bank's use of the media has improved the awareness of the people to the services it offers.

Statement eight (8) that "the banks rates employed by the bank are relatively competitive" had 37.5% of the respondents being undecided as to whether this was the case or not. The responses in this section were mainly directed towards the fact that there is the need for improvement of marketing strategies in the branch and the bank. There are however some exceptions to this in the responses to certain statements. However, on the whole, majority of the responses were in favour of the hypothesis, so we accept the null hypothesis for branch B.

Hypothesis Three (3)

Banks in Nigeria has not fully realised the importance of marketing a large proportion of Nigeria population do not enjoy banking services not extended to them-- ^{HO}

Again to test this hypothesis, the researcher administered questionnaires and requested the respondents to give responses to the five(5) carefully worded and itemsed statements in section D of the questionnaires. The responses were either agree disagree, and undecided. The following table shows the distribution of responses for branch B.

Table 4-20 Branch B's Customers Responses To Statements

1----------5 in Section D

Table 4.20

State	Agree	Disagree	Undecided	Base
	%	%	%	
1	10(25)	22(55)	8(20)	40
2	24(60)	7(17.5)	9(32.5)	40
3	8(20)	17(42.5)	15(37.5)	40
4	8(20)	15(37.5)	17(42.5)	40
5	20(50)	15(37.5)	5(12.5)	40

NB: The figures in brackets are percentages.

The responses to statement one(1) that "banks are more marketing oriented than previously" hold 55% of the respondents disagreeing.

60% of the respondents agreed with statement two(2) that "the marketing orientation of the bank has effect the level of customers has".

42.5% disagreed with statement three(3) that the bank has always embarked on advertisement since you started patronizing it.

42.5% of the respondents were undecided to statement four(4) that the bank sponsors programmes on TV and Radio more now than before.

Statement five(5) that banks in Nigeria have not fully realised the importance of marketing had 50% of the respondents agreeing. Thus, because of the majority responses, we accept the null Hypothesis for

Branch B.

4.3 Analysis of Branch C Responses

Hypothesis One(1)

Banking Services are below standard - H_o

Banking services are not below standard H

To test this hypothesis, the researcher administered questionnaires and requested that the respondents give responses to the eleven(11) carefully worded and itemised statements in section B of the questionnaires. The responses were to be either agree, disagree or undecided. Branch C is a rural branch.

Table 4.21 Branch C's Customers

Responses to Statements

1, 2, 3----------6 in Section B

State	Agree	Disagree	Undecided	Base
	%	%	%	
1	18(45)	21(52.5)	1(2.5)	40
2	8(20)	26(65)	6(15)	40
3	15(37.5)	22(55)	3(7.5)	40
4	11(27.5)	15(37.5)	14(35)	40
5	18(45)	20(50)	2(5)	40
6	17(42.5)	22(55)	1(2.5)	40

NB: The figures in brackets are percentages statement one(1) that the bank has a friendly and wekene atmosphere had 52.59 of the respondents disagreeing. The customers in branch C (rural branch) were not as vehement in these criticism of their branches atmosphere as the customers of branches A and B. As a rural branch, the customers were treated with more courtesy than their counterparts in the urban centers. The customers interviewed in this branch claimed that they could not agree with this statement because of the unfriendly attitude of the bank staff and

unfriendly atmosphere and unwelcome, but improving couted be made in this direction.

The branch seemed to have the same problem as those in the urban centres in terms of the time factor "65% of the respondents disagreed with statement two(2) that "the bank offers fast and reliable services."

65% of the respondents disagreed with statement three(3) that "the bank staff are helpful as the case with urban branches application for use of the bank services could be treated quickly or slowly depending on the customers relationship with the bank staff. A lesser percentage of the customers in branch C disagreed that the bank staff are polite and courteous. 37.5% disagreed with statement four (4). This was lower than the number that disagreed with this statement.

Statement five(5) "the bank offers a wide range of services that could aid you either as a businessman or an individual" had 50% of the respondents disagreeing. 45% of the them however agreed and the rest 5% were undecided. This margin of 2% of those that disagreed over those that agreed showed that some customers accepted the fact that the bank had services that could aid them but the most important factor was the customers accesibility to these services.

55% of the respondents disagreed that the bank made it easy and possible for them to utilise their services. Most of the respondents disagreement with statement six(6) was a reflection of what really exists in the banking industry particularly in the rural areas.

Table 4-22 Branch customers Responses to Statement ----------11 In Section B

Table 4.22

State	Agree	Disagree	Undecided	Base
	%	%	%	
7	10(25)	12(30)	18(45)	40
8	4(10)	27(67.5)	9(22.5)	40
9	8(20)	22(55)	10(25)	40
10	9(22.5)	22(55)	9(22.5)	40
11	11(27.5)	17(30)	12(30)	40

NB: The figures in brackets are percentages. The responses to statement seven(7) that the services of the bank have a percentage touch "showed that 45% of the respondents were undecided to this statement. This was in majority over the other two responses of agree or disagree. 67.5% of the respondents disagreed to statement eight(8) that the bank has a fairly good loan scheme" As was the case in the urban centres A and B, the respondents here complained of strongest conditionalities as well as exceedingly high interest rates similarly 55% of the respondents disagreed to statement nine(9) that activities of the bank has made you have faith in the bank" most customers did not see themselves being assisted by the banks in situation of financial crisis like bankruptcy liquidation and so on. Another 55% of the respondent disagreed with the statement ten(10) that "the bank made use of computers, note and counting machines and other data processing equipment which speeds up services, further inquiry showed that some respondents believed that the bank had it data processing equipment mainly in the urban centres, while manual work is carried out mostly which as a result did not speed up the services they were rendered. 42.5% of the respondent opened that "the bank shall not remain their bank for a long time to come" the nature of the responses to

statement eleven(11) showed that the customers were not satisfied with the general conduct in the bank as request performance of its service.

A cursory look at the pattern of the responses in this section reelects the displeasure of the customers with the services rendered by the branch. Thus for branch C, we accept the null Hypothesis that banking services and below standard.

Hypothesis Two(2)

(i) Public confidence in the bank Industry is dividing. There is the need for improvement of marketing operates in the system.

(ii) Public confidence in the bank not dividing and no need for improvement of its marketing strategies in the system.

To test this hypothesis, the researcher administered questionnaires and requested the respondent to give response to eight(8) carefully worded and itemised statement in section B of the questionnaires. The responses were either agree, disagree or Undecided.

Table 4-23 Branch C's Customers

Responses to Statement

1 2 -------- 4 In Section C

Table 4.23

State	Agree %	Disagree %	Undecided %	Base
1	10(25)	21(52.5)	9(22.5)	40
2	12(30)	19(47.5)	9(22.5)	40
3	9(22.5)	24(60)	7(17.5)	40
4	2(5)	30(75)	8(20)	40

NB: The figures in brackets are percentages or assistance they had previously given to the individuals.

Statement one(1) that the bank distributes perfect outlining its services to existing and potential customers had 52.5% responses in disagreement with this statements.

47.5% disagreement with this statement that the banks advertises regularly in the media in companies to the other two responses, this response is in majority.

Statement three(3) that "the bank operates a special department that seeks new deposits and inform people of their banking needs and how it can solve these needs had 60% of the respondents disagreeing. The respondents maintained that due to the establishment and location natures of the branch it relied on its name to perform this function.

Statement four(4) that the bank has dynamic banking system had on overwhelming 75% of the respondents disagreeing.

Table 4-24 Branch C Customer Responses to

Statements 5-------8 In Section C

Table 4.24

State	Agree	Disagree	Undecided	Base
5	9(22.5)	24(60)	7(17.5)	40
6	12(12.5)	32(88)	3(7.5)	40
7	8(20)	18(45)	14(35)	40
8	6(15)	25(65)	9(22.5)	40

NB: The figures in brackets are percentages station five(5) "the bank advert slogan is effective and aggressive showed that 60% of the respondent disagreeing some of the customers maintained that there was rooms for improvement. Statement six(6) "the bank uses the most effective means of advertising, the melici had 60% of the respondents also disagreeing with the statement 45% of the respondents also disagreeing with the statement seven (7) that, the bank use of the media has improved the averages of the people to the services it offers. 75% of the respondents

also disagreed with statement eight(8) that "the bank rates employed by the bank are relatively competitives.

Generally, the responses reflected that the customers in branch C were of the opinion that their bank need to improve their marketing strategies. Thus we shall accept the null hypothesis for branch C.

Hypothesis three(3) Banks in Nigeria have not fully realised the importance of marketing, a large proportion of Nigeria population do not enjoy banking services not extended to them - H_O

To test this hypothesis, the researcher administered questionnaires and requested to the respondents to give responses to the five(5) carefully wood and itemised statement in section D of the questionnaires. The responses were either agree, disagree or undecided.

Table 4-25 Branch C Customer Flesponses to

Statement 1 --------- 5 in Section D

Table 4.25

State	Agree	Disagree	Undecided	Base
1	8(20)	22(55)	10(25)	40
2	22(55)	5(12.5)	13(32.5)	40
3	5(12.5)	20(50)	15(37.5)	40
4	9(22.5)	22(55)	9(22.5)	40
5	27(67.5)	9(10)	9(22.5)	40

NB: The figure in bracket are percentages. This section deals with the growth and development of the bank. The first statement that "bank are more marketing oriented now than previously had 55% respondents disagreeing. According to them the bank still exhibits the lackadaisical attitude it has always had towards marketing.

The disadvantage of their emphasied by the respondents to statement two(2) that "the marketing orientation of the bank had affected the level of customers the bank has" 55% of the respondents agreed with

this statement. According to them the bank can attract more customers with improve marketing strategies. 55% of the respondents disagreed with statement four(4) that the bank sponsors programmes on Tvs and Radios more now than before. While 50% of the respondents disagree with the statement B three(3) that the bank has always embarked on advertising since you started patronising it statement five(5) reflect the true position of the customers in this branch 67.5% of the respondents agreed with this statement. The responses gives to the other question only serve to emphasise this point further. Thus for branch C, we shall accept the null hypothesis.

5-4 Analysis of Branch D(5) Responses

Hypothesis one, Two and Three

1. Banking services are below standard - ^{HO}
   Banking services are not below standard - ^{H1}
2. There is the need for improvement of marketing strategies in the banking sector - HO. There is not need for improvement of marketing strategies in the banking sector - H1
3. Banks in Nigeria have not fully realised the importance of marketing to their $^{H}_{o}$ Banks in Nigeria have fully realised the importance of marketing to them - H, To test these hypothesis, the researcher administered questionnaires and requested that the respondents give responses to the carefully worded and itemised statement in section B, C and D of the questionnaires. The responses were either agree, disagree or Undecided. Branch D again is a rural branch.

Table 4.26 Branch D's Customers Responses to Statement 1, 2, 3 ------6 in Section B

Table 4.26

State	Agree	Disagree	Undecided	Base
1	14(35)	18(45)	8(20)	40
2	13(32.5)	22(50)	5(20)	40
3	12(30)	20(50)	8(20)	40
4	14(35)	20(50)	6(15)	40
5	9(22.5)	24(60)	7(17.5)	40
6	5(12.5)	32(80)	3(7.5)	40

Table 4.27 Branch D's Customers Responses to Statement 7--------11 in Section B

Table 4.27

State	Agreed	Disagreed	Undecided	Base
7	8(20)	18(45)	14(35)	40
8	6(15)	25(62.5)	9(22.5)	40
9	2(5)	37(92.5)	1(2.5)	40
10	6(15)	20(50)	14(35)	40
11	7(17.5)	28(70)	5(12.5)	40

Table 4.28 Branch D's Customers Responses To Statements 1,2, ----- 4 In Section C

Table 4.28

State	Agreed	Disagreed	Undecided	Base
1	4(10)	26(65)	14(25)	40
2	15(37.5)	24(50)	1(25)	40
3	3(17.5)	29(72.5)	8(20)	40
4	7(17.5)	14(35)	19(47.5)	40

Table 4.29 Branch D's Customers Responses to Statements 5------8 in Section C

Table 4.29

State	Agreed	Disagreed	Undecided	Base
5	6(15)	30(75)	4(10)	40
6	17(42.5)	22(55)	1(2.5)	40
7	9(22.5)	12(30)	19(47.5)	40
8	7(17.5)	29(67.5)	6(15)	40

Table 4.30 Branch D Customers Responses to Statements 1------5 in Section D

Table 4.30

State	Agreed	Disagreed	Undecided	Base
1	10(25)	20(50)	10(25)	40
2	15(37.5)	5(12.5)	20(50)	40
3	7(17.5)	4(35)	19(43.5)	40
4	4(10)	14(35)	22(55)	40
5	25(62.5)	6(15)	9(22.5)	40

The analysis and research conducted from this branch as shown by the statistics above based on the questionnaires administered, the responses are similar with those of its counterpart from branch C except their opinion differ as follows.

Statement seven(7) that the bank uses the media and radio has unrolled the awareness of the people to the services it offers had 47.5% of the respondents undecided as to whether this was the case.

Section D of the questionnaires had 50% of the respondents are undecided regarding statement two(2) that "the marketing orientation of the bank has effected the level of customers that the bank has."

Another 43.5% of the respondents are undecided regarding statement three(3) that "the bank has always embarked on advertisement since you started patronising its."

55% of the respondents are undecided regarding statement four(4) that "the bank sponsor programmes on TV and Radio now than before."

And statement five(5) is a direct reflection of the hypothesis for this section. It states that banks in Nigeria have not fully realised the importance of marketing, 62.5% of the statement. Agreed thus based on these responses we accept the null hypothesis for branch D.

Base on the research carried from these branches and response of the respondents, we can justifiably conclude that banking services are poorly rendered and below standard in Nigeria. Therefore there is the need for improvement of marketing strategies in the banking industry.

4.4

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CHAPTER FIVE (5)

5.1 CONCLUSION

INTRODUCTION AND RESEARCH FINDINGS

We have attempted in this research work to identify and highlight the major problems of the banking industry generally in the marketing and Management of its services. Impliedly, we have also undertaken an appraisal of the overall performance of this Industry - The study has tried to provide solutions and or answers to the following question. Are banking sector efficient? Are they productive? Are they profitable? Have they succeeded in accomplishing the objectives for which they were established? If No, what are the underlying causes of this substandard performance and what measures or remedies can be advanced to reverse or emeriolate such deviation from the norms.

In addition, the study has examined critically the role of government in the current performances of the country's banking sector.

To make an objective conclusion of the thesis of this nature, requires a thorough work and sound knowledge in banking. In light of this, a comprehensive study and research work was carried out on marketing of banking services with emphasis and particular attention focused on services rendered by Savannah Bank of Nigeria Plc. Based on the questionnaires administered to bankers (of various/selected banks) and customers and also oral interviews carried out among them and with numerous information gathered from the media sources (Newspapers, Journals, Past MBA, Thesis, SBN Training notes etc.) an objective and fair conclusion was arrived at.

The Nigerian population is largely made up of rural dwellers majority of whom are local farmers. And among the urban dwellers are petty

traders, civil servants, small scale industrialists and other professionals. In one way or the other, all the categories of people mentioned have one thing or the other to do with banks. However, from the research carried out, the first hypothesis formulated which was to be tested and proved whether or not banking services (emphasis on commercial banking and Savannah bank in particular) are generally rendered poorly and therefore not satisfactory was found to show that it is true banking services are rendered poorly or below standard.

The second hypothesis was equally tested to prove whether or not public confidence in the banking system especially as to the availability of major services such as credit facilities, transfers, orders, guarantees, standing orders, business advice etc. among others is dwindling. The result showed that majority of Nigerian are not enjoying banking services. The first issue put forward to the various bank staffers was about how long it takes to be served in the banks. This is a result of public outcry that when a customer or any other person goes to the bank to merely cash a cheque, (among other services) he or she usually is made to wait for too long, mostly upward to 2 or over 3 hours before being attended to or served. The bankers on their own part tend to paint a picture of fast services/time but their opinion cannot be held right for conclusion. This is because it is those that benefits from the services that can actually give a true picture of the situation. It was therefore on this basis and coupled with the findings during the research work that it was proved that it takes long to get served in a bank. This therefore means banking services are poor in this light.

Nowadays, the banks themselves, whether consciously or unconsciously usually advertise several steps or move which they either plan to make or are making in order to improve their services, especially as

regards to the issue of cash withdrawal and deposit acceptance (large deposits). For instance, the Guardian Newspapers of 3rd September, 1997 carried a paid advertisement by Diamond Bank of Nigeria Plc. (One of the new generation banks) on page 20 which reads, "Go for ..... land belonging to families and are usually not covered by any form of certificates of occupancy or other title deeds" for bank loan. Again a fewer percentage of bank customers benefits from banking services.

These services are usually concentrated among domestic trade, manufacturing and real estate and construction sub-sectors which are usually not for the rural dwellers or civil servants or petty traders or the rural farmers. On the issue of bank/branches distribution network, the researcher proved that there are far more bank/branches located in the urban areas when compared to rural centres, were it not for the Federal Government intervention which led to the rural banking scheme of 1977, most rural town settlements would have never had dream of knowing what is called a bank. The research showed that well over 75 percent of the estimated Nigerian population do not enjoy banking services. Further more, the finding shows that other banking services such as the issue of Foreign Exchange, Letter of Credit, discounting of Bills and provision of Export and Import, Advice on Business transactions are not vigorously pursued by banks and in some cases non existence at all. There are usually public out cry against bank's inefficiency, rigidity over poor services.

5.2 5.2 DISCUSSION

The banking industry is in its formative stage in Nigeria considering the unique position of the sector in the pace and direction of economic growth of nations, no country can afford to over look the direction its banking industry is taking development. The soundness of the individual banks in the economy is an infinite asset to general

economy and dynamic growth. The survey carried out shows that the situation in the Nigerian banking system is critical. The respondents from all categories of the selected banks and customers showed that the hypotheses formulated for this study are all to be accepted generally. Bank operations in Nigeria are characterised by:-

a) Poor counter services

b) Indifference and discourtesy of the bank staffers

c) Inadequate bank net work

d) Bureaucracy in rendering banking services.

e) Low capital base etc.

The underlying factors in the circumstance is the lackadaisical attitude of bank staff. If one takes an interview of the public reactions to the state of the banking industry, it would only emphasise further what this research has proven.

The situation is so critical that even the traditionalists in Nigeria have publicly blamed or criticised the banking system in Nigeria. One of such traditions was the Emir of Lafia (Chairman Nasarawa State Traditional Council) who commented on the stringent conditionalites attached to the utilisation of banking services offered by banks. This situation, he maintained defeat the purpose of setting up Development banks. The situation is so bad that even the local farmers who should benefit most from Development banks do not benefit anything at all. He further appealed to the Federal Government to look into the situation seriously. The then Deputy Governor of the Century Bank of Nigeria Sir Victor Udozi, also stated that a revolution in banking is imminent and necessary if anymeaningful development is to be achieved from this sector.

According to him, there should be a situation where full banking services exist where wide variety of products are designed to service customers and there should also be sophistication in terms of skill expertise, equipment processes and corporate style. He claimed that the banks who lacked the above qualities will eventually lose out.

In line with the above school of thought, Professor T. M. Yusuf, the then Pro-Chancellor of the University of Ilorin said "the banking system in Nigeria is the most irresponsive, exploitive, most inefficient and non-challenge of all institutions that have contributed to the economic and industrial development in the country.

According to the don, the situation in other countries is one where banks seek profit making avenues for customers, but here in Nigeria, the opposite is the case. Once a debtor company is in financial trouble, the banks do not assist, rather they utilise the situation to demand their loan/advances from the company. He further commented that banks in Nigeria even resort to the sale of dubiously mortgaged property unrelated to the assets of project for which the loan is secured.

General I. B. M. Haruna (Rtd) has been quoted as saying "there is so much lack of public confidence in the banking system that people prefer to transact business in cash no matter the amount, "the continues and obvious lack of confidence in the Nigerian banking system is alarming. This conduct of the banks is in direct contras to their remuneration for the function they are supposed to perform. Bank staffers have the most reason to feel happy about their jobs amongst all the professionals. Their earnings and profits are easily the highest in the land.

Another strong critic of the banking system is Dr. Doyin Abiola. Her own criticism lies in the fact that banks in Nigeria are quick to breach the confidentiality and trust placed on them by their customers. They tend to release informations to Government about their customers. She maintains that this is not the situation in foreign countries. Using the fame Swiss Banks as an example. At this point however, it must be pointed out that Swiss Banks also divulge information to authorised people under certain circumstances. This is not to say that this practice is commendable only to maintain that this situation exists in the "So called" Civilised Countries as well.

Mohammed Haruna of the then New Nigerian Newspapers goes on to identify numerical inadequacy, technological primitivity and corporate greed as ill of the banking system. He observed that the super profits of banks ought to be matched by the quality services. He put the numerical strength of banks in 1996 as 6,000 branches within a bank/customers ration of 1:100,000 now ranging to well over 43,950 branches.

Another important point is the effect of structural adjustment programme on the banking industry. The Structural Adjustment Programme (SAP) is one of the factors that has contributed immensely to the super profits reaped by the banks.

Few businessmen go to the banks smiling and neither do they come out smiling. This is a curios situation but a real one, thanks to the shylock - like disposition of Nigeria Commercial and Merchant Banks in their dealings with the economy and the populace.

The SAP factors has made case - the pivot of all modern day business very scarce. This is to the anguish of businessmen who are struggling to make ends and stay above board.

Under the SAP banks are to pay three important roles.

1) Help correct the imbalance in the over valuation of the Naira.
2) Assist in controlling credit supply and allocation in the economy.
3) Help ease the debt burden and attract a net flow of Foreign Capital.

They have however failed in all the three categories. Instead of helping in correcting the imbalance in the Naira exchange rate, they have under valued the Naira. This may be delibrate. A high dollar value in relation to the Naira means conversion, the banks have high turnover and profit figure. They could be also repatriate their high figures to take advantages of the bleak Naira position.

They have not found any better in helping to enforce the credit supply and allocation polices of Government, this shortcomings of government not withstanding.

Also instead of aiding in reviving the debt burden and attracting a net inflow of foreign capital, they are the veritable conducts of capital out flow given a short term loans and advances to the businessmen mainly in the low priority sectors of the economy.

Banks are reaping the rewards of Structural Adjustment Programme but should 't they be giving back some thing to the economy that is aiding them. They should but they do not. They are highly reluctant to fulfill government imposed obligations which requires them to give out 16 percent of their loanable money each year to small scale industrialists. Since 1983 when the directive was given, it was only 1987 that banks gave up to 18 percent and this was as a result of loans given to traders who are non - industrialists.

This lack of support and couple with the banks' inefficiency in rendering services at counters, makes one wonder if banks in Nigeria were founded on different concepts from those in other countries of

the world, especially those in developed Nations. The way banks carry on its services, one would say that the banking institutions here in Nigeria are unconcienceless, immoral and socially irresponsible.

The implication of the above picture is that as long as people do not have confidence in the banking system, there will be very little that the banks can do to improve on their present level of contribution to the economic development of the Nation.

In order for this to be a comprehensive study, it is essential for us to give audience and consideration to those who have views contrary to what has been stated so far. Some authorities/authors believe that the banks are not all "evil and shylock" in nature as claimed by the general public as per the study conducted. Mall: I. K. Muo has the following to say about the excessive criticisms levelled against banks and the positive sides to bankers. He maintains that banks and bankers are the most criticised in the whole private sector. According to him people generally maintain that one can only get quick services in banks if you have connections within the banking system. The absence of these imputs means that services will be slow, if they come at all. He further stated that slow pace of banking services in Nigeria is associated with its stage of development. According to him, independent Nigeria is only 37 years, whereas Independent U.S. is 214 years old, further more, customers/Bank ratios is about 6,000:1 in U.S. whereas it is 72,000:1 in Nigeria. There should also be comparison in the structure and regulatory frame work within which the bank operates in both societies. Further more, comparison should be made in the government services of the two countries. Muo claimed that one could spend as much as one hour to see a doctor yet a doctor

complaints of spending hours in the bank. He said that the much clamored and sought after automation within the Nigerian Banking Industry may not be feasible.

This he said was/is because ever when the automation exist, the duet of NEPA and NITEL shall prevent the automated machines from functioning efficiently and effectively. As regards the constant complaints of rudeness, he maintained that reddens is a way of life in Nigeria. Banking is a part of the Nigerian society thus it fitted into the rude system already existing in Nigeria. This rudeness could also stem from the Customers glut existing in the banking system, caused by the unsophistication of the Nigerian populace in the direction of use of cheques and credit cards.

In the aspect of Cumbersome procedures and conditionalities attached to obtain loans and advances, Muo said this is/was done in order to protect the money they have been entrusted with, for safe-keeping. He concluded by claiming that the who "Knows-who" syndrome exists in all faces of four lives as Nigerian citizen, the banking system not an exception.

Another supporter of the banking system, Alh. Ajibola "8" made his criticism of the constant attacks on the Nigerian banking system by using historical examples and references. According to him in the 1920's after the 1st world war, lots of countries including Britain experienced severe depression. Most countries that relied on the use of the pound sterling for settlement of international economic transaction suffered set backs. The pound sterling was devalued. Rather than cast aspersion at the British banking system, the authorities still relied on them to redirect the economy to the past glory. No draconian measure were adopted against the banking system.

Similarly in the 1970's pressure on the dollar resulted in devaluation and in the eventual collapse of the gold exchanged standard. Despite this, the Federal Reserve system was seen as an accomplice in revival efforts against the existing depression.

These above situations exhibited complete belief and trust in the banking system of the two countries above. However, in Nigeria according to Ajibola, the reverse is the case. The banking sector is regarded as an enemy industry. Ajibola stated that people fail to realise that as an industry, banks are entitled to make moves that are aimed at its survival and at making profits. He maintains that banking is centre to the resuscitation of depressed economy. The industry drives on trust and confidence.

No doubt, unpaid loans can kill the banks and can result in bad debts. It also does not argue well for a bank to use 25 to 35 percent of its profit to pay off bad debts, but there have been cases of loopholes even within the banking system, where questionable loans are approved and later written off by convincing officials. The bank should rid its self of such staff. Despite this understanding that the bank has to survive, banks have got to realise that good image between banker and customer is important and it can go a long way in improving the lots of our banks and the people.

The bank should be the last place of refuge for investors to transact financial deals. Banks can assist genuine investors by not playing the role of a shylock, but by being the lender with opulent benevolence that has a human face.

If the ailing economy must become healthy, the banks too owe it a duty to correct congenial financial atmosphere.

Olu Falae "9" the former Secretary to the Federal Military Government (IBB Administration) made an extensive appraisal of the banking system in the 1970's 1980' and 1990's.

According to him certain policies shaped the Nation's emerging banking system in the 1970's - a strong nationalistic teaching emerged from the savages of the civil war and motivated the indigenization Decree of 1972 and amendment in 1977.

Government by this policies took substantial or majority ownership of the banks and so as well as use them instrument of achieving and implementing government policy. Falae further claimed that the most important decade in the development of banking era was the 80's. By the first half of the decade, there were 25 banks, but by 1988 there were 42 commercial banks with 1,660 branches, 24 merchant banks with 46 branches. Some more were given licenses and were in the process of establishing. Falae claimed that banking and finance are "hand maid" and midwife" of the economy and exchange in one affects the other.

It is hope that the banking industry will have breathing space and pace for better services and good Management via public control. However, since Government still control the activities of the banks through its (CBN & NDIC) the Government should remove the unpopular task laws if banks are to play their role completely. By abolishing this discriminatory law, the monetary authorities can ensure the growth and strength needed by the banking sector to service the economy of tomorrow.

To the shareholders (Owners of the Banks) appointment to Management positions in the banks should be strictly on merit, experience, qualification and transparent honesty should also be the order of the day.

All indigenous banks should establish human resources department in their Head Office to be charged with the responsibility of providing, advises on the structure of the firm, its Management and control as well as its system, procedures and methods. Banks should encourage on the job training as well as granting leaves with pay to their deserving staffers to puses higher degree courses relevant to the banking industry.

The training programmes should be integrated with action and result oriented packages. Bank Management should endeavour to review their outdated, disciplinary and preventive measures by tackling the problems of fraud and forgeries. As regards the fail bank decree established in 1994, the Government should ensure that the present cumbersome illegal procedures are reviewed to make for easy and quicker dispensation of justice against defaulters of the decree.

As more educated Nigerians emerged, there is the need for the rapid modernisation of the banking system for it to keep pace with the rapid development all over the industrial world. It will be rewarding to see the Nigerian banker using more computers and electronic automatic devices and techniques of operations of faster dispensation of banking services in both Urban and Rural Centres.

Most of the recommendations that have been made are aimed at improving the internal workings of the banking system. It is only by improving this working environment that the overall banking system can be improved.

5.3 SUMMARY AND CONCLUSION:

In this study a careful attempt is made to analyse critically marketing of banking services in Nigeria with particular reference to Savannah Bank of Nigeria Plc in which the study of banking services both in the

Urban and Rural area respectively taking a respresentive random of a number of branches of the bank (Savannah Bank of Nigeria Plc) and selected other banks A B C D respectively. There were forty subject/customers in each of the categories of the branch customers administered with integrated survey technics in which 1, 11, 8 and 5 carefully warded and itemise statements to measure the respective interest areas of the customer's perception of banking services, promotional stools adopted by the bank and growth and development of the bank marketing for the purpose of obtaining the required data.

The study also selected four other banks and concentrated its questionnaires to management staff of the sampled banks. This cross fertilisation exercise was aimed at diffusing the various conceptions and opinions of how the public view the banking system as well as how the bankers themselves sees the industry.

Although the bankers refused to accept the public view of the hypothesis regarding the banking operation, no one will take their opinion (bankers) seriously since they are not the beneficiaries. It is the beneficiaries mouth that the study focused its attention.

However, the results of the data analysis from the three sections of the questionnaires 1,11,8 and 5 reflected an acceptance of all hypothesis formulated in this study. The method analysis as stated earlier was the use of statistics involving percentages.

Thus considering the ongoing restructuring of the economy, the proliferation of the banking industry, the growing competition within the banking system and the ever increasing customer's expectation and demand for quick and better services on the banks, it is becoming obviously necessary therefore for the banks to pay more roles in the bid to enhance rapid growth and development of the economy. Any financial system that wish to sustain itself from the

present state of our development characterized by high prices of goods and services and down turn of the economy generally resulted from Structural Adjustment Programme (SAP) and survive the future must strive hard at adopting competitive strategies and more aggressive marketing effort.

The banking system serves a vital intermediary role in a market-oriented economy and also occupies commonly high in developing the economy like Nigeria. The importance of vital banking system now than ever before can not be over emphasise. The ranges of services provided and the level of sophistication of consumer requirements is a dynamic one that adoption of modern banking through marketing become important for today's banking. The area of lip services and arm chair banking have gone in deed.

5.4 RECOMMENDATIONS

After the extensive appraisal of the defits existing in the banking system in Nigeria and equally intensive cataloguing solutions be recommended. First, there is the need for more banks in Nigeria because the tenets of Structural Adjustment Programme (SAP) and its attainment effects makes it possible for more banks to come into existence and survive. However, the recent degree promulgated by the Government increasing banks capital to N500,000,000.00 will make new entrance difficult. In the past, the proliferation of banks in the past years had both negative and positive effects on the economy. The positive effects been the increased competition which resulted in improve services within the industry.

The new generation banks are introducing fantastic schemes all in the attempt to out due the competition and thus attract more customers. With the current development facing the industry where many banks are now closed (Distressed) due to recklessness and

misuse of funds by the Directors and other categories of staff and customers alike, public confidence in the banking sector is fast eroding. For banks to stand on their feet and fact the task ahead, requires not just improved services but good human resources - men and women of good character, in other to gain public confidence.

On the part of the new breed banks and its innovation, it is commendable because customers may now enjoy improved services. However, despite this change, there is still room for added improvement in their services. Banks staff should be more polite and courteous and treat their customers like people and not just like numbers. On the whole, further proliferation of banks will result in overall improvement in the banking marketing strategy. Thus, it is important as was proven in the study when 75 percent of the respondence agreed that marketing is a necessary aspect in the banking industry.

Another recommendation is that a more unified clearing system should be designed. This will reduce waiting time for Cheques to be cleared. This unified clearing system should aim at providing prompt and regular services to all bank customers in the collection of cheques between any two banking parts in the country. The banks must be fully ready to utilise their human resources and technological know how as well as exhaustively avail themselves of infractural services provided by the Government.

This unified clearing system is built on the simple promise of commercialisation and organisation. Cases of over delayed and unanswered customer's application of banks facilities, specifically, for loan and advances is the rule rather than the exception. This situation should be looked into. This is not to suggest that indiscrimination in appraisal of application should be encouraged but

emphasis should be on the adequate provision of services and customers should be informed promptly on decisions taken on their request.

Central Bank of Nigeria (CBN) should integrate some incentives into the credit guide lines like granting an exemptions to commercial banks liquidity required to the extend of their medium term lending or banks should be granted tax relief that relates proportionately with the ratio of their individual medium term industrial loans to their current lending position.

Banks should reach out more saving income and they should adopt more aggressive approaches of marketing their products. They should also diversify their services by administering Estates, Pension, Funds, Leasing, Factory, Establishing business advices services and exploring insurance brokerage.

Emphasis should also be focused on human resource training and self development as a way of ensuring efficiency and better performance.

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Department of Business Admin.

Institution of Admin.,

Ahmadu Bello University,

Zaria.

August 10, 1997

The Branch Manager,

.....

.....

.....

Dear Sir,

QUESTIONNAIRES ON EFFECTIVE MARKETING OF BANKING SERVICES IN NIGERIA CASE STUDY OF SAVANNAH BANK OF NIGERIA PLC TO CUSTOMERS

Mishkom Dayer D. E. (Chief) is a post graduate student of the Department of Business Administration Ahmadu Bello University (ABU) Zaria. He is conducting a Research work on the effective of marketing banking services in Nigeria. A case study of Savannah Bank of Nigeria Plc (One of the leading Commercial Banks in the Country). The Project Research is in partial fulfillment for the award of the Master in Business Administration (MBA) Degree.

One of the objective of the Research is to analyse the different forms of services rendered by banks with emphasis to Savannah Bank of Nigeria Plc services that are made available to customers.

In view of the above, you are kindly requested to respond to this questionnaire in good time and in good faith. Whatever information you disclose in this questionnaire upon review of the Researcher will be treated in strict confidence and use only for the purpose of this research.

Your cooperation in this regard will be highly appreciated.

Thank you.

474610

A. Akpan
(SUPERVISOR)

QUESTIONNAIRES ON EFFECTIVE MARKETING OF BANKING SERVICES IN NIGERIA CASE STUDY OF SAVANNAH BANK OF NIG. PLC

APPENDIX I

Instructions: Only branch Managers, Accountants, Marketing Officer or other suitable officers such as Credit Officers, Customers, Services Officers, Teller Services Officers etc. are requested to complete this questionnaire.

Please ( ) tick only one answer to each question.

1. Which of the categories of the bank does your bank belong?
   - (a) Commercial ( )
   - (b) Merchant ( )
   - (c) Development ( )
   - (d) Others (Please specify)

     .....

     .....

2. Which do you consider the most important service rendered by your bank branch? This should be in consideration to Income derived from each of the following:-
   - (a) Foreign Exchange/Buy of Exchange ( )
   - (b) Acceptance of Deposits ( )
   - (c) Payment of cheques and other monetary institioned ( )
   - (d) Lending ( )
   - (e) Provision of expert advises to businessmen/companies ( )
   - (f) Others (please specify)

     .....

     .....

3. In carrying out any or all of the above, do you consider your branch/bank service to:

(a) Excellent ( )

(b) Good ( )

(c) Poor ( )

4. What is your assessment of the services of your branch/bank to the customers.

(a) Excellent ( )

(b) Good ( )

(c) Fair ( )

(d) Poor ( )

5. How long does it take to cash a cashier cheque in your branch (bank)?

(a) 5 minutes ( )

(b) 30 minutes ( )

(c) 1 Hour ( )

(d) 2 Hours ( )

6. (i) How long does it take to obtain other services in your branch/bank?

(a) 5 Minutes ( )

(b) 30 Minutes ( )

(c) 1 Hour ( )

(d) 2 Hours or more ( )

(ii) Apart from the above service(s) what other services do you offer?

.....

.....

7. How long does it take to credit an account with an up country cheque lodged into it. Please indicate whether Inter-state or Intra-State.

(a) 3 Days ( )

(b) 1 Week ( )

(c) 1 Month ( )

(d) More than one month.

.....

.....

8. With reference to question 7 above, indicate same for local cheque of another bank (i.e bank within the same town).

(a) 1 Day ( )

(b) 3 Days ( )

(c) More than one week ( ).

9. How long does it take to clear S.B.N. Cheque drawn or another branch of the bank (Please indicate whether Inter-State or Intra-State.

(a) 1 Day ( )

(b) 4 Days ( )

(c) 1 Week ( )

(d) More than one week

.....

.....

10. Why can't your branch/bank instruct Cashiers/Tellers to pay on sight cheques below N500 = 00 ?

(a) It is being practiced ( )

(b) It is not practiced because of:

(I) Fear of Fraud ( )

(ii) It is not necessary ( )

(Please state why)?

.....

.....

11. Are cases of bounced Cheques rampant in your branch/bank? If so, do you agree with any of the following as its causes.

(a) Lack of adequate information on the part of the customers (i.e. statement of account are forward late to the customers). ( )

(b) Deliberate attempt by some customers ( )

(c)

12 To discourage bounced Cheques do you support any of the following measures (for defaulters) to be introduced by the government

(a) 7 Years imprisonment ( )

(b) Fine of N5000.00 ( )

(c) A & B Together ( )

(d) Any other lighter punishment ( )

13. In lending generally which of the following does your bank/ branch consider most important.

(a) Personal knowledge of the customer ( )

(b) Security offered by the customer ( )

(c) Legal capacity to borrow ( )

(d) Ability to pay the loan ( )

(e) Any others (Please specify)

.....

.....

14. Which area attracts more service (lending) in your branch/bank.

(a) Productive (Agriculture, Forestry, Fishing, Mining and Manufacturing etc.). ( )

(b) Trade or General (bill discount domestic trade Export Import ( )

(c) Services (i.e. public utilities, transport, and commerce ( )

(d) Others (Personal Government Financial Institution ( )

15. Which is the major constraint faced by a customer seeking bank services/facilities (loan, transfers, advances etc.).

(a) Lack of adequate security ( )

(b) Lack of good turn overs on the account ( )

(c) Government policy on lending ( )

(d) Not well known to the Management ( )

(e) Others (Please specify).

.....

.....

16. Are there any policy that affects your banking services? ( )

17. How long does it take to approve a qualified application?

(a) 1 Week ( )

(b) 1 Month ( )

(c) 3 Months ( )

(d) More than 3 Months ( ).

18. Do you expect rural borrowers to meet the same requirement as Urban dwellers while applying for loan especially in term of security?

(a) Yes ( )

(b) No ( )

19. How many customers enjoy the following services in your branch as at 1993, 1994, 1995 and 1996?

(a) Current Account ( )

(b) Savings Account ( )

(c) Time Deposit Account ( )

(d) Fixed Deposit ( )

(e) Others (Please specify)

.....

.....

20. Which of the above services mention in question 18 does the bank gain most?

(a) Current Account ( )

(b) Savings Account ( )

(c) Time Deposit Account ( )

(d) Fixed Deposit Account ( )

(e) Others (Please specify)

.....

.....

21. Who makes your bank unique when compared to other financial institutions?

(a) Its approaches to customer services ( )

(b) Staff Welfare ( )

(c) Promotion Exercise ( )

(d) All of the above ( )

22. What other factors usually affect consideration for loan in you bank?

(a) Customer's social activities ( )

(b) Fear of possible loss of good account ( )

(c) "Gift" from Customer ( )

(d) Instruction from Superior Officer ( )

(e) Political consideration ( )

(f) Others (Please Specify)

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APPENDIX ii

SEX:.....

OCCUPATION:.....

ADDRESS:.....

Questionnaire on Marketing of Banking Services in Nigeria

(Customers Questionnaire)

I am Mishkom Dayer D. E. A student of Masters Degree in Business Administration (MBA) Ahmadu Bello University (ABU) Zaria, Registration Number 993/MBA/7345.

I am undertaking a study of "Marketing of Banking Services" "A case study of Savannah Bank of Nigeria Plc."

Kindly co-operate by providing the required information by choosing one of the three categories of Adree, Disagree and undecided given against each statement that is nearest true as far as you are concerned. The responses will be treated in confidence.

Thank you.

A. Marketing in the Banking Industry.

APPENDIX IV - FREQUENCY TEST

B.	CUSTOMERS PERCEPTION OF BANKING SERVICE	AGREE	DISAGREE	UNDECIDED
1.	The Bank has a friendly and welcome atmosphere	[ ]	[ ]	[ ]
2.	The Bank staff are helpful	[ ]	[ ]	[ ]
3.	The Bank offers fast and reliable services	[ ]	[ ]	[ ]
4.	The Bank staff are polite and courteous	[ ]	[ ]	[ ]
5.	The Bank offers a wide range of services that could aid you either			

	as a businessman or as individual	[	]	[	]	[	]
6.	The Bank has made it easy and possible for you to utilise their services.	[	]	[	]	[	]
7.	The services of the Bank have a personalized touch.	[	]	[	]	[	]
8.	The Bank has a fairly good loan scheme.	[	]	[	]	[	]
9.	The activities and services of the Bank has made you have faith in the bank.	[	]	[	]	[	]
10.	The Bank makes use of computers, note and coin counting machines and other data processing equipment which speed up their services.	[	]	[	]	[	]
11.	The Bank shall remain you Bank for a long time to come.	[	]	[	]	[	]
C.	PROMOTIONAL TOOLS							
1.	The Bank distribute leaflets outliving its various services to existing and potential customers.	[	]	[	]	[	]
2.	The Bank advertises regularly in the media	[	]	[	]	[	]
3.	The Bank operate a special department that seeks new deposits and inform people of their banking needs and how it can solve these needs	[	]	[	]	[	]
4.	The Bank has a dynamic banking system	[	]	[	]	[	]
5.	The Bank's advert slogans are effective and aggressive	[	]	[	]	[	]

6.	The Bank uses the most effective means of advertising the media.	[ ]	[ ]	[ ]		
7.	The Bank's use of the media has improved the awareness of the people to the services of offers.	[ ]	[ ]	[ ]		
8.	The Bank rate employed by the Bank are relatively competitive.	[ ]	[ ]	[ ]		
D.	GROWTH AND DEVELOPMENT OF THE MARKETING DEPARTMENT.					
1.	The Bank is more marketing oriented now than before	[ ]	[ ]	[ ]		
2.	The marketing orientation of the bank has affected the level of customers the bank has.	[ ]	[ ]	[ ]		
3.	The Bank has always embarked on advertisement since you started patronizing it.	[ ]	[ ]	[ ]		
4.	The Bank sponsors programmes on T.V and Radio more now than before.	[ ]	[ ]	[ ]		
5.	Banks in Nigeria have not fully realised the importance of marketing	[ ]	[ ]	[ ]		

APPENDIX 11 FREQ. TABLE TO BACK MGT.

A. MANAGEMENT QUESTIONNAIRES

1. Which of the following categories of the Banks do your bank belong?

   (a) Commercial ( )
   (b) Merchant ( )
   (c) Development ( )
   (d) Others (please specify)
   .....
   .....

2. Which do you consider the most important services rendered by your Bank?

   (a) Foreign Exchange ( )
   (b) Acceptance of Deposit ( )
   (c) Payment of Cheques and other monetary instruments ( )
   (d) Lending ( )
   (e) Provision of expert advices to business Men and Companies. ( )
   (f) Others (please state)
   .....
   .....

3. In carrying out any or all the above services, do you consider your bank service(s) to be

   (a) Adequate ( )
   (b) Good ( )
   (c) Fair ( )
   (d) Poor ( )

4. What is your assessment of the services of your bank to the Customers?

   (a) Adequate ( )
   (b) Good ( )
   (c) Fair ( )
   (d) Poor ( )

5. How long does it take to cash a cashier's cheque in your Bank?

(a) 5 minutes ( )
(b) 30 minutes ( )
(c) 60 minutes ( )
(d) 120 minutes ( )

6. How log does it take to obtain other services in your bank?

(a) 5 minutes ( )
(b) 30 minutes ( )
(c) 60 minutes ( )
(d) 120 minutes ( )

7. How long does it take to credit an account with an Up Country cheques lodged into it? (Please do indicate whether Inter-State or Intra-State).

(a) 3 days ( )
(b) 1 week ( )
(c) 1 month ( )
(d) More than one month ( )

8. With reference to question 7, indicate same to Local Cheques of another bank (i.e. banks within the same Town).

(a) 1 day ( )
(b) 3 days ( )
(c) More than one week ( )

9. Why can't your bank instruct Tellers/Cashiers to pay on sight cheques below N1500.00?

(a) It is being practiced ( )
(b) It is not practiced because of fear of fraud or not necessary ( )
(c) Other reasons (please state)
.....
.....

10. Are cases of bounce cheques rampant in your bank? If so do you agree with any of the following causes.

(a) Lack of adequate information on the part of the customer

(i.e. statement of accounts are forwarded late to Customers) ( )

(b) Deliberate attempt by some customers ( )

(c) Other reasons (please state)

.....

.....

11. To discourage bounced cheques, do you support any of the following measures for defaulters to be intruducate by the Government?

(a) 7 Years imprisonment ( )
(b) Fine of N5,000.00 ( )
(c) A and B together ( )
(d) Any other lighter punishment ( )

12. In lending generally, which of the following does your bank consider most important?

(a) Personal knowledge of the customers ( )
(b) Collateral offered by the Customers ( )
(c) Capacity to borrow ( )
(d) Ability to pay ( )
(e) Any other (please specify)

.....

.....

13. What factors affect banking services generally?

(a) Central Bank of Nigeria ( )
(b) Fund ( )
(c) The people ( )
(d) Others (please specify)

.....

.....

14. What is the major constraint that your bank faces when trying to avail customers seeking services?

(a) Lack of adequate collateral ( )
(b) Poor account turnover ( )
(c) Government Policy ( )
(d) Not well known ( )
(e) Other factors

HASHIM IBRAHI

15. What does you bank required from a Customer while assessing them for specific services such as guarantees and payment confirmations?

(a) Financial Account ( )
(b) Tax clearance ( )
(c) References ( )
(d) Others ( )

16. What is the most vital criteria your bank used when lending to customers?

(a) Security offered ( )
(b) Capacity to borrow ( )
(c) Ability to pay the loan ( )
(d) Other factors ( )

17. What areas of business attracts services in your bank?

(a) Productive (Agriculture forestry, fishing, mining and manufacturing etc.) ( )
(b) Trade (bill discount, domestic trade, export and import) ( )
(c) Services (Public utilities, commerce transport etc.)
( )
(d) Others (Personal, Government and Financial Institution) ( )

18. What other factors usually affects consideration for Loans?

(a) Customers social activities ( )
(b) Fears of loss of good account ( )
(c) Instruction from higher authority ( )
(d) Political consideration ( )
(e) Others (Government Policy) ( )

19. How long does it take to process customers loan application in your bank?

(a) One Month ( )
(b) One Week ( )
(c) Three Months ( )
(d) More than three Months ( )

20. Which services does your bank gain most?
(a) Current Account ( )

(b) Selling Account ( )
(c) Time Deposit Account ( )
(d) Fixed Deposit Account ( )
(e) Others ( )

21. What makes your banks operation unique compared to others?

(a) Its approaches to customers needs ( )
(b) Staff Welfare ( )
(c) Promotion ( )
(d) Others ( )

22. Do you agree with the assumptions by some members of the public that your bank services are generally poor?

(a) Yes
(b) No