DEPOSIT MOBILIZATION THROUGH MARKETING OF BANKING SERVICES (A CASE STUDY OF FIRST BANK OF NIGERIA PLC) KADUNA BANK ROAD, BRANCH

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BEING A MARKETING PROJECT UNDERTAKEN IN FINAL CONSIDERATION FOR THE AWARD OF MASTERS OF BUSINESS ADMINISTRATION DEGREE (MBA) OF THE AHMADU BELLO UNIVERSITY, ZARIA

G92BAP 7062, 1992/93.

DECLARATION

I hereby declare that this pr ject report has been written by me, and that it is a record of my own research work. All sources of information and, where applicable, other written views have been du acknowledged in the form Bibliography.

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CERTIFICATION

This project report entitl d: Deposit Mobilization through Marketing of Banking Services meets the regulat ns governing the award of the degree of Master of Business Administration (MBA) o Ahmadu Bello University, Zaria, and is approved for its contribution to knowledge nd literary presentation.

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DEDICATION

To my grand Dad Alhaji Mohammed King, your word is wisdom. My grand Mum Hajiya Gwamma, you believe in me and I believe so and, especially to you my little love AISHA M. BARAU, you are everything and everything is you.

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ABSTRACT

Deposit mobilization is one of the major objectives of banks. Deposit is the bedrock of all banking activities. The rush by many entrants into the financial system during the deregulation era trigger massive competition in the banking industry.

New products and aggressive marketing techniques/approach to services by the banks become the order of the lay, all in their effort to mobilize more deposits; the bedrock of banking business.

The New Banks came forcefully with new techniques into the financial system and the older Banks embrace an formulate strong marketing approaches not only to keep them in business but also to aintain leadership or control of large share of the market.

First Bank of Nigeria Plc, one of the leaders in the Banking Industry is not left behind. The Bank adopt various marketing techniques not only to remain in the competition but to continue leadership of the industry.

It is this techniques and new approach to banking by First Bank, this work seek to study in relation to other banks in the industry. With the hope that the resultant findings will be useful to both First Bank of Nigeria Plc and other banks in the financial system and the Nigerian Community at large.

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INTRODUCTION

The deregulation of the fi ancial system by government during the past decade resulted in an unprecedented influ of new operators into the finance industry, and consequently an increase in competitio among the institution. Although the financial system can be said to be operating o what economists referred to as guided deregulation, a tremendous change in th market orientation of the players is obviously on vogue today. Also the recent directiv by the government in 1996 raising the paid-up Capital of Banks to a minimum of 500 Million trigards the activities of banks towards adopting more aggressive market g strategies in their bid to mobilize more funds.

In recent past most ban never did any serious deliberate marketing to influence high nethworth individuals a l corporate bodies in search of deposits.

Additionally, the qualit of services hitherto rendered to customers by the majority of the banks seemed to po ray the customer as one whom the bank is doing a big favour. Thus, the current wav of development; i.e new products and introduction of high technology, can be see as a realisation by banks of the need to treat customers as the centre piece of their se ices and simultaneously take more deposit to improve one of the main determinants f banks operations - the size of its deposit. This is particularly true in this country whe e opportunities for investment banking is limited. Thus deposit is the single most imp tant source of financing assets.

Until recently, the est lished banks seemed to have adequate deposits to fund their operations as given an therefore have concentrated on asset management.

This situation has dra cally changed. The competition for more deposit has become most important, that a efinite policy and strategy for deposit mobilization is now being adopted by banks.

The traditional bankii practice began to fade, banks now are aware of the significant role of marketing in any modern organisation, be it profit oriented or not. This awareness by the banl and given their background (profit oriented in nature) subjected

them into designing and implementing various marketing strategies towards achieving the profit objective.

Deposits mobilization to s adopted by the banks were the put in focus and analysed. Also the study went fu ıer into addressing factors considered crucial in achieving greater level of deposit todays Nigerian banking environment.

The incursion of the nev generation banks has made the stage so competitive, centred around the quality of se ice and introduction of high-tech information system.

Therefore we look into t impact of the new product or services in deposit mobilization and various marketing s ategies, these banks put in place to stand the test of time.

Primarily, the bankers o ectives is to mobilize funds for lending purposes by accepting deposits through the off of their various services to their numerous customers, further more the marketer of anking services need to design strategies for investing the sourced deposits into a ell defined target market.

First Bank of Nigeria P , A giant in the banking industry and a survivor of the recent distresses saga in the b king system and also the only bank that has seen a century of banking operation in I geria is the commercial bank in focus. Various marketing strategies of the bank ere tested, the result of the research influenced our summary and conclusions.

Out of which high rec nmendations were put in place to aid banks achieve greater deposits mobilization, rough marketing of banking services available, to be able to survive the current wa of competition in the banking systems today and tomorrow.

CHAPTER ONE

BACKGROUND INFORMATION

1.0 STATEMENT OF THE PROBLEM

The problem area in this research has been identified as the type and nature of service banks should offer, the method by which these required services should be successfully delivered and the quality these services should attain to capture the interest of the banks customers in the present heat.

We put into consideration that the Nigerian banking system is fully guided by system of internal control and stringent lending policies and characterised by some negative environmental features which includes frauds, impersonation, cheating and massive illiteracy.

Inspite of the fact First Bank of Nigeria Plc employed some marketing techniques in its operation, the extent to which these techniques and tools are being systematically used to eliminate the avalanche of customers complaints is unknown.

However, additional ways in which marketing techniques can be integrated into banking business and the extent to which marketing can contribute to the improvement of the banking services in terms of quality, efficiency and effectiveness will be answered at the end of this research.

1.1 OBJECTIVES OF THE STUDY

Services offered by banks were towards enhancing customers services and mobilizing more funds to improve their liquidity base.

The objective of this research is to establish ways and methods by which these services were offered in other to achieve the desired objectives.

We shall therefore determine to which extent First Bank of Nigeria market its services, to this end the study will examine:

a. The extent to which First Bank of Nigeria Plc markets its services in terms of employing marketing techniques for improving efficiency and effectiveness of their operation (meeting customers need).

b. The differer e between marketing of services in banks and marketing of industrial g ds and services.

c. The resulta effect of the new/modern technologies on the habits of the Nigerian ba king customers, (positive or negative impact) how it relates to deposit r obilization.

d. We shall d ermine how significant is deposit (the size of deposit) to the banks in N eria, now and the future.

e. And how uccessful are the new technologies and new marketing techniques n improving banks operation and their deposit base.

f. We shall examine the influence/importance of Banker/Customer relationsh in deposit mobilization and methods of improving this great union.

1.2 SIGNIFICANCE OF THE STUDY

First Bank of Ni ria Plc has one of its aims to provide qualitative, efficient and effective bankin services that meet the customers needs and consequently increase the bar s patronage there by mobilizing more funds.

Therefore, the search is expected to identity the most suitable marketing strategy to adop by First Bank of Nigeria and banks in general for marketing their services in order to achieve the afore-mentioned objectives.

The research is also expected to reveal to us the banking customers' response to the changing b king operation i.e introduction of new technologies and new marketing tech logies towards giving the customers qualitative and efficient banking servic (meeting the customers need). Thereby identifying areas that requires more tention.

We shall at e end of this research determine how the customers and community at l ge benefit from the huge deposits the banks are able to mobilize through use of ne new marketing techniques and available modern technologies.

1.3 SCOPE AND LIM TATION

This research atte pt to explore the various marketing strategies adopted by First Bank of Nig ia Plc, in its deposit mobilization drive and factors affecting it.

Also attention is f cused on the types of services offered by the bank, effective use of marketing functions to support the services offered in achieving the desired objectives nd major constraints that affect the deposit mobilization drive. Data collection i limited to only Central Bank of Nigeria reports, Nigerian Deposit Insuranc annual reports, various bank bulletin, First Bank of Nigerian monthly and qua erly economic reviews, financial papers and magazines.

The major const ints on this research is time. Time is really so scare for me, my professional b ckground believes in using all available time leaving basically nothing for my p rsonal usage.

1.4 RESEARCH ME HODOLOGY

The research app oach/method for collecting the primary data for this project are as follows;-

- Question ires
- Personal nterviews
- and Obse vations.

Two set of ques onnaires are to be presented; One to the Banks Management and Staff, wher as the other will presented to the Banks Customers.

Personal intervi ws will be made to some key members of staff of the bank and to some custom s of the bank. The aim of which to enable the researcher know the extent to w ich First Bank of Nigeria employed marketing techniques in selling its servic s and also to ascertain to which degree the banks customers are satisfied and w at their responses are.

Personal obser tions will be made to study the success of the techniques applied and to which e tent these can be improved to meet the customers need.

1.5 DEFINITIONS OF RELEVANT TERMS

BANK

A financial institution which accepts monies as deposit from customers and also invest/lead out surplus deposit to the preferred sector of the economy.

COMMERCIAL BANK

In addition to traditional business of accepting deposit and investing surplus deposit to preferred sector, commercial banks offer retail banking services such as current account, savings account transfers etc.

SERVICES

These are identifiable, intangible and essential set of accumulated that satisfy wants.

INTEREST

This is monetary reward/payment on money borrowed, loaned or deposited, usually on percentage term.

TREASURY/STRONG ROOM/SAFE

An apartment/room/safe within the bank building properly secured with maximum security where cash and other bank/customers valuables are kept.

COMMISSION ON TURN-OVER

A monthly percentage charge on current account, usually depends on frequency of transactions within the period.

CLEARING

The method by which other banks, branch or towns cheque is cleared, cheques are cleared within specific period or duration through the clearing house (CBN).

VOUCHERS

All the document papers duly signed and stamped by authorised officers of the bank, which are used for daily transactions into various accounts.

DEPOSIT

Account/money kept in the bank by customers.

CUSTOMERS

Any reason/operating account with bank or seeking financial advice thereof.

CHAPTER TWO

R VIEW OF RELATED LITERATURE

2.0 DEPOSIT MOBI ZATION

Banks constitute p haps the most important segment of the financial market and plays a dominant le in not only mobilizing deposit but also allocating them for investment purpo s. [1]

The following the etical concepts forms the basis of banking business in the last decade.

a. Domestic obilization of financial resources.

b. Provision such funds/resources to meet the borrowing needs individuals and house olds, enterprises and governments.

c. And prov on of a sound payments mechanism.

Following the d egulation of the economy in 1986 the market has increased tremendously in ope and in operations. To perform those traditional functions, banks do not on mobilize resources from surplus unit for use by deficit units, but also channe the resources to where such funds could attract the highest possible returns It is for this reason financial institutions are often regarded as the engine of g wth in an economy.

Therefore the nportance of deposit cannot be over-emphasize in banking business, it is fo this reason banks adopts various deposit mobilization technics through aggres e marketing strategy.

First Bank of N geria Plc is playing a leading role, and instrument of deposit mobilization, in use by the banks includes demand deposit, savings deposit and time deposits.

2.01 DEMAND DE OSIT

The demand d posit consists of the current account/checking accounts, until recently they w e the complete preserve of commercial banks and did not attract any interest, b cause of this they were regarded as a highly attractive form of

deposit.[2]

However, in 1990 he government and the CBN made it mandatory for banks to pay interest on cu rent - account balances. It is in the light of this that banks now pay interest n current account.[3]

Current account ustomers of First Bank enjoys 2% interest. However, this applies only if a stomer does not transact on the account for a complete one month. Demand eposit in the form of current accounts arise from transaction need for money ecause of this every member of the society is a potential current account lder.

The procedures r opening current account in first bank is made so easy in order to attack p tential customers; As the economy becomes more and more developed and m dern banking habits extends to the generality of the public an increasing propo ion of the populace would be brought into the current account fold. This under ores the huge potential in developing current account balances and therefore j tify whatever resources are put into it. According to 1995 NDIC report, th type of deposits constitute 46.4% and 47.2% of total deposits generated by co mercial banks in 1994 and 1995 respectively.[4]

To operate curr nt account in First Bank, the potential customer is requested to bring 2 referee and 2 passport size photograph and a minimum deposit of ₦5,000.00 only In the case of corporate organisation, a copy of Article and Memorandum Association, a letter to open current account and a board resolution to th effect are requested. Also the signatories to that account are requested to p duce 2 passport photographs and 2 referees each, a minimum deposit of ₦20 00.00 only is required as initial deposit.

Current accou possesses the feature of easy movement and transfer and can be abandoned an me.

2.02 **SAVINGS DE OSIT**

Savings depos arise from precautionary need for money, most people normally

put something as e, out of their earnings for a number of precautionary notices such as to meet e ergencies, the unexpected or to acquire a certain asset in the future. [5]

Operators of thi ype of account with First Bank today enjoys 4% interest on their deposit, pr ided the customer did not make more than two withdrawals within the montl Interest has experienced a sharp decrease from about 19% and even higher efore 1994 to as low as 4% as a result of the government decision to bring me controls early in 1994, which amounted to reversing some of the deregulatc and financial liberalization measures which includes pegging deposit ratio bet een 12-15% maximum per annum.

To operate savin in First Bank today an individual requires only 2 passport size photograph an a inimum of ₦500 initial deposit. This type of deposit continue to form substan l part of banks total deposit, for example in 1994 saving deposits equal ₦),525.6 million representing 33.8% and also rose to ₦62,645.5 million in 1995 nd still representing 33.8% of the years total deposit of commercial banl [6]

Because savings posits arise from precautionary need for money, it has became so insensitive to i erest rates and that also accounts for its stability. The closure of this type of ac ount in First Bank is instantly on demand by the customer.

2.03 **TIME DEPOSIT**

These are depos accounts with a fixed period of between 3 month - 12 months duration. This is he category of deposits that is highly sensitive to interest rates. It belongs to the peculative group and thus highly volatile.

In First Bank of igeria Plc, a certificate is issued to the holder of this account, as an evidence c deposit. Stated on the receipts are the amount, the duration and the interest ate, date of issue and expiry date are clearly shown. The holders of this a counts in First Bank enjoys an interest rate of between 5% - 8.5% per annum

Being one of the g eat source of deposit in First Bank, the bank requests only the deposit amou for the account to be created. Fixed deposit account is renewable at expi date on the current rate or a negotiated rate within the approve range.

Deposit as the be ock of commercial banking has rose continuously over the years, according t 1995 NDIC report, deposit rose from ₦2,333.37 million in 1994 to ₦2,899.3 illion in 1995, giving an increase of 24.3%.[7]

In First Bank of Nigeria Plc, deposits increase has been seen all past years. According to the Managing Directors' Speech during the 1996 AGM in Kano "Our Prime Dep its - Savings and Demand Deposits - Constituted ₦34.346 billion or 61.589 of the total. This is more than anything, underscores the strength of First ank and the potential for the future."[8]

2.1 FACTORS AFFE TING DEPOSIT MOBILIZATION

The beneficial ef cts of competition in the banking industry include the stepped up deposit mob zation, adoption of alternative funds sourcing strategies by enterprises by pping less costly finance from capital market as well as employment of l tter deposit management techniques. Below are some of the factors that are nsidered crucial in achieving greater level of deposits.

2.11 GEOGRAPHIC L SPREAD

In mobilizing de osits, locational advantage is an important factor, the facilities must exist befc people can be attracted to them. Large branch network therefore is a di nct advantage in successful mobilization of deposit.[9] First Bank of Nigeria toda has the largest network of branches in Nigeria, as at December 1996 the bank s a total of 293 branches nationwide.

This is undoul y a great advantage for the bank, however, to be able to effectively utili this branches efforts should made to improve physical location of existing brai hes. Branches should be renovated, office furnitures should be refurbished an office arrangement should be made in such a way that efficient

and effective service can succe fully delivered in order to attract more deposit.

2.12 QUALITY SERVICE

Naturally, quality of service w uld ensure the loyalty of existing customers and attract new ones. There are t ee sides to improving the quality of service - the human element, adequate ac mmodation, and the equipment factor. A way must be found to improving t attitude of staff to customers. This will improve productivity with existing res rces in space and machines.

The issue of accommodation nnot be addressed in short term, but continuous effort must be made to impr e the standard of accommodation. Some of the improved services needed by stomers are faster and smoother canter services in both encashing and deposi g of cheques, regular and accurate statements of account and fast and smooth ransfer of funds.[10]

In recognition of the signific ce of this factor, First Bank of Nigeria today has appointed Quality Service O cer in all its branches nationwide. This officer is entrusted with the responsib y of ensuring the customers service are attended to with minimum delay.

The gradual implementation f the banks century II/the re-engineering exercise has successfully introduced igh-tech computer that allows fast and efficient transaction worldwide withir minutes. This re-engineering exercises is expected to be completed before the rst quarter of 1998.

2.13 PROMOTION'S

Deposit mobilization requir appropriate promotion strategy. The direct relation between growth in deposits nd effective, innovative and aggressive promotion is assumed to be quite high. Complimented with adequate geographical spread, high quality service and a ceptable interest rates, promotion can be highly effective in attracting depo ts. Without effective promotions, the geographical spread, improved services elivery and attractive rates of interest will not be widely known. Banks pror otional policy should concentrate on corporate and

product promotion and marketing.[11]

The banks century II programme has been given a wide share of promotional activities including new products like the Western Union and Smart Card to attract more depo t.

2.14 **INTEREST RATE**

The elasticity of r sponse to interest rates varies from one form of deposit to another. While i is low for savings and current accounts, it is high for time deposits the reasc s are due to the nature and purpose of holding this account. The rate of intere is highly monitored by government, However some incentives can be attached t customers deposit to encourage them bring more funds. In First Bank today savings account operations are fully computerized and a chequing system ith an I.D. Card is introduced to attract more deposits.[12]

2.15 **ATTITUDE OF STAFF**

Intensive trainin of banks staff will go in no small measure, in inculcating the spirit of professic alism which will inturn increase respect for professional ethics and there by imp ove the attitude of bank staff.

The bank would ore than ever before train and retrain staff to creatively adjust in the short tern to the vagaries of the environment.

These are fact s that affect deposit mobilization, therefore banks must incorporate thes when designing its deposit mobilization strategies.

2.2 **MARKETING DEFINED**

Philip Kolter de ned marketing "as a set of human activities directed at satisfying needs and wan through exchange processes".[13] This definition emphasises marketing as an issue of social economic exchange.

According to William J. Stanton "Marketing is a total system of business activities designed to pl , price, promote and distribute want - satisfying goods and services to pre nt and potential customers".[14]

This definition oints out the economic point of view of Marketing - Consumer

Orientation, and t e dynamic integrated form (system) comprising interacting activities.

Further more it str ssed out that marketing starts from product idea development and ends only wh re customers wants are satisfied. These procedures are depicted below:

Market oriented o ganisations today engages themselves with market analysis of;

a. Identifying heir target market and
b. Studying t e attitudes and needs of the different categories of customers/ nsumers within the target market.
c. Identifying that needs the available resources of the organisation is capable of atisfying.
d. Seek the r ost effective and efficient way of satisfying this needs at a margin/prc t.
e. And seek t anticipate and react to changes.
f. Recognise he obligation to observe the moral and legal standard of the community nvironment within which it operates.

The era of arm-cl ir banking has been drastically replaced by the emergence of awareness by the anks the need to introduce aggressive marketing techniques if they are to sur e the present competition.

Marketing concep is defined as a business philosophy that arose to challenge the previous concepts It holds that the key to achieving organisational goods consist in determining th needs and wants of target market, delivering the desired satisfaction more ffectively and efficiently than competition."[15]

An important iss here is analysing the present environment and anticipating customers needs nd wants and thereby thriving marketing policies towards satisfying these ic ntified needs within the limited resources available.

2.3 NEW PRODUCT ERVICE IN DEPOSIT MOBILIZATION

This segment of e project try to analyze the role a new product will play in

deposit mobilizatic . By exploiting new technologically based techniques and innovative approac es, most banks are expanding into new geographical markets as well as widening heir products offerings. Considering for such new products are usually based (certain characteristics which include.[16]

a. The require minimum deposit.

b. The magnit de of interest rate offered.

c. The compu tion and payment of interest.

d. The ease o transferability or risk liquidity, duration and guarantor.

However, most b nks do not have a formalised new product development process. Unlike i other corporate bodies where numerous models of the new product/service d elopment exist, new service development in banking is generally not sup orted because of short-term focus of management, which demands results. deposit mobilization banks develops models as framework within which the become more pro-active in attaining their targets. The framework of the odel should basically comprise the following steps:[17]

a. Idea gener ion and initial screening.

b. Concept g eration.

c. Setting ecc omic standard.

d. Product/se ices testing.

e. Commerci ization.

In exploring new roduct approach to deposit mobilization, marketing of new products should lso be looked into. Marketing seeks to establish what consumers want th explicitly and implicitly and goes further to provide for these wants by or anising resources to meet these needs.

Three features ar distinctly special to marketing of new bank product. These are:

a. Intelligibil y - resulting from fact, that customers obtaining the products are not op ortuned to sample, taste or feel the product before purchasing.

b. Inseparability, t is simply means that the only possible channel of distribution of t new service is direct sales. There is no incidence of middlemen.

c. Perishability, thi means that the service cannot be inventories. They are created through a process of performance which is activated when demand for ther is presents.[18]

These features makes t e sale promotion of services and indeed new banking products more demand g hence a constraint on deposit mobilization. Hence, in their promotional pro rammes, banks should portray the benefits accruable to the customers in away t at arrests their attention and appeal to their sense of feeling.

An obvious implication rom the foregoing is that for banks to bring in new product into the market s a strategy towards deposit mobilization, they must strive to develop good t hniques to meet the demands of their customers.

For any marketing strate y geared towards deposit mobilization to be effective, it has to take into consic ration the followings:

a. The resources, ob ctives and policies for marketing the new product.

b. The banks size an market share, present and projected.

c. Competition mark ting strategies and policies, and

d. The projection of e market.[19]

Also important in new p oduct/service marketing and development is market research. Market researc is the search and utilization of information from all available sources and its daption to the banks' marketing needs. Marketing research will enable bank r know very well the market that the new product intends to serve. Factors uch as age, family size, income, culture, customers wants, needs and desires l ve to be properly focused in the search.

Marketing programmes an market research should, however, be re-enforced by sales and promotional mat ials detailing the characteristics of the new products.

These materials wil usually include brochures, literatures, pamphlets and diaries. Therefore, through proper marketing managements, banks will be able to meet the changes in ma kets they serve with new products/services and change themselves with res ect to short and long-run goals and objectives in terms of mobilizing deposits.

2.4 STRATEGY FOR I CREASING THE BANKS DEPOSIT

The deregulation of he Nigerian financial system and the massive withdrawal of parastatals funds in 989 by the Federal Government from both commercial and merchant banks bro ght in it, wake aggressive search for deposits by banks. The significance of s und deposit base is even more crucial now that the CBN has decided to chan e to indirect approach to monetary control through Open Market Operation (O MO) and the recent regulation of rates of interest. Under practice the amoun you can lend is intricately tied to your deposit base. Similarly, your activit s in the foreign exchange market or money market is very much dependent on t e level of your deposit. Even more serious is the situation now that government nd CBN has raised the capital base of banks to minimum of ₦500 million.

Given this scenarios, t us examine those factors that have come to influence a banks market share o mobilizing deposit.

2.41 DETERMINANTS O MARKET SHARE

A. The Nigerian b nking/finance industry has witnessed a rapid growth since the introductio of the Structural Adjustment Programme (SAP) 1986. Apart from rap growth in the number of both commercial and merchant banks from 198 - 1992 before the imposition of temporary suspension in the licensing o new banks, the impact of deregulation on banking operations and erformance earlier on became intensified, with different types of banks and non banks getting involved in the same lines of business, resul ng at times in a sort of unhealthy or cut throat

competition in deposit mobilization among commercial and merchant banks.[20]

B. Standard of service/introduction of technology. Present experience shows that most of the new generation banks are able to offer more superior services than old generations of banks due to.

i. their relatively small size, some maintains only one branch office.

ii. choice of location, their offices are strategically located in commercial areas, unlike the old generations banks whose location of branches were politically/personally endured.

iii. superior staff recounted through poaching activities - most of their staff were syphoned from the old generation banks.

iv. Application of modern technology particularly in the area of funds transfer and customized services.

v. flexible procedures of these new banks. Rules are easily bend to suit the customers needs/purpose.

C. Product differentiation and promotion, services are polished a little to show some difference and high promotional activities introduced to show the difference and make it look meaningful and attractive. This is an important factor in deposit mobilization particularly for large network retail branches

2.5 MARKETING QUALITY SERVICES

Services, defined as "any activity or benefit that one party can offer to another, that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product"[21]

Services in general and bank services in particular differ from goods in a number of respects and a consequence in certain aspects of the marketing approach will also differ.

The major areas in which services differ from products are a - Intangibility, b -

Inseparability, c - Variab jty and d - Perishability.

a. intangibility - A lervice cannot be seen, touched or displayed. A consumer may pi Lhase a particular service, but typically has nothing physical to disple as a result of that purchase. A bank customer who made transfer o: [noney from his account to another, has purchase a service, but will lave the bank without anything tangible or physical to display.

b. Inseparability - general it is impossible to separate the production and consumption of J service. A service is inseparable from the source that renders it. Ab; Ik customer and paying cashier must be present when the customer is c thing a cheque. In other words production and consumption c fcurs simultaneously with the service. The same thing applies to cre< I cards, the machine and card holder must be present.

c. Variability -1 same service can be highly variable, depending not only on who is pro ding it but when it is being provided,

d. **Perishability** Services cannot be stored. Services are produced on demand and hen only in the presence of the customer.

QUALITY OF BAN 1 SERVICE

Most Nigerian banl I have been criticised for poor services and discriminatory practices; by Banks Irvices we mean activities, benefits or satisfaction which are offered for sale eii pr as such or are provided in connection with the sale of goods.[23] Banks s< /ices in Nigeria are characterised by slow services and congested banking ills.

However the recen nflux of new banks and the resultant increase in competition has made the bigg and older generation banks in the industry to gear up, by introducing new r rketing strategies and new banking technologies to enable them meet up wi I the high competition and also respond to their customers urgent need for ifective and prompt service. For example, First Bank is

gradually undergoin restructuring and re-engineering referred to as century II project.

In order to improve he quality of banking services in Nigeria the following areas need to be improve /or taken.

a. **Introduce C mputer Technology** - This is important in todays banking, environment This is will now improve the speed and quality of services of banks, alr ady some banks have stalled this high-tech banking services.

b. **Training an Developing Staff** - Highly trained and qualified staff is what the banks re quired to improve the qualities of their services.

c. **Customer wareness** - This is another areas that requires banks immediate r sponse. Bank should produce brochures also train staff on how to sho customer the various services available and their relative importance to the benefit to be derived by the customers when these services are patronized.

d. **Improve M nagement Policies in Quality Service** - Today most of the banks hav quality service officers. This is in recognition of the importance of customers. Therefore they should be made the centre part of decision making.

e. **Premises** - The public area of the banks should be special enough. Bright modern d corations, well ventilated etc. The objective all these is to provide a relaxing and comfortable atmosphere in which to transact business.

f. **Opening H urs** - Banking hours should made flexible to match or suit the locality w h the banks operate. Most banks today have extended their banking h urs. First Bank Official Banking hours today are Mondays 8am-5pm nd Tuesday - Friday - 8am-4pm.

Almost everythi g we said earlier in this book about marketing mix decision applies to servic s firms as well as product firms.

This is particularly aying that all the marketing mix decisions of Product Planning, Product Pr ing, Place or Service delivery system and promotion are all fully required in the narketing of banking services.[24]

Product planning is challenging area for a service industry, simply because the banking industry ac vities are regulated by the Central Bank of Nigeria and Federal Ministry of Finance. However, with current competitive nature of the industry, product ould be designed to attract more customers thereby mobilizing more de osit.

Banks must be mor imaginative in their pricing. Although interest rate ad other charges are regulat d by the Apex authority in the industry, Banks should put prices acceptable t keep them within the competition.

Banks have severa options with respect to service delivery system or place, although this is no fully appreciated. Many people think that because services are intangible, in parable and perishable, the concept of middlemen and physical distributi activities is not relevant to services.

But a clear examp is the agencies and branches all over the country opened by banks. First Banl has the largest branch network in the country.

Finally, services rganisations have many opportunities to use promotion in connection with t eir business. This is giving emphasis to the high significance promotions have marketing banking services. Among other things banks can use promotions t differentiate their products from competitors and also build the banks overal image. Banks can make extensive use of publicity, personal selling and adve ising.

Conclusively all he necessary marketing technical and strategies required for product are appl cable to services.

2.6 EFFECTIVE CU STOMER RELATIONS

The glamour of anking, which appeared to have reached its amiable peak in the mid 1980s and e rly 1990s has without doubt disappeared. Banks now appear to

be a set of endange ed species and most bank/customer relationship have turned sour.[25]

However not all ba ks were carried away. During this same period, a number of the new generati ns Banks and even old banks maintained a high level of professionalism.

There is no doubt t at the urgent measures still need to be taken to restore confidence in the Ba king system. The Bank/Customer relationship today is at it lowest ebb.[26] Bank will need to devise means of sustaining and improving on good quality service, under such an extremely difficult operating environment. The banks will now m ore than ever, have to train and retrain staff to creatively adjust, in the short-te m, to the vagaries of this environment.

The importance of cu tomer relations cannot be over-emphasised. Since one of the major objectives f banks is mobilizing deposit therefore the customer who is the depositor shoul be treated with courtesy and friendliness.

As Onyechere will put t. "IF WE DON'T TAKE CARE OF THE CUSTOMER SOMEBODY ELSE WILL."[27] In this competitive banking environment, customers is the centr point of every banks marketing strategy. Banks adopts various marketing stra egies towards customer satisfaction.

Discussed below are s me vital points that will enhance customer relations:[28]

a. Customer infor nation/awareness. The bank should have an information unit, that is resp nsible to answering customer enquiries and disseminating of information n new product, features, process, price changes and new company polici s.

Most Banks tod ay have an inquiry unit. In First Bank Quality Service Officers are app inted in branches, who are tasked with the responsibility of answering/a tending to customer complains/enquiries and also facilitating effic nt and qualitative service to the customers. In some of the banks these categories of offers are saddled at immediate entrance

door for easy a cess by the customer.

b. Customer visit Some banks today in the country or even most of the banks have rel ionship officers, this is in recognition of the importance and advantage f customer visit. Relationship Managers today are tasked with the respor ibility of taking Banking Service to the door step of the customers hou e/business premises. They are also tasked with responsibility (pursuing prospective customers for the bank. The relationship ma ages are usually highly trained staff of the bank, who are professional in his aspect.

c. Make customer comfortable/beauty surroundings and location. Customer deserve to be c mfortable while wanting to be served. In recognition of the importance f bank surrounding and comfortable environments, Banks now go on re- ructuring their buildings, installing good air-conditions, even re-arrang g the staff sitting arrangement to rhime with the new look. Provisior are now made to make customer feel comfortable while transacting bus ness, First Bank for example have been re-structuring branch halls in Lagos to rhime with the re-engineering process.

d. Be courteous - ustomer should be treated courteously. Bank staff should be trained on h w to be courteous in giving information. Staff speeches and utterances o customers should be courteous, a polite approach to customer will a ways give him the confidence to speak his mind.

e. Be sympathetic with customers. Managers and staff should be sensitive to the inner h pes, desires, thoughts, emotions and reactions of their customers.

f. Be patient/liste - Managers/Staff should learn how to listen alternatively with authority a d concentration, that enables you to discover the key to motivating you customers. Also it is important to be patient with your customer, even when you think he is clumsy there is nothing like clumsy

money.

g. Be responsive/hel ful - By being responsive means showing flexibility and sensitivity as wel as being ready to go extra mile in helping your customers.

Although this can e risky when you need to bend the rule in helping the customer, but mo new generation banks are always ready to bend the rule a little in assi ing their customer, this is not too bad if the degree of risk is affordable r manageable.

h. Loyalty. The bank should gain the loyalty of their Management and Staff, if this important a ject of the banks job is to be carried on. Bank should improve the welfa e of their staff, that will reduce their social problems, and reduce greed rom staff.

Staff will if taken are of concentrate in doing the required banking job especially custom relations. Customers hold in high esteem, those employees who are grateful to their employees and who demonstrate their loyalty by renderir excellent services to their customers.

"IT TAKES MON HS TO FIND A CUSTOMER SECONDS TO LOSE ONE."[29]

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CHAPTER THREE

RE EARCH METHODOLOGY

3.0 HISTORICAL BACKG OUND OF FIRST BANK OF NIGERIA PLC.

From humble beginnin in 1894, first bank of Nigeria Plc. founded by Sir Alfred Jones, a shipping Magn te from Liver Pool, commence business in the office of Elder Dempster and C mpany in Lagos, after absorbing its predecessor the African Banking Corpo ation established 1892. It was incorporated as a limited liability company in Lo don on March 31, 1894 with Head Office in Liver Pool under the Corporate n ne of the Bank of British West Africa. [1]

The bank started busin ss with paid-up capital of 100,000 pound sterling.[2] The bank worked in close c rporation with Colonial government in its early years in performing the traditic al roles of a Central Bank such as the issue of specie money in West Africa sub region and Managing the Colonial governments accounts.

The bank grew rapidly ver the years. The total assets of 104,030 pounds sterling at inception equivalent o ₦208,060 at that time has grown steadily reaching ₦28 million in 1960.

And in recent times th bank's assets hit 17 billion in 1992, and also recorded a growth of 44.16% in 19 4 from ₦23.55 billion in 1993 to ₦33.95 billion in 1994[3] as can been seen the anks assets continue to grow showing a sign of health operation, from ₦33.9 billion in 1994 it grew to ₦59.82 billion in 1995 and from ₦59.82 in 1995 to ₦7 81 billion in 1996 representing an increase of 21.71%[4]. During the same peric , the deposit base moved from 88,000 pounds sterling, equivalent to ₦176,00 at inception to ₦66 Million in 1960 and ₦12 billion in 1962.

In recent times, the ban s impressive performance on deposit growth was proudly mentioned by Mr. J. O Sanusi the banks Managing Director, at the last Annual General Meeting of th Company "The confidence reposed in our bank by the

banking public contribu to the growth recorded in deposit. During the period under review (1996), to l deposit grew by 33.2% from ₦41.64 billion in 1995 to ₦55.49 billion in 1996'.

The bank has contin lly responded to changing market environment by reviewing its corporat entity, Organizational Structure and Management approach over the year

This began with a chan of its name from Bank of British West Africa to Bank of West Africa in 1957 The bank was incorporated locally in 1969 to become Standard Bank of Nige a Limited in response to the dictates of the companies Decree of 1968. There ter, active participation of Nigerians in the Management of the bank became a licy. The bank also change its name in 1979 and 1991 to First Bank of Limit l and now First Bank of Nigeria Plc. respectively.

The banks ownership s ucture of 44.8%, 38% and 17.2% incorporated on behalf of the Federal govern ent, standard chartered bank and the Nigerian Public changed in 1992 when e Federal Government of Nigeria under its privatization programme offered fo sale its equity of 44.8% to the Nigerian Public; and in 1994 when the stand d chattered Bank Africa Plc. by public offer for sale divested part of its sh es to the Nigerian public.

Standard Chattered fi lly divested in 1996, when it offered the remaining 9.9% of its holding shares t the Nigerian public. As at December 1996 the banks paid-up Capital stood t ₦336.25m and wholly awned by Nigerians, until 1997 when the paid-up capi l was increased to ₦1 billion Naira in compliance with the law and CBN dire tives raising the paid-up capital of banks to a minimum of ₦500 million.[6]

In long term financing nd development of the economy, the bank has continued to maintain its leader ip position which began in 1947 with a long term loan to the Colonial governm nt.

First bank of Nige ia Plc., today has one of the largest portfolios of diversified loans in the count y, with its Agricultural credit facility to various sectors of the economy.

The Banks rural anking records remain the best in the country, showing the largest branch ne work nation wide, while Agricultural credit facility - The community farmi g loan scheme - has given farmers easy access to credit.

Apart from the ba ks leading role and involvement in Agricultural credit finance under the CBN's Agricultural credit guarantee scheme, the bank has developed a number of proc icts and participated in some programmes such as, Self-Help Group (SHG), li kage programme, community farming scheme phase II and End-User loan s heme were designed to reduce the problems associated with security inadequa y for such scale farmers.[7]

First Bank of Nig rian Plc. attaches much significance to its social responsibilities to the society. I 1996 alone a total of ₦19,248,788 was spent on donations to various institutio s of higher learning - to boost education in the country and to some sporting O ganization - i.e sports sponsorships.[9] Also in the banks quest for service to the nation, first bank of Nigeria made a donation of 100 luggage trolleys to Feder l Airport Authority of Nigeria (FANN), to ease the movement of passengers lu gages at the countrys' airport and boost tourism in Nigeria.

The banks 100 y ars centenary celebrations came up in 1994, During which the board rededicate l themselves to the noble ideas behind the establishment of the bank and rema n committed to providing the best bank services within the parameters of t e banking environment to the benefit of their customers and share holders. These ideas and objectives metamorphose into what the bank refers to as cen ıry II project.

These point, we e emphaised in the Chairman's speech, during the last Annual General Meeti g of the Bank at Kano on 22nd May, 1997.

"Our bank, durin the year under review commenced an overall re engineering services aimed at nhancing our service delivery. Ladies and Gentlemen, I am proud to vouch th t our Bank is changing to win and that the first bank century II project will ma ifest in fuller terms in the coming months. We expect that our Banks approach t business will change dramatically to the better. Our culture, people quality, p ocesses, market focus and technology will be improved to demonstrate that ve are the clear leader in the industry".[10]

3.1 DATA POPULAT ON

The data populat on for the purpose of this research is the staff of the Bank and its numerous cus omers. The researcher is interested in finding out the extent to which marketi g functions are applied by first bank in selling services to its numerous custon ers, there by mobilizing deposit.

But for the cons aints in time and finance, a sample is selected. The sample includes senior o ficers of the branch and some few customers of the branch. A sample size o 10 management/senior staff and 10 customers of the branch were selected.

3.2 DATA COLLEC ION

For the purpose f this research project, primary data is used. The primary data used are as follo s

- Questionnaires
- Personal intervie s
- and Observation

Two sets of Que tionnaires A and B were used in gathering data, ten of each questionnaires w s produced. Questionnaires A was given to the Management Staff of the bank and Question B was given to the bank customers. All the 20 questionnaires ere duly completed and returned, thereby marking 100% complete. This was possible because the researcher was present during the exercise.

Other information were gathered through the method of interviews. Personal interviews were conducted to some staff and customers.

The researcher spent hours on different days observing the banks operation and also studying both actions and reactions of staff and customers during normal operations.

This was possible because the researcher was on annual leave, that gives me the opportunity of sitting and watch objectively without bias or undue prejudice.

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CHAPTER FOUR

4.0 DATA ANALYSIS AND PRESENTATION

From the literature review in chapter 2, a banks' marketing strategies for deposit mobilization are influenced by the following factors, Geographical spread or Branch network, quality of service, promotions interest role, attitude of staff, merchandising and a host of other factors.

This analysis is based on the information obtained through 2 sets of Questionnaires - Questionnaire A and B. Questionnaire A was designed and personally administered on senior officers of the branch. Questionnaire B was designed for the customers of the branch. 10 copies of questionnaire B was administered by the researcher on a cross section of account holders of the branch.

SERVICES OFFERED BY FIRST BANK OF NIGERIA PLC.

The Bank operates the traditional commercial bank services of current account, savings account, deposit account, and many other numerous special banking services to its customers.

TABLE 4.1 SERVICES PATRONIZED BY THE CUSTOMERS

OPTION	RESPONDENT	PERCENTAGE
Savings account	2	20
Current account	3	30
Deposit account	-	--
All of the above	3	30
Savings and Current account	2	20
	10	100

As depicted on able 4.1 above, 30% of the branch customers operates current account only. T) equal this percentage are the class of customer that operates all the classes of accounts - 30%. While those who operates savings account only amount to 20% of the customers and finally those who operates a combination of savings and c rrent accounts amounts to 20%.

The type and qu lity of services offered by a bank in todays banking industry has great influence n its deposit mobilization drive. Quality of service centred around maxim n satisfaction derived by customers, prompt response to customers and t e use of modern facilities.

TABLE 4.2 T WHAT EXTENT ARE YOU SATISFIED WITH THE SE RVICES RENDERED BY YOUR BANK?

C PTION	RESPONDENT	PERCENTAGE
Very satisfactory	5	50
Satisfactory	5	50
Not Satisfactory	-	--
	10	100

The degree of c stomers satisfaction as shown by the respondent customers is 50% very satisfa tory and 50% satisfactory.

But as depicted n table 4.3 below, Quick Service delivery/Prompt response to customers; only 30% of the bank customers feel the response is very good. About 70% of th respondent customers feel that prompt response is only Good.

KASHIM IBRAHIM LIBRARY
RECEIVED
- 3 FEB
ZARIA NIGERIA
Ahmadu Bello University

TABLE 4.3. HOW PROMPT ARE THOSE SERVICES CURRENTLY BEING OFFERED BY YOUR BANK?

OPTION	RESPONDENT	PERCENTAGE
Very Good	3	30
Good	7	70
Not Good	-	--
	10	100

The researcher went further to find out how the bank measure its customer satisfaction, measurement of customers satisfaction is essential for the bank, that will enable the bank to make improvements where it is required.

TABLE 4.4. HOW DO YOU MONITOR THE DEGREE OF CUSTOMERS SATISFACTION?

OPTION	RESPONDENT	PERCENTAGE
Questionnaires	1	10
Interview	1	10
Suggestion Box	5	50
Any other means (specify)	-	--
WASTED *	3	30
	10	100

10% of the respondent indicates that questionnaires are used to measure customers degree of satisfaction, 10% also revealed the use interview, but the greater percentage 50 believes the bank uses suggestion box. 30% of the

respondent cou l not select one item of the option there by wasting the questionnaire.

Modern Bankin environment - Computer/New Technology

Today banking e nvironment has changed, a bank require computer system/new technology for it to be able to compete favourably in the banking industry. This is as a result o the societies increase awareness of the need for a fast and effective bankin service.

TABLE 4.5. FI ST BANK IS CHANGING ITS SERVICE ORIENTATION TO M ET THE CURRENT ECONOMIC/TECHNOLOGICAL DI VELOPMENT. HOW WOULD YOU RATE THIS?

O TION	RESPONDENT	PERCENTAGE
Very Necessary	9	90
Necessary	1	10
Not Necessary	-	--
	10	100

90% of the bran respondent customers supported the idea of new technology and said it is ver necessary where as 10% responded necessary.

This is more gla ing, when the staff were asked similar question in table 4.6 below

TABLE 4.6. WH AT IS THE IMPACT OF THE MODERN BANKING SE VICES ON YOUR CUSTOMER

O TION	RESPONDENT	PERCENTAGE
Very Significant	9	90
Significant	1	10
Not Significant	-	--
	10	100

In the same v in 90% of the respondent staff revealed that a very significant impact will be made on both the present and prospective customers if modern technology is ntroduced. Where as only 10% of the respondent believe the impact will be only significant.

In addition to nodern technology, extended banking hours are now introduced by Most banks first bank is not left behind, the importance of this extended hour to first bank c nnot be over emphasized.

TABLE 4.7. OW WOULD YOU RATE THE RECENT INTRODUCTION BY OUR BANK OF EXTENDED BANKING HOURS AND WEEK ND BANKING?

	OPTION	RESPONDENT	PERCENTAGE
Very Good		-	--
Good		9	90
Not Good		1	10
		10	100

Although no r spondent staff indicate it is very good, personal interview granted some few sel cted customers revealed the high degree of acceptance by the customers esp cially those customers in business class. 90% of the respondent staff believed t is good and 10% believe it is not good. Some few selected staff were intervie ed by the researcher on this issue, their response was found to be personally inf uenced.

Promotion of ervices

Strong promo ion activities are required by banks to support there services in todays compe itive banking environment. Table 4.8 below examine first bank promotional a tivities.

TABLE 4.8. HOW DOES YOUR BANK PROMOTES ITS SERVICES

	OPTION	RESPONDENT	PERCENTAGE
Advertisement		6	60
Personnel Sell	ng	-	--
Other Means	Both)	4	40
		10	100

60% of the re pondent staff revealed that the bank uses adverts to promotes its services and 4 % of the respondent believes it is the combination of both adverts and personne selling.

Personnel sel ng is now an integral part of banking practice, the banks staffs' general view n personnel selling is depicted on the table bellow.

TABLE 4.9. DO YOU THINK BANK SHOULD APPROACH PROSPECTIVE CUSTOMERS WITH AIM OF SELLING SERVICES TO THEM?

	OPTION	RESPONDENT	PERCENTAGE
Yes		10	100
No		-	--
		10	100

The entire re pondent staff believes this important strategy is very necessary in todays first ba k, in a further investigation Table 4.10 depicts the extent to which first bank car es out personal selling activities.

TABLE 4.10 WHERE DOES YOUR BANK CARRY OUT ITS PERSONNEL SELLING FUNCTION OF APPROACHING PROSPECTIVE CUSTOMERS?

OPTION	RESPONDENT	PERCENTAGE
Within the bank premises	1	10
Prospective customers home	-	
Customers business premises	-	
All of the above	9	90
	10	100

10% of the respondent staff said it is within the banking premises, where as 90% of the respondent staff indicates that first bank extends its personnel selling activities beyond bank premises, personnel selling extends to customers business premises and homes.

Beauty Location and surroundings

Beauty location and surroundings of the bank do attract perspective customers. To most customers a solid bank building is a sign of strength and reliability, Table 4.11 depicts to us how the respondent customers feel about first bank beautification and surroundings.

TABLE 4.11 TO WHAT EXTENT ARE THE BEAUTIFICATION AND SURROUNDINGS OF YOUR BANK SATISFACTORY

	OPTION	RESPONDENT	PERCENTAGE
Very satisfactor		1	10
Satisfactory		9	90
Not Satisfactory		-	--
		10	100

Only 10% o the respondent customers believes the beautification and surrounding o the banks building is satisfactory, whereas 90% believe the Beautification and surrounding is only satisfactory, when asked about the availability of dequate facility within the banking hall, the respondent customers' response is sh wn below.

TABLE 4.12. OW WOULD YOU RATE THE FACILITIES PROVIDED BY IRST BANK FOR CUSTOMERS COMFORT WITHIN THE ANKING HALL E.G. AIR CONDITIONERS ETC?

	OPTION	RESPONDENT	PERCENTAGE
Very adequate		1	10
Adequate		6	60
Not Adequate		3	30
		10	100

Only 10% of he respondent customers accept that the facilities provided by the bank are very adequate, 60% of the customers of the bank feel the facilities are only adequat And 30% of the respondent customers highly believe the facilities

are not adequat .

Merchandising

Merchandising mply refers to sales promotional activities undertaken to speed up sales and it ncludes the provision of store display materials and gifts items such as calenda s, key holders and diaries.

TABLE 4.13 W HICH OF THE FOLLOWING GIFT ITEMS HAVE YOUR E ER RECEIVED FROM YOUR BANK?

	PTION	RESPONDENT	PERCENTAGE
Calendar		1	10
Diary		1	10
Key Holder/Any	Other	-	-
Nil		8	80
		10	100

There is clear ndications that first bank merchandising activities are weak. Only 10% of t e respondent customers received calendars and also 10% again received diarie , where as 80% of the respondent customers received nothing from the bank.

Customer awa eness

It is good new to notice the increase in the level of customer awareness in the banking sector this is no doubt it has increase the rate of patronage, banks should continu to invest heavily in customer awareness. First Bank level of customer awar ness is depicted on Table 4.14.

TABLE 4.14 RE YOU AWARE OF THE RANGE OF SERVICES BEING FFERED BY YOUR BANK? SUCH AS WESTERN UNION IONEY TRANSFER, FIRST CASH ETC?

	OPTION	RESPONDENT	PERCENTAGE
Yes		8	80
No		2	20
		10	100

As depicted by the table above, there is 80% awareness by the respondent customers of all the services offered by the bank and only 20% are not fully aware of the available services.

Bank Staff

The quality and strength of the bank staff is one major tool for success in the competitive banking environment today. Therefore highly trained, professional and able staff are what banks employ today. As such staff behaviour or influence plays a great role in marketing services of the banks.

TABLE 4.15 HOW WOULD YOU RATE THE GENERAL BEHAVIOUR OF THE BANK STAFF TO THE CUSTOMERS?

	OPTION	RESPONDENT	PERCENTAGE
Very Good		5	50
Good		5	50
Not Good		-	--
		10	100

50% of the resp ndent customers believe that staff behaviours is very good and 50% also belie es it is only good. This researcher went further to find out the influence of sta f behaviour on the customers.

TABLE 4.16 T) WHAT EXTENT HAS GENERAL STAFF BEHAVIOUR I FLUENCED/DETERMINED YOUR BIENG IN ACCORD W TH FIRST BANK

	PTION	RESPONDENT	PERCENTAGE
Strongly		7	70
A Little		2	20
No Bases		1	10
		10	100

The impact of s aff influence can be seen clearly depicted by table 4.16 above. 70% of the cus omers believes staff behaviour have strong influence on them, where as 20% f the respondent customers believe staff behaviour has only a little influence n them, and only 10% believe staff behaviour has no bases on their relationshi with bank.

Research

The importance of research in marketing cannot be over emphasized. The researcher went urther to find out which department of First Bank handles the marketing resea ch.

TABLE 4.17 WHICH DEPARTMENT PERFORMS THE MARKETING FUNCTION SUCH AS CUSTOMERS RESEARCH ADVERTISEMENT ETC.

OPTION	RESPONDENT	PERCENTAGE
Marketing department	5	50
Public relation department	5	50
Personal department	-	--
None of the above	-	--
	10	100

50% of the respondent staff said the marketing research is conducted by the marketing department. Where as the rest 50% respondent staff indicated the use of public relations department.

We went further to discover what influences customers choice of bank.

TABLE 4.18 WHAT PROMPTED YOU TO CHOOSE FIRST BANK AS YOUR BANK

OPTION	RESPONDENT	PERCENTAGE
Banks Adverts	1	10
Recommended by Colleague	4	40
Any other (Specify)	5	50
	10	100

Our table above revealed to us that despite, the banks heavy advertisement and other marketing activities, only 10% of the respondent customers were attracted through advertisement. Those respondent customers whose colleagues recommended First Bank for them amount to 40% of the respondent customers.

However, reas ns like Good Reputation in Banking, Giant of the banking industry and pe sonal interests are other reasons given by the majority i.e 50% of the respond t customers.

Some other dis overies revealed to us that 60% of the customers choose first bank because c its strength and reliability, and 20% believe they choose first bank because f the following reasons, quick service delivery, strength and reliability and I ranch Network, where as 20% also choose the bank because of it strength and ranch network.

Interest Rate

When custome were asked question about interest rate charge by their bank, there response shown on table 4.19.

TABLE 4.19 H W CAN YOU RATE THE INTEREST CHARGES BY YOUR B NK COMPARED TO OTHER BANKS?

PTION	RESPONDENT	PERCENTAGE
High	-	--
Comparable	7	70
Low	3	30
	10	100

The table have hows that the responded customers believe first bank charge comparable int est rate with other banks around. 70% of the respondent customers belie s the interest is comparable and 30% believes it is low.

.1 **DATA ANALYS S**

From the literat re review in chapter 2 and the foregoing analysis, first bank of Nigeria has infa been putting into practice the use of effective marketing tools

and techniques, i its approach to deposit mobilization through marketing of its services.

Customer aware ess in the banking sector today is on the high side, 80% of the first bank custor ers are fully aware of all the available services offered by the bank, This is bec use of the increasing competitiveness of the industry. However 30% of the bank customers are operating only the common current account and another 30% op rate a combination of the two savings and current account. The increasing d sire by banks to satisfy customers also is trigard by the increase competition. H wever only the average first bank customers are fully satisfied with the service and the rest 50% only feel the services are only good.

And in the are of prompt response to customers only 30% of the whole customers feel f st bank is very good. 70% feel response is only good.

We discover th t first bank uses mostly the suggestion box in measuring customers resp nse, we believe the use of questionnaire can improve the situation where he bank can serve the customer better.

Our research fi dings has shown that both the staff and customers of the bank express their bu ning desire for modern technology, the importance cannot be over emphasize First Bank should make hay while the sun shine. This will go a long way in maintaining and attracting prospective customers, there by increasing depo ts.

90% of the bar s customers does not see anything aesthetic about the banks building or surr undings. Also 60% of the banks customers finds the facilities within the bank hall in-adequate for customer comfort.

We believe imp ovement in these fields will enhance both the image of the bank and customer p tronage.

Most of the b nks customers about 60% reveals that it is the strength or reliability of th banks that attracted them, where as 40% of the respondent customer got r commendation from friends and colleagues. And in another

research we have een 50% of the customers came because of reasons like "The bank is the giant f the industry, personnel interest and confidence". However the bank should n t relent its effort on advertisement.

Merchandising ac ivities of the bank is not felt by the majority of the banks customer, may be lue to its large network, 60% of the banks customer has never receive anything a gift from their bank.

Staff attitude ha been commendable by the customers but for better and effective custome services members of staff should be trained and improved upon.

Interest rate char ed by the bank has been found comparable by the customers. Therefore, from t e foregoing it is more realistic to say, banks adopts all the available marketi g techniques in selling their available services in order to mobilize more de osits, marketing of services and deposit mobilization in bank goes hand in hand Since the more services offered the more deposit is expected in return.

CHAPTER FIVE

SUMMARY CONCLUSION AND RECOMMENDATION

5.0 SUMMARY AND CONCLUSION

So far, I have been trying to establish efforts made by first bank to mobilize deposits, through the application of effective marketing techniques in selling its available services to its customers in todays competitive banking environment. There is no gainsaying the fact that the amount of credit a financial institution can provide today is intrinsically tied to its ability to generate deposits. It is also significate to note that while all classes of deposits are desirable, any institution that has an eye for the future or at least mind full of the need for a least cost deposits mix would place more emphasis on savings deposits.

While those factors like geographical spread of a bank or an institution, quality of service, interest rate, payable, attitude of staff are of fundamental importance, the confidence which the management of any financial institutions/bank is able to generate and maintain will further go a long way to attract customers. We should therefore avoid a situation where by depositors will lose confidence in our ability to faithfully hold their money against request. The crises of distress blowing across the banking industry today is an unfortunate trend which in all intent and purposes should be a concern not only to the monetary authorities but to operators - commercial banks, merchant banks and finance houses.

In view of the above scenario, there is, therefore an urgent need for banks to adopt an efficient marketing machinery for deposits mobilization to build up their deposit base.

5.1 RECOMMENDATION

Under the present scenario, the followings are recommended as adequate measures towards positive Deposit Mobilization.

i. Branches are very crucial in the drive towards increasing a banks deposits. In this regard all branches must be put on alert as to the importance of

its mobili ations. Personnel should be informed of the role of large deposit b ance on their profit and loss accounts. Infact in the present circumsta ces of lending constraint, forex and other ancillary businesses, the fortu of a branch is intricately related to the size of its deposit

ii. An ideal eposits target could be set for each branch/functional unit on yearly ba s and such must be attained.

iii. Banking i a personal service, a such commercial banks should pay more attention o personnel selling than they currently do. The importance of this mar eting function cannot be over emphasized. Banks should therefore ake personnel selling out of their bank premises by approaching prospect customers at the door step of their homes and business premises with aim of selling services to them.

iv. The size nd quality of the banks staff need serious improvement, but more cri cal in the short term is the attitude of staff, without which efforts a mobilizing deposits will come to nought. There is need to improve he general quality of staff. Management of banks should adopt a compr ensive recruitment policy which hope fully will avail banks the opportu ty to select best candidates for jobs in various positions.

v. Priority e given to large branch network and improvement of locations by identi ying and establishing presence early enough in new and growing commer al areas and changing existing locations to improve ones when such opp rtunities become available in the neighbourhood.

vi. More ag ressive marketing techniques should be put in place and services should b improved upon with emphasis on the following areas.

a. Provisio of efficient and smooth counter services be made one of the function of branch managers.

b. Regular y of monthly statement of account.

c. Conveni nce in opening account.

d. Intelligence report on the banks position in the market be generated.

vii Efforts should be made to improve physical locations of the bank branches i.e Beauty and adequate facilities for customers comfort inorder to improve on opportunities in the areas of deposit mobilization.

viii Modern data computers should be introduced in the banks to measure up with modern days electronic banking world wide. This new information technology will greatly facilitate the much needed fast, effective and efficient services to customers world wide.

ix Banking business is more of a personal service and became more dynamic. Therefore the bank should introduce personal interviews and Questionnaires in determining customers degree of satisfaction/ dissatisfaction. These are more personal and effective approach to customers than the suggestion box found placed in all the branches.

x Adequate promotional activities should be put in place, especially in the areas of merchandising. Gift items like hampers, calendars, key holder, desk/pocket diaries etc, should be made adequate to branches for onward delivery to their customers seasonally.

xi In the areas of customer relations, the bank should appoint quality service/customer relations managers and be placed at the immediate entrance to the banking hall, the officer should be tasked with the responsibility of answering customer complains and requests and should also ensure effective customer service delivery.

It is important to note that the whole job of deposit mobilization begins with effective strategic marketing of the banks services.

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