QUALITY SERVICE IN THE BANKING INDUSTRY:
A CASE STUDY OF SAVANNAH BANK NIGERIA LIMITED

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MB A/ADM1N./7785/1992-93

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF MASTERS DEGREE IN BUSINESS
ADMINISTRATION (MBA) TO THE POSTGRADUATE SCHOOL

DEPARTMENT OF BUSINESS ADMINISTRATION,
FACULTY OF ADMINISTRATION,
AHMADU BELLO UNIVERSITY,
ZAR1A, NIGERIA.

JULY, 1997

DECLARATION

I hereby declare that this thesis has been written by me, and that it is a record of my own of my own primary research work. It has not been presented in any previous application for a higher degree. All quotations and sources of information as seen in this thesis are specifically acknowledged by means of the given reference.

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CERTIFICATION

This thesis titled ***"QUALITY SERVICE IN THE BANKING INDUSTRY: A CASE STUDY OF SAVANNAH BANK NIGERIA LIMITED BY ABDULMALIK, ISHAQ*** meets the regulations governing the award of the degree of Master in Business Administration (MBA) of the Ahmadu Bello University, Zaria and is approved for its contribution to knowledge and literary presentation.

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DEDICATION

This work is dedicated to my Mum, Madam Seriya Sefi Umeche and my beloved wife,

Madam Halimat S. Abdulmalik.

ACKNOWLEDGEMENT

First and foremost, I wish to express my gratitude to Almighty Allah for his love, guidance, assistance, protection and provisions without which this achievement would have been undreamed of.

I wish to express my profound gratitude to Mr A. B. Akpan, my Supervisor whose supervision is the most understanding, tolerant and inspirational method has supported me throughout and up to the final production of this work.

The Acknowledgement of those who have significantly influence the outcome of this endeavour is incomplete without mentioning the following: Alhaji Refai M. Abdulmalik, my senior brother for his moral support; Mallam Yunus Mamman and Mr Abraham, my sincere friends, for their counsel; and Mr Nsikan J. Udoh of Department of Business Administration for his tireless and encouraging commitment to the typesetting and printing of this work.

ABSTRACT

This research project is primarily concerned with the analysis of Quality Service in the Banking Industry with respect to Savannah Bank Nigeria Limited. The major objective of the study was to examine thoroughly and determine whether Savannah Bank Nigeria Limited actually offers quality services to their customers and to determine as well the position of marketing as an instrument required to enhance quality services in the bank.

In order to Facilitate the research work, data were collected from both primary and secondary sources. Data from questionnaires form the primary sources of this study while data from the review of related literature formed sources of the secondary data. In addition, personal interviews and general observation also formed part of the study and sources of information,

The project work was carried out in five chapters. Chapter one centred on the introductory aspect of the project covering such areas as the background information on the study, statement of the problem, objective of study, significance of the story, hypothesis of the study, the delimitation and limitation of study and the methodology of study.

Chapter two centred mainly on the review of related literature which covered such areas as the concept of quality, the marketing of services in Nigeria, a review of banking industry in Nigeria, indigenous commercial banking in Nigeria, Banks as financial intermediaries, Marketing in Banking, Quality Marketing of banking services in Nigeria, the importance of marketing concept in the banking industry and the banker and customer relationship.

Chapter three covered the methodology of the study while in chapter four, data were presented and analyzed in tabular form using percentages. Finally in chapter five, a summary of the study was given and conclusions made. Based on findings, recommendations were given.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND INFORMATION

The Financial Sector is the "engine" of development of any economy. Apart from its traditional roles of safe custody of cash and valuables, lender-borrower relationship and intermediation, it enhances the quality of life of any society by redistributing excess and idle funds to key productive sectors. However, in the almost one century of financial institutions' operations in Nigeria, the sector was left dormant due largely to the upsurge in the flow of foreign exchange/capital in the wake of the discovery of oil.

With the euphoria of the oil boom of the 1950s and 1970s over, and the realities of the Nation's frail and fragile economy starring dangerously, the hitherto role of the financial sector in resolving the economic crisis was seen to be recognized and brought to scrutiny.

The austerity measures of the Obasanjo and Shagari regimes in the 80s was an early realization of the distress in the Nation's economy and

the ensuing dangers. Unfortunately, the crisis was blamed mainly on over-spending and the almost total dependence on oil as a major source of foreign exchange earnings.

Combating and containing the crisis was therefore conceived along the schemes of cutting down on public expenditure and reinvesting in and redirecting attention to Agriculture i.e. austerity measure and Operation Feed the Nation and Green Revolution, respectively. No serious attempts were made to resolve the structural problems created by over-bearing control of the key sectors of the economy by government, the inefficiency in the civil service and government companies, corruption, lack of proper planning and investment, etc.

The Structural Adjustment Programme (SAP) of 1986 by the Babangida administration marked an epoch in the history of financial institutions operating in Nigeria. It was a formal realization of the important role of the financial sector, particularly the banking sector as a catalyst for proper development. The deregulation of the sector and the liberal licensing of many new banks and non-banking institutions was deliberately to stimulate a high level of competition which would hopefully lead to the development of creative and innovative customer

friendly products and services. It also marked the beginning of the process of formal legislative engineering towards establishing proper banking ethics, effective bank examination and supervision and policies and laws guaranteeing protection of depositors' funds and interest.

The Bank and Other Financial Institutions Decree (BOFID), NDIC Decree, the deregulation of interest rates, etc, and the liquidation of many banks were steps in the right direction.

It is Against this background that the generation of ideas, development and marketing of entirely new products by financial institutions become more relevant and imperative for growth and survival.

1.2 STATEMENT OF THE PROBLEM

In responds to an increasingly competitive and deregulated environment in Nigeria, the major suppliers of financial services have been expanding than product range. This is because if products are not suitable for the market or not profitable, then, attempts to achieve corporate objectives will be jeopardized and the marketing function will be failing to achieve its stated goals.

Potentially profitable products must be developed and given sufficient support to be able to gain marketing opportunities. New products development dictates a careful formulation, regorous selection and effective prosecution of a new idea. Hitherto, financial institution's products and services were narrowed down to the development, maintenance and operation of demand deposit and savings accounts of cheap and cost-free deposit mobilization for investments into the highest yielding projects. This backward situation in Nigeria necessitated the development and marketing of new financial products.

In today's banking industry, individuals and corporate organizations are discouraged with the kind of services offered in banks coupled with the legacy of the distress syndrome which is one trade mark of the banks today. This has led to loss of confidence in the banks by existing and potential clients/customers to the banks.

As the industry experiences a gradual recovery from the distress situation with government sanitization efforts, the need for banks to step up their efforts in the provision and marketing of quality customer services has become inevitable. Hence, the need for this investigation.

1.3 OBJECTIVE OF THE STUDY

Over the past 25 years, only few banking and other financial institutions' services have been discontinued. Many have been introduced or modified. These changes resulted from the institution's response to the state of the nation's economy or changing financial needs amongst their customers and from changes in the policies of the organizations regarding the types of customer needs for which they feel it right to cater.

The purpose of this thesis is to determine whether Savannah Bank Nigeria Limited actually offers quality services to their customers or not. Quality service here covers all aspects of the banking operations from the top management to the traditional services on the counter deposits and withdrawals including other services such as treasury operations, credit and marketing, critical assessments of application for loans and other facilities and the general relationship of the staff to the customers both formally and informally.

The project is also aimed at determining the position of marketing as an instrument required to enhance quality services in the bank to bring

about the much desired increase in customer volume which would ultimately increase the profitability of the bank.

At the end of this write-up, the thesis will aim at offering some recommendations based on findings that will assist the bank in no small measure in instituting quality banking services to their customers.

1.4 SIGNIFICANCE OF THE STUDY

The economic realities confronting the nation and the banking industry today require an immediate change of orientation in the manner in which customer services transactions are carried out. The customers now have a greater choice from a fleet of alternative services/product offerings. Thus, banks that want to stand out clearly and survive the current trend of events must take quality customer service seriously.

This is the only way to guarantee strong confidence in a bank, increased inflow of investors and reduced loss of high networth individuals and corporate customers to other banks, such that the vested interest of stakeholders in the area of profit making, dividend, overall growth and survival will be achieved. And as long as this survival cuts across the industry, the study must have successfully contributed to the

rapid growth of the banking industry in particular and the nation in general.

If this situation is not quickly arrested, the colossal spending on current technology and general office automation will not be recovered. Besides, only constantly increasing profits can provide:

the necessary solution to dividend sharing;

convenient adjustments to such threats as sudden tax increases by the government, competition in the industry, inflation in the economy and new developments in technology;

positive adjustments to issues that border on payment of interests on loans, insurance premium, transport, advertising, employees' salaries and fringe benefits and a host of other overheads.

Finally, a properly satisfied and peaceful banking industry will positively contribute to national stability, rapid economic development and customer satisfaction.

1.5 HYPOTHESIS OF THE STUDY

The following hypothesis will guide this study:

Poor quality services to customers reduces their patronage to banking services.

There is no correlation between quality banking services and customers' patronage to the banking industry.

Customers who feel satisfied with the banking services patronize the banks more than those who feel dissatisfied.

It is hoped that the testing of these hypotheses will help us to find appropriate solutions to the problem.

The study shall be restricted to the development and marketing of bank products and the use of marketing in providing quality services to banking customers. The research shall also dwell on the evolution of the banking industry as well as the banking systems in Nigeria. Reference will also be made to some non-bank financial institutions to demonstrate the sensitivity of the sector to the new demands of the economy.

1.7 LIMITATIONS OF THE STUDY

The publication of a research project such as this is always met with some constraints. This project shall not cover so much in view of the following problems:

ATTITUDE OF RESPONDENTS

This limitation was mainly the unfriendly and uncorporating attitude and secretive tendencies of the respondents caused by the desire for competition. Responding freely could mean giving up your company's products and marketing strategies to competitors. This greatly constrained the study.

FUND

The Study was also constrained by lack of funds. Since distance was involved, access to complete and detailed literature for the research was limited. The project is purely a private one. The lean purse of the researcher was therefore a constraint.

C **TIME**

The study could have been more elaborate if the researcher was given enough time. The period given for the submission of the thesis after the approval of the topic appears to be rather too short.

1.8 THE RESEARCH METHODOLOGY

The methodology adopted for this study shall be a familiar one. The use of primary and secondary data shall be employed in this research work. The case study and descriptive research methodology shall also be used to provide an indepth investigation and explanation with the context of the scope of this study. Percentage method will be used to analyse the data as presented in a tabular form.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 INTRODUCTION

In this chapter Related literature on the subject matter will be reviewed. This will cover the following areas:

The concept of quality

The marketing of services in Nigeria

A review of the banking industry in Nigeria

Indigenous commercial banking in Nigeria

Banks as financial intermediaries

Marketing in banking

Quality and marketing of banking services in Nigeria

The importance of marketing concept in the banking industry

The banker and customer relationship.

2.2 THE CONCE4PT OF QUALITY

2.2.1 The Term Quality -

According to Shaw (1986), "there are only two qualities in the world; efficiency and inefficiency; and only two sorts of people, the

efficient and the inefficient." From this we could see that quality in its raw form implies subjective judgement. This means that quality per se is viewed by the people in different ways and given different remarks.

The International Organization for Standardization (ISO) (8402-1986) defines quality as "the totality of features and characters of a product or service that bears on its ability to satisfy stated or implied needs."

Juran (1988) defines quality as "fitness for purpose or use." To Crosby (1989), "quality means conformance." In his views, Robbins (1990) notes, "quality is meeting the agreed requirements of the customers, now and in the future."

According to Badiru and Ayeni (1989), "quality refgers to an equilibrium level of functionality possessed by a product or service based on the producer's capability and the customer's needs."

Feigenbaum (1991), sees quality as a way of managing the organization and that it has now become an essential element of modern management. He defines quality as "the single most important force in

organization's success and growth."

In the words of Fortuna (1992), "what we mean by quality is more than the traditional notion of quality of products and services. Our definition simultaneously encompasses improvement in cost position, delivery performance, time taken to get products into the market and responsiveness to changes in the marketplace. It is a bottom line issue that addresses the very roots of business, and it requires a change in thinking from the top of the organization to the bottom."

From the above, quality has become an essential element in modern management. In essence, it is a way of managing a typical organization to bring about the desired result in a more flexible and less conservative way.

The definition of quality can simply be summarized to include.

Conformance to specification – which implies the relative absence of defects; and

Meeting customer's requirements – which implies that quality is measured by the degree of customer satisfaction with a product or service characteristics and features.

Buzzell and Gale (1987), distinguished the traditional thought of quality (which is conformance) from relative perceived quality. Relative perceived quality is not identical but different from conformance quality, and this demands an entirely new perspective which calls for external view of quality from the customers perspective other than internally from quality assurance point of view. Confirming conformance quality and relative perceived quality is the essence and at the heart of the Total Quality Management (TQM).

2.2.2 Total Quality Management

Nwasike (1999), notes that Total Quality Management (TQM) is a comprehensive system for satisfying the customer continuously. Its philosophy is based on total integration of the business to achieve required results. The goal is to achieve greater efficiency and effectiveness, lower operating cost and increased market share. TQM practices focus on satisfying customer needs. This means making the needs of the customer a priority, expanding the relationship traditional services and incorporating customer's need in the company's business plan and corporate strategy.

For top management, TQM means improving the internal financial and operational management of the company, thereby satisfying the needs of all shareholders. TQM means "changing the way people do things so as to minimize the potential for errors and/or defects." (Nwasike, 1999).

The TQM approach uses statistical approach to find problems that cause errors or defects. Badiru and Ayeni (19) emphasize that the business customer integration requires that business look out for the customers while the customer look out for the survival of the business. If there is no business, there will be no product, if there is no product, customers needs cannot be met. If the customers are satisfied, they will be more willing to embrace the products offered by the business thereby creating further profit potential for the business.

Since TQM involves the way of managing to improve the effectiveness, flexibility and competitiveness of a business, then it means that the whole company gets organized, every department, every activity and every individual at every level.

According to Nwasike (1999), the benefits of TQM for companies include helping them to:

Focus clearly on the needs of their markets;

Achieve top-quality performance in all areas, not just in product service quality;

Operate the simple procedure necessary for the achievement of quality performance;

Critically and continually examine all processes to remove non-productive activities and waste;

See the improvements required and develop and develop methods of performance;

Understand fully and detail its competition and develop an effective competitive strategy;

Develop an effective strategy;

Develop good procedures for communication and acknowledgement of good work; and

Review continually the process to develop the strategy of never-ending improvement.

Since TQM embraces the entire organization, then each person in the organization, has to ask himself/herself who are their customers and what are they actually require; and who are their suppliers.

TQM is actually a concept that was developed to achieve a system's approach to quality management. It implies a total commitment to quality. The totality here encompasses all the spheres of the organization i.e the people or internal customers (labour), the working tools (material) and work process, the organization's resources (capital) and interest of the stakeholders, suppliers and external customers. It involves an integrated management of all the functions that can impact and distinguish the quality of a product or service.

The goal of TQM is to achieve greater efficiency and effectiveness, lower operating costs, increase market share and increased profit. The most popular and core concepts are:

1) Achieving quality in everything: people, processes, products/service.
2) Doing the right things right, first time, every time;
3) Continuously striving for improvement;

4) Having commitment to and obsession for customers who are both internal and external;

5) Strengthening the supplier – customer chain;

6) Manage business through team building and team working;

7) Flatten hierarchies to encourage effective communication system and have stable structures;

8) Reduce cost of bad quality by investing reasonably in cost of good quality;

9) Practively tackling business problems through the use of a structural process;

10) Use total quality tools to generate hard facts to manage business rather than depend on opinions and whims;

11) Provide quality leadership and motivation to enable all employees' commitment to the total quality process.

2.3 THE MARKETING OF SERVICES IN NIGERIA

2.3.1 The Concept of Service

Nickels (1978), notes that there is really no widely accepted definition of services that marketers use. In fact, there is no boundary between those organizations that are part of the channel for goods and

those that provide services. Restaurants, for example, are considered by some writers as part of the channel of distribution for foods because they are an alternative to supermarkets. But it is clear that the primary activities for a restaurant are service activities. Furthermore, some Services are subject to free market exchanges and others, such as government services, are paid for through mandatory taxes.

Nickels (1978) defines a service as "an intangible product that is performed rather than produced, bought and sold in a market place in a mutually satisfying manner."

According to Kotler (1988), " a service is any activity or benefit that one party can offer to buy another that is essentially intangible and does not result in the ownership of anything." He went further to say that "its production may or may not be tied to a physical product." Thus, renting a hotel room, depositing money in a bank, travelling on an aeroplane, visiting a psychiatrist, having a hair-cut, having a car repaired, watching a professional sports, etc. all involve buying a service.

To Stanton (1981), "services are those separately identifiable, essentially intangible activities that provide wants-satisfaction and that

are not necessarily tied to the sale of a product or another service." Thus, to provide a service may or may not require the use of tangible products. However, when such use is required, he noted, there is no transfer of the title (permanent ownership) to these tangible goods. From this definition, a service includes such activities as medical care, entertainment, and repair services but excludes credit, delivery and other services that exist only when there is the state of a product or another service. Also, the consumer of a service can take only temporary possession or make only temporary use of any goods required in the production of the service.

Although service is essentially referred to as an intangible product, yet, it is quite obvious that there is both a tangible product component and a service component in the sale of most goods. Indeed, many service companies (such as consultants, airlines, insurers and law firms) do not consider themselves as producers or sellers of goods. Rather, they regard themselves as providers of services.

Adeleye (1998), notes that theoretically, service marketing and product marketing are the same. In both cases, marketing programmes are designed around the elements of the marketing mix such as product (services)

Adeleye (1998), notes that theoretically, service marketing and product marketing are the same. In both cases, marketing programmes are designed around the elements of the marketing mix such as product (service), price, distribution system and promotion, among others. However, in practice, there are substantial similarities. Furthermore, there are significant differences between service marketing and product marketing.

2.3.2 Classifications of Service Businesses

According to Thomas (1978), service businesses can be classified into two broad categories, viz:

whether they are equipment based or

whether they are people based.

Equipment-based services may be automated, or monitored by unskilled operators or operated by skilled workers. People-based services can be provided by unskilled, skilled or professional workers.

Thomas (1978) observes that, (1) as service businesses evolve, they often move along the spectrum from people-based to equipment-

based or vice versa, and (2) many companies are in more than one type of service business. For example, banks operate multiple-service businesses. Some of these are equipment-based, as in the transfer and storage of funds. Others are people-based, as in the financing of a home, car or business.

Loveluck and Young (1979) classify services into the following two broad categories: those that do something for consumers' possessions, such as transporting their mails, cutting their grass and repairing their cars. The former, according to Lovelock and Young, involve a higher level of personal contact than the later, but consumer behaviour is important in both instances.

It must be noted, however, that there is no universally accepted classification of services in the marketing literature.

2.3.3 Service Characteristics and Strategic Implications

Adeleye (1998) notes, "basically, services, services have four characteristics that must be considered when developing service-marketing strategies. These characteristics are intangibility, variability,

inseparability, and perishability. These classification also conform with Kotler (1988) and Stanton (1981).

INTANGIBILITY

Services are highly intangible. Indeed when a service such as entertainment or travel is purchased, the buyer has nothing to show for it. In this regard, George (1977), contends that after a day of buying services, the customer still has an empty market basket. Therefore, it can be concluded that consumer is only buying a performance offered by the seller.

Adeleye (1998) notes that the intangibility of services makes promotion more difficult than for tangible products since the marketer must communicate a concept or an idea rather than a tangible object. Marketers can employ two strategies to communicate the benefits of a service: (1) making a tangible representation of the service as well as (2) focussing promotional efforts on the service provider rather than on the service.

According to Donnelly (1980), marketers Can make services more tangible through the use of a physical object that represents the service.

Bank credit cards developed by financial institutions can be considered as a physical manifestation of credit. Consequently, customers can now 'store' credit and carry it around with them.

There is no gainsaying the fact that the service provider (a lawyer, or an airline pilot, or a medical doctor) is more tangible than the itself (advocacy or airline travels or medical care). The provider of service usually possesses a level of skill and expertise that represents the service. Hence, advertising often focuses on the skills as well as the technical competence of the provider of service. The advertising campaign is often aimed at making the service become more tangible because of the association with service provider.

VARIABILITY

Services tend to be highly variable because they depend on their providers and when and where they are provided. An actor or a medical doctor might be superb in one performance but mediocre in another. A customer of bank may observe that cashiers are helpful and courteous in one trip, but rude in another.

Guseman (1981), observes that "high service variability implies that the consumer faces greater uncertainty and risk in purchasing services". Therefore, the provider of services must control quality with a view to ensuring adequate service.

Adeleye (1998), suggests that service compare can take three steps towards quality control. The first step is to invest in good personal recruitment, selection, and training. The second step; is to evaluate customer satisfaction through customer survey as well as suggestion and complaint systems in order to detect and correct poor service. The third step is to provide services through machines rather than people.

INSEPERABILITY

Service often cannot be separated from their providers. Moreover, some physical products are generally manufactured, then sold, and then used. On the contrary, services are normally sold first, then simultaneously produced and consumed. In air-transportation business, a consumer purchases a flight ticket first. The service is produced as the aircraft takes off, and consumption occurs because the consumer is on board. In the same vein, services for hotels, entertainment and education are reserved in advance and then consumed as they are provided. Since

services are simultaneously produced and consumed, as well as inseparable from their providers, it follows that (1) distribution of services should be simple, (2) services should be provided close to the customer, and (3) the image of the service provider is quite important.

PERISHABILITY

Services cannot be stored, hence, they are highly perishable. If services are not utilized when produced, they go to waste. An empty aircraft, empty seats in a threatre and idle barbars in a shop all constitute business that lost for ever. Needless to say that the demand for services fluctuates greatly by season, and hour of the day. The use of commercial buses fluctuates considerably during the day.

According to Stanton (19810, there are some exceptions to perishability feature as well as storage of services. For example, in life insurance, the service is purchased, then it is held by the seller (insurance company) until needed by the beneficiary or the buyer. This holding represents a type of storage.

The service provider can try to surmount the problems of perishability by attempting to match supply and demand. Sasser (1976)

identifies two strategies of doing this: (1) Varying supply in accordance with demand and (2) keeping supply fairly constant while trying to sustain demand to avoid excess capacity. The service marketer has various ways of matching supply and demand. He might look for new uses for idle plant capacity in off-seasons. He can also embark upon advertising campaigns with a view to showing consumers the advantages of using facilities during non-peak periods. The marketer can also perform only essential tasks during peak hours of the day and non-essential tasks during slack periods. In the U.S., telephone companies offer lower rates at nights and employ more operators during peak periods.

2.4 A REVIEW OF THE BANKING INDUSTRY

In Nigeria, banking came with the advent of colonial masters and the introduction of the first modern banking system dated back to 1892 when the African Banking Corporation was established in Lagos at the invitation of Elder Dempster Company.

Probably, arising from good performance of the African Banking Corporation, another bank opened, its branch office in Lagos in 1894.

The Bank of the British West Africa Limited, now First Bank of Nigeria Plc.

First Bank of Nigeria enjoyed the Monopoly over banking business in Nigeria until 1916 when another Colonial Bank regarded as more aggressive was established.

In 1925, the assets and liabilities of this bank were taken over by a consortium of banks to form a new bank named Barclays Bank D.C.O., now changed to Union Bank of Nigeria Plc. Other expatriate banks were later introduced to Nigeria such as United Bank for Africa (UBA), Arab Bank, International Bank for West Africa (Afribank), Bank of America (Savannah Bank), and Chase Manhattan Bank.

The discriminatory attitude of these colonial banks against indigenous men and women and enterprises led to protests and the subsequent establishment of the first indigenous bank in 1929, which went into liquidation in 1930.

However, in 1933, another Nigerian Bank was formed called National Bank of Nigeria Limited with a nominal capital of N20,000.00.

The favourable outcome of the establishment of this bank and the buoyancy of economic conditions encouraged others to establish indigenous banks.

2.4 INDIGENOUS COMMERDFIAL BANKING IN NIGERIA

Nwankwo (19) notes that indigenous commercial banking in Nigeria started in the late 1920s with the establishment of the Industrial and Commercial banks. This bank ran into confusion in the 1930s due to management, accounting irregularities, and stiff hostile competition from two other British banks. The Nigeria Merchantile Bank, later founded by Dr. Maja and Dr. Doherty never grew to any size but came to a premature end in 1936. In February, 1933, Dr. Maja, Dr. Doherty and H.A. Subair founded the National Bank. In September, 1933, the three men also founded the Mutual Aid Society which concerned itself with the lending business of the National Bank. According to Nwankwo (19), this was to avoid the name of the National Bank occurring in court cases or in the press in an event of any default in payments.

Nwankwo (19) notes further that the National Bank existed until 1961 when the Western Region Government started using it. It is with the incorporation of the National Bank of Nigeria that the history of

African Banking effectively began. In 1937, the Arab Bank was founded and it changed its name in 1948 to African Continental Bank (ACB). (19) notes that today, the main indigenous banks operating in Nigeria include the African Continental Bank (ACB), Bank of the North, Bank of West Africa, Union Bank (formerly Barclays Bank DCO), the National bank of Nigeria, United Bank for Africa (UBA), Merchantile Bank of Nigeria, Chase Manhattan Bank, Owena Bank, Wema Bank, Bank of Lagos, Allied Bank of Nigeria, Cooperative Habib Nigeria Bank Limited, First Bank of Nigeria Plc, Lobi Bank of Nigeria ltd, Nigerian Bank for Commerce and Industry (NBCI), Nigeria Agricultural and Cooperative Bank (NACB), to mention but few.

A major reason for the establishment of the indigenous banks was the discrimination by the foreign banks against indigenous businessmen in the marketing of credit. However, indigenous commercial banks have a lot of problems. These include, stiff competition from foreign banks, banking inefficiency, resulting from lack of skilled personnel and management, problem of capital shortage, problem associated with business expansion, political interference, social pressures and lack of commitment of banking personnel and general corruption and indiscipline of the banking officials. Today, in view of these teething problems, most

of these indigenous banks have been classified as "distressed" and subsequently liquidated.

2.6 BANKS AS FINANCIAL INTERMEDIARIES

Essentially, banks are financial intermediaries, collecting savings of people who have more money than they immediately require and lending such money to people who require more money than they can immediately generate. Thus, matching the savings requirements of depositors with the investment requirements of borrowers. Even-though this is the primary thrust of "banks, the passage of time and development of commerce have given way to other services and the functions of banks today could be grouped as follows:

DEPOSIT COLLECTION

The banks in the country collect deposits from customers and place them under various accounts such as current account, fixed deposit, short-term deposit, savings account, night-safe, etc.

MONEY TRANSMISSION SERVICES

In transmitting money from one individual to another, banks issue such instruments as cheques, cheque cards, cash cards, gifts cheques,

credit cards, credit transfer, direct debit, standing order, bank draft, certified cheques, mail transfer, telegraphic transfer, etc.

FINANCIAL AND GENERAL SERVICES

These are rendered in the form of tax administration unit trust, stock exchange service, investment advice, status enquiry, safe custody services, etc.

FOREIGN SERVICES

This function of banks include the issuance of travelers' cheque, foreign currency, foreign draft, mail transfer, telegraphic transfer, letter of credit, bills collection and settlement, etc.

The first and paramount concern of any bank, be it community bank, merchant bank, commercial bank, people's bank or even mortgage constitution is the need to mobilize deposit which constitute the vast pool of loanable funds from which the lending business of the banks can be conducted. The deposit generation ability will depend, among other things on what has now been popularly adopted as the three Cs of banking: Confidence, Convenience and Cost.

Confidence refers to the people's faith in the bank, i.e. the extent which people generally believe that their money is safe and that the possibility of loss is remote. This is in fact synonymous with the overall rating of the bank in the market. Convenience refers to the case with which business could be transacted, the rigorous of the formalities, the waiting time, the environment within the banking hall, etc. While Cost refers to what the customer pays to enjoy the bank's services.

The business of banking is very intricate in that money is the main commodity of trade and the obligation to repay the depositor's funds remain no matter what happens to the bank.

2,7 MARKETING IN BANKING

Meiden (1984), Adesunloye (1985) define bank marketing as that part of management activity which seems to direct the flow of banking services profitably to selected customers.

Calpadini (1980) define marketing of banks services as identifying and stimulating clients needs which can be profitable satisfied by the banks. This appears to tally with the views of Berry (1975) where marketing in banking is described as the process of customer satisfaction

at a profitable volume in an integrated efficient framework and in socially responsible manner.

Brien and Stafford (1986), in "The Myth of Marketing in banking" contend that marketing in banking entail:

1. increasing the deposit base of the banker (via the customer) and
2. inducing credit worthy customers to borrow at a profit.

Thus, central to bank marketing is the customer. The deposit base of the bank depends on the quality and total number of account holding customers.

Beekie (1972) Enumerated the basic bank marketing functions as including:

- understanding customers' behaviour, attitude and segmentation;
- branch management, locations and distribution of banking services;
- advertising, communication, promotion and publicity;
- products/service development and introduction;
- pricing of the bank services;

- defining marketing strategies, administering and controlling the marketing programme; and
- conducting marketing research that attempts to collect, investigate, analyse and interpret market development, in each of the aforementioned areas.

It is clear from the above that the objective of the bank marketing process is profitable sales of services that satisfy customers financial requirements and needs. The thrust is customers' needs satisfaction at a profit to the bank.

In Nigeria, the major services of the bank are:

- banking services;
- financial services;
- foreign services;
- money transmission services;
- development services; and
- advisory services.

The basic marketing approach necessary to induce potential customers to embrace these services include:

a) research to determine customers' financial requirements;

b) design for new services or innovate old ones based on research findings;

c) market the services to the customer for whom they were researched and designed at a profit; and

d) ultimately satisfy the customers' financial needs.

Meyden (1984) opined that the banking services have the following characteristics:

1. Bank services are inseparable between the producer and the consumer because of simultaneous production and distribution. Thus, the bank marketer is mainly concerned with time and place of utility.

2. They are intangible in nature in the sense that they are general rather than a specific need. Specific benefits are not readily apparent in consuming bank services, hence, banks tend to depend on effective advertising that ensures that their image and services are portrayed as attractive.

3. In product marketing, a product can be distinguished from another by the brand name, the packaging, physical attributes or the sensory attributes. There is lack of special identity for bank services. The services are alike in the minds of the consumers, hence, the banks attempt to establish an identity and implant this in the minds of bank customers.

4. The geographical spread of current and potential customers make for country-wide spread of bank branches. This is to provide benefits of convenience and to meet with both national and local needs. Hence, bank services and promotions tend to have an appeal and wide applications.

5. Banks have very wide range of services to meet variety of financial and related needs from different customers in different areas. Olalusi (1989) contends that Nigerian banks offer sixty one (61) different services which can be broadly group into seven categories.

2.8 MARKETING OF BANKING SERVICES

2.8.1 Introduction

Service is very fundamental to banking and in fact, it is the pivot around which banks re3volve for survival. The term 'service' is very broad in meaning and includes among other things, cheerfulness and politeness at the counter, respect for and fair treatment of customers.

Hence it is performed rather than physically produce4d. Olalusi (1986) defines marketing of bank service as "identifying and stimulating demand for the banks service; and meeting that demand by making available the banking services in most effective manner to present to potential customer and achieving the profit and objective related to the identification, stimulation and satiwsfaction of demand for the bank service." The focus of marketing banking services is on the customer for without a total commitment to him on the part of the company as a whole, the application of advanced marketing techniques can have only limited and brief effects. The marketing of banking Services as Meiden (1984) observed "was concerned primarily with the problem of establishing itself as an acceptable worthwhile function."

However, many bankers are fast realizing the impo9rtance and impact of marketing in their related field. They are recognizing that marketing is changing

not only in the banking business but in the financial world. They are coming to grip with the idea that customers needs and desires are the basis upon which the future of their business depends. The increasing importance of marketing in the banking industry according to Meiden (1984) is as a result of four occurring marketplace factors:

1. Increased competition for customers
2. Increased sophistication of those customers
3. Increased technology
4. Increased cost of meeting customers' needs profitably.

1Under these circumstances, the change is more and more the acquisition of funds rather than their employment. Although marketing is now applied to both goods and services, the marketing of services is still essentially different from the marketing of goods. The special nature of services stem from its characteristics which create special challenges, considerations and opportunities that often result in marketing programmes that are substantially different from those found in goods marketing. Hence, for effective marketing of banking services, there is need for a closer look at the characteristics of services in general and bank services in particular. This enables banker to know the blend of marketing mix to use at each stage or level of activity. In light of the foregoing, the marketing of

banking services requires the banker to continuously develop; his/her services in terms of the changing services of his competitors.

2.8.2 Commercial Banking Services And the Role of Marketing

Marketing is a staff function; its role is to support bank management by the provision of marketing information and expertise. Marketing, therefore, informs management, but management must also inform marketing. Management must determine the banks' goals and objectives and communicate them to marketing so that they can assist in the achievement of these goals and objectives. Marketing can provide a climaste in which better decisions can be made. In order function properly, marketing must be profit oriented, consumer oriented, and value marketing cannot merely pay lip service to cost-expense. It must be aware of and continually be informed about bank's goals in terms of profit. To achieve these goals, marketing must be considered as part of the management team. Marketing is the job of equating the goals and the objectives of banks with the financial needs and wants of the consumer. It is also the responsibility of the marketing to encourage the bank continually to focus on all customers. This is because it is vital for the bank to service its customers in a more economical and more satisfying manner. In addition to profitability and customer orientation, marketing must also be concerned with all the values that exist in banking relationships and these include economic, moral, ethical and monetary values, and so on. The

marketing man is in the unique position of helping to provide values both to the bank and the customers.

The marketing job integrates and coordinates various banking functions dealing with the consumer and molding this into an effective programme. It has been observed that many banks tend to accord a comparatively low status to marketing and that the most senior level management tend to remain the province of executives with a background in finance, in contrast to the manufacturing sector.

However, against the background of an increase in competition during the last few years, it appears that banks are moving towards marketing orientation which requires that marketing takes a more active role in the determination and development of overall corporate organization. This shift Reflects a growing realization that marketing is a strategic activity and that in a period of rapid change, organizational efficiency alone is not sufficient to ensure business success. Successful organizations need to adopt a proactive stance and in this context, marketing has a key role to play in identifying the most appropriate markets and products. Marketing must go further to motivate and satisfy customers. The role of marketing is crucial to survival and success of commercial banking in Nigeria.

2.8.3 **Quality and Marketing of Banking Services In Nigeria**

It has been observed that our banking system lacks the elements of marketing of services to the public. That is, letting the public know about their various range of services that they are capable of offering, how and where to obtain them. The marketing approach requires that bankers should go out and look for their customers. According to Meidan (1988, this involves:

1. Research to determine customers and prospects' financial requirements;
2. Design new products/service or innovate old ones according to findings;
3. Market services to the customers for whom they are designed (this includes promotion, pricing and distribution) at a profit;
4. And in doing so, satisfy the customers' financial needs.

Most Nigerian banks have bee4n criticized for poor services and discriminatory practices. By bank services we mean activities, benefits for satisfaction which are offered for sale either as such or are provided in connection with the sale of goods. (Ojo and Adewunmi, 1982).

Bank services are characterized by slow services. To obtain the simple service of cash withdrawals or deposit takes more than 57 minutes as against 15 minutes or less in some advanced countries like the USA, Britain, France, etc.

In order to improve the quality of banks' service, banks' services, banks need to adopt the following measures:

Introduction of computer services into the banking transactions. We must mention here that many banks have taken up the computer challenges;

- Embarking upon adequate training for banking personnel, especially those with the responsibility for customer services;
- Improving customers' awareness towards the banking services; and
- Improving management policy on customer services.

Distribution of banks services in Nigeria needs to be improved. Banks should open more branches and cash offices. Presently, there is over-concentration of banks in the urban centres. Even-though the number cannot be said to be sufficient, the gap between the cities and the rural areas in terms of bank distribution is very wide. .

The era of "good wine needs no push" has gone. In modern business operations, management has to promote the services of their organizations. In promoting bank services, banks can adopt the following promotional elements:

advertising

Public Relations/Publicity

Personal Selling

Sales promotion (Communication).

It has been observed that many banks in Nigeria do not engage very much in promoting their services, thereby neglecting the immense benefits accruable from promotions such as public awareness, bringing in more customers, developing corporate image, increasing profit margin and fighting competition.

Though every bank engages in advertising, their advertising messages and layouts still need to be improved upon to achieve the expected benefits. These could be achieved through:

Reorganizing the radio and television training.

Making the present campaign more dynamic.

Making them more educative in nature.

All activities of the bank to provide services have to be quantified in Naira and Kobo. How much customers are paying for bank services includes margins, premiums, and price policies.

2.9 THE IMPORTANCE OF MARKETING CONCEPT IN THE BANKING INDUSTRY

2.9.1 Introduction

Having defined marketing by many authors as seen earlier, we would at this point consider the importance of marketing concept in the banking industry.

According to Jolson (1987), the marketing concept "is the cornerstone of every business." Hence, it is important, not only to the manufacturing industry but also to the service industry (banking inclusive). The importance and relevance of the marketing concept to the banking industry lies in the new approach to management.

This new management approach, according to Hambagba (1987), "demands the use of modern scientific planning and problem solving techniques." He further stated that "the marketing concept is the marketing plan of action, control, objectives and follow-up programme." In this regards, there are new implications

in the marketing concept which are of relevance to banks; namely, planning, developing a strategy, and systematically and scientifically selecting among available alternatives to provide customer satisfaction.

Nwankwo (1980), observe the need for marketing concept in the banking industry by observing that "banking services are of a two-sided nature." Banks have to attract customers to sell their deposits to them and to buy loans and advances from them. Thus, unlike other firms, the bank not only has to develop marketing strategy to sell its services, but it also has to develop it to make customers buy from it.

The importance and relevance of the marketing concept in the banking industry is essential for a shift from sales orientation which had hitherto characterized the marketing of financial services in the developing countries including Nigeria. This orientation enabled banks to make handsome profits because they had operated in the context of a sellers marketing in which the consumers have no choice. Competition is becoming fiercer and as with any service industry (banking) has to adjust to the changing needs of the environment. The marketing concept in the banking industry is also essential not only because of the existence of competition but also because of the existence of two great a quantity of funds outside the banking system. In Nigeria, Nwankwo (1980)

observe "it is estimated that out of the one hundred million Nigerian population, at least 10 million each have N100.00 in their pocket at any given time."" So, if banks were to market their services effectively, such that these people are persuaded to deposit these amounts, some millions would be mobilized immediately.

In conclusion, it can be seen that the importance of the marketing concept ton the banking industry cannot be overemphasized. As Drucker (1973) observed " the aim of the marketing concept is to make selling superfluous to know/understand the customers so well that the service fits them and sells itself. Ideally, marketing should result in a customer who is ready to buy." Hence, to ensure survival, every bank should accept and practice the marketing concept in order to attract and retain more customers.

2.9.2 Marketing Planning

In the 1980s, however, there was considerable change in the range of services offered by banks and by their competitors who were growing in number with the convergence of interest between different financial services providers. For example, finance companies and Insurance Companies. This created new pressures for banks to consider more carefully who their customers were and whether groups of customers might form particular markets for particular services;

what were their customers needs, wants and values; who their competitors were; and how they could satisfy their customers more efficiently and effectively than their competitors.

The objective of marketing must be seen within the framework of the corporate plan as a whole. The marketing planning activity at its most basic consists of the following:

1) identifying present and future markets for the services

   selecting markets to serve on the basis of marketing potential, taking into account competitors' activity, and the capability of the organization to capitalize on that potential;

2) identifying the needs, wants and market environment of the selected markets;

3) defining marketing objectives for new and existing services;

4) selecting strategies for manipulating factors in the marketing mix (price, product, promotion and place,) so as to achieve objectives;

5) monitoring progress and success of the strategies.

A marketing plan helps coordinate the activities of the marketing department. It fixes responsibilities and alerts executives as to what to do and when to do it. It does not ensure against failure. Plans must be carried out by people who do not always perform as expected. This may be failure on the parts of individuals operating or failure on the parts of the planners to forecast accurately.

Conditions in the market also change, so the plan must be considered a flexible instrument, to be changed, as changing conditions require. Properly used, there is the little doubt that operation according to a marketing plan increases the probability of achieving the marketing objectives.

2.9.3 Marketing Strategy

The marketing strategy is the unique way in which the organization presents itself to consumers. Effective marketing is dependent on the organization taking a strategic view and marketing as an integral and driving force in its strategy.

For Nigerian banks, the period beginning 1989 has been the most testing period, a period that witnessed the formation by the monitoring authorities of strict monetary policies that sent jitters down the spines of industry operators. Within five days in June, 1989, the monetary authorities instituted two panic

measures which were aimed at arresting our spending in the inflationary budge of 1989. The budget had pumped some excess N8 million into the economy. To prop up; that excess, the Central Bank of Nigeria (CBN) withdrew N3 million from the banks through the abolition of off-shore collateral and transfer of government account to the Central Bank from commercial and merchant banks.

To adopt marketing strategy, the organization will have to make a number of strategic choices about:

a) which market or segments of markets to be in;

b) what the marketing objectives are to be;

c) market shares volume;

d) which service to offer and how they should be "positioned" in the market e.g. as value for money;

e) the relationship between the quality of products;

f) how the service is to be delivered to the customers;

g) how the service is to be promoted within the industry.

These divisions will be complicated by the fact that the organization will, as it grows, develop a portfolio of different products or services. A portfolio and means a set of specific services offered by the organization, in this case banks.

As part of banks' marketing strategy, at must develop such specific and distinct services for its target market.

The kinds of strategies employed in the marketing of financial services are substantially similar to those of organizations in other areas including:

1. Consolidation, or segment protection, this may involve capitalising and building on existing strengths. E.g. experience, special expertise, a data base of customers for direct mailing, high street retail outlets, etc.

2. Market Penetration: This may involve increased competition for market shares within existing markets, as indicated by advertising campaigns of the major banks. It may also involve the expansion of the market itself. E.g. by encouraging home ownership, full insurance, etc.

3. Breaking into new markets by further market segmentation and targeting of specific segments, "Niche" marketing. Insurance companies, for example, may specialize in high risk forms of insurance which would be less viable for banks who also sell insurance services.

4. Introducing new products, complementary to existing products.

However, against the background of an increase in competition during the last few years, it appears that banks are moving towards a strategic marketing orientation which requires that marketing takes a more active role in the determination and development of overall coope4rate strategy.

This shift reflects a growing realization that marketing is a almost a strategic activity and that in period of rapid environmental change, organizational efficiency is not sufficient to ensure business success.

Successful organizations need to adopt a proactive stance and in this context, marketing has a key role to play in identifying the most appropriate market and services.

2.9.3 Marketing Information And Research

The strategic decision require information and analysis about:

1) The size and potential of the target market, that is, their value and growth rate.
2) Environmental factors that might affect the market.
3) The needs, wants and values of target customers and likely influences on them.

4) The current and potential share of the market obtainable by the given product/service, based on competitor activity, and the organizations, current strength and weakness with regard to developing new products.

5) The organization's current strength and weakness with regard to developing new products or services or new markets for existing products or services.

6) Opportuniti9es and threats in the market.

"Marketing research" is the term for the objectives gathering, recording and analyses of all facts about problems relating to the marketing of goods and services including situational analysis, competitive analysis, market share analysis, etc. This should be distinguished from "market research" which is the aspect of marketing research concerned with assessing potential sales, i.e. size of the overall market and the size and nature of segments within the market.

Note that marketing research does not only look outwards to existing and potential markets, the customers, the competitive environment, etc. but also inward, at the ways in which the organization responds to the demands of the market place.

Analysis of the organization's marketing system and capabilities will consider the following:

a) The market environment (particularly customers, competitors, suppliers, technology, etc.

b) Marketing strategy, Corporate and marketing objectives, strategies, resources, strengths and weaknesses.

c) Marketing plans and controls, sales forecasting, market plans, product development control procedures, marketing research.

d) The marketing mix evaluation of products, pricing policy, promotion, channels of distribution and the sales force.

e) Profitability and cost effectiveness of products and of the marketing function itself.

f) Marketing organization (management Structure, staff training and motivation, efficiency, coordination, etc).

2.9.4 Marketing Segmentation

Market segmentation is the sub-dividing of a market into distinct subset of customers where any subset may conceivably be selected as a target market to be reached within a marketing mix.

The concept of market segment is that different groups of potential customers have their own characteristics needs, and so, as special variation of a basic product or service might be the best way of winning them. A product or service might need to be sold to each different market segment in a different way, e.g. perhaps by emphasizing the low cost service, or the high interest rate for savers, or by advertising through different media, such as direct mail-slots, poster advertising, newspaper advertising, etc.

For example, the market for banking services is clearly divided between personal customers and corporate customers. Corporate customers can be segmented into small businesses, medium-sized businesses, and larger businesses; or into exporters, importers, and domestic traders. The same business can belong to several different potential market segments at the same time, and so sub-segment can take place e.g. small businesses in importing, medium-sized export business, etc. personal customers and potential customers can be segmented, too, by7 age group, income level, social class, marital status. All of these are potential savers and borrowers, but each has its characteristic needs in the market for depositing funds, savings and borrowing.

The bases for segmenting "personal" or "Customer" market might be listed briefly as follows:

i) medium-sized export business, etc. personal customers and potential customers can be segmented, too, by7 age group, income level, social class, marital status. All of these are potential savers and borrowers, but each has its characteristic needs in the market for depositing funds, savings and borrowing.

The bases for segmenting "personal" or "Customer" market might be listed briefly as follows:

1. Geographic (Region or Country, State, Town or local government area, town size, population density, etc).
2. Demographic (Age, Sex, Family life-cycle, i.e Young and Single, young and married with no children, young and married with children, retired, etc.
3. Social Class, Occupation or Income. Retail banks have generally divided their personal customers into two broad groups: "Mass market" customers, to whom a bank will sell services through the branch network and "Wealthy individual", customers, who are likely to be in the market for financial advise, tax management, personal banking, etc.
4. Life Style and personality – useful mainly for determining the style of

advertising ton be used.

5. Behavioural Characteristics of the potential customers such as:
6. Usage rate, how often they would use the products or services (occasional user, regular user, heavy user, etc).
7. User status – non-user, ex-user, potential user, first time user, regular user, etc.
8. Benefits sought from the product or service (economy, convenience, prestige, etc).
9. Readiness stage – unaware of the product or service, aware, well-informed, interested, very interested, etc.

The requirements for an effective segmentation of the4 market are:

- The size and potential value of each market segment be measurable. Share registration service, for example, might appeal to large public companies with a large number of shareholders, and banks can readily assess size of the market.
- Customers and potential customers in the market segment must be assessable.
- The market must be sufficiently substantial in size to make it worth the while of a supplier to develop a product or service; or launch an

advertising campaign, etc, for that segment. In the banking industry, market segments can be very large, e.g the "Unbanked" and the clearing banks continue to look for ways of attracting new potential customers into banking e.g. offering interest-bearing current accounts or persuading companies not to offer payments of wages in cash.

Marketing planners today must recognize the trend away from undifferentiated market strategies to segmented market strategies. Segmenting markets, as stated earlier, involves dividing the mass market, with its heterogeneous characteristics, into groups, each of which has one or more homogeneous characteristics with the ultimate objective of better defining customers' needs.

2.9.6 The Marketing Mix

Effective marketing must be based on co-ordinated mix of activities. Marketing mix as defined by kotler (1988) is "the set of controllable variables and their levels that the firm uses to influence the target market." Stanton (1981) describes the marketing mix as the term that is used to describe the combination of the four inputs that constitute the core of the industry's marketing system."

The marketing mix, as can be seen, consists of tools and techniques which the market uses to achieve a defined marketing objective as economically as possible.

Meidan (1983) sees the marketing mix as a term used to describe a blending of decision on services/ product, place, promotion and price, also called the 4Ps of marketing. It must also be remembered that any decision(s) on each element of the marketing affects others, e/g/ a decision on price affects decision on promotion. Thus, these decisions must be evaluated continually if the total marketing programe is to succeed.

The development of an appropriate marketing mix implies the recognition of a target market. Target market implies segmentation of the market. Once market segmentation of the market. Once market segmentation has been carried out, the bank should ideally decide on its broad strategy in terms of undifferentiated, concentrated or differentiated marketing approaches. Although these approaches have been highly developed in the product field, in banking, the general approach appears to be through differentiated marketing, where the organization is operating in a number of segments of the market, each with its appropriate marketing mix, product, price, place and promotion representing the four main elements of the marketing mix.

a) **Product Or Service**

In marketing, the term "product" refers both tangible products and services. Product planning consists of making decisions pertaining to the product or services to be offered to customers.

Banks in Nigeria are basically in the business of buying money (deposits) from customers and selling out such money by way of loans and overdrafts (advances) for a profit. Thus, the task of a product design and packaging calls for putting together a package of banking services and presenting it in such a way that it catches the interest of the customers.

b) **Place**

Place has been and will continue to be a primary element in competition in the banking industry. Place has two important sides to it – the typOical physical channel, i.e. personal offering services at the service points and the location of branches. Most banks have more than one outlet branch of service, i.e. a large network of service points through the establishment of branches to reach the vast market of the country.

The personnel channel of distribution posses problems of a different nature to the banks. It is said that "Goods are sold, but services are performed." The

difference between banks lies mainly in how services are rendered. In the performance of a service, personal competence and efficiency constitute critical inputs.

c) **Promotion**

This is one of the four major elements of the marketing mix and it is the firm's attempt to Stimulate sales by directing persuasive communication to buyers.

Management's' task is, however, not easy since the promotional programme must be built around intangible banking benefits. To overcome these problems, a promotional programme in a service oriented organization like a bank should have three major goals:

- to portray the service benefits in a pleasant and appealing manner;
- to differentiate its offerings from those of competitors; and
- to build a good corporate image and reputation.

The fact that the bank is marketing intangibles makes the need to build a sound reputation. A critical corporate objective. The instruments of promotion commonly referred to as the promotional mix are: Advertising, personal selling,

sales promotion and publicity.

The array of promotional tools used by most Nigerian commercial banks to achieve their objectives of persuasive communication include: space advertising, television advertising, speeches (lecture), publications (journal), trade exhibitions, corporate publicity through the media, and corporate identification programmes e.g. sponsoring conferences, sports contests, television programmes, etc.

d) **Price/Interest**

The price of the banking service is the interest that a bank pays and receives on deposits and advances. Until recently, the price of financial services, especially interest, was centrally regulated by the monetary authorities. This fact was aptly stated by Okongwu (1987), "the monetary authorities usually fix the rates living little or no latitude for competition among banks on the basis of interest rates."

This meant that in effect the banking industry was essentially competitive, competition if any, was non-price. However, since the deregulation of interest rate, price competition has started to feature in the Nigerian commercial banks' scene, e.g. floating interest rates on deposits recently introduced; and more intensively on the price elements.

From the foregoing analysis of the elements of the marketing mix, it can be seen that there is the need for banks to always have the customers in mind in rendering their services and their decisions relating to the 4Ps of marketing; the product, price, place and promotion.

Prices have to be fixed at levels which take into account cost provision, competitors' charges, perceived "added value" for the customer, the strategic importance of the service regardless of profitability, for example, public relations etc. In addition to the 4Ps, factors in the overall marketing mix are now recognized to include: a fifth P – Personnel. Nowadays, in the stiff competitive environment, banks expect their staff to take on a proactive selling or customer service role. This requires retraining, and in many cases a profound cultural change in the bank as a whole, as people adjust to new roles.

A complete analysis of market requires examination of business conditions and development, the general economy, demographic and geographic constraints and cultural patterns. Once the market analysis has been completed, the elements of marketing mix may be combined in order to reach the market.

2.10 BANKER AND CUSTOMER RELATIONSHIP

Bankers had long ago recognized that there exist a relationship between them and their customers. According to Sherdon (1976), Gerald and Doyle (1982), Olalusi (1985), Adekanye (1984) and Afolabi (1990), Bankers perceive the relationship between them and their customers from a micro perspective. For instance, the relationship is seen only from the legal perspective.

The legal relationship between the banker and the customer is governed by laws of contract, laws of agency, bailee-bailer relationship and the various rules of banking evolved many decades past. The relationship between the banker and the customer is sometimes described as debtor-creditor relationship where the banker is indebted to the customer who is having credit balance. The relationship is reversed when the customer is granted a loan or overdraft.

In a celebrated case of a banker-customer relationship, Foley Vs Hill (1845), Lord Cottenlam contended that

> Money, when paid into a bank, ceases altogether to be the money of the principal, it is then the money of the banker who is bound to return an equivalent by paying a similar sum to that deposited ... That being established to be the relative situations of banker and customer, the banker

is not an agent or factor, but he is a debtor.

The above view of the relationship is a mechanistic one specifying the rights and duties of both parties. The Agency aspect of the relationship portrays the banker as merely representing the customer in disbursing customer's funds on the latter's written order.

In the past, this traditional concept of the banker and customer relationship created a wide gap between the banks and its customers. "The oligopolistic feature of the industry, the lack of competition due to regulations of entry into the industry and the reluctance of the bankers to adapt to change created a sellers market where the customer was secondary in marketing planning.

Olalusi (1985), suggests the amplification of the concept of banker and customer to include an understanding of the customers' behaviour and the customers' saving pattern within the broad framework of human relations. Most banks have taken a queue from this suggestion by ensuring that graduates well grounded in banking and human relations are positioned at points of contact with customers and would be customers.

Afolabi (1990), refers to Olalusi's suggestions as a tip of the iceberg. Bankers, according to him, should understand the psychology of banks customers' decision making process for effective marketing. There should be an interdisciplinary approach to understanding factors which motivate the individual directly in obtaining and using economic goods and services including the decision process that proceeds and determines the act.

Many critics and customers are firm in their convictions that the business association with bankers euphemistically referred to as a relationship is promoted by a financial lust and not customers' trust. Nothing should prevent the banker from understanding the inner working of the customers and at the appropriate time give attractive offer. The relationship should not be allowed to wane but be groomed to a point of loyalty based on mutual needs

CHAPTER THREE

METHODOLOGY

3.1 INTRODUCTION

The preoccupation of this research work is to investigate into the quality service in the banking sector:

A case Study of Savannah bank Nigeria Limited. The study was aimed at finding out:

whether Savannah Bank Nigeria Limited adopts the marketing of quality service to their customers;

the nature and procedures adopted in the marketing of quality services by the bank has any impact on the customers' patronage to the bank;

the extent to which effective marketing of quality services has affected customers' patronage to the banking services.

For the above reason, necessary data was collected through questionnaires. Personal/oral interviews were also carried out as a supplementary source. Secondary data were also used requiring the review of available and relevant literatures including textbooks, journals, manuals, magazines, etc. This chapter,

therefore, highlights the methods and procedures used in carrying out the research.

3.2 THE RESEARCH DESIGN

Generally, the research design is intended to specify the methods and procedures for acquiring the information needed to structure the project work and also states the sources of such information. There are three broad classes of designs. These are exploratory, descriptive and experimental.

However, for the purpose of this write up, the research design will be limited only to the exploratory and descriptive methods of research.

3.3 THE RESEARCH POPULATION

The Study examines the quality service in the banking industry with special interest in Savannah Bank Nigeria Limited. The population of the study will cover all the management staff of the bank as well as their customers.

3.4 THE SAMPLING

Considering the largeness of the population involved in this study, the researcher had selected a sample from the population upon which the study was

conducted and generalizations made based on the assumption that the sample is a representation of the whole population.

To facilitate easy administration and collection of questionnaires, all the departments in the bank were used. The questionnaires were administered non a simple randomly selected members of each departments. Based on this procedure, a total of 85 respondents were used for the study.

3.5 DESCRIPTION OF INSTRUMENTS USED

In order to facilitate this research work, data was collected through primary and secondary sources. Data from the questionnaires formed the primary data while secondary data were drawn from textbooks, journals, magazines, banking manuals, and other related literatures. The questionnaires were framed on the basis of the research questions.

The major set of the questionnaires were for the employees and the bank management. A total of 100 questionnaires were designed for response and administered, out of which 85 were retrieved. Both open and close-ended questionnaires were designed to facilitate easy responses and allow for free expression on the respondents.

The researcher also used a non-structured form of interview as an additional instrument for collecting data. The major purpose of this instrument was to have personal touch with the top management staff to investigate more into the role of management in the provision of quality services to their customers. A free discussion was also held with some of the customers of the bank. The respondents were allowed to express their opinion freely without any hindrance. As the discussions were going on, the responses were being recorded by the Researcher.

3.6 STATISTICAL ANALYSIS USSED

The simple variable analysis was used in analysing the data collected from the primary source. This method of data analysis was used to allow for a descriptive explanation of data collected in relation ton the study.

Also, to analyse the data, percentages methods was adopted through the circulation of frequency distribution of subject's opinion on the issue raised. These were presented in contingency tables.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1 INTRODUCTION

This chapter is concerned with the analysis and results of the data collected. The items on the questionnaire were treated to analysis on percentages as shown in the frequency distribution table. Attention is focused on the QUALITY SERVICE IN THE BANKING INDUSTRY with particular reference to SAVANNAH BANK NIGERIA LIMITED.

The Results of the data analysis for the management and staff have been given adequate attention and clearly shown to give a picture of the situation before arriving at a conclusion.

4.2 ANALYSIS OF DATA

In accepting or rejecting the research hypothesis, a critical look was taken on the responses of the respondents to questionnaire questions as follows:

4.3 QUESTIONNAIRE QUESTION TWO

TABLE 4.1 GENDER OF RESPONDENTS

SEX	NO. OF RESPONDENT	PERCENTAGE
MALE	60	70.6%
FEMALE	25	29.4%
TOTAL	85	100%

SOURCE: QUESTIONNAIRE

Out of 100 questionnaires distributed, 85 were retrieved. Of this number 60 were males representing 70.6% of the total respondents while 25 were females, representing 29.4% of the respondents.

4.5 QUESTIONNAIRE QUESTION FOUR

TABLE 4.3 IF YOUR ANSWER TO QUESTION THREE ABOVE IS "YES", HOW DO YOU ASSESS THE PERFORMANCE OF YOUR MARKETING DEPARTMENT?

RESPONSE	NO. OF RESPONDENT	PERCENTAGE
Very Effective	40	47%
Effective	30	35.3%
Very Ineffective	5	5.9%
Ineffective	10	11.8%
TOTAL	85	100%

SOURCE: QUESTIONNAIRE

From the above schedule, 40 respondents rated the marketing department of the bank as "very effective", 30 respondents rated it as "effective". These figures represent 47% and 35% of the respondent, making a total of 82.3% of those who confirmed that their marketing department is effective. However, only 5 respondents rated it as "very ineffective" representing 5.9% and 10 respondents rated it as "ineffective", representing 11.8% of total respondents.

4.6 QUESTIONNAIRE QUESTION FIVE

TABLE 4.4 GENERALLY, MARKETING IS NOT NECESSARY AT ALL IN THE BANKING SECTOR SINCE THEY ARE RENDERING SERVICES ONLY

RESPONSE	NO. OF RESPONDENT	PERCENTAGE
Very Effective	40	47%
Effective	30	35.3%
Very Ineffective	5	5.9%
Ineffective	10	11.8%
TOTAL	85	100%

SOURCE: QUESTIONNAIRE

From the above schedule, 40 respondents rated the marketing department of the bank as "very effective", 30 respondents rated it as "effective". These figures represent 47% and 35% of the respondent, making a total of 82.3% of those who confirmed that their marketing department is effective. However, only 5 respondents rated it as "very ineffective" representing 5.9% and 10 respondents rated it as "ineffective", representing 11.8% of total respondents.

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4.6 QUESTIONNAIRE QUESTION SIX

TABLE 4.4 GENERALLY, MARKETING IS NOT NECESSARY AT ALL IN THE BANKING SECTOR SINCE THEY ARE RENDERING SERVICES ONLY

RESPONSE	NO. OF RESPONDENT	PERCENTAGE
Strongly Agreed	-	-
Agreed	10	11.8%
Strongly Disagreed	60	70.6%
Disagreed	15	17.6%
TOTAL	85	100%

SOURCE: QUESTIONNAIRE

The above table indicates that None of the respondents "Strongly Agreed" while 10 respondents "Agreed" that marketing is not necessary at all in the banking sector, representing a total of 11.8% of the respondents "Disagreed" making 70.6% and 17.6% of the total respondents, respectively. This reveals that marketing is necessary for rendering quality service by the bank to its customers.

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4.7 QUESTIONNAIRE QUESTION SIX

TABLE 4.5 THE RENDERING OF QUALITY SERVICES TO THE CUSTOMERS DOES NOT HAVE ANY IMPACT ON THEIR PATRONAGE TO THE BANKING SERVICES

RESPONSE	NO. OF RESPONDENT	PERCENTAGE
Strongly Agreed	5	5.90%
Agreed	0	-
Strongly Disagreed	50	58.82%
Disagreed	30	35.29%
TOTAL	85	100%

SOURCE: QUESTIONNAIRE

Out of a total of 85 respondents, 5 "Strongly Agreed" that rendering of quality services to the customers does not have any impact on their patronage to the banking services. None "Agreed" with the assertion. This represent a total of 5.9% of the total respondents the "Agreed". 50 respondents "Strongly Disagreed" while 30 "Disagreed" that marketing is necessary for rendering quality service by the bank to its customers.

4.8 QUESTIONNAIRE QUESTION SEVEN

TABLE 4.6 A GOOD QUALITY OF CUSTOMERS SERVICES DEPENDS ON EFFECTIVE MARKETING

RESPONSE	NO. OF RESPONDENT	PERCENTAGE
Strongly Agreed	45	52.9%
Agreed	25	29.4%
Strongly Disagreed	10	11.8%
Disagreed	5	5.9%
TOTAL	85	100%

SOURCE: QUESTIONNAIRE

From the above table, it is confirmed that a good quality customer service depends upon effective marketing. This is as attested to by the respondents. Out of 85 respondents, q 5o5ql or 70 agreed with the statement made up of 45 who "Strongly Agreed" and 25 who "Agreed". This represents a total of 82.3% of the total respondents. However, a total of 15 respondents disagreed with the statement representing a total of 17.7% of the respondent. This confirmed that marketing enhances quality services.

4.9 QUESTIONNAIRE QUESTION EIGHT

TABLE 4.7 WHAT IS YOUR CANDID OPINION AND ASSESSMENT OF THE QUALITY OF CUSTOMER SERVICES OFFERED BY YOUR BANK IN TERMS OF ATTITUDE TOWARDS CUSTOMERS, RECEPTIVENE, ACCOMMODATION AND ACCESSIBILITY?

RESPONSE	NO. OF RESPONDENT	PERCENTAGE
Highly Satisfactory	30	38.3%
Satisfactory	35	41.2%
Highly Unsatisfatory	8	9.4%
Unsatisfactory	12	14.1%
TOTAL	85	100%

SOURCE: QUESTIONNAIRE

The above table shows an assessment of the quality of customers services rendered by the bank in terms of attitude, receptiveness, accommodation and accessibility. Out of 85 respondents, 30 were "Highly Satisfied", 35 "Satisfied", 12 "Unsatisfied" and only 8 "Highly Unsatisfied" with the quality7 of services.

These figures represent 35.3%, 41.2%, 14.1% and 9.4% of the total respondents, respectively.

4.10 QUESTIONNAIRE QUESTION NINE

TABLE 4.8 HOW WOULD YOU RATE YOUR BANING ENVIRONMENT?

RESPONSE	NO. OF RESPONDENT	PERCENTAGE
Very Tidy and Attractive	45	52.94%
Tidy and Attractive	40	47.06%
Very Untidy and Unattractive	-	-
Untidy and Unattractive	-	-
TOTAL	85	100%

SOURCE: QUESTIONNAIRE

The information given on table 4.8 above reflects the assessment of the banking environment by the respondents. Out of 85 of them, 45 attested that the banking environment was "Very Tidy and Attractive" while 40 attested that the environment was "Tidy and Attractive". These represent 52.94% and 47.06% of the total respondents. None, however, attested to the negative.

4.11 QUESTIONNAIRE QUESTION TEN

TABLE 4.9 LOW IJNTEREST RATE AND HIGH QUALITY SERVICES WILL ENHANCE CUSTOMERS PATRONAGE TO THE BANKING SERVICES.

RESPONSE	NO. OF RESPONDENT	PERCENTAGE
Strongly Agreed	30	35.3%
Agreed	55	64.7%
Strongly Disagreed	-	-
Disagreed	-	-
TOTAL	85	100%

SOURCE: QUESTIONNAIRE

From the above table, it is confirmed that low interest rate and high quality customer services will enhance customers patronage to the banking services. This is attested to by the respondents. Out of a total of 85, 30 "Strongly Agreed" while 55 "Agreed" with the statement, representing 35.3% and 64.7% of the total respondents.

4.12 QUESTIONNAIRE QUESTION ELEVEN

TABLE 4.10 HOW DOES YOUR BANK PROMOTE ITS SERVICES TO THE CUSTOMERS?

RESPONSE	NO. OF RESPONDENT	PERCENTAGE
Through Advertising	15	17.6%
Through Personal Services	10	11.8%
Through Sales Promotion	10	11.8%
All of the Above	50	58.8%
TOTAL	85	100%

SOURCE: QUESTIONNAIRE

From the above table, out of a total number of 85 respondents, 15 affirmed that the bank promotes its services to the customers "Through advertising, representing 17,6%. 10 agreed with the use of personal service while 10 also agreed with the use of sales promotion. These figures represented 11.8% and 11.8% of the total respondents, respectively. However, 50 of the respondents, representing 58.8% of the total respondents confirmed all of advertising, Personal Services and Sale promotion.

4.13 QUESTIONNAIRE QUESTION TWELVE

TABLE 4.11 DOES YOUR BANK HAVE COMPETITORS IN THEIR LINE OF BUSINESS?

SEX	NO. OF RESPONDENT	PERCENTAGE
YES	85	100%
NO	-	-
TOTAL	85	100%

SOURCE: QUESTIONNAIRE

The responses of the respondents, from the above table, affirmed that Savannah Bank Nigeria Limited has competitors in their line of business. This is as attested to by 85 respondents out of 85, representing 100% of the total respondents.

4.14 QUESTIONNAIRE QUESTION THIRTEEN

TABLE 4.12 IF YOUR ANSWER TO QUESTION TWELVE ABOVE IS "YES", WHAT ARE YOUR STRATEGIES FOR SURVIVAL?

RESPONSE	NO. OF RESPONDENT	PERCENTAGE
Low Interest Rate	20	23.53%
Quality Customer Services	40	47.06
Effective Promotion	10	11.8%
Credit Promotion	15	17.6%
TOTAL	85	100%

SOURCE: QUESTIONNAIRE

Table 4.12 above indicates the various strategies used by the bank for survival in the face of competition. From the table, out of 85 respondents, 20 indicated "Low Interest Rate", 40, "Quality Customer Services", 10 "Effective Promotion" while 15 affirmed to "Credit Promotion". These figures represented 25.53%, 47.06%, 11.8% and 17.6%, of the total respondents, respectively.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 INTRODUCTION

The basic aim of this write up was to investigate into the quality service in the banking industry with particular reference to Savannah Bank Nigeria Limited.

The Study covered both the management staff as well as the customers of the bank. Out of this, the population and sample were identified and unanimous questionnaires were the instruments used for data collection. In all, a total population of 220 were designated out of which 100 respondents were selected through random sampling for use, comprising 60 males and 40 females.

A total of 13 research questions were used for the study while a total of 100 questionnaires were administered. Of this number 85 questionnaires were retrieved representing 85% of the respondents.

Data derived from the exercise were also analysed based on frequency distribution of the respondents' opinions. This was shown in contingency tables and ranked in percentages as shown in the tables in chapter 4 of this research work.

As a supplement to questionnaires, personal interviews were also used to illicit some additional information not covered in the questionnaires. Related literatures were also reviewed extensively covering such areas as the concept of quality, the marketing of services in Nigeria, a review of the banking industry in Nigeria, indigenous commercial banking in Nigeria, banks as financial intermediaries, marketing in banking, quality and marketing of banking services in Nigeria, the importance of marketing concepts in the banking industry, and the banker and customer relationship.

This chapter, therefore, gives a summary of the of the study, and based on the research findings, conclusions were drawn and recommendations given.

5.2 SUMMARY

The research project attempted to emphasize the fundamental essence of quality banking services in the present banking in Nigeria with particular reference to Nigerian situation. Savannah Bank Nigeria Limited was adopted as a case study with the aim of trying to find out how marketing activities are applied by the bank. The study findings clearly indicate that banks in Nigeria now offer a wide range of traditional banking services one expects to find in any of the commercial banks and some personalized or non-traditional services hand in hand with an equally broad

range of marketing activities and services. Whether or not these services fully satisfy the needs and wants of the customers is outside the scope of this study.

From the data collected in the course of this study, it has been found out that Savannah Bank Nigeria Limited appreciates the importance of marketing. The marketing functions are performed by almost all the departments of the bank such as corporate banking, public relations, operations, etc.

The researcher observed that marketing is fully understood by majority of the respondents, and the bank applies it in providing all their services. It was also discovered that customers were normally consulted in arriving at some decisions that affect them. The bank adopts most of these suggestions if they were found favourable.

In chapter one of this study, the research topic was introduced giving an insight into the nature of the study, the statement of the problem, what the study aimed at achieving, the various means and ways adopted at achieving a thorough and objective research study and the highlight of some of the study. The whole write up in the chapter was aimed at providing the reader with an insight into what he expects to find in this project.

Chapter two was concerned with the review of related literatures. It contained the previous work of some authors and scholars in the field of marketing, especially of banking services.

In chapter three, the methodology of the study was stated. This covered such areas as the research of the study was stated. This covered such areas as the research design, the population, sampling and sampling techniques, and the methods used in analysing the data. It also covered as well the corporate profile of Savannah Bank Nigeria Limited.

Chapter four basically was concerned with the presentation and analysis of data. Data collected were presented in a tabular form and the analyses given in percentages.

Finally, chapter five attempted to give a summary and conclusion of the study. Based on the research findings, the study attempted to give some recommendations.

5.2 CONCLUSION

From the research findings, it is evident that marketing principles, tools and techniques are quite applicable and are being applied in the banking industry like in

any other business that deals with tangible products. It has been established that the principles of marketing manufactured products are the same for marketing banking services with the only slight difference being in the application.

Thus, considering, the restructuring of process of the Nigerian economy, the banking system, and the ever-increasing customers' expectation and demand for quicker and better services from the banker, it is becoming very necessary, therefore, for banks to play more active roles in the bid to enhance rapid growth and development of the economy. Any financial system that wishes to sustain itself in the present state of our development, characterised by low prices of goods and services and down turn of the economy, must strictly adhere to adopting competitive strategies, quality services and more aggressive marketing efforts.

The banking system also serves as a vital intermediary in a market oriented economy and commonly occupies a high profile in developing the economy like Nigeria. The importance of vital banking system now more than ever before cannot be overemphasized. The range of services provided and the level of sophistication of consumer requirements is a dynamic one such that the adoption of modern banking through marketing becomes important for today's banking.

5.4 RECOMMENDATIONS

Based on the research findings, the following recommendations are made:

The marketing department of the Savannah Bank Nigeria Limited should be Strengthened and expanded to provide more quality services to their customers. The department should be broken into units with separate functions such as identifying opportunities for marketing new services and the outlets through which the bank services will be offered to the customers. The unit should include the Research Section, Service Development Section, Representation Section, etc.

Other units shall have the responsibility of maintaining the vital link between the staff marketing activities and line management and may comprise of Market Section, and Marketing Training Section.

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APPENDIX A

DEPARTMENT OF BUSINESS ADMINNISTRATION
FACULTY OF ADMINISTRATION
AHMADU BELLO UNIVERSITY
ZARIA – NIGERIA

July, 20, 2000

Dear Respondents,

A LETTER OF INTRODUCTION

I am conducting a research into the Quality Services in the Banking Industry with particular reference to the Savannah Bank Nigeria Limited. This questionnaire is, therefore, designed in order to illicit information from you for the purpose of the study.

In view of the above, it would be very highly appreciated if you would complete the attached questionnaires as appropriate. I guarantee that all information supplied will be treated with the strictest confidence and used only for the academic purpose for which it is intended.

It may, however, not be necessary that you disclose your name to the researcher if you so wish to remain anonymous. Thanking you for your anticipated cooperation and valuable contribution towards the success of this research

Yours faithfully

(Signed)

APPENDIX B. QUESTIONNAIRE

Please kindly read through the following statements carefully and as sincerely as possible complete the blank spaces by putting a tick ( ) on the spaces provided as the case may be.

1. Name: .....

2. Sex:

   a) Male ( )
   b) Female ( )

3. Does you bank have a Marketing Department?

   a) Yes ( )
   b) No ( )

4. If your answer to question three above is "Yes", how do you assess the performance of your Marketing Department?

   a) Very Effective ( )
   b) Effective ( )
   c) Very Ineffective ( )
   d) Ineffective ( )

5. Generally, marketing is not necessary at all in the banking industry since they are only rendering services.

   a) Strongly Agreed ( )
   b) Agreed ( )
   c) Strongly Disagreed ( )
   d) Disagreed ( )

6. The rendering of Quality Services to the Customers does not have any impact on their patronage to the banking services.

a) Strongly Agreed ( )
b) Agreed ( )
c) Strongly Disagreed ( )
d) Disagreed ( )

7. A good Quality of the Customers Services depend on effective marketing.

a) Strongly Agreed ( )
b) Agreed ( )
c) Strongly Disagreed ( )
d) Disagreed ( )

8. What is your candid assessment of the quality of customer services officvered by your bank in terms of attitude towards.

a) Highly Satisfactory ( )
b) Satisfactory ( )
c) Highly Unsatisfactory ( )
d) Unsatisfactory ( )

9. How would you rate your banking environment?

a) Very Tidy and Attractive ( )
b) Tidy and Attractive ( )
c) Very Untidy and Unattractive ( )
d) Untidy and Unattractive ( )

10. Low Interst Rate and High Quality Services will enhanve customers patronage to banking services.

a) Strongly Agreed ( )
b) Agreed ( )
c) Strongly Disagreed ( )
d) Disagreed ( )

11. How does your bank promote its services to the customers?

a) Through Advertising ( )
b) Through Personal Services ( )
c) Through Sales Promotion ( )
d) All of the above ( )

12. Does your bank have competitors in their line of business?

a) Yes ( )
b) No ( )

13. If your answer to Question 12 above is "Yes", what are your strategies for survival?

a) Credit Promotion ( )
b) Low Interest Rate ( )
c) Quality Customer Services ( )
d) Effective Promotion ( )

QUALITY SERVICE IN THE BANKING INDUSTRY: A CASE STUDY OF SAVANNAH BANK NIGERIA LIMITED

BY

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A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTERS DEGREE IN BUSINESS ADMINISTRATION (MBA) TO THE POSTGRADUATE SCHOOL

DEPARTMENT OF BUSINESS ADMINISTRATION,
FACULTY OF ADMINISTRATION,
AHMADU BELLO UNIVERSITY,
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JULY, 1997

ABSTRACT

This research project is primarily concerned with the analysis of Quality Service in the Banking Industry with respect to Savannah Bank Nigeria Limited. The major objective of the study was to examine thoroughly and determine whether Savannah Bank Nigeria Limited actually offers quality services to their customers and to determine as well the position of marketing as an instrument required to enhance quality services in the bank.

In order to Facilitate the research work, data were collected from both primary and secondary sources. Data from questionnaires form the primary sources of this study while data from the review of related literature formed sources of the secondary data. In addition, personal interviews and general observation also formed part of the study and sources of information.

The project work was carried out in five chapters. Chapter one centred on the introductory aspect of the project covering such areas as the background information on the study, statement of the proOblem, objective of study, significance of the story, hypothesis of the study, the delimitation and limitation of study and the methodology of study.

Chapter two centred mainly on the review of related literature which covered such areas as the concept of quality, the marketing of services in Nigeria, a review of banking industry in Nigeria, indigenous commercial banking in Nigeria, Banks as financial intermediaries, Marketing in Banking, Quality Marketing of banking services in Nigeria, the importance of marketing concept in the banking industry and the banker and customer relationship.

Chapter three covered the methodology of the study while in chapter four, data were presented and analyzed in tabular form using percentages. Finally in chapter five, a summary of the study was given and conclusions made. Based on findings, recommendations were given.